



BASKETBALL NSW PRESENTS



**“HOW TO CREATE A BASIC SPONSORSHIP
PLAN FOR BASKETBALL ASSOCIATIONS”**



Produced by Basketball NSW Marketing, Communications and Commercial.

A resource for Basketball NSW Member Associations to assist in the development of their marketing strategy.



Please note that you can find this booklet and more information available online at www.nswbasketball.net.au

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INTRODUCTION

In today's environment, it is necessary for sports, and in our case, Basketball Associations, to seek to enter into mutually beneficial business relationships with other organisations for financial reward in order to maintain and achieve growth in their organisations.

Basketball NSW provides this helpful manual to assist our associations in their quest to grow and become financially stronger. Identifying and securing alternative sources of income will help associations to reduce their reliance on member fees and charges as the sole source of revenue.

We sincerely hope that you find the content and advice in this booklet helpful and valuable.

PURPOSE

The purpose of this material is to provide an introductory understanding into the principles, purposes and benefits of identifying relevant sponsorship opportunities, selling sponsorship, writing sponsorship proposals and agreements and sponsorship evaluation for your basketball association.

HOW TO USE THIS MANUAL

This manual is a starting point for you to improve the sponsorship performance of your association.

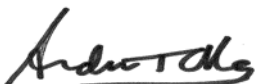
Basketball NSW recommends that this manual should be made available to all committee members, board members and staff.

A copy of this manual can be found and downloaded from the Basketball NSW website, alternatively, please email me with a request for an emailed copy of this manual.

Basketball NSW suggests that a sponsorship sub-committee is formed, initially to review the contents of this manual, and your association's current sponsorship practices.

Ultimately, the goal should be to develop a formal sponsorship plan which sets out the objectives, methods, implementation and evaluation of your sponsorship program.

Regards,



Andrew Tilley
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ABOUT SPONSORSHIP

Sponsorship is when a business provides funds, resources or services to an association, in return for some form of rights and/or associations with the association that may be used to help the business commercially. This could be in the form of a logo on a uniform, signs at a basketball stadium or free advertising in the newsletter.

In the vast majority of cases, sponsorships cannot be regarded as 'gifts'. In the case of a gift, the giver does not generally expect anything in return. However, in the case of a sponsorship, the sponsor usually expects a return. It may not just be an increase in their business. It may include your organisation promoting them, advertising them and communicating back to them about what you are doing. A sponsorship is very much a 'two-way' relationship.

Making the decision:

Before you involve your association in sponsorships, ask these questions:

1. What rights or benefits can your association offer a sponsor?

There are many reasons why businesses sponsor clubs, here are just a few:

- improved image
- increased sales
- competitive advantage
- increased awareness
- ability to lock out a competitor
- change in consumer attitude
- good corporate citizenship supporting activities in their community

2. Have you thought about inappropriate sponsors?

Identify any potential sponsors who would be unacceptable for your association.

3. Do you have appropriate resources?

If you promise to deliver a number of rights and benefits to a sponsor, there needs to be time and or members or volunteers to help carry these out.

Sponsorship policies:

It is good business practice to create a sponsorship policy within the association before you apply for sponsorship. This will help clarify expectations regarding sponsorship deals particularly for members.

Identify in the policy:

- objectives for entering into a sponsorship
- rules for entering into a sponsorship agreement
- a standardised approach towards sponsorship throughout the association
- the level of accountability and responsibility.

SELLING SPONSORSHIP

Who to approach

1. Members, family and friends

Like all forms of fundraising, it is easier to start locally with your members, friends and relatives. If people know your association and understand what you do, then they are more likely to listen and give the support required. There may even be someone within the association who has a small business and is willing to sponsor the association.

2. Local businesses and suppliers

Check with your suppliers of sports clothing, food and equipment. Research local businesses and target those who could benefit from a partnership with your association.

3. Larger organisations

Consider approaching larger organisations. They may have more resources but keep in mind they may not have the interest or commitment that you want. Unless you have a contact, it may be more difficult to get to speak to them as they are generally inundated with requests for sponsorship.

Golden rules

Selling sponsorship can be considered an art form. Improve your chances of winning the deal by using these golden rules:

- **Offer an opportunity and not a problem** - Offer a solution to a potential sponsor's problems, such as providing a bottom line saving or profit.
- **Target companies with the right fit** - Does your target audience's demographics (include sex, race, age, income, disabilities, education, home ownership, employment status, and even location) - fit with those of the company or brand to be promoted?
- **Offer rights that the company can exploit** - Offer value for money - price your 'product' to ensure your organisation will benefit from the relationship and that the sponsor will make a profit. Make sure your package or offering is priced similarly to comparable products.
- **Stand out from the clutter** - Make sure your proposal is addressed or delivered to the person who has the power to say 'yes'. Often the contents of a courier bag are treated with more respect than an envelope received in the mail.
- **Be professional** - Make sure your representatives, including volunteers, always present themselves in a professional manner and understand what is required of a commercial relationship.

