Canadian Heritage Patrimoine canadien

Canadian Heritage
Partnering Framework

A Corporate Sponsorship Toolbox

Canada

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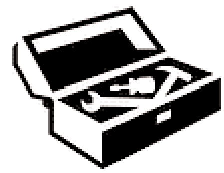
Introduction

The Corporate Sponsorship Tool Box is a collection of tips or best practises for improving sponsorship activity in Canadian Heritage. It provides advice on various aspects of sponsorship, ranging from Valuation and Exclusivity to Choosing the Right Financial Instrument and Using Consultants. This Tool Box is a practical extension of the Canadian Heritage *Partnering Framework (2002)*, which provides broad policy direction on partnering.



Corporate sponsorship is a business relationship in which two entities exchange things of value, including a public display of support. This value can be financial, in-kind, or benefits related to visibility/exposure, publicity or market reach. It should not be confused with donations (philanthropy), with advertising, or with innovative approaches to purchasing goods and services.

Corporate sponsorship is well entrenched as a tactic for federal government programs to increase their financial resources, to secure in-kind assistance, and to overcome legal and jurisdictional impediments, in exchange for providing corporate sponsors with various kinds of benefits. In some cases, sponsorship meets an essential requirement; in others, it enhances an activity.

Corporate Canada is increasing its use of sponsorship, but only a minority of firms engage in sponsorship, and sports activities are much more attractive to sponsors than other areas such as the arts and social causes.

Corporate sponsorship is an extremely competitive domain. Companies are overwhelmed with proposals. They must be approached with strong business cases and in a professional manner. If they are satisfied, they are willing to engage in a long-term relationship, which spreads the initial cost of establishing a sponsorship over a larger return of benefits.

Conversely, if sponsorship is not pursued properly, opportunities are missed, deals are broken, and potential long-term relationships end quickly.

There are also several ways to share responsibility between a program and sponsorship experts (either internal to the department or contracted); however, there are risks involved too, and programs must be vigilant to retain effective accountability for their side of sponsorship — no matter how well a consultant assists the process, the sponsorship relationship belongs to the parties involved.

A government program with a successful corporate sponsorship relationship is not very different from any other well-run program. It too needs to have:

- strong objectives, strategies and plans;
- the right human skills and other resources;
- good communications and monitoring; and
- consistent senior level support.

Linking corporate sponsorship to a government program adds several requirements, for:

- understanding the needs and culture of the corporate world;
- increased creativity, flexibility and trust; and
- a dash of marketing savvy.

Suggestions of a practical nature for various aspects of planning and conducting sponsorship are offered in an accompanying “toolbox” of tools and methods. This should be a “living document,” collecting best practices from the federal government and other sectors.

The practical tools cannot do their job in a policy vacuum. The best, sharpest tools in the world are no help to those who don't know what they are building and have no plan.

Successful sponsorship has to start with understanding one's own policies, programs and culture, and the objectives and culture of potential sponsors. This is the basis for setting out a sponsorship plan. After that, the tools can be of use.

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Logical Process

> ***A sponsorship is integrated if its potential broader impacts are examined (e.g. in programming, personnel exchanges, etc.). Without senior management buy-in, policy frameworks and authorities, the department can only have tactical one-offs, and it isn't worth the effort.***

Like any other goal-oriented activity, there is a rational or logical process that underlies successful pursuit of sponsorship relationships. The six steps proposed here are similar to others in the literature.

Often one cannot be logical; things just happen. But there is a price to pay for haphazard behaviour. Starting at the beginning allows an organization to treat sponsorship and partnership strategically in a long-term and integrated manner, after thorough planning. Starting later in the sequence — for example, when an "edict" comes down that has the nature of the collaboration identified and the sponsor already chosen — makes it much more difficult to have a satisfactory strategic relationship.

1. Set Partnering Objectives, Parameters and Guidelines

- Begin with decisions on the strategic direction of your policies and programs, and how they relate to their various stakeholders.
- In light of the strategic direction, and departmental culture and values, set broad parameters for collaboration with stakeholders, and general guidelines for relationships with sponsors and partners.
- Ensure that the parameters and guidelines are realistic in terms of the interests, capacities and practices of corporate sponsors and other stakeholders.

