Platformation
Enterprise Services Ltd.

Charity Sponsorship under the lens

A guide for charitable organisations to reach more funds

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Introduction

Charity sponsorship under the lens

Since my initial blog entry about community sponsorship, my experience in this field has been enhanced with further fundraising initiatives but also by opportunities to speak and listen to business insiders and experts on charity sponsorship.

Coming from the commercial side of the sport business, sponsorships between rights holder and a brand have been central to our business. It's all about ROI, ROO, building image, achieving image transfer, reaching target groups and increasing sales. Sponsorship is an integral part of the Marketing Mix. A powerful tool.

But what about Charity Sponsorship or Social Sponsorship? From the commercial point of view, Charity Sponsorship has been a little bit neglected - not seen as having the same power as Sport, Music or other types of sponsorship. However, as the high profile end of the market, it is to be assumed that there could be lessons to be learned from sport sponsorship for the benefit of charity and CSR causes. Perhaps also vice versa.

This analysis has been based on both the results from our "Sponsorship Decision Maker Survey" and Interviews with Lisa Basford and Richard Morris (further details on each towards the back). Please have a read and enjoy a deeper analysis of Charity Sponsorship and the crossovers to and from Sport Sponsorship.

To begin, let's take a look at some data published annually by NCVO to frame the picture of the charity sector in the UK. This basic data clearly demonstrates the landscape of the charitable sector, how diverse it is and the multitude of challenges facing the many different players.

Introduction

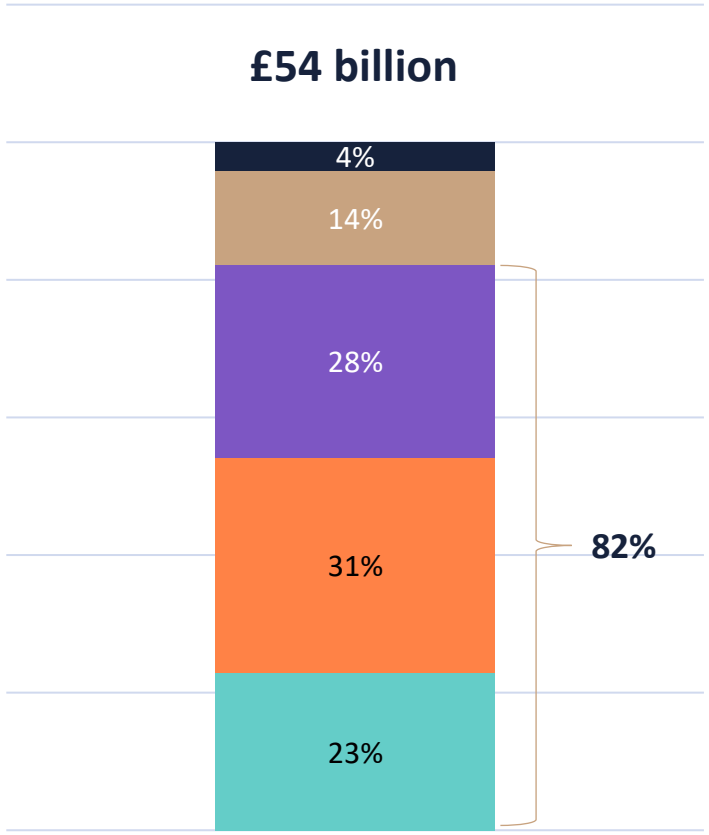
Overview of the Charity Sector in the UK

Number of organisations by region and size

Income	Income bands name	Number of organisations
Less than £10,000	Micro	46.58%
£10,000 to £100,000	Small	34.79%
£100,000 to £1m	Medium	14.90%
£1m to £10m	Large	3.28%
£10m to £100m	Major	0.42%
More than £100m	Super-major	0.03%

