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I work with some amazing, committed sponsorship professionals, spanning industries and on both sides of the equation. But as smart and experienced as these professionals are, I'm often surprised at how little

they understand about the other side. When collaboration is key to best practice sponsorship, this tunnel vision isn't helpful.

So, I thought I'd shine a light on the challenges and politics around something that we do every day: Sponsorship renewals. Below, I've given points of view from the CMO and Brand Manager on the sponsor's side, and the Executive Director and Marketing & Development Manager with the sponsee. It hasn't been a great relationship, and it's time for renewal.

Although this example is gleaned from actual situations I've seen over and over as a consultant and trainer, the organisations are entirely fictional, and any resemblance they may have to existing organisations is inadvertent. There are also plenty of ugly renewal situations that aren't covered here. (Don't get me started on bidding wars!)

CHIEF MARKETING OFFICER, RATIONAL POWER

We're still a small player in the retail electricity game, but in the five years we've been around, have built 15% market share across the three states we serve.

Our power comes from 100% renewables, and we offer a solutions-based power service. Basically, if a household or business comes on board with us, we offer to tailor a renewables solution to their premises – solar, wind, battery, etc – and install it. In some cases, we can even bill them as part of a multi-year contract with us.

Yeah, we sponsor the Reading Superheroes literacy program. About three years ago, the CEO went to some gala for the charity and got carried away. Next thing you know, we're one of their biggest sponsors. Don't get me wrong, it's a great charity, and they do some important work with disadvantaged kids, but this sponsorship is a major headache.

The biggest problem, from my perspective, is that the investment is so big, we had to ditch a planned sponsorship that everyone was really excited about. We were about to sign onto a partnership with an Indigenous Youth Centres project, which would have involved fitting out the centres with our state-of-the-art renewable range. We would have done a bunch of content around that, aimed largely at our underperforming SME business, showing them the convenience and impact of working with us. HR was also on-board with developing a mentoring program for our staff, which would also have been great for content. You know, making our staff the heroes, yada yada...

The CEO made the point that "Indigenous kids are illiterate, too", which is very true, and terrible, but this literacy program is just not as good for us, in terms of how we can showcase the brand and our staff. In addition, the team had done a huge job at getting buy in for the Youth Centres project, and when that disappeared on what they saw as a whim, I think there's some resentment.

Plus – and the Brand Manager can give you more information on this – Reading Superheroes just seems to take us for granted. They treat the money like a donation, when my team is accountable for results.

They're looking for a renewal now, and the CEO wants a recommendation – thank god – which we're putting together now. I think he's getting some pressure from the Board. With a bit of luck, we can exit and put this all behind us.

BRAND MANAGER – RETAIL, RATIONAL POWER

I look after the acquisition and retention of our household and SME customers across Australia's three most populous states: Victoria, Queensland, and New South Wales. I'm also responsible for the overall Rational Power brand. We don't have a huge marketing budget, but we spend it pretty shrewdly.

Around a third of our marketing budget is spent on sponsorship rights fees, and we've worked pretty hard to get a great return for the brand across that portfolio. The exception is Reading Superheroes, which, when compared to the rest of the portfolio, sticks out like dogs' balls.

We're on renewal, and the CMO has asked me to put together a recommendation that will go to the Executive Committee. The directive is to get all the key stakeholders to sign off on it, so no one person will take the hit. I've got the report ready, and I've made it as tactful as I can, but it's not good. I don't envy the CMO having to present this thing.

Swear to god, if I could give them the flick today, I would. They couldn't give a crap about what we need to accomplish with our sponsorships. They treat it like free money, and haven't even delivered

some of the contracted benefits. Even if they delivered everything in the contract, they're only low-value, hygiene benefits, so the deal is pretty mundane.

I told the Executive Director a year ago that they needed to help us with some ideas and content, so we could drive the brand, or it would be hard to justify a renewal. His response was that their understanding was that it was a “simple corporate social responsibility exercise”, and that the decision came from the CEO. The GALL of them!! Needless to say, they haven't come to the party.

I will say that, as a charity, they do some amazing things. And even though this is far from the perfect fit for our needs, there are probably ways we can make this deliver some value. But they've been so inflexible that there's virtually no scope, and my internal stakeholders hate their attitude. Every time I bring this sponsorship up, all the stakeholders can talk about is how we should have sponsored the Indigenous Youth Centres, and how proactive the Youth Centres were around our needs, and all the amazing things we could have done with the Youth Centres.

Okay, I've got it... you're ticked off that we didn't sponsor the Youth Centres, but that's hardly my fault, and we're all accountable for results from our investments!