2. Identify Partnering Opportunities and Exchange Values

- What "properties" can the department put into play for sponsorship?
- What kinds of value do they represent to corporate sponsors (based on the sponsors' needs) and how high is the value?
- What kinds of values can corporations offer to the program, and how high are they?
- Use these answers as the basis for selecting partners and negotiating relationships.
- Include these answers in the guidelines to ensure consistency across the department.

3. Seek and Select Partners

- Target particular companies after working out some criteria for a good match and after researching various companies' characteristics.

4. Develop and Negotiate Agreements

- Ensure that negotiation with a willing sponsor covers the needs of the sponsor and the property; the opportunities or benefits offered by each; and the agreed values of what will be exchanged.

- Place all of this in the context of the property's business plan, showing the long-term objectives to which the sponsorship should contribute and the measurable goals it should meet.

- Make agreements clear and broad, so that a relationship can evolve without writing new agreements.

5. Manage the Relationship

- Realize that sponsorship makes managing a program or activity more complicated, because more than one entity (and accountability structure) is involved.

- Strive for healthy management through clarity, concreteness, respect, trust and communication.

6. Monitor Progress and Measure Success

- Begin with concrete expectations set out in clear, measurable terms.

- Monitor the delivery of promised results and the quality of the relationship to permit mid-course improvements, so that all parties are fully satisfied.

- Evaluate to decide whether the relationship should be prolonged.

Strategic Fit

Have your strategic act together before you go out. Don't expect a sponsorship specialist or consultant to decide your long-term program strategies for you!

Government programs have objectives and so do companies. The starting point for considering corporate sponsorship and partnership is the strategic outlook of the department or program that wants outside collaborators. What are its objectives? For example, what are the department's or the program's priorities according to their most recent business plan? What broader objectives — for instance, in the Speech from the Throne — should the program be considering?

Then, given the objectives and other factors, which processes does the program want to carry out entirely by itself, and which could be shared with or supplied by a corporate sponsor? The proper fit will be with a company that has compatible objectives and corporate culture — such that the two entities can proudly display their association with each other — and can supply the revenue or goods/services required by the program's “property.”

A property's specific sponsorship goals could typically include the following:

- to expand its own knowledge through co-operative research;
- to develop products in collaboration with those who have complementary skills and facilities;
- to market products in collaboration with others with complementary marketing goals;
- to save resources by linking services;
- to secure financial or in-kind resources for existing programming;
- to secure resources for new programming;
- to diversify or supplement programming;
- to increase awareness:
    - to improve its image by association with another well-regarded entity;
    - to inform and influence new audiences through co-operative advertising;
    - to extend its constituency; and
- to broaden involvement in public programming.

Valuation

> ***We offer credibility and integrity, the public trust us. Any product or company associated with us automatically gains a tacit seal of approval. Yet some companies still ask us for explicit product endorsement. We have to explain to them that, if we did that, the public would no longer trust us, and then the benefit — our credibility, our tacit seal of approval — would no longer exist.***

Successful practitioners emphasize the importance of "really knowing what you have and its value."

Corporate sponsorship is a business relationship; unlike philanthropy and paying taxes, it is motivated by an expectation of a specific exchange. That is, the sponsor exchanges financial or other assistance for a particular business advantage (something that taxpayers in general have no use for). Corporate sponsors seek several typical forms of advantage:

- promoting an image to a specific audience;
- developing product awareness in a specific audience and at different levels such as "top of mind" versus "in-depth;[1]"
- business-to-business opportunities;
- competition blocking;
- employee involvement and motivation;[2]
- learning (joint research, familiarization);
- product testing;
- development and sale of unique products;
- use of unique facilities (e.g. shooting ads in national parks or historic sites); and
- contact with federal government officials or politicians.

The federal government program needs to know the needs of corporations and what they are willing to offer to get what they need. Broadly speaking, this can be worked out in the performance-measurement terminology of reach, results and resources.

Reach

- How many people can be exposed to or involved with the activity in question?
- Who are they in terms of social, economic and demographic characteristics?

Results

- What is the nature of the exposure or involvement?
- What impact could it have on their attitudes or behaviour?

