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### Surf Life Saving Queensland

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## Introduction

One of the primary aims for SLSQ is to reduce or offset the costs of delivering a wide range of education and public awareness programs and operational services that we provide throughout Queensland. In addition, we aim to provide additional assistance to Clubs to participate in the provision of Life Saving Services, Surf Sports and Fundraising activities wherever possible.

One of the ways that we do this is by securing both National and State sponsors.

Our sponsors provide different levels of support to SLSQ – from cash payments through to in-kind support, but regardless of the terms, these agreements deliver both direct and indirect benefit to our Clubs and our members.

While State and National sponsors are crucial to the future of Surf Life Saving, SLSQ also appreciates that Clubs may also need to secure local sponsorships to help subsidise the cost of running their operations.

This guide is intended to provide you with comprehensive guidelines on how to successfully identify, secure and manage sponsorships at a local level.

## The importance of Intellectual Property

Intellectual Property (IP) is the general name given to the laws covering items such as patents, trademarks, copyright and designs to name a few.

Many of the devices, images and names associated with Surf Life Saving have been registered as trademarks by Surf Life Saving Australia and/or SLSQ, therefore their use is restricted.

Trademarks are extremely valuable marketing tools. The public identify a certain quality and image with goods and services bearing our trade mark. These marks are also symbolic of our organisations' proud history and represent the most valuable asset our organisations own. It is essential for us to limit the use of our brand by third-parties to both protect and retain the value (financial and reputation) of our organisation and to maintain tight controls against its misuse. There are also minimum funding commitment levels in place to protect the commercial interests of our existing sponsors who have paid significant sums of money to use and associate with our brand.

If a business (who is not a sponsor at the relevant level) wants to use the SLSA or SLSQ brand to promote their business, to give itself credibility because of an implied association, or simply to generate revenue for one of its products or services, it is not allowed and this is a misuse of our intellectual property.

The same principal applies to any commercial entity that has an association or sponsorship of a club. If they have agreement from the club as part of their sponsorship agreement, they may use club IP but NOT SLSQ IP including roundel, patrol uniforms, patrol flags etc.

Any use of club IP must obviously be negotiated direct with the club and is not something that SLSQ would become involved in unless they sign a significant deal with a conflicting state or national sponsor.

Clubs have no right to on-sell or trade with SLSQ IP unless they seek prior permission from SLSQ. They may use their own branding and logos to promote any services or products they have to generate revenue for the club. The SLSQ brand is for the benefit of all clubs and any decisions SLSQ makes on its use should provide benefit to all clubs and not just individuals.

Typically SLSQ will permit clubs to use logos on club shirts for use by staff or volunteers, however they are not permitted to use these logos for shirts that they would sell to the general public (i.e. revenue generation for that club). The same applies to the branches.

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Another example would be a club who wants to produce a calendar for sale at their surf club. They could use their own logo, branding and club colours but not the patrol uniform or SLSQ logo.

The trademarks are owned by Surf Life Saving Australia (and SLSQ within this state) and requests for their use must be through these offices. Any unauthorised use will lead to legal action.

## Sponsorship Overview

Sponsorship is a vital ingredient in the success and survival of Surf Life Saving in Queensland. Without the support of our sponsors we would not be able to provide many of the vital resources required to run our lifesaving services, surf sport carnivals, training and education programs and keep volunteers on our beaches.

The sponsors of SLSQ do far more than cover the costs of running the administration of our organisation – their main purpose is to help deliver real value to our clubs and the community we serve.

It is important for all sponsors to be valued, be exclusive within their industry of their support for Surf Life Saving (no competitors), and to justify their significant investment in our organisation.

## What is Sponsorship?

Sponsorship is generally recognised as the purchase of the, usually intangible, exploitable potential (rights and benefits), associated with an entrant, event or organisation which results in tangible benefits for the sponsoring company (image/profile enhancement).