96.27%

Total income by size

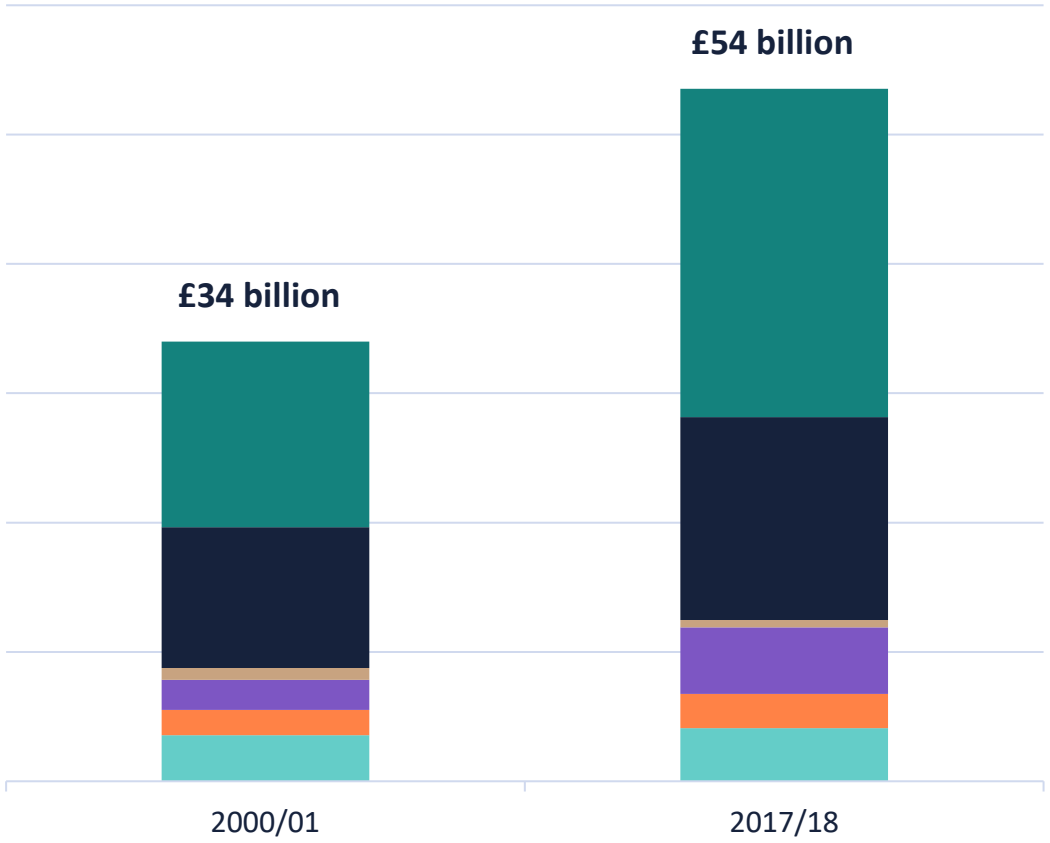


Source: UK Civil Society Almanac 2020, NCVO, Charity Commission, Data from 2017/18

Introduction

Overview of the Charity Sector in the UK

Income sources over time (£m) (real term)*



Income sources	2000/01			2017/18	
The public	£ 14 bn	42%	↗	£ 25 bn	47%
Government	£ 10 bn	32%	↗	£ 16 bn	29%
National Lottery	£ 907 m	3%	↘	£ 575 m	1%
Voluntary sector	£ 2 bn	7%	↗	£ 5 bn	10%
Private sector	£ 1.9 bn	6%	↗	£ 2.7 bn	5%
Investment	£ 3.6 bn	10%	→	£ 4 bn	8%

*Figures have been adjusted for inflation and are in 2017/18 prices

Source: UK Civil Society Almanac 2020, NCVO, Charity Commission, Data from 2017/18

Introduction

Charity sponsorship under the lens

The majority of charities (96.27%) have an income of less than £1 million per year and are classified as micro, small or medium. Nearly half of all charities in the UK can be categorised as micro charities, with an income under £10,000.

In 2017/2018, the entire charity sector in the UK had a combined income of £54 billion. The 3.73% biggest charities make 82% of the total income.

