

**Nonprofit 911 – May 12, 2009**  
**Maximizing Revenue in a Challenging Environment: Approaching the  
Corporate Sector**  
with Lewis Flax  
Sponsored by Network for Good

The MP3 audio transcript can be found at  
[www.fundraising123.org](http://www.fundraising123.org) or [www.Nonprofit911.org](http://www.Nonprofit911.org)

**Rebecca Higman:** I am thrilled to introduce our speaker, Lewis Flax. Lewis Flax is President and CEO of Flax Associates, a firm that assists nonprofits in the understanding, implementation and execution of successful sponsorship and partnership sales efforts.

He is currently assisting Community Anti-Drug Coalitions of America, Associated Builders and Contractors, and the Institute of Management Accountants in maximizing their revenues generated through partnership offerings. Mr. Flax is active in the American Society for Association Executives and serves as an instructor for courses offered through Dale Carnegie Training.

Without further ado, I'm happy to turn over the floor to Lewis.

**Lewis Flax:** Thank you very much, Rebecca. I'd like to echo some of the remarks that you made earlier in terms of some of the work that you do. I first became aware of your organization when I met Katya at a speaking engagement where she was delivering a presentation. A) she was very informative and interesting, and B) she engaged the audience in a very appropriate way. So not only does your organization provide DonateNow, email, and other types of services, but through your efforts in terms of live training, online training, resources, and other aspects that your organization offers, your name truly is apropos in terms of being a "network for good." I think that is something that all of us should appreciate.

I'm happy to be here today and I look forward to discussing sponsorship. Before we get into sponsorship, I thought I'd share a little story in terms of why I'm interested in it and how I got involved. A story that kind of explains where I come from.

I'm down on the subway system in DC about two months ago, the Metro, and there are stations all over the city. I got onto one station and there were banners all over the place. It was two months ago and they said, "We believe in change." It was right after the Obama inauguration takes place.

There's banners in the Metro, all over the area. There's different ads throughout the stations focusing in on change and different ways in which individuals should change. And then it mentions IKEA. So basically their approach was: you should change the furniture that you own.

What runs through my mind is, what's the campaign here? What's the effort? How is it tying in with the subway system? What rights fees are being paid. What are the ways in which this being structured?

So when I look at different aspects or different ways in which to evaluate or structure a partner or sponsor arrangement, I'm coming at it from more of an objective or researcher's type of approach. That's a little background as to how I look at things. So I hope when discussing some issues or topics, when I'm looking at it, I'm not focusing on the benefit or the specifics of you cause.

All of you out there represent very good causes, good organizations, and the idea of supporting your organizations is something that I'm in favor of, I just need to take a step back and say, if I'm looking at it from a corporate perspective, "Why is this important to me? Why should our organization get involved?"

Today we're going to focus in on the overall landscape, the partnership/sponsorship landscape, and how that differs from other areas of fundraising. Then we're going to look at the current environment. We're going to examine the economy, how to potentially deal with that, ways in which to address the relationships, and then touch on marketing efforts.

We'll look at how organizations from the corporate side view marketing, and ways in which we can utilize it to our advantage. Then next we're going to take a shift and look at how should we approach and how should we structure our offerings? Then from a business development standpoint, what is it that we should do?

We're now on slide 3. If we look at fundraising approaches within most organizations -- and whether it's promoting education, fighting poverty, supporting healthcare or the arts, generally on the philanthropic side there's three different ways in which we can solicit or obtain philanthropic gifts.

One is through guilt or compassion. This is a situation where Little Johnny has a disease or there's some reason that is going to play to our guilt or our compassion where we're going to say individually, "We're going to contribute, this is the cause, this is an area, this is something that makes sense."

The second area is where we can leverage relationships. A typical example is a board member who can leverage his suppliers, his clients, other individuals that he's aware of, or corporates that he's aware of, and have them make donations.

The third is a connection with the cause. So if someone is involved in the arts, or has a specific tie-in with a relative who had a disease, or there was a specific interest in fighting poverty through what they went through when they were younger, there's a connection with the cause and they're going to go ahead and support it. So those are all on the philanthropic side.

The next is grants. Those are all going through foundations that are program-specific, very detailed, very tied-in to the structure of a specific program.

In the first two categories of philanthropic requests and grants, the focus really is on the organization or the cause. We're not really looking at it from the perspective of another point of view. When we look at it from the corporation's point of view, we want to take a step back and tune in or dial into what I would call all of our favorite radio stations "WIIFM." Most of you have probably heard of that, and that's "What is in it for me?"