Sponsorship can support an event, organisation, individual, team, object, venue etc., and the benefits offered to the club by the sponsor can include:

- ✓ Exclusivity
- ✓ Image association
- ✓ Hospitality for client entertainment
- ✓ Product sampling at venues
- ✓ Signage rights
- ✓ Merchandising
- ✓ Networking
- ✓ Media coverage
- ✓ Publicity opportunities
- ✓ Use of personalities for advertising and promotions
- ✓ Retail or trade incentives to encourage your members to purchase the sponsors products

## Sponsorship v Donation

There is a vast difference between sponsorship and a donation. Sponsorship is a business tool, it is not a donation.

**Donations** are either goods or money given with no return expected. A donation is 'free money' with no strings attached and no favours or benefits expected in return.

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**Sponsorship** offers monetary support to an individual, team or organisation in return for an agreed benefit or list of benefits from that organisation.

It is important to note that sponsorship is not the total answer to your funding needs. While it plays a vital role, a mix of funding support is best including donations (unlimited potential, provided they are acknowledged and kept informed); trusts and foundations (usually for lifesaving equipment); functions and events; commercial sales (club merchandise) and local Government grants.

### Top Ten Tips for Sponsorship Seekers

1. Sponsorship is not only about your need, it's about achieving the sponsor's objectives. If you can't or are unwilling to accept this, don't even try to gain sponsorship. There is no such thing as free money.
2. Sponsors don't need to share your passion for your event or organisation in order to sponsor you. They just need to be able to see the commercial benefit. Focus on that in any proposal you provide.
3. Do your very best to gain sponsorship from companies or brands that are a natural fit with your event or organisation. The more they look like they are an authentic part of an audience's experience, the better marketing platform sponsors will have and the less potential they have to detract from your credibility.
4. Be sure your whole organisation understands why sponsorship is important to you and is prepared to treat your sponsors like marketing partners. If your colleagues think sponsorship is just free money or a necessary evil, the sponsors will know and your relationship will be difficult.
5. Putting logos on things for awareness and exposure is very old school and no longer a primary goal of sponsorship. Go ahead and offer to put logos wherever you want – just make sure your proposals offer far more substance to sponsors. Exposure is not the cake, it's not the frosting, it's simply the cherry on the top.
6. Start at least twelve months before an event if you are seeking any kind of substantial sponsorship. It can take some sponsors months to make a decision and they usually need at least six months to get their leverage program together before the event. This is for your benefit as well as the sponsors'. If you get knocked back you need to have enough time to source another sponsor.
7. Keep in mind that you may be working with a very big, very bureaucratic organisation. Be sure your proposal can stand on its own without the personal enthusiasm you may put into your first presentation, as it will likely be passed around to a dozen or more people who will all have input into the decision.
8. It's better to get a couple of big sponsors than lots of small ones, if at all possible. There is less clutter for them and less sponsor management for you. Small sponsors are just as hard to look after as big ones and can quickly drain your time and energy.
9. Don't ever think that once you've got the cheque your job is done. If you don't service sponsors properly, they will never give you another cent and will talk about you unfavourably to their peers. At worst, you will end up in litigation.
10. Be sure you understand the basics of sponsorship before you try your hand at it. If you don't do it properly, you will not get the money you are looking for, and may well burn bridges for funding in the future.

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## Securing sponsorship and managing the relationship

### Set up a sponsorship taskforce within your Club

Try to target members who have good contacts within the local community. Taskforce members also need to be aware that the work does not stop once the sponsorship is secured – there must be an ongoing relationship between your club and the sponsor for the duration of the sponsorship period.

### Set a timeline and action list

Put together a timeline for when you want to secure sponsorship by and role of each of your taskforce members in the sponsorship process. Make sure you plan regular update meetings so everyone keeps on track.

### Determine how much sponsorship is needed

Do an audit on your club and determine how much is needed in terms of dollar value. You need to be able to show sponsors how their money will be used, so be honest in your estimates.