In general, the main source of income comes from the "public", which can be split into the following:

- Donations
- Legacies
- Fees for services
- Fundraising.

Income from the public has increased more than any other source (+£11 bn) over the past 17 years. All other areas, with the exception of the National Lottery, have either increased only marginally or stagnated over the years.

This trend intensifies the pressure on fundraising and a dependency on donations and contributions from individuals, which is very difficult to sustain during a time of crisis, such as the current pandemic. Furthermore, the associated lockdown renders fundraiser events, etc. all the more difficult to organise.

The "private sector" equates to the corporate world and our typical notion of "sponsorship" or "business partnership". Income from this sector has increased from £1.9 billion in 2000/01 to a total of £2.7 billion in 2017/18. However, proportionally, this represents slightly less of the overall contribution than at the turn of the century. This illustrates the challenges that charitable organisations have in securing income from commercial partnerships.

This trend is even more pronounced among the micro, small and medium sized organisations. These charities only achieve a marginal income from the private sector. Charities with an income above £1 million per year are able to gain more traction among the private sector, supporting the hypothesis, that those organisations already have a better structure in place and are better equipped to approach businesses and maintain long-term relationships. Smaller charitable organisations, on the other hand, are lacking the structure and manpower to deal with such sponsorship.

All the more pertinent then to understand the mechanisms of sponsorship and how to find the best approach to the business sector.

Source: UK Civil Society Almanac 2020, NCVO, Charity Commission, Data from 2017/18

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Having accessed a wealth of data and insight, I then tried to distil the essence of what it was telling me. How can this be summarised in a pragmatic roadmap for those I am trying to help?

Combining all of the data, insights and experience, I developed the:

6 pillars for a successful sponsorship with charitable organisations.

This report aims to be a helpful guide for charitable organisations to succeed in optimising their returns from fundraising with the private sector (i.e. brands) and thereby support their efforts for the beneficiary causes they represent.

As previously explored, the charitable sector is very broad and diverse, not only by causes covered but also by size and structure. Each charity is unique and requires specific solutions and guidance. This paper aims to provide some insight and support that can be common for one specific facet of fundraising that we feel offers considerable potential.

A more in-depth analysis and consultation would be needed to pinpoint the individual needs and grasp the specific situation of each charity.

The 6 pillars are:

1. Be Prepared
2. Develop A Strategy
3. Develop Partnerships
4. Form Alliances
5. Create A Credible Platform
6. Communicate Investments & Benefits

The 6 pillars of a successful sponsorship

The 6 main pillars of a successful sponsorship with charitable organisations

1.	**BE PREPARED**	Do your homework about the brand, you want to approach. Do your work about your own organisation	
2.	**DEVELOP A STRATEGY**	Create a strategy and roadmap with timings, contents and approach. Understand the cycles of your potential partner.	
3.	**DEVELOP PARTNERSHIPS**	Prepare options for your potential partner. Develop a partnership together	
4.	**FORM ALLIANCES**	Form alliances with other charitable organisations and networks to create synergies. Avoid creating double work	
5.	**CREATE A CREDIBLE PLATFORM**	Make it work by offering contents and engagements like a dedicated manager, a specific structure within your organisation and the extra mile you would go, “charity partnerships go deep”	
6.	**COMMUNICATE INVESTMENTS & BENEFITS**	Explain why money is being investment in other areas than the beneficiary	

The 6 pillars of a successful sponsorship

1. BE PREPARED

Do your homework about the brand, you want to approach. Also do the groundwork about your own organisation – don't assume things are obvious.

Once you have established a framework for your "sales approach", get into details. Brands DO WANT to be engage with charitable topics, it can be a powerful platform and image driver. Dependent on the scale of their operations, their aims will differ but in general there is a huge opportunity for charities to win support from the business sector. Some highlights to bear in mind:

- 1 in 4 brands engaged in sponsorship support "grassroots, community, environment or other social programmes".
- 3 in 4 of all sponsors name "**target group**" as the number 1 decisive factor for their sponsorship choice.
- "**Credibility**" is important for 3 out of 4 decision makers and in total the most important image factor, when choosing a partner.
- 57% claim that "**responsibility towards the environment**" needs to be reflected in the sponsorship property.
- 40% say "a **contribution to the community**" is an important image factor.