Whereas in the first few categories, we're really not looking at that, when we're focused on the corporate side, well, what's in it for them? What is it that they're going to gain? How are they going to benefit? Why should they get involved?

So when handling outreach and looking at ways in which to address the corporates, you want to make sure we understand what their goals and objectives are, how they're going to benefit from this tie-in, and ways in which they can get involved. Then we can take a step back and look at it and say, "Well, why should the corporate get involved?"

If we shift to slide 4, we'll see a number of statistics there, and basically what these statistics show us is that as a society we're becoming more and more socially conscious. We're showing more social responsibility, and the impact on our buying practices and our buying patterns has been evident.

Here's some information from the Cone Cause Evolution Study. What we're seeing is often we knock the younger generation. I'm 45, so I guess I could say that I don't qualify for that. Yet with the younger generation, often they are knocked, yet the reality is the reason for the shift in these statistics and these numbers is the 35 and under generation has a strong social responsibility and social commitment.

As a result of that commitment and that dedication and that interest, there have been significant changes in buying patterns, and the corporates recognize it. They're seeing this, and they recognized it. They need to react, and make sure that in terms of their efforts and their campaigns and the approach that they take is they recognize this social responsibility, and it continually changes for the youth.

So I think this will help all of us in terms of whether it's philanthropic donations, leveraging it through sponsorship or partnership or many other ways.

If we then shift to slide 5, we take a look at corporate objectives. In most cases we pretty much kind of understand this. We know that the corporates are looking for new leads and clients. We understand that they want awareness, visibility. They're looking to increase brand loyalty. These are a number of the different objectives that they may have.

While in principle or in theory, we recognize that these are the objectives, often in working with clients, when sitting down say on an initial call or a discussion with a potential corporate partner, instead of focusing on these objectives, the first 10 minutes, 15 minutes, 25 minutes, an hour, all focus on the specific cause. Focusing on the cause is something that is ingrained within us, because that's we believe in, that's our passion, that's our focus.

Yet when it comes to dealing with a corporate, we want to back away from that. They unfortunately, they are not as interested in our cause as we are. Additionally, they're going to be approached by many different causes, whether it's an arts group, a group that's fighting poverty, a group that's in favor of education. We could go on and on and on. Museums, festivals, fairs.

Many different groups may be approaching them for sponsorship or for a partnership or for philanthropic dollars, and when they walk in to speak with them or they're on the phone, the focus is all about their organization.

So we want to shift that focus to make sure that we recognize these goals and these objectives that are listed on slide 5.

So, from a corporate perspective, on slide 6, really what they're desiring, what they're looking for, is they want to have a linkage. They want to have an alliance, an affinity with the different causes which are going to make sense with them. They're looking beyond the inventory.

So the idea of focusing in on a table at the gala dinner, or focusing in on a conference sponsorship, or focusing in on running or getting involved in the 10K. From a corporate perspective, that's looking at it from the cause's point of view. We are not focusing on their goals and objectives.

So we want to shift our focus, and we want to shift the way we're addressing it. We want to look at how we can get out of that tunnel vision or that inventory mentality of what it is that we have to offer, and look at ways in which to establish relationships on a year-round basis and to be able to customize these.

When I say customize these, if we're reaching out to a retailer or a bank or a service firm, they're all going to have different interests. They're going to have different ways in which they can work with us.

So I'll give an example or two of when I'm mentioning arrangements or linkages. For example, different groups have run Happy Hours. It could be a park, it could be an environmental group, it could be the Humane Society. They may run Happy Hours, and they meet there once a month or during the summer months. When running Happy Hours, they're bringing a certain number of people to the event.

In working with a corporate sponsor, if we change one little letter and call it a "Yappy Hour" instead of a "Happy Hour," all of a sudden it has a different meaning, a different context. From a sponsorship or a partnership type of approach in an organization that focuses in on dogs, or dog care, or dog grooming, or dog supplies, it's going to have a much greater interest in getting involved.

When we shift from the "Happy Hour" to the "Yappy Hour," what takes place is from a corporate perspective or a corporate that is involved in that area of dog training and dog involvement, they're going to get involved. Maybe they'll invite their prospects. Maybe

they'll invite their customer list. Maybe they'll bring dog treats. Maybe they'll bring other types of items which will be of interest.