- **Be persistent, not a pest** - Following up a sponsorship request is necessary, but not to the extent that you interrupt the recipient's ability to do their job. It will take time for a potential sponsor to come to grips with what you are offering and for a relationship to grow and develop.

Helpful Hints:

1. Presenting the sponsorship involves four elements: introductory letter, telephone call, meeting, follow-up contact.
2. The introductory letter should include a brief introduction, description of opportunities and mention of a telephone call to set up a meeting
3. The telephone call should be concise and business-like, culminating with the organisation of a 15-30 minute meeting.
4. The meeting should be comprised of a formal proposal and a question and answer period.
5. The follow-up thank-you letter should be sent, encouraging the potential sponsor to contact you with further questions.

WRITING PROPOSALS

A sponsorship proposal is a formal offer to do business. It needs to be well presented and contain enough information for a company to gain a thorough understanding of what it is being offered. The proposal should be presented by the person with the best communication skills, not necessarily the person who knows the most about sponsorship packages. Two carefully selected additional members of the association may also attend the meeting to answer detailed questions.

Getting started

- **Member support** - Discuss sponsorship proposals with your members. If a sponsorship is to work it needs to have the backing of your members, staff and board.
- **Enough resources** - Writing sponsorship proposals and contacting companies can be time consuming. Make sure you have the time and people willing to help.
- **Allow sufficient lead-time** - Depending on what you are asking for, the assessment, negotiation and planning involved to successfully manage a sponsorship takes substantial time.
- **Stand out from the clutter** - Tailor your proposal by acquiring background information on the potential sponsor's desired image, products, services and business objectives.
- **Price yourself competitively** - Find out what similar sponsorships are selling for. Before signing, a potential sponsor will independently put a value on your proposal. If your offer is cost effective or unique - you are in the running. Make sure you are making a profit. I.e. Make sure it is not costing you more to service the sponsorship than the amount you receive.
- **Target the correct person** - Address it to the right person. If you are unsure, phone the company and ask them who looks after sponsorship deals. Confirm the address details while you're on the phone.

EXAMPLE: Creating Corporate or Business Membership Packages

To raise essential funds and provide a sales standard for supporters, an association can create corporate membership packages for sponsors, with different levels of cost. For example, Surf Lifesaving Australia sells these special membership packages:

- Gold Donor (\$5000) - benefits include: advertising on club house to size of 3000x2000mm, company logo on club letter head, sleeve sponsor on all club apparel including patrol uniform.
- Silver Donor (\$3000) - benefits include: advertising on club house to size of 1500x1000mm, naming rights to section of club eg Beach Sprinters.

Proposal structure

Use these headings as a starting point to writing the proposal.

Overview of the association offering or event	One or two sentences describing the sponsorship deal.
Background of the club	Information on the organisation and its history
Details about the event or the association offering	<ul style="list-style-type: none"> • Dates, times and location • Demographics (include sex, race, age, income, disabilities, education, home ownership, employment status, and even location) – how many people will attend the event? Where are they from? How old are they? • Who will manage the sponsorship? • Current and past sponsors
Sponsor benefits	<p>How will the event or offering help improve the sponsor's bottom line? Possible headings include:</p> <ul style="list-style-type: none"> • Networking opportunities • Enhancement of sponsor's image • Client entertainment • Media coverage – TV, radio, press, signage
Sponsor investment	Cost or description of goods and/or services
Brief background on the rights holder	<ul style="list-style-type: none"> • Mission statement • Experience • Long term goals – these are based on your club's strategic business plan.
Evaluation	How will you measure the success of the event and delivery of promised benefits?
Other considerations	<ul style="list-style-type: none"> • Make the length of the document proportional to the value of the sponsorship. Try to keep it under 10 pages

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| | <ul style="list-style-type: none"> • Ensure headings are clear • Don't include any items you might want returned (eg photos, videotapes, certificates) <p>Images are well worthwhile to include</p> <ul style="list-style-type: none"> • Use statistical information - helps the reader identify cost benefit and demographic fit in relation to their own target audiences. |
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SPONSORSHIP AGREEMENTS

Once both sides have answered all questions and feel positive about forming a business relationship, it is time to draw up a contractual agreement. Sponsorship agreements can be as simple as a verbal agreement to give a donation of a hundred bread rolls from the local bakery through to complex five-year agreements for naming rights of your local competition.

Formal contracts

It is good business practice to have a formal agreement or contract in place and is a necessity for significant funding. A formal agreement outlines what is expected from each party and their respective responsibilities. Lack of a written contract increases the potential for misunderstandings and the relationship turning sour. A change of personnel can mean the intent of an agreement is lost, unless the agreement is in writing.

