



Small town dilemma: fundraising vs. sponsorship

When contemplating a new venue, smaller municipalities typically launch with a fundraising campaign, followed by a sponsorship sales program. But Judy Haber, Senior Partner of Performance Sponsorship Group, says venue owners should always turn first to sponsorship. A fundraising campaign doesn't shut the door to sponsorship sales, but it can narrow it, particularly in smaller municipalities.

Haber recently sold naming rights to a planned recreational facility in the Saskatchewan town of Wynyard, population 2,000, after the completion of a fundraising campaign. Secondary partnerships will be announced in March. The naming rights sale was an upsell of one of the donors from the fundraising campaign.

Sigourney Hoytfox, Wynyard's Director of Leisure Services, sees it as more of a chicken and egg proposition.

"If I could go back and start it again, I think I would probably do [sponsorship and fundraising] almost side by side," she says.

In sponsorship sales, an unsuccessful pitch often "poisons the well" by reinforcing in the prospect's mind that sponsorship is not a fit. That analogy doesn't apply when a sponsorship pitch follows an appeal for a gift because "it's a different conversation," explains Haber. In fundraising, the conversation is about recognition, but in sponsorship, particularly with a venue, the conversation is about establishing a business relationship with a tangible return. It's a proposal they haven't heard before, she says, and one that appeals to their business sense.

Following in a fundraiser's footsteps can be limiting, however. Fundraisers will often make commitments that intrude into sponsorable inventory, for instance by promising recognition on an asset that might otherwise be sold. That not only removes the asset from the inventory, but it could compromise the category exclusivity that a sponsor expects, says Haber. the plaque at the front entrance can usually be found in the back of the house. In the case of the Wynyard facility, the local Co-op store had been promised the centre ice logo in recognition of its gift. That's an asset that always goes to the naming partner, says Haber. Fortunately, she was able to upsell Co-op to venue naming partner.

Tangible recognition is something that small-town donors expect, particularly if they're cutting a large cheque, says Hoytfox. "Without that, I don't think we would have received some of the donations we got."

Don't slam the door to fundraising, says Haber, but give sponsorship the first crack, particularly at the "front of the house" assets that command the greatest visibility and revenue potential. Gifts will always have their place and, if needed, recognition beyond the plaque at the front entrance can usually be found in the back of the house.