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Municipalities and Corporate Sponsorship

Jun 11, 2013 | Municipalities, Tuesday Morning Commentary | 2 comments

Earlier this month, I had the pleasure of speaking at the [Federation of Canadian Municipalities](#) (FCM) conference in Vancouver. This is the annual gathering of mayors, councillors, aldermen, and other city officials and staff. FCM does an amazing job of organizing this event and running its own sponsorship program. Vancouver was a terrific host to the over 2,200 delegates. I presented a session on corporate sponsorship and municipalities. The room was packed-not because of the speaker, but rather the topic!

Municipalities were represented- at least the ones that are smart enough to understand that corporate sponsorship revenue is essential to the long term financial success of their fiefdoms! It is no longer about whether a municipality wants to engage in sponsorship, but when it will "get into the game." Municipal corporate sponsorship is one of the fastest growing sectors in our industry-and it will affect all the other sectors, from arts to sports, charities to schools. As municipalities enter this game further, the question will be whether they take the money from existing sponsorship programs elsewhere in the community or grow the pot! I truly believe they will grow the pot. They will create new opportunities that fit brands that have never invested in sponsorship. They will work alongside schools, charities, and sport organizations to grow the sector and deliver better results for sponsors, and put much needed dollars on the bottom line for all these organizations.

But it has to be done right. When it is not, we see citizens and communities revolt. Or worse yet, hundreds of thousands of dollars are spent on "sponsorship development" by marketing agencies and brand integration companies, when what the municipality really needs is to know what it has to sell, what it is worth, and how to sell it through training and capacity building.

Recently, we have seen two municipalities sell naming rights, parks, or buildings, and also sponsorship programs where they truly undersold the value of the assets. This, in turn, hurts the rest of the community such as the sport organization or college that now cannot sell their properties at fair market value, because the unprepared and uneducated municipality has lowered the bar and undersold its naming rights. In April, The Ottawa Citizen reported the dismal failure of The City of Ottawa's sponsorship program after the first year, where it used an outside sponsorship brokerage to sell its programs and raised under \$750,000, versus a \$2.3 million expectation for year one. The City of Winnipeg still struggles with its sponsorship program because its assets have neither been fully identified nor valued by an outside third party to allow them to be sold at real market value and generate the money they should.

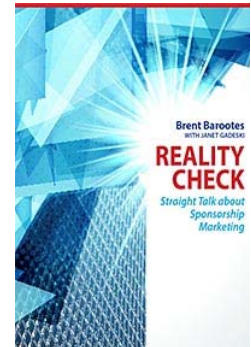
Then we see examples such as the City of Chicago where the "Blue Bin" recycling program was sold to Coca-Cola for over \$2.5 million. We watch in British Columbia, where the City of Nanaimo is undertaking training and development not only for its staff, but also offering four full days of sponsorship workshop training at a subsidized price to local and area non-profits, charities, and sport and recreation organizations. Now that is capacity building for success all around! At the same time, the community of Fort St John is reviewing such an opportunity. Both these municipalities are being supported by credit unions in the delivery of these programs.

For municipalities to be successful, they need to know how to "get into and play the game." When they do it wrong, they are in big trouble. From my experience, and we work with more municipalities across Canada than anyone, municipalities are open to sharing. I see how our client the Town of Canmore worked on its policy development with support from the City of Edmonton. The City of Spruce Grove has done the same. The City of Toronto also makes its policy available. And there are others. My advice to municipalities is to reach out to one another.

On October 21 in Calgary, the day before the [SMCC Western Sponsorship Congress™](#), the Partnership Group – Sponsorship Specialists™ will host a [half day corporate sponsorship workshop for municipalities](#). The session will review everything from asset identification to valuation, procurement issues and concerns, and policy development and prospecting. This is "must attend" workshop for municipalities.

These are just one person's thoughts. Yours are welcomed as well. Please add your thoughts or comments below. Thank you for reading and your feedback.

Brent Barootes



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2 Comments



Bernie Colterman on June 12, 2013 at 5:26 am
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 As a firm that has been involved in municipal sponsorship for over a decade, I agree that

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However, as the firm also brokering sponsorship and advertising opportunities on behalf of the City of Ottawa, I feel it necessary to point out the inaccuracy of your statement. While the Ottawa Citizen may have reported a dismal failure to achieve sponsorship revenue objectives, the figures they stated were very much out of context (how surprising for a newspaper) and covered areas not even considered under the sponsorship program such as transit advertising and station sponsorship. Here are the real stats on the sponsorship program:

The City of Ottawa's sponsorship program was officially launched until June 2012, a year later than originally planned. This late start was to ensure that the City had its "act together" prior to entering the marketplace. Of the \$981,000 actually projected for the first year of the program, \$773,000 was raised by the end of 2012, a very solid result for 6 months of full operation.

- Since the official launch of the program, less than one year ago:
- 3 naming rights deals have been secured for a total value of \$2.4 million,
 - \$1,242,000 has been secured for 5-year pouring rights in City facilities,
 - A billboard advertising program has been put in place which will generate estimated revenue of \$1,850,000 over 5 years.

The City of Ottawa is well on its way to achieving \$12.7 million over 5 years. Moreover, they continue to push the boundaries of municipal sponsorship by taking an innovative approach towards revenue generation. The City's "Community Champions" model is one that should be adopted by municipalities that want to take a strategic approach towards sponsorship.

[Reply](#)

Brent Barootes on June 12, 2013 at 5:50 am

Bernie,
 Thanks for your post and your clarification. It is always important to garner feedback from those on the front line. Congratulations on the success of the City of Ottawa project and your work in Burlington and Kitchener. Brent

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The Partnership Group shared their expertise to help introduce us to the complex world of Corporate Engagement, providing critical recommendations that we are taking action on today and key insights that will be invaluable going forward. With excellent commitment to service, they over delivered in providing industry standard valuations on more assets than we expected so that we are best positioned for success in the future. Partnership Group is an excellent choice for organizations at any stage in Corporate Engagement seeking assistance in this arena. Thank you Brent, Chris and the rest of the team at Partnership Group - Sponsorship Specialists.

Richard Warring

Head, Marketing & Public Information - **Alberta Parks**



<http://albertaparks.ca>
 03/27/2015

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