Important points to clarify and examine from the start

- Payment amounts and dates
- Benefits to the sponsor
- Obligations on both partners
- Use of both parties' logos
- Naming rights
- Confidentiality clause and grounds for termination

If unsure, consult with a lawyer to ensure the agreement is sound.

Helpful Hints:

1. The contract is a legal document which outlines what is expected from each party.
2. Be positive about entering the agreement as it confirms the beginning of a working relationship.
3. Examine all important elements within the contract to minimise future conflict.

KEEPING SPONSORS HAPPY

You have now entered into a commercial agreement with a company. Certain rights and benefits have been given as part of that agreement. Now it's up to you and your association to honour these commitments and keep your sponsor happy.

Most businesses like to feel involved and to be kept informed about what's happening with their sponsorship deal and the association's activities.

How to maintain a successful partnership

Depending on the type of sponsorship, here are some ways to ensure a successful sponsor relationship:

- Promote the sponsor at every opportunity
- Acknowledge the sponsor in every media story you release
- Communicate with your members to ensure they look after sponsor's rights
- Invite the sponsor to events and to give prizes at awards nights
- Establish more than one key contact in case the main contact moves on
- Keep your sponsor informed about the association, especially any potential unpleasant publicity
- Before signing a new sponsor, give existing sponsors the opportunity to address any concerns they may have
- If you have sold naming rights, you must acknowledge them in everything you say and do. You must also ensure that the media are aware and adhere to the naming rights.
- Send your sponsor an evaluation report

Case study: Penrith Netball Association - Maintaining sponsor relationships

Penrith Panthers has sponsored the Penrith Netball Association for over 20 years. Here is Honorary Secretary, Joy Gillett's tips for success in maintaining sponsor relationships.

- Develop personal relationships – regularly meet with the people involved and talk to them personally, make the sponsor feel valued.
- Invite sponsors to all social functions – presentations, opening days and other special events and mention their sponsorship at those times.
- Promote them at every opportunity – Penrith Panthers is referred to in advertising, competition draws, the annual calendar, banners at the courts and uniforms worn by Penrith representative players.
- Use their facilities – the Association holds functions and events at Panthers, encourages team members to make use of the facilities and the executive are Panthers social members.
- Thank them – in all speeches and at presentation events, thank your sponsors!

SPONSORSHIP EVALUATION

The best way to make sure your sponsor understands the returns is to provide an evaluation report detailing the benefits received. It is also good business practice to show evidence of accountability. Evaluation also helps an association formally review its activities, provides a frame of reference for future projects and aids the planning process.

Decide in the negotiation process the level of reporting and evaluation you are going to provide each sponsor. Every case is different and depends on the size and type of offering.

The report can be as simple or as complex as you want it to be. Follow this simple guide to help you write an evaluation report.

Standard evaluation report format

Introduction	What the evaluation covers and the methods of measurement used
Situational analysis	<ul style="list-style-type: none"> • What was sponsored and for how long? • A copy of the contracted rights, benefits, category of membership, level of exclusivity • The performance of the association or event during the period of the sponsorship • A list of other sponsors • A description of the sponsor's competitors in this area • Photos of signage at the event
Sponsorship analysis	How you assessed the needs in preparation for sponsorship, how you did the surveys, measured the media coverage or counted the attendance
Results	<p>Report on both positive and negative outcomes as a result of the sponsorship. Headings could include:</p> <ul style="list-style-type: none"> • Sales – a detailed analysis of direct sales generated for the sponsor through sponsorship • Media coverage – report on all media featuring the sponsor during the period including number of mentions, transcriptions of radio coverage, TV coverage in minutes (supply copy if available), copies of articles from newspapers and magazines • Sponsor's image – surveys should be undertaken amongst spectators, association members and the public, if appropriate, to demonstrate sponsor awareness, attitude to sponsor, sales that resulted through sponsorship, likelihood of future sales due to sponsorship • Numbers affected by the sponsorship - relevant

	<p>statistics should be included here, including:</p> <ul style="list-style-type: none"> - Number of people who attended the organisation's events - Number of people who saw the event through the media - Demographics - age group, earning capacity, gender etc - Whether the organisation or event is in a growth or decline cycle • Publicity delivered through signage: <ul style="list-style-type: none"> - Publicity received - Quality of the publicity generated through the sponsorship signage - Number of impacts that saw posters, newspaper ads, tickets etc • Hospitality: <ul style="list-style-type: none"> -Hospitality provided -Facilities used -Missed opportunities (eg empty seats where tickets were provided) • Cost benefit analysis - an objective financial style report detailing: <ul style="list-style-type: none"> -All property costs -All benefits that accrued to the sponsor
Recommendations	Improvements that would help the sponsor maximise its benefits.

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