Their willingness to pay marketing rights, fees, and benefits will significantly increase when they can feel like they're a part of that event. So instead of paying X dollars, they're probably going to be willing to pay X times whatever that amount is.

So that's an example of a customized arrangement or a year-round relationship in which a corporate can get involved with a specific activity or event. That's going beyond the inventory or going beyond the specifics of our own organizations which we represent.

If we shift to slide 7, here we're looking at the environment, and there's no doubt that today's economy is tough. Both on the philanthropic side, we all see that, foundations are suffering, and the corporates have their own issues as well.

So their marketing budgets are being cut. Their philanthropic opportunities and community relations budgets are being cut. They are attending fewer events. They're not getting involved to the same extent that they were. Certain sectors or industries are suffering more than others. The financial sector, the building sector, and others are taking tougher hits than other industries.

There are some opportunities here. When we look at ways in which to communicate and relate to the corporate sector, this is an opportunity for us to expand or extend the relationship. So instead of just presenting to them that inventory, or that gala event, or the 10K run, we can get involved with them in a broader way.

Additionally - and this is outside the scope of the specific funding - now, in terms of filling board vacancies, or finding volunteers, or other types of efforts, it's probably going to be easier in approaching the corporate, because they're going to want to get involved, and network, and cover themselves to a greater extent than, say, the way things were a few years ago.

Also, as these corporates are being approached by many different organizations, we want to make sure that we're differentiating our offerings and providing a value-add back to the corporate. So if we can expand these relationships, extend them, and convert the philanthropic relationships into business relationships.

What I'm referencing there is looking at ways in which we can shift that Happy Hour to a Yappy Hour, looking at ways we can shift specific programs that are internally developed and getting the corporates involved.

Then we can also look at the way the economy has changed over the years. There's a number of emerging industries, whether it's specific aspects of technology or biotech. Can they tie in to who we are and what we represent? So we want to take a look at that in terms of addressing the current environment.

If we shift to slide 8, here the focus is on corporate messaging. There are a few small companies that probably few of us have heard of listed on that page, and when we look at

these companies, we recognize all of them. Their logos are well-recognized. Their company names are well known.

When reviewing or looking at these, all of these companies expend a tremendous amount of resources on their marketing efforts, whether it's through their staff or through their advertising efforts. They're allocating resources, staff, and dollars to promote who they are and what they represent to their consumer base.

When they do this, they're doing this to deliver the message of who they are and what they represent. Their primary goals are to drive revenue, increase profit, and increase shareholder value.

When we recognize that those are their goals, regardless of what they spend and what resources they use, at the end of the day, it's still a sales pitch. No matter how much - whether it's Target, or ExxonMobil, or GE, or Google, regardless of what they do, at the end of the day, it's still a sales pitch.

So the issue here is, if this applies to any of these corporates, then it also applies to the grocery store on the corner, the hardware store, the local restaurant, any organization or any corporate. They don't have credibility or authenticity. If they can tie in - if we shift to slide nine - if they can tie in with the right organization, all of a sudden, we can offer that authenticity or that heart that they are seeking.

When we can do this in a way that helps them achieve their goals, all of the sudden, that puts us in a different position. If we think about this, we think about what their goals are, and then from the nonprofit side, where our mission is completely different.

Our mission is to improve education, reduce poverty, promote the arts, fight for environmental rights, fight diseases, and support different religious groups. We have a very different mission and a very different focus.

When the corporates recognize when they can align with us, all of a sudden, there's a value-add that we bring to the table. The question really is, how is it that we can take this impact, take the difference from a marketing perspective, and align this so that it's going to be successful and is going to be a win/win relationship?

If we look at slide 10, here's a general overview of an approach we could take when looking first internally and then externally. The first area of focus is to look at our current situation. What are the assets that we own and control? When I reference assets, here it could be the different programs that we're offering, different initiatives, our website, our different communication channels, or our audience.

What are the things or what are the assets that we have that are going to be of interest to the corporate sector? Once we've looked at the assets, we then figure out, how can we turn these assets into benefits? When I say benefits, the assets stand alone in terms of what it is that we're offering. How is this going to be of interest to the corporate sector? How can they tie in? How can they link in?

Here, we want to think beyond what it is that we're offering. We want to understand from the corporate side and the corporate perspective what it is that they're seeking, what they're looking for, and figure out how to tie into their goals and objectives.