Resources

- What is a legitimate price for achieving that impact with those people?
- How much would it cost to achieve the impact by some other means than the suggested sponsorship relationship?

Valuation is not easy, especially for officers who are new to an area, and in fields that have not yet seen a lot of sponsorship. It is easier in fields that have a lot of activity, like tourism advertising, where a “marketplace” exists in which values have found their level. The more often a program engages in sponsorship, the more confident it will become in setting prices on its benefits and agreeing to sponsors' offers.

Marketing consultants can help with valuation of properties. But even they can be off the mark, particularly in areas that have not yet seen a lot of sponsorship or commercialization. What if the program thinks intuitively that the consultant has undervalued the property? Two safeguards are to ask for valuation suggestions from more than one consultant, and to brief consultants thoroughly on the features of the property to be sponsored.

Exchange value is not an absolute. Although what I offer you is surplus to my needs, its value is not zero; the value is its value to you, expressed in your willingness to offer part of your surplus, which I need, in return.

Low valuation is poor stewardship of public property. Moreover, it sets a precedent; programs that give things away end up with nothing to sell.

Corporations remember, and they talk to each other. It's hard to start charging for something that was free or to raise the price after starting low.

Exchange values can be less problematic in partnership than in sponsorship, because the two relationships are based on **different attitudes. While sponsorship is based on mutual benefit and exchanging,** partners aim to **join together as complementary constituents.** Setting value is crucial in the context of, "You want what I have; I want what you have; is the deal fair to each of us?" but can be more relaxed when the outlook is, "We'll both have what we want, if we create this thing together."

It helps to have several sponsorship opportunities to offer — different types and levels (multi-tiered approach) in one program, or across several programs or events. Then companies with various "budgets" for sponsorship can be accommodated. Also, if several members of the same industry want to be involved, but on an exclusive basis, there are different properties that each can sponsor.

Exclusivity

There are two types of exclusivity.

One is billing exclusivity, where a "title sponsor" is the only corporate sponsor for a property.

The other is industry exclusivity, where only one firm from a given industry sector sponsors a property, but other industry sectors can also be involved in the property.

A firm seeking industry exclusivity may also expect the right:

- to veto firms from other sectors as co-sponsors;
- to be approached first to sponsor the same property in the future; and
- to be considered first for other sponsorship opportunities from the same program in the future.

Exclusivity promotes a long-term relationship — repeat business and expanded business with the same firm. And long-term relationships reduce the ratio of overhead expenses, which are higher at the outset, to total results for both sides.

Exclusivity is standard practice in commercial sponsorship, and corporations expect to pay a premium for it. Even when it is not formally arranged, a de facto exclusivity operates when firms turn down offers to be the second representative of their sector to sponsor a property.

On the other hand, industry exclusivity is not always desired by a firm. In some cases, a company will feel that public perception is more positive, if the firms in an industry are seen to be working together. For example, the banks, chartered accountants and booksellers participated in the "One in a Million" Flag Challenge through their respective industry associations.

Exclusivity may not be feasible for decentralized campaigns or programs. Company X may not have a presence in all localities, so giving it industry exclusivity interferes with the campaign where Company Y is "the only show in town." Moreover, local or regional managers may already have developed a good relationship with Company Y; which a "national" arrangement with Company X could jeopardize.

Targeting Potential Sponsors

Learn the general criteria for selecting corporate sponsors. Ideally, they should be "good citizens" in terms of public reputation, treatment of minorities, impact on the environment, and so on. To be a match for a given property, the potential sponsor and the property should have compatible values; mutually enhancing images; a similar or complementary clientele; and complementary services. These criteria have to be made specific to the particular situation.

The following criteria, proposed for the Canadian Heritage Information Network's search for federal government partners,[3] for example, reflect its particular concerns for international activities and revenue generation. There must be evidence of:

- compatibility in strategic perspectives and goals;
- compatibility of the client base;
- the importance of an international role and perspective;
- a compatibility in corporate cultures, management approach and policy objectives, which will create an environment in which synergies of both an intellectual and practical nature can develop;
- parallel or compatible philosophy and services, in particular an emphasis on the provision of services rather than the delivery of programs.
- stated revenue-generation objectives, potential for collaboration and mutual benefit.