### Determine how many sponsors you want

Beware of overselling your Club and as a result offer diluted value to each sponsor. Too many sponsors can lead to cannibalisation or duelling logos and the messages of individual sponsors can get confused which may lead to the sponsor not achieving their objectives. It is better to package up saleable properties and target fewer large sponsors, rather than have many low end sponsors cluttering your club.

### Determine what properties your club have to sponsor

It is important to write down a list of saleable properties within your club in order of importance and be sure that you can deliver on the properties you are offering. Also look at how you can package up your saleable properties to reduce the number of approaches you need to make and as a result add more value to one sponsor, rather than little value to many sponsors.

### List the sponsorship benefits

List the benefits your club can offer for each sponsored property. Also think about how you can value add the sponsorship and offer things such as corporate hospitality at a carnival or social function, lifesaving experience with their staff, the use of your supporters club, or a motivational talk from a high profile athlete etc. Some examples of benefits can include:

- ✓ Signage rights around the clubhouse and on club equipment
- ✓ Category exclusivity
- ✓ Profile and association with a strong community service
- ✓ Access to your members database (be mindful of privacy laws)
- ✓ Incentives encouraging your members to purchase the sponsor's product/service
- ✓ Sampling of their product by club members

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- ✓ Media coverage and other publicity opportunities
- ✓ Association with any high profile club athletes
- ✓ Corporate hospitality (VIP tickets to a particular event)
- ✓ Staff experiences
- ✓ Cross promotion with other sponsors

### Determine sponsorship value

Decide what your sponsorship properties are worth both package and individually. If you are unsure of the value, do some research --- speak to SLSQ, other clubs and sporting groups in your local area who have sought similar sponsorship.

Price your sponsorship packages realistically. Price the package at what it is really worth (not what is needed for the particular project), and make sure the company is being approached can afford the sponsorship.

Don't base sponsorship proposals on funding shortfalls. It is important to base the sponsorship on the projects real value. Remember you're not after a donation.

Please remember that sponsorships are subject to GST because sponsors receive goods or services for their money.

### Prepare a target List and research potential sponsors

Put together a target list of local companies/organisations who you consider potential sponsors. After the list is compiled take the time to research each of these potential sponsors – don't just take a 'stab in the dark' and send out a proposal – try to gain an understanding of what a potential sponsor is hoping to achieve through a sponsorship.

It is a good idea to know the person you are seeking sponsorship from, or to catch the attention of the recipient of your request. Speak directly to the person at your targeted company/organisation who makes decisions on sponsorship and find out what their sponsorship objectives are, if they fit with your club and/or your saleable property and what financial level of sponsorship they would consider. Is the sponsor aiming to increase brand/product awareness, increase sales, generate goodwill or are they trying to achieve something totally different. The more you understand what a sponsor is trying to achieve, the better you can assist them, thereby helping to build a loyal and solid relationship.

Examples of what sponsors may wish to achieve include:

- ✓ Raising brand awareness – e.g. of their store in the local community
- ✓ To increase sales – e.g. by reaching new customers
- ✓ To gain a competitive edge – e.g. in the local area
- ✓ To save money on advertising – e.g. can reach locals via your club
- ✓ To promote a brand image – e.g. the local community shop
- ✓ To be seen as an integral member of the community – e.g. giving something back to the local community

Like any other objectives, these must be specific, measurable, achievable, realistic and have a time line. When discussing these objectives, think about how your sponsorship deal can help achieve those objectives – this will make the package easier to sell and show the sponsor you are



interested in their business. Walk away if need be – if your club cannot fulfil their sponsorship objectives, don't make the approach, you are just wasting everyone's time and potentially burning a bridge for the long term.

### Writing a proposal

It is important that your sponsorship proposal stands out from the crowd and reaches the appropriate person in the company who can say yes to the sponsorship.

Make sure each proposal is tailored individually to each potential sponsor and clearly outlines sponsorship benefits. Your proposal should include:

- ✓ A short history on the club – including membership size etc.
- ✓ What the Club goals and objectives are for the season
- ✓ What the Club has to offer the sponsor
- ✓ What the Club is requesting from the sponsor
- ✓ Term of sponsorship

When presenting the proposal try to do so face to face. It is always more powerful and you have the advantage of being able to present the proposal and answer any immediate questions that sponsors may have.