As we're moving in this process, this process is not linear. It's more circular in the sense that we'll move back and forth between the different areas as we move forward in establishing partnerships and sponsorship relationships.

The next stage is, what are the parameters of involvement? Here, this is an area we need to be very careful of when we're developing our different programs, or initiatives, or efforts. We can't be in a situation where corporate involvement taints who we are. Otherwise, from our audience, our supporters, our members, our donors, that could have a significant adverse impact on us. So we want to be very careful in terms of what are those parameters of involvement.

Then we want to make sure that we're coordinating, both internally and externally. Once we understand these benefits and assets, we then look at, how can we package these? How can we package these in a strategic way? How can we position this type of effort in a way that's going to be successful?

So if we're looking at an example, recently I'd worked with an organization on an awards program, and in running the awards program, most of the efforts were focused on the specific event, the day of the event. So there was going to be signage at the event. There was going to be promotion on the website and X number of seats at the tables.

Yet it wasn't giving the organization or the corporate involved a more strategic way. When I say a strategic way, if in promoting the awards program, the corporate can assist in terms of on the up-front stage of getting others to apply for the awards, of having their field staff promote this to their clients and prospects.

So when the corporate is contacting a prospect, instead of saying, "Let me tell you about our services. Let me tell you about our offerings," they can then focus in on, "There's an awards program. We thought somebody within your organization would be a good fit or appropriate for us to nominate."

All of the sudden, they're opening doors in a different way. So when we package the offerings strategically, here we're looking at let's get beyond the mentality of just the event. How can that event be a part of their efforts, their objectives, and how can we tie in on a much broader basis as opposed to a one-day event?

Once we've kind of gone through that, we want to look at how we should structure this within our organization. So whether the recommendation is internally, whether the recommendation is externally, then we want to evaluate how should we take this to market?

Is this something that we should announce through a press release? Is this a focus where we should speak to potential sponsors on a one-to-one basis? Depending on our

organization, how we should handle this, who to approach, and how to approach is going to vary based on each of our organizations.

If we shift to slide 11, there are a number of keys to successful partnerships. One is we need to uphold the vision, and the mission, and the culture of our organization. We can't sacrifice that. So if we're an environmental group, are we going to take money from the oil companies? If we're a health-related organization, how are we going to deal with the pharmas?

We need to make sure that each of us, in terms of our organizations, thinks about what's appropriate and what's not. Here, often leadership and board involvement should get involved.

Next is, when considering a potential partnership, looking at it from the perspective of what is the impact of this type of relationship going to be on our supporters, our donors, our members, and our subscribers? How are they going to react to this? How are they going to respond? That's a key thing to think in the back of your mind as you're pursuing or considering a corporate relationship.

The next two are somewhat similar, yet extremely key. If leadership support is not there, and organizational buy-in and commitment are not involved, the effort will either never get off the ground, or in terms of trying to establish the relationship, it's going to be very difficult to set them up.

Really, that's a key first step, making sure that leadership supports it, the organization is behind it. And that way, in moving forward, it's going to be much more clear-cut as to how to address, and getting corporate support, and getting buy-in internally.

Next step in looking at our next key area in order for it to be successful is it has to be mutually beneficial. If it's not mutually beneficial, then the partner is going to walk away. They're going to look at it and say, "I bought a table," or, "I got involved in a specific event, and there was no key benefit to me."

What we may see as a key benefit, be it signage or promotion, usually from the corporate perspective -- if we go back and look at the goals -- the signage and the website promotion, that's not going to be the driver for them. The driver for them is going to be something entirely different. For each organization and for each company, it's going to vary. We need to understand that.

When we're implementing these efforts - and here we're on page 12 - we want to make sure that we're packaging these in a strategic, integrated way. This comes back to - I had mentioned an awards program. Here, that would be a themed approach, or proprietary platform.

So instead of looking at it, where it's just a one-day event of an awards program, we're looking at it in the context of a campaign, or an initiative, or an effort, where the corporate can get involved on the up-run, and in terms of as we go through the nomination process, there's a backend after the event's been held.

What other ways are there in which to promote, support, and reference that awards program? Can we continue on because there's a speaking engagement for the award winner? Maybe there are other ways in which they can be involved, both the award winners and the corporates, which can support both the cause in the sense of additional dollars.

There are ways in which through their marketing channels and their PR efforts, that we can take advantage of those and utilize those to support both their objectives and the efforts that we're trying to achieve.