Ensure that your selected sponsor meets your criteria. Publicly announced affiliation, the declaration that the sponsor and the property are proud to be associated with each other, is essential to sponsorship. Therefore, do not approach tobacco companies and any others that may be questionable in terms of general federal government policy. Avoid firms that do not fit with the sponsored program's values and image. Check the record of a possible sponsor for propriety and public spiritedness (there are several databases and services specializing in this, e.g. Enviroscan).

Do careful research. Research will indicate whether a firm has been active already as a sponsor (or donor), and its standing as a "good citizen." Know what we want and what we can offer, and research firms to find those that can supply what we want and might be motivated to do so by their desire for what we can offer.[4] Some of the easily accessible sources for these various purposes are the **Canadian Centre for Philanthropy, Rainforest Publications,** and the annual reports and web sites of individual companies. There are various business directories, and specialized tools and sources, such as the IEG Sponsorship Report, Pro On-Line Research, and the **Canadian Environmental Assessment Agency.** The departmental library is a natural place to start.

Realize that targeting does not contradict fairness. "Fair dealing" in sponsorship does not require approaching all members of an industry, but does require an openness in offering and seeking beneficial opportunities. For example, there is no federal government policy that says marketing rights have to be offered to everyone in an industry sector. Indeed, such a policy would be a serious burden — most sponsor-seeking organizations don't have the staff to blanket an industry, and most firms receive more than enough proposals already.

Approaching Potential Sponsors

Approaching companies can be frustrating — the majority never agree to sponsor, and many that do are overwhelmed with proposals.

Here are some tips:

- **Networking is critically important.** Contact with one sponsor can lead to other potential players in the field, and they may also seek you through the same contacts.
- **If using a consultant, attend the first substantive presentation.** Questions should be answered with real subject-matter knowledge, and the sponsor wants to get a feel for the people behind the property.
- **Keep up personal contact with private-sector contacts.** Sponsorship often develops out of "serendipity" contacts, not just planned campaigns.
- Be persistent, but professional.
- Approach corporations through the non-governmental organizations that know them.
- Offer sponsorship as an alternative to a firm that might otherwise simply sell a service.
- Find the movers and shakers in a firm — the truly influential people, who are often but not always at the top of the corporation.

Multiple Proposals to the Same Corporations

Corporations with a record for philanthropy and sponsorship are receiving an overwhelming number of appeals. But not all appeals should be looked at in the same way.

First, it makes a difference if the approach is to seek a donation (or a pseudo-donation pretending to be sponsorship), or if it is to offer an opportunity for sponsorship or partnership. Neither individuals nor corporations seem to appreciate being asked constantly for charitable donations. This is a fact of life, and government programs seeking support just add to the pressure. On the other hand, there is no special reason why individuals, groups and especially corporations should resent multiple offers of exchanges (sponsorship) and involvement (partnership).

Second, the situation is different depending on the timing. If a department makes further approaches to a company:

- After having established a relationship, the company may welcome a new opportunity for a good exchange. On the other hand, the company might resent further approaches; it may think that it has been identified as an "easy touch," a likely provider of support for all the other schemes in the department. Repeated approaches, especially if officials are not aware of the past and current relationship between their department and that firm, might give the sponsor the impression of a lack of co-ordination in the department.

- During the negotiation of a relationship, the company may feel that the department is disorganized and unreliable, and that somehow the confidentiality of negotiations is not being respected.

- Even though the company has declined all previous approaches, the department takes on a "junk-mail" aspect, unless the offer of exchange or involvement is truly tailored to the company's objectives and business needs.

Many interviewees detect "donor fatigue," "sponsorship fatigue" and irritability (or just non-response) on the part of corporations. The problem is serious enough to warrant special measures.

The following is proposed for implementation within the entire department; consideration could be given to implementation across the Canadian Heritage portfolio, and indeed the entire federal government:

1. **Create a simple database** limited to the following information:

- nature and name of entity (e.g. company, industry association);
- scope (e.g. entire entity or a division, department, region, etc.);
- stage of relationship: to be approached, pre-negotiation, under negotiation, ongoing, terminated (when), or approach rejected (when);
- name of program in relationship or making approach; and
- name of program contact person.

