



# A new approach to Sport Sponsorship

Terry Johnston believes that community sports clubs need to pivot when seeking sponsorship

**T**he impact of Coronavirus has led to a number of recent reports suggesting that many community clubs are facing real financial challenges over the coming months and that ultimately many will succumb.

Sadly, COVID-19 has challenged the typical revenue streams of memberships, sponsorships, hospitality and donations with a study linked to the Suncorp Team Girls initiative indicating that it threatens the engagement of levels of our youth when it comes to sport, reporting that “over a quarter of teen girls are at risk of not returning to team sport”.

So, what can clubs do to be proactive in the face of such adversity?

Looking at sponsorship, before COVID-19 many clubs had some semblance of sponsors and sponsorship revenue, although generally managed on the smell of an oily rag between cash and kind.

With clubs’ sponsorship often based on some basic benefits in exchange, it would be fair to say a lot of clubs’ sponsorship committees would say their sponsorship revenue base was made up of these type of relationships with no real expectation of return on investment by sponsors.

This I would argue is the sponsorship revenue clubs are

starting to see reduce as it is hard to justify. Of course, there will be exceptions due to the impact of COVID-19. But if the ask was generally an appeal for philanthropy then the result was generally that.

I do not wish to confuse philanthropy with sponsorship. If a club has people willing to donate, bequest, gift and have little expectation in return – that is great! But pitching and acquiring sponsors to create sustainable revenue is a completely different ball game. This is where the opportunity in this adversity exists for clubs. This is exactly where clubs need to pivot.

The landscape has forever changed when it comes to asking a small to medium enterprise to financially support a club, the time for a piecemeal approach is over – the approach now needs to be professional and considered – what can the club do to deliver on commercial, brand and community engagement objectives? Notwithstanding, there are some clubs that are more organised in this regard, but they too can still do better!

Community sporting organisations have an important role to play in ensuring children and adults are active and healthy and now more than ever it is even more critical. But these clubs and associations can also play a key role in rebooting the economy as they can deliver on business objectives of small and medium-sized enterprises (SMEs), but they need to change their approach and build capacity in this area.

## Other tips

Sports clubs have an engaged, passionate audience but often they could do better to allow sponsors to access this audience. So consider the ways your club can help promote an SMEs’ product or service by creating a list or register of all your clubs possible sponsorship assets, get the key people in a room (or connected by video conference) and flesh this out and ideas will flow. Guaranteed.

But you need to think about how your club can deliver on their brand, commercial and community engagement objectives and you need to get more creative than signage and logos on apparel.

Sports clubs have plenty of volunteers, a history, and a story to tell – but they struggle to articulate it for sponsors. Put this into action by publishing content, telling a story and capturing it in your professional pitch material.

Sports clubs and associations know their organisation makes a positive impact on their respective communities and people’s lives - but they often cannot define it, this too needs to be told and captured in your selling tools. This type of content is what sponsors are looking for to deliver on community engagement or corporate/social responsibility objectives.

Community sport also needs to consider partnering with other organisations in the local health and social space in their local communities, creating strategic alliances with like-minded bodies will help your club’s conversion rate.

While clubs suspect (and are confident) that they can provide significant ‘reach’ for prospective sponsors, they are often not able to demonstrate this. As this is a key to sponsorship success, if clubs can demonstrate quantitatively that they have this reach then they can show sponsors the return on investment they will gain.

Clubs are generally confident that they have a good brand, reputation, and governance – but often fail to really showcase it in their pitch to sponsors. As these are key components in a club’s selling tools, a survey of a club’s member base to get rich data on what members think of the brand so it can be used in the pitch.

Overall while fewer, bigger and deeper relationships with sponsors makes sense, most clubs tend to have multiple lower value partners with high servicing costs. Therefore, I recommend clubs making the change in their sponsorship strategy to a smaller number of more valuable sponsorship partners. Of course, first look to engage with those who already subscribe to your club, and then take steps to grow their investment and



deliver and an enhanced bespoke partnership platform.

Community sports clubs can leverage exclusivity in business categories, but often don't consider that with their sponsor partners. A club should take a considered approach to categories it will not entertain sponsorship in as well as testing appetite for exclusivity of category.

Grassroots community sporting organisations have a challenge in front of them there is no doubting that. Many things will be out of their sphere of control but when it comes to growing commercial partnerships, they need to be what I call 'Sponsorship Ready' before being able to pitch and secure genuine sponsorship revenue, but the opportunity is there.

Having sold millions of dollars of sponsorships working with international and domestic brands across grassroots, state and national sporting bodies, I have used my experience to develop the Sponsorship Ready methodology to provide a set of tools to enable clubs to monetise their rights to effectively realise results.

The Sponsorship Ready program distils successful sponsorship acquisition for clubs into three processes:

1. Creating a sponsorship asset register – capturing a trove of benefits clubs had unlikely considered
2. Developing a professional strategy, pitch and selling tools – containing all the right inputs for the current market
3. Planning a go to market strategy that will succeed – including training the people tasked with selling so they are set up to succeed.

Netball Australia partner Origin backs teams at all levels. Courtesy of Netball Victoria.



Explaining how the Sponsorship Ready program has helped his club, Ross Fisher, President of the Noosa Heads Surf Club, comments "Sponsorship Ready's program has set the Noosa Heads Surf Life Saving Club up to succeed.

"The professional selling tools that have come from the process are professional and now in line with how we as a club wish to see our brand be portrayed in the market.

"The results have been impressive and we are genuine contenders in assisting brands connect with the community and moreover deliver commercial return for investment.

"Sponsorship is no longer a handout, we have a strategy now and would recommend the program to any club seeking to go to the next level in raising revenue so they can continue to play the vital role they do in communities."

*Terry Johnston is Director of Sponsorship Ready, a consultant with years of experience in sports marketing and a strong track record of success.*

*He can be contacted on 0419 757 896,*

*E: [info@sponsorshipready.com.au](mailto:info@sponsorshipready.com.au),*

*[www.sponsorshipready.com.au](http://www.sponsorshipready.com.au).*



### Community sporting clubs' income hit by Coronavirus

A new study by the Australian Sports Foundation (ASF) has found that the impact of Coronavirus could result in community sports clubs face up to \$1.5 billion in losses this year as a result of the evaporation of sponsorship money and falling memberships.

The ASF's survey shows that community sporting clubs around Australia have suffered an enormous financial toll from the Coronavirus pandemic, with local sponsorship and membership income plummeting since March, when most restrictions were first introduced.

Costs like the rental of facilities, wages for match officials and coaches, as well as insurance and grounds maintenance have continued despite a postponed 2020 season.

With many clubs eating into their savings, it's estimated that if the shutdown continues, roughly 24,000 clubs will not survive the year.

In addition, a recently published report from the Council of Small Businesses of Australia (COSBOA) confirmed the vital role small to medium businesses play in backing community and local sporting teams across the country.

Canvassing 65 local football clubs and associations across Australia, COSBOA found that more than 90% were supported by a local small business and that many clubs were sponsored by multiple firms.

COSBOA identified butchers, bookkeeping businesses and barbershops as common sponsors for local sports clubs, while there are also plenty of franchised chains like McDonalds were on the list.