Think of ways how to address those statements. They have been made by sponsorship decision makers of larger companies, with big budgets and a high responsibility for brand building and sales. Your charitable organisation can help to reach those goals, regardless of size or shape.

Local businesses do want to engage in their local community too. Their goals and motivations might be very similar to those of the "big brands".

The 6 pillars of a successful sponsorship

2. DEVELOP A STRATEGY

Create a strategy and roadmap with timings, contents and approach. Understand the cycles of your potential partner and offer a campaign and opportunity to suit. Also, know your worth and think of benefits you can offer, not only how your own organisation could gain. The more preparation and thought you put in, the better your approach will be received and understood by the potential partner seeking to build a business case for the investment.

Work out your Unique Selling Point and how a mutually rewarding cooperation could look. Use the data you have to build your strategy and tell your story. Learn about your potential partner and what their needs and challenges are. How could your organisation help to fill their gap?

Showcase possibilities and opportunities

Prepare an **email** with relevant key facts

Build up a **relationship** with the relevant department

Demonstrate who your **audience** is

Timing: submit your offer before Q4

The 6 pillars of a successful sponsorship

3. DEVELOP PARTNERSHIPS

Prepare options for your potential partner. Offer them a platform to build a partnership together.

This step goes a little deeper. You know your market and your local community best. Build up networks and simply “talk to people”. Lisa and Richard made some interesting statements from their experience.

Lisa talks from experience as a CSR Director, who was on the “giving side”:

- “A partnership between a brand and a charity suggests a long term commitment to work together, to achieve common goals.”

Richard’s view is from the charitable sector, working with many different charities:

- “I think, that companies can say “*we are a profitable, successful company but we are also helping solve some of society’s issues*”. That just shows, they are part of the system.”
- “The biggest challenge for charities to win sponsors, is having the resource and capability to connect to them and understand what to offer.”
- “The ROI is bigger in local structure, as local charities are more “in tune” with their customer base. The sales message is not just about “ticking boxes”.”

  Richard also explained how it is easier for big and “attractive” charities to gain funds with commercial brand partnerships, as they offer structure and have the manpower to address the many (structural) requirements a corporation has. However, on the more local and community level, you can better connect with your chosen charity and make a bigger impact. The question is, what you “want” as a company within the charity sector.

- “In the charitable sector, I would probably move it more to the word “Partnership”, as an extension of the word “Sponsorship”. “Partnership” piece is more for organisations, who want to make a difference. And we want to make a difference by working with this organisation. “

The 6 pillars of a successful sponsorship

4. FORM ALLIANCES

Form alliances with other charitable organisations and networks to create synergies. Avoid duplication of work.

Bearing in mind, that the majority of charitable organisations have an income of less than £1 million pounds per year and that nearly half of all charitable organisations in the UK have an income of less than £10,000, it becomes very clear that those organisations simply do not have a department for business partnerships and do not have the capacity to develop long term strategies.

These organisations are the local foodbanks and local support structures, which focus on their core cause and fighting hard to help their beneficiaries. However, it seems they do miss out on income and other support from local and/or national companies that have the budget to spent on charitable causes.

Here a joint approach could be an idea, where alliances with other local charities are built to develop a combined structure or at least market approach.

Richard reflects on this issue:

- "…You have a large company and you have "*Charity Sponsorship*" at the top level, working with big charities for big issues."
- "Local and community are more geographically constrained and more close to the ground."