So, for example, when looking at an awards program, often the corporate is going to have much larger budgets and dollars in which to support that effort. As a result, instead of receiving five nominations, or 15 nominations, maybe we'll receive 40, or 50, or 80.

Looking at the value that a corporate can bring to the table and the exposure that they can help us with in terms of our offerings or our programs, as a way to either increase our audience, increase the number of programs that we're running, or increase the subscriber/donor audience base that we have.

So we want to make sure we're recognizing and getting the partner involved with us in a much broader way. That brings us to the point of looking at active involvement by a partner. The more active and the more involved that partner is, the more likely they are to renew, the more likely they are to continue on, the more likely they are to increase their investment in your organization.

When I say active involvement - looking at activation strategies. How can they tie into an awards program? How can they tie into that 10K run? How can they get involved beyond the specific event? How can they promote it?

Maybe they can bring their staff as volunteers. Maybe they can get involved by promoting it through the community. Maybe they can get involved through many different channels in many different ways.

The more involved they are, and the more tied-in they are, the more they feel a kinship or a relationship with your organization. So think about activation strategies in the sense of how they can tie in in a broader way.

Now, when reviewing all of these items, the key question that's going to be raised is, well this is great, and this makes sense, yet, wait a minute. How are we going to make sure that we're addressing any potential damaging issues or ways in which our organization could be tainted?

If we look at slide 13, here we're looking at, what are the areas or what are the issues that we need to review or make sure we've considered before we move forward? So it could be the specific program or initiative. Do we want to have a corporate involved? How should they be involved? If there's negative publicity or scandal, how are we going to prepare for that? How are we going to make sure we're protecting the integrity of our brand?

We want to make sure, before we get involved in any of these types of relationships, that we're comfortable with who we're working with and the way it's structured. Otherwise, we should walk away from the table. We're not taking the NASCAR approach to sponsorship or partnership. We need to be very careful and protective of our brand.

Then for the larger organizations, where there's local and national efforts, you need to make sure there's coordination and interaction, in terms of both responsibilities, and what can and can't be offered in order to be more effective when working with the corporate sector.

In addressing the issues, we want to establish guidelines. So what sort of industries can be involved? Are we willing to work with alcohol, tobacco, firearms? Usually the answer is no, but it's going to vary organization to organization. Are we going to take dollars from oil and gas companies, or the pharmas, or others? Is that something that's going to be acceptable?

What is the approval process? We need to bring everything to the board, and senior leaders should sign off on this. What is it that we're going to go through in order to make sure that we have that approval process in place?

And in piecing together guidelines, you want to make sure that those are in place ahead of time, otherwise we can end up in an embarrassing situation where we've reached out to a partner, we're starting to piece together a way in which we can work together, and we bring it back internally or bring it back to the board, and they tell us now, we can't work with that organization or that industry.

So we want to make sure we know that ahead of time. And then parameters of involvement. If we're running a specific program or initiative, how can we tie in? We also want to always look at in terms of different efforts and programs and content, that we maintain control of that. If we don't maintain control of that, that puts us in a precarious and dangerous position with respect to our audience.

On the restriction side, here we're really looking at our logo, our name, how can it be used? Under what terms, under what conditions? And generally you want to make sure that prior approval is obtained in terms of using the logo and using that name.

Often on the philanthropic side, large donors will look to utilize our name for their benefit, and we want to be aware of, are willing to let them do that or not? Or how can we tie in, in a more appropriate way when we're offering marketing rights and that sort of thing.

With agreement requirements, where we definitely want to have an ethics clause. I was involved in a situation where we had Arthur Anderson as a sponsor a number of years back, as a partner, and the firm was in the process of going through issues with Enron and sorts of problematic concerns. We had an ethics clause in the agreement, so we were able to back out of that relationship.

We want to be leery or aware of making sure we put in the agreement either an ethics clause, a breach termination, ownership of materials. We want to make sure that's covered up front and in advance, otherwise it can lead to problems down the line.

Brand value basically refers to what we discussed earlier in terms of recognizing the credibility of what we provide and what value that does bring to the corporates. So we don't want to sell ourselves short when working with the corporate sector.

Next we want to shift and look at when we're approaching these corporates, how should we approach them so we're not giving them all of the details of our organization. For example, they don't care that we were founded in 1972 by a group of X number of people, or giving them a history lesson of the organization.