2. **Give access to this database only to persons authorized to approach firms.** (This database is not a management or research tool; it is only a mechanism to discipline approaches to firms.)

3. **Hold such persons accountable for consulting the database before making an approach.** Build in tracking to verify whether the database was consulted properly, should a complaint arise.

4. **Explain to firms the nature of the database** (as required under the *Privacy Act*) and give the option of not being recorded; or, if the database is implemented throughout the portfolio or the entire federal government, of restricting access to their information to the department.

Sophisticated sponsorship practitioners will be using other information bases to target potential sponsors; they should find it easy to copy information to this one, and to use it to make a more informed approach to firms (or to avoid bothering them excessively).

Presenting the Offer

If a target company is willing to talk, it should be approached with a clear, well-packaged business case.

This includes:

- a **detailed description** of the property;
- the **attributes and objectives** of the property, or benefits, that would be available in the sponsorship relationship, such as various types and levels of publicity exposure, on-site involvement of the sponsor, opportunities for the sponsor firm's employees to become involved, exchange of information, and so on;
- **precise demographics** — the numbers of people, by various socio-economic descriptors, who are likely to attend the event or visit the facility or use the product; and
- **psychometrics, where possible** — evidence of the sorts of emotional and other attitudes that are likely to be engendered by the property.

Because affiliation with a property that will “enhance your image” is key, try to show the image of the property.

Agreements

> ***Remember that corporate is corporate. They are after something, and they want it quantified.***

- **The form of an agreement has to fit its purpose**. Some familiar forms are the contract, licensing agreement, memorandum of understanding, letter of agreement and investment agreement. For example, Parks Canada used a co-investment model to participate in developing a TV series.

- **Which part of a corporation signs an agreement may make a big difference.** Senior-level commitment is necessary, but the real movers-and-shakers may be elsewhere. Try to work with the office that will really value and build a relationship with you.

- **Some corporations have a legally distinct foundation for corporate giving,** and they may use that mechanism for administering sponsorships as well. If a sponsor corporation also does business with the department, dealing with its foundation rather than the business side would help to avoid perception of conflict of interest.

- **Agreements need to be careful about public exposure,** such as finding the department's name included in inappropriate media coverage or attached to items being sold in an undignified manner.

- **Agreement mechanisms should be broad and flexible.** Sponsors usually have a range of things to offer; a broad agreement can cover more than just the initial offering, whereas a tightly limited agreement must be replaced, if the sponsor and property want to branch out into something slightly different.

- **Include performance levels.** Precise expectations prevent misunderstanding and facilitate evaluation. Agreements should commit both sides to mutually acceptable performance levels.

- **Accountabilities must be spelled out.** Frequently, there are three parties (the program, the sponsor and an ad agency or other facilitator) or more to a sponsorship.

- **Agreements should have provisions that encourage communications and that provide for resolution of disputes.** (For example, the Canadian Parks Partnership, Hi-Tec Sports (Canada) and Parks Canada had an annual "Strategic Alliance Roadmap" that reconfirmed the broad parameters of their agreement, and set out strategic goals and plans for the year.)

- **A "diploma" version of an agreement,** similar to the partnering charters signed by all parties in major construction projects,[5] could help to market a sponsorship within the organizations involved and could serve to remind officials of the arrangements.

- **Agreements should clearly disallow subrogation**: that is, the sponsor cannot sell or pass on its agreement on to another entity.

Financial Instruments

> ***We need better financial mechanisms for three-way deals. Also, we need models and tools for downstream relationships, and for exchanging, holding and investing resources. Most of the tools are designed for purchasing. Our systems are better at tracking money going out than money and other values coming in.***

Specified Purpose Accounts have become commonplace as mechanisms to handle the proceeds from sponsorships. For example, the Canadian Identity Directorate has used them in recent years to accept corporate financial support for the "One in a Million" Flag Challenge (various sponsors) and for a special distribution of the *O Canada* CD (Chrysler Canada).

There are also cases where creating a not-for-profit **foundation**, at arm's length from the government, is the best way to ensure that revenues can be retained and spent efficiently and with proper controls. Such a foundation might also secure **charitable status** from Revenue Canada, enabling it to issue tax credits for any donations it might receive.