It is unlikely that an organisation will allocate funds to your surf club if your operation appears to be amateur. Ensure that your club presents itself in a professional manner and shows an understanding of what is required of the relationship. If you cannot present the proposal in person, contact the sponsor after the proposal is sent make sure they received it and to see if they have any questions. It is important to follow up potential sponsors but remember there is a fine line between 'hounding' and making an inquiry.

### Sponsorship agreements

Once a company/organisation has confirmed they wish to become a sponsor of your club and both the club and sponsor have discussed what each party wants to achieve through this relationship the club should create a written agreement or contract.

It is good business practice to have a formal agreement or contract in place and is a necessity for significant funding. Lack of a written contract increases the potential for misunderstandings and the relationship turning sour. A change of personnel can mean the intent of an agreement is lost, unless the agreement is in writing.

If unsure, consult with a lawyer to ensure the agreement is sound. Never assume you will get certain rights. Clearly state the rights agreed to or commitment in the contract.

### Keeping sponsors happy

You have now entered into a commercial agreement with a company. Certain rights and benefits have been given as part of that agreement. Now it's up to you and your club to honour these commitments and keep your sponsor happy.

A sponsorship is an ongoing partnership and you need to provide the necessary resources to manage this relationship (i.e. regular updates, meetings and invites to social functions etc.).



It is also important that all your members are aware of the sponsorship and the value it brings to your club. They need to appreciate and respect the sponsorship and where possible support your sponsor's business.

You should also consider putting some of the sponsorship monies aside to service the sponsor and value add the relationship. Remember you have to, in most cases, pay to implement what was promised (i.e. club signage, logo on uniform etc.) and usually there are some additional non-budgeted expenses along the way (i.e. corporate hospitality).

Here are some ways to ensure a successful sponsor relationship:

- ✓ Promote the sponsor at every opportunity
- ✓ Acknowledge the sponsor in every media story you release
- ✓ Communicate with your members to ensure they look after sponsor's rights
- ✓ Invite the sponsor to events and to give prizes at awards nights
- ✓ Establish more than one key contact in case the main contact moves on
- ✓ Keep your sponsor informed about the club, especially any potential unpleasant publicity
- ✓ Before signing a new sponsor, give existing sponsors the opportunity to address any concerns they may have
- ✓ If you have sold naming rights, you must acknowledge them in everything you say and do You must also ensure that the media are aware and adhere to the naming rights
- ✓ Send your sponsor an evaluation report

Ensure you manage the relationships for the longer term. The benefits that will accrue from your sponsorship will take some time to build. Most sponsorship agreements are commonly signed using a three year contract with the option to renew.

Make sure the relationship is based on outcomes and report results to your sponsor. It is essential to quantify these results e.g. if your sponsor is looking to increase brand awareness within your club, you could report that xyz thousand products were sampled by members, or xyz thousand members and beach-goers were exposed to the sponsor's signage.

Build the sponsor relationship over time. Sponsors can do more than make a direct financial contribution, they can also provide in-kind support (other non-monetary support provided by the sponsor) such as product to be used at a carnival or club event, or including their staff/customers in Club activities.

If possible, provide your sponsors with exclusivity. Don't clutter your club with sponsors – too many sponsors can lead to cannibalisation and duelling logos.

### Sponsorship Evaluation

The best way to make sure your sponsor understands the returns is to provide an evaluation report detailing the benefits received. It is also good business practice to show evidence of accountability. Evaluation also helps a club formally review its activities, provides a frame of reference for future projects and aids the planning process.

Decide in the negotiation process the level of reporting and evaluation you are going to provide each sponsor. Every case is different and depends on the size and type of offering.

The report can be as simple or as complex as you want it to be. Demonstrating good creditability, a track record of providing value for money and a reputation for fostering sponsor relationships, will make it a lot easier for you to gain sponsorship in the future.

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