In those cases, they're not interested. So we want to focus in on what's of interest to them. If we look at slide 16 - and we briefly discussed this earlier - the first three are all about us and sponsorships or partnership is really about them and what is it that is driving them and what's of interest to them.

So on slide 16, we want to understand their goals and objectives. What are their needs, what are their desires? What plans do they have? Do they work with other organizations? If we're meeting with a potential corporate partner and they don't have any other relationships, it's probably unlikely that they're going to establish a relationship with us, unless what they're looking for is overwhelmingly tied to who we are and what we represent.

And then we want to look at ways in which our organization can tie in with who they are and what their goals are. Often, you look at it and think about our cause being the right cause and being one that they support. We really need to step back and realize that there are many other organizations which are very good causes, which are ones that they should support as well.

In referring to ROE, we're not talking about return on investment, we're looking at return on expectations. What are the expectations of the corporate going into the relationship? Often this comes back to what your goals were initially. If we can address those and make sure that the expectations are aligned and we're all in agreement as to what we're looking for, then we're going to be in a much better position in establishing this partnership.

If we shift to slide 17, when setting up a call or a meeting with a potential corporate, we want to set an agenda in place. We want to make sure that when we go to the discussion or that meeting, we know specifically what we're going to discuss, what the focus is going to be, and we want to make sure that we're taking into consideration what their needs are and what their goals are.

So 70% of the discussion should be them talking, them discussing what it is they're looking for. There's the 70/30 rule. They're discussing, we're speaking 30% of the time and they're speaking 70% of the time.

If you put forth an agenda in place in advance, either you can send it by email or when you show up you can discuss it. And if it's a more casual conversation you can just say, "I'd like to discuss..." what your current efforts are, your goals and objectives, and basically set up the discussion so that it's not going to go off-track or get derailed or you're going to end up basically sitting there listing the benefits you have. You're going to focus on their interests.

On page 18, when we're asking initial questions, we want to understand their business, and understand their needs, and get a better grasp on what's driving their business. So when current status is referenced, we're asking what are the efforts that they're involved in? What are the goals that they have? How are they looking to achieve them? Give me background on your business.

And then let's look at that from the perspective of the next 6-12 months. What are your goals and objectives? What are your plans? What are your efforts going to be down the line?

And really what we're trying to figure out is where they're at now and where they're planning to go. We want to start off with those questions to get an understanding of their business. Once we get an understanding of their business, we're going to be in a much better position to address or come up with potential solutions.

And as we go along with these types of questions, they are going to be objections or other things are going to come up. It could be the resources. They don't have the resources to get involved to the extent that we're looking for. Maybe budget is a concern.

If there's any other obstacles, and if those obstacles are going to come up, the sooner that they come up, the better. And when I say sooner, the sooner we realize that they don't have the budget, maybe they're not a fit, maybe it's a situation where we're better served not working with them. Then we should find that out up front.

And when we do find that out, and we've gone through this process and we've shown an interest in them, they are much more likely to then support us philanthropically as opposed to tying in with a partnership relationship.

And the reason that it is that we've shown an interest in who they are, what they represent, where they're trying to go. When we do that, it's much more likely that they're going to be willing to support us either philanthropically, or if it makes sense, with a marketing type of approach or structure.

When we move forward and we hit the stage where it makes sense to send a proposal - and here we're on page 20. We're really looking at it and we want to be careful, because often they'll say to us, "Send me a proposal."

Does that mean they're interested or not interested? Often, "send me a proposal" is a way of getting us off the phone or ending the meeting or dismissing us. And then when we send the proposal, they can always come back and say, "The committee turned it down," or so-and-so was not in favor of it.

So we want to make sure before we're sending any proposal, that we've determined or qualified where they're at. Now when I say "qualify," do they have the resources, do they have the budget, do they have the ability to tie into a relationship. We don't want to put forth a proposal with X dollars and all the other requirements, when that's not going to meet their goals or their objectives.

And in piecing the proposal together, if they're genuinely interested, they're going to be willing to get involved in that discussion. So it should be a back and forth conversation as to what the relationship and how the relationship would be structured.

So, it should be collaborative, it should involve them and the more they get involved and the more they tie-in, you're then in a situation where they're becoming emotionally invested. It's similar to a situation, if we reverse it, where we're sending a proposal and we're spending 5, 10 hours drafting that proposal and sending that out.