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But, fingers crossed, it will get us out of this white elephant, so we can do something else. The Youth Centre opportunity is gone, but the stakeholders are still really interested in the Indigenous space, so we've been looking at a program that builds and improves community buildings in Indigenous communities – particularly remote communities. We might even be able to cross-pollinate that with our existing sponsorship of the University of Southern Melbourne's Renewables Innovation Centre.

EXECUTIVE DIRECTOR, READING SUPERHEROES

We've been around for over sixty years, and were one of the first national charities to provide specialised literacy services to low-income and other disadvantaged kids. Some people think, "Australian kids aren't illiterate", but there is a growing gap between kids who are reading at their grade level and those that aren't. You can just imagine the problems those low-performers are going to have when they grow up and try to get a good job. It's a hidden problem, and the lack of priority on it is a national disgrace!

We're very lucky to have a number of corporate supporters, who really care about illiteracy and believe in what we do, especially as government grants are getting harder to come by.

Rational Power has been one of our biggest supporters for a few years now. They came in because the CEO is a friend of our Chairwomen. The contract is up for renewal, but because of that relationship, I think we can reasonably count on them to re-sign. They would also know, of course, that walking away from an organisation doing such important work would be a PR disaster.

MARKETING & DEVELOPMENT MANAGER, READING SUPERHEROES

I'm new in this role – been here about two months. I came across from the Blue Moon Blues & Roots Festival. In my three years there, I grew sponsorship revenue by almost 70%. I was brought in here to reinvigorate sponsorship, which has stagnated over the past few years.

Historically, there has been a big reliance on Board connections, but even the biggest companies they've brought in have started downgrading their investments – several to a level that can only be described as “go-away money”. Trying to get them excited about Reading Superheroes, and investing at a higher level again, has been identified as one of my major KPIs.

Several corporates are on renewal, right now, but I can see already that it's going to be tough. Servicing has been minimal, but my predecessor was basically an admin, and resources to look after them were thin on the ground. Some of the sponsors haven't had any meaningful contact since their last renewal, and that's not good. Plus, like sponsors everywhere, they're having to be more accountable for results. I'm

doing my best to use my newness to reinvent. Some are receptive, some aren't.

I'm very worried about the Rational Power renewal. They've been a Platinum Sponsor for three years, and have barely done anything with it. That's really strange, as they do some great stuff with their other sponsorships, and they spend quite a bit of money with us.

I'm not even sure what they're trying to accomplish with this sponsorship. There's no notes or anything in their file, except a copy of the contract and a bit of correspondence about their table at our annual gala. Nobody seems to know where the rest of the client notes are for any of the sponsors.

I've been trying to get a meeting with the Brand Manager, so I can fill in the gaps and pitch a few ideas for the renewal, but I haven't been able to get a meeting with her yet. Every time I try, I get a message back saying that they're "still reviewing" the partnership.

I thought I would ask if they wanted to rig us up with solar or something – maybe do a video on it, or some other kind of content – but the Executive Director said there was no point in volunteering us to do something that would likely be disruptive to implement, as they were already providing our electricity for free. I also had an idea for a "Power Up Literacy" program.

The Executive Director is insisting that the renewal is a sure thing, and that the Chairwoman is on it, but my gut feeling is that it's going to be a "no".

I was pretty positive about this new gig when I took the job, but I didn't count on it being this big a mess. I can see how the sponsors might view us as being short-sighted and entitled, and I hope we haven't burned too many bridges with our sponsors. The organisation may need to accept that we're going to lose significant sponsorship over the next year or so, and that we really need to restructure and start over.

THE UPSHOT

What I hoped to accomplish with this blog is to offer a 360-degree view of a renewal that started going wrong before the first contract was even signed. Every player has their challenges. Every player has their politics to deal with.

- When an organisation relies on a well-connected board to raise sponsorship, it breeds complacency.
- When a senior executive commits to a sponsorship without buy-in, it creates resentment from stakeholders and hard questions from the Board. (For more on that, read [“The Minefield of Selling Major Sponsorship to a CEO”](#).)
- That scrutiny means that senior executives can often only commit to small sponsorships.
- Guilt and/or entitlement is no way to get a sponsor onside. That goes double for threats to go over the brand manager's head.
- Offering as little as possible, and delivering even less, is also unlikely to get you a renewal.
- Being cagey about the renewal is bad sponsor karma

- For both sides, doing sponsorship well takes an organisational approach. If any of the key players doesn't know what they're doing, it can be detrimental to results.
- Without internal buy-in, no sponsorship will perform. And if that buy-in is gone, there's probably nothing a sponsee can do to turn that around.
- If a sponsee doesn't know what a sponsor is trying to accomplish and/or servicing has been sparse, a renewal will fall somewhere on the scale between "unlikely" and "miracle".

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