However, some practitioners would like to see new financial instruments better tailored to sponsorship.

To choose and develop the appropriate financial instrument, always consult the department's financial management officials, which, in the case of Canadian Heritage, is the Financial Policy and Systems and Accounting Operations Directorate.

Sustaining the Relationship

The key to sustaining relationships lies in the debriefing and evaluation process. Listen to your partner's concerns and be prepared to make allowances.

Sustaining and maintaining relationships are full-time jobs for the sponsorship team. However, long-term sponsors' commitment and enthusiasm usually strengthen after each successful experience, making it a worthwhile investment.

Remember that they are busy too and on unfamiliar territory. Did the right person read what you sent? Was it understood? They made out the first cheque wrongly and sent it before the agreement had been signed!

“Repeat business is good business” is a truism of the commercial sector. It means we made the customer happy, and we can amortize the costs of finding this customer over a larger number of sales. The same holds true for corporate sponsorship. This year's sponsors will probably want to sponsor us again, if they feel they achieved a good return on investment; if they experienced us as being disciplined and respectful; if there was clarity in both accountability and risk; if there were appropriate valuations; if the involvement was sincere; and if we showed respect for their processes and timetables. Sophisticated corporations are willing to be patient: they may see the first year or two as a learning stage on which to build stronger, more valuable future collaborations — provided we did not frustrate or disappoint them.

Sustained relationships are far more valuable than one-off arrangements. The obvious reason is that cost-efficiency increases, if we can spread the expense of establishing a relationship over a larger set of contributions. The more subtle reasons are that some benefits, like image improvement and constituency building, do not happen instantly; and that the full potential of a sponsorship relationship may become apparent only as the two parties get to know each other better.

Here are some of the tips from experienced practitioners:

- **Don't be limited by the current, possibly narrow, conception of the sponsorship.** Continually seek further common grounds, and help the relationship not only to grow but to evolve into new areas.[6]

- **Avoid bureaucrat-switching.** Try to present a consistent, comprehensive contact to sponsors. (This is one reason for having client liaison officers and a Corporate Development Office.)

- **Provide constant communication and feedback** on progress and results.

- **Fulfil promises; provide the value that was promised.** Sometimes this requires pushing very hard internally. Some federal government insiders fail to recognize that the business world operates on unforgiving schedules. Moreover, sponsorship is a high-stakes game nowadays. The competition for marketing opportunities is intense. With attractive opportunities go high expectations. The sponsor will expect delivery! It is imperative that the benefits be delivered. Otherwise, future sponsorship will be jeopardized. **Make sure that all staff understand their role in delivering on promises and making the sponsorship a success.**

- **A sponsorship relationship requires professionalism,** trust, mutual respect, patience, an extraordinary level of communications and concern that ensure each other's objectives are attained.

- **Provide personal recognition for those directly involved.** There is personal pride and reputation at stake in an affiliation with another entity. Give something special to the egos that put themselves on the line.

- **To ensure proper and professional management, do not take on too many or too complex sponsorships.**

Monitoring and Evaluation

Did both sides get what they wanted? Can we truly say that there was no wasted effort, soured feelings, unneeded complication or missed opportunities?

With respect to the relationship aspect of sponsorship, success is measured in broad terms. **All parties should have a sense of a successful relationship.** They should feel that their objectives were met and the activities were enriched through the participation of other parties.

With respect to the sponsored program or activity, **the end result should reflect the strategic plan.** Therefore, agreements need precise, measurable objectives. (A broad phrase like “create awareness” does not lend itself to measuring results.)

Moreover, the corporate sponsor will have to measure the results to **assess its expenditure and justify repeating the relationship.** (In such circumstances, it might be possible to join in on the sponsor's evaluation).

The Right People

In general, **sponsorship is occurring in circumstances that are not typical for the federal public service**.

First, corporate sponsorships are usually **novel** arrangements (for one or both of the parties involved); therefore, one finds more creativity, lateral thinking, entrepreneurship, flexibility, innovation and risk-taking than average in those who develop sponsorships.

Second, the parties in a sponsorship relationship are identifying more closely than do the vendor and customer in normal procurement — that is, there is more **collaboration** than **"arm's length"** treatment.