Richard on BENEFITS of a 3-way tie up between a brand, a charity and a performer or sports club/event/athlete:

- ".. the idea is very much that the big guys can attract the main people. But wouldn't it be nice to have more sort of events, where individuals who come can say "*you know what, I can come to that but I can also make sure it's for my kids primary school or the local day care centre, or it's something that matters to me*". This could be a performing arts group that is clearly there for the community. So, they get a say in that philanthropic piece. Otherwise it's always the big guys. "

The 6 pillars of a successful sponsorship

5. CREATE A CREDIBLE PLATFORM

Make it work by offering content and activation(s), as well as a dedicated account manager, a specific structure within your organisation and make clear the extra mile you would go. The relationship between a charity and the private sector can go deep, which means it is demanding and requires some work. Put in the effort in to creating a credible platform and an opportunity for the brand.

Lisa has some interesting views from her experience as "the sponsor":

- "Brands get a reputational uplift from working with charity partners. Brands that have alliances with charity partners are viewed positively by customers and employees alike".
- "The key to any pitch – whether it is at local or national level is being able to demonstrate shared goals and being able to demonstrate how both parties bring something unique to the table. It is about showing how more can be achieved collectively rather than by working independently."

Richard's view mirrors Lisa's statements:

- "There are a couple of things for companies engaging with brands. It could be to tackle big issues, say on a national level but it could also be trying to tackle things within the communities that relate and connect to their staff and resonate with the customer base. I think this is quite an important opportunity. It very much depends on the company."
- "… a lot of the smaller local organisations can do huge amounts with what are relatively small amounts of money. The social impact can be very high on that side of things. But then it is very localised. … And why do we do that? Because actually, we know there are some big issues to tackle but also there are some issues at our own doorsteps. And I think that could potentially be the same for some companies."
- "Companies need to embrace the fact, they are part of their environment and they can make massive changes by advocating certain social issues as part of their profit making activities. Charities can become a little bit more commercial and understanding on how to leverage money to make even bigger impact. And how can you partner to do some of that. Social enterprises are sat in the middle because they are trying to be a bit of both."

The 6 pillars of a successful sponsorship

6. COMMUNICATE INVESTMENTS & BENEFITS

Explain why money is being invested in areas ancillary to the beneficiary. In the social media era, where everybody has a voice and opinion (not to mention trolling), communication is key. Educating and being transparent is an important challenge for charitable organisations. Sponsors and the public alike need to understand how the charity operates and what it needs to do the good work it does, rather than simply passing through every penny raised. Their effort requires funding and resources that is not always appreciated by those on the outside.

Lisa explains some downfalls and things to consider as a brand:

- “What I am seeing (post covid) is longer-term partnerships rather than the “charity of the month” fundraising model. It’s not all about the money – it’s about sharing skills and assets.”
- “There are examples of brands that are green-washing and have got this wrong, plain and simple. “Marketing” of the sponsorship needs to be aligned to brand values and timely so brands are not seen to be callously profiteering. Ultimately it needs to make sense for these two parties to work together, otherwise it is merely “badging a logo”. … It’s about building trust. Ultimately, purpose is a consideration in purchase behaviour, and the brands that can demonstrate purpose and build trust are better places to engage their customers.”

The 6 pillars of a successful sponsorship

6. COMMUNICATE INVESTMENTS & BENEFITS

Richard summarises the challenges of charitable organisations:

- "One of the biggest challenges for charitable organisations is that it is effectively a sales job. And one of the things that puts pressure on all charities, is to maximise the amount that is generated for social good and not investing in marketing activities and business development."
- "I think some of the challenges for regular charitable organisations are that they just don't have the resources, because they are torn: do you either service the social needs that you are trying to tackle or do you actually invest in growth mechanisms. And the public doesn't generally like people spending marketing money or investing in things like that. It is seen as a bad thing. And yet, I think this is one of the biggest challenges for charitable organisations, to be able to invest in tomorrow, to make sure you can continue to deliver tomorrow and deliver even more tomorrow than you are today. If you said something like this to APPLE "*It's great you are delivering all of that but you should deliver phones and not invest in tomorrow*". They would say that's crazy. But we don't see it the same with charitable organisations."
- "Shouting about the engagement can be seen as exploitative and cynical. But it could also raise awareness of a particular social issue. And the other thing is, for the brand to perhaps help and invite their customers and staff in and another people to help solve that issue together."
- "Getting the message out, is being an advocate of that issue. And using your status, in terms of presence in the market, your customer base to help move that issue forward. And help solve it in a better way. Therefore you become part of the solution, not just standing on the (side line)."