When we hit the send button on that proposal and after we've spent five or 10 hours, we're emotionally invested in it and we're then looking at it as though that corporate is going to work with us.

Just as we feel that way, if we get the individual who works on the corporate side to work with us in piecing together the proposal and structuring it as a collaborative arrangement, just by the nature in their involvement in piecing this together, they're going to feel an emotional involvement, they're going to be vested in it and then they're going to support it internally.

So, it's key that when working on the proposal steps that we're getting them involved. If they say they don't want to get involved, we're probably better off not sending their proposal because that means that less likely that they're even interested. So we want to make sure that we qualify, involve, and then collaborate.

Once we've reached the stage where we've sent the proposal out and we've reached verbal agreement, we want to go ahead and make sure that we put in place a written agreement. So that we're all on the same page as to what the deliverables are, what the expectations are, and what the requirements are for both sides.

Often once the agreement is in place, things may change. So we need to make sure that there is a central contact point or one individual who's going to be responsible for managing that relationship, both in terms of corporate, who knows what they've been through, and from a servicing standpoint. We may think that once they've signed off on that agreement we can walk away, wipe our hands and we're done.

Often, it's similar to any other type of relationship. We need to put work in. We need to put effort in just as they do in terms of turning that award program into an expanded relationship. We're turning that Happy Hour into a Yappy Hour. We're turning whatever initiative, goals, or efforts that we're working on into a successful long-term relationship with the corporate sector.

That's the basis of the suggested ways in which to move forward in maximizing revenue in the corporate sector. I don't know if there are questions, but I'll turn it back over to you.

**Rebecca:** Excellent. Thank you so much, Lewis. That was incredibly informative and we actually do have a lot of questions that came in, so I just want to dive right in.

The first one is from Stephanie and she's referring to slide number 6, and she says "We have too many existing sponsorships to customize them all, we have about 40 currently. What are your recommendations about how many relationships one person within an office can successfully manage, steward, or invest properly?"

**Lewis:** Very good question, and a tough one to answer. Generally, if there are 40 relationships, I look at it with an organization like that, there's the 80/20 rule, where 20% of your supporters should be generating 80% of your revenue. In that situation, you're probably have three to five companies that make up the bulk of those relationships and the other companies are buying a table, maybe they're buying an advertisement, maybe they're buying something, they are involved at a much lower level.

So my recommendation is that there probably should be an individual dedicated, depending on what the dollars are, to the larger relationships and serving and managing those. The other relationships will be much easier to manage.

**Rebecca:** We have another question from Sheeka, and she says, "If I'm in a meeting with a potential corporate sponsor. How do you think I can get the sponsor to share in the organization's goals and objectives? What are some questions that I can ask to lead the conversation in that direction?"

**Lewis:** Good question. First off, in advance of the meeting either set the agenda or make sure that they know that the discussion is not only going to focus on your cause or your effort but it's also going to focus on their goals and their objectives. Typically, if you're asking an individual about themselves or about their corporate, what their goals or objectives are, and you're focusing on them, they're going to be more likely to get involved.

So just say "Can you tell me about your current status? What are your goals? What are your efforts? What types of initiatives are you working on? What types of relationships do you have with other organizations? How do those work? Tell me how those are structured. Can you give me some information as to what's worked well, what hasn't worked well? What type of efforts with causes have you found to be most successful?"

General questions which are showing interest in who they are and what drives that organization.

**Rebecca:** I'm going to kind of piggyback off that one so there's going to be a little bit of an overlap, but I like Cheryl's follow-up question. She asked, "What's a good way to research specific corporate objectives?" You gave a lot of great probing questions there. Her follow-up is "Is there a different approach locally as opposed to nationally?"

**Lewis:** Sure, let me address the first. In terms of understanding what their goals and objectives are, often that can be tough. Different databases usually are not going to provide it. Sometimes the local press may provide it. Look on their website in terms of press releases that they may have issued. Or if they have a community relations office, see what they've been involved in, see if they put out any bulletins or information. Or if you know somebody that works at the organization, have they volunteered or see if their senior staff involved with board positions for different organizations.

Try and find out that type of information and then you're probably going to be in a better situation. Often if you can't find that, ask them. They're usually willing to tell you if you're approaching it in a caring, concerned way as to how they're working with others.

What was the second question about, national and local?

**Rebecca:** She just wanted to know if there is a different approach she should take to, I assume a local company versus a national company. Are there any differences?

**Lewis:** In terms of approach, probably not. As