Therefore, federal government officials who engage in sponsorship accept a version of accountability that eschews total control and ownership in favour of stewardship over a collaborative relationship with other stakeholders. Such people accept and extend empowerment.

Any department expects staff who deal with voluntary organizations to understand their particular dynamics, expectations and culture. It is no less essential to understand corporate culture. The results are seen, not only in agreements being negotiated and implemented in a professional, mutually satisfactory manner, but also in the development of more imaginative, effective programming and in firms fully exercising their citizenship potential.

Staff involved in corporate sponsorship should possess the following attributes:

- a knowledge of one's own program and the values of various properties and benefits;
- a knowledge of business culture and practices, and of the industry sectors with which one deals;
- an understanding of the objectives and needs of sponsor companies;
- a knowledge of marketing and contracting;
- skills in negotiation and communications;
- a belief in sponsorship and a willingness to be engaged in this activity;
- a temperament that exhibits respect, generosity, patience, flexibility, innovation, tolerance of ambiguity and risk-taking;

- an attitude of professionalism (including thoroughness and efficiency);
- a focused, energetic, a can-do attitude;
- an ability to accept delegation and empowerment;
- an ability to think strategically (long-term, integrated, analytical, intuitive), laterally and creatively; and
- an ability to perceive possibilities beyond the immediate and obvious, and to find opportunities in setbacks.

Besides choosing the right people and providing learning support, organizations need to examine how they reinforce innovative behaviour.

Interviewees suggest that "staying inside your own stovepipe" and avoiding exposure to controversy are still the norm. Organizations need to recognize and visibly reward the alternative, creative behaviour, for example, by celebrating pilot projects whatever their outcome.

Learning

> ***It is important that federal government staff learn about the private sector's culture and processes and how it sees sponsorship.***

Learning can be supported in several ways: conventional training; on-the-job coaching by sponsorship consultants or more experienced colleagues; workshops based on case studies to learn from experience; advanced courses (for example, Osgoode Hall is launching a Masters in intellectual property, sponsorship and marketing); or developmental secondments.

Information exchange is important to the continuing learning of practitioners. Resource centres can provide for this (although they are only as good as the willingness of staff to send in materials, which does not happen if they "mistrust headquarters").

There is a vast amount of experience across the federal government, and considerable value (both in learning and in co-ordination) in supporting networking at that level. Indeed, there is so much going on, that networking could take place with respect to both sponsorship in general and sponsorship in particular domains (e.g. family, tourism, cultural events).

Using Consultants

Not surprisingly, experienced sponsorship practitioners in government prefer the do-it-yourself option.

> ***Hiring a consultant is no substitute for having thought the whole thing through. It's not the job of consultants to work out your long-term program perspective for you.***

However, some organizations regard external consultants as a short-term, occasional or partial solution. They use them until their internal knowledge and skills have become sufficient. Thus, external consultants can be extremely valuable educators in their evolution.

> ***There wasn't enough money to hire the consultants to do the whole thing. Instead, they coached me through the process. That was the best money we ever spent.***

Others may use consultants occasionally, while program staff are too busy with other priorities.

> ***They handle all the money; we avoid a lot of complication.***

As well, managers may call on consultants for specialized parts of the sponsorship process, e.g. to gather industry intelligence or to put together a presentation package.

> ***[They were] great at packaging the presentation.***

Some organizations appear to think it is better in principle to have external consultants handle all aspects of their sponsorship work.

We are outside the corporate world, and we need conduits into it. Good professionals provide access to their network of corporate contacts.

Consultants have been used to develop strategic objectives for sponsorship; identify sponsorable properties; set values; prepare business cases and presentation materials; identify appropriate target firms; approach these firms; and negotiate with corporate sponsors on behalf of the program. Occasionally, as a specific task or along with other duties, consultants have trained federal government staff in these practices.

The feedback from interviewees on using external consultants is mixed.

On the positive side, interviewees made the following comments.

[We received] solid assistance with planning our activity strategically.

Public servant wannabe marketers aren't doing a good job. Until we really know the trade, we should rely on and learn from professionals.

Those that really know marketing and service can teach us how to over-deliver, trade up, resign, negotiate tough, avoid sleaze and ambush marketing, evaluate and report properly, and make sponsors feel important.