The 6 pillars of a successful sponsorship

Outlook

We hope you have enjoyed reading our summary document and found some useful points that will also be of help with your own challenges and initiatives.

Of course, one of the problems with a paper such as this, is the need to tackle things generically, with a relevance for everyone. However, the downside to that is that the application and detail is also limited for everyone. For this reason, should you have found the report useful and would like to hear more or discuss your own situation with us, please do get in touch – we would love to hear your story!

A short chat by phone, Zoom, Teams, etc. can be a great way to explore the topic further and of course, to discuss whether and how we could potentially support your cause and help you maximise your income streams. A Power Hour, tailored workshop or perhaps a more detailed analysis project, with your input could all be possible.

We will hope to hear from you and are available to support your efforts.

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Background of the findings

Sources.
For further details and information, please get in touch.

The findings and the analyses of this paper are based on the results from our “Sponsorship Decision Maker Survey” and Interviews with Lisa Basford and Richard Morris.

All data used for the conclusions presented, can be found within those sources:

UK Civil Society Almanac

- The UK Civil Society Almanac, published annually by NCVO (The National Council for Voluntary Organisations), is the definitive reference publication for anybody interested in the voluntary sector, and its role in civil society.

Sponsorship Decision Maker Survey 2020

- More than 8,000 decision makers from over 2,200 brands, active in sponsorship, spanning the globe have been invited to participate in our survey.

Lisa Basford, Founder “Good Endeavours”

- Experienced, results-driven Corporate Social Responsibility Leader with a foundation in Marketing Communications and Brand Development.
- Now working as an independent consultant, supporting organisations to drive productive change, deliver social impacts, meet business objectives, and gain commercial advantage.

Richard Morris, Founder and CEO “The Giving Machine”

- A business leader, author and digital/community-orientated entrepreneur, experienced in the transformation of new concepts and technologies into profitable organisations, products and services.
- Providing board level, non-executive consulting services to businesses and charities - current engagements: CEO (and co-founder) of TheGivingMachine, author of “Givernomics”.

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About Platformation Enterprise Services Ltd.

Platformation Enterprise Services is a consultancy, specialised in the development of value in sponsorship and the wider field of the commercialisation of sport and entertainment.

We offer a full suite of services from off-the-shelf expertise and reports through to bespoke analyses and strategic consultancies. Our roots reach back through to the early days of professional sponsorship and we have evolved with involvement in the best practice of the business of sport and entertainment. Through the years we have established an enviable global network of alliances and contacts from each corner of the industry.

Our consultancy was founded to conceive/ design/ support/ optimise the commercial relationship between each rights holder and their partner brands in a manner that is sympathetic to the business in question. No two combinations will be exactly the same and our goal is to facilitate the ideal platform to suit.

We stand for integrity, precision, innovation and a personal investment in our clients' success and growth. We are accessible and embed ourselves in our clients' challenges and professional culture. Our aim is always to draw on decades of experience and know-how gathered for the benefit of our clients and supporting them to reach their commercial goals and a sustainable value momentum.

About Us

Platformation Enterprise Services Ltd.

MARIA WALSH

Maria Walsh has an extensive expertise and rich experience within the world of sport, sport business and commercialisation. Sport in all sort of shapes and forms has always been the common determinator in her life. Maria is a driven and analytical professional with a strong business initiative and community involvement.

The challenge and aspect of business development has been integral to her career, creating new ways to connect and build structures. Maria loves to bring people and businesses together, in order to reach new goals.

Raised bilingual, she now speaks three languages fluently and has a basic understanding of three additional languages, allowing her a deeper understanding of multicultural aspects and business relations.

Maria loves to analyse data and present the story it tells. Creating structures and developing strategies based on data, experience and the clients' situation is her favourite challenge.

Platformation
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Let’s do something different!

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