They pursued many more firms than we anticipated. That gave us new corporate relationships and more revenue.

They proposed a multiparty approach, and we agreed to join in as a key co-sponsor. The fact that we do not "own" the project keeps us out of some unhelpful policy quagmires.

There have also been negative experiences and related worries. These negative comments by interviewees are not intended to characterize all consultants but to provide warnings of possible pitfalls when looking for a consultant and when mapping out the consultant's duties:

They expect the same commission on easy repeat business as on new-found sponsors.

They accepted in-kind contributions that were not useable, but we still had to pay their commission on the value.

They stand in the way of our developing a long-term relationship with the sponsors.

They lead us to firms with which they already have a relationship and then negotiate an exchange. Are they getting us the best possible deal, or are they promoting the other side's interests?

They don't really understand our program and its goals, so they turn people off with lacklustre, imprecise presentations and by not being able to answer questions.

They pressured us into hasty decisions that turned out to be questionable choices.

They keep going back to the same familiar doors.

They lack political sensitivity; they don't understand that we should project values that are different from the private sector. Even the official-languages requirements mystify them.

They seem to think that nothing happened before they showed up, so they blunder into some of our other relationships and mess them up.

They sometimes offer benefits that were not on the table.

Sponsors and consultants prefer immediate returns, so they drive us into campaigns that have a short shelf life.

To maximize the benefits when using sponsorship consultants, federal government officials should consider the following:

- If sponsors expect "face time" with federal government officials, **ensure that the consultant does not complicate or block the contact.**

- If both the program and the consultant will be approaching prospects and/or negotiating with them, **ensure that all these activities are coordinated.**

- If the program wants to build a strong, long-term relationship with the sponsors, **specify when the consultant will "hand over" to the program.**

- If there is a long delay between setting up the sponsorship and carrying out the activity, **decide whether the consultant or the program will maintain contact during that period.**

- If lateral communication is needed among program staff and two or more contractors, **assign responsibility** for it.

- If the program wishes to build its competence, **make coaching part of the contract, or stipulate that the consultants will guide program staff through the process.**

- **Require proven experience in federal government dealings** (to avoid problems arising from lack of political sensitivity).

- **Specify ownership of the results,** so that the program can build in the future without rehiring the same consultants. For example, will the contact list belong to the program or the consultant?

- **Explore different fee structures,** for example distinguishing between new and repeat sponsors for purposes of commissions on contributions.

- **Retain the final say on the relevance and value of in-kind contributions.**

Hiring the right professional is a matter of knowing your needs and capabilities, and checking references and track record. Departmental colleagues in communications may know sponsorship consultants, or firms in related areas like marketing and public relations. Colleagues in other departments are another good source.

Endnotes

1. For instance, a government program's message on a cereal box should generate “in-depth” awareness, because people tend to read cereal boxes; whereas, a message on a display at the end of an aisle in a clothing store contributes only to “top-of-mind” awareness, as people merely glance at these as they go by (e.g. Parks Canada and the Canadian Parks Partnerships relationships with Post Fruit and Fibre cereal, and Roots clothing.).

2. For example, Hallmark Cards extended its support to Parks Day to include contests, picnics and other activities for its employees.

3. “Canadian Heritage Information Partnerships Study,” Final Report, N.L. Hushion and Associates, January 1995.

4. This research can really work. A program carefully targeted nine major corporations in the “knowledge economy” that had supported educational endeavours in the past; five came through with large cash contributions.

5. “Partnering — A New Approach?”, presentation by Major R.J. Kampman, DCER 3-8, DND, 1994; “A Guide to Partnering,” DND (NDHQ/DCER), August 3, 1994.

6. An example of a sponsor allowing a relationship to grow: Subaru's funding went from 25K to 65K plus 7K in coupons, it provided free car loans and national advertising, and two thirds of its dealers volunteered time, due to a positive first-year experience with Take-a-Hike Day. An example of a sponsor allowing a relationship to evolve: for 7 years, Kodak contributed the proceeds (30K/year) from recycling single-use cameras sold in Parks Canada properties. The program was ending due to new processes. When Kodak learned of the new Kids in Parks program, they decided to stay on as a sponsor, because it fit their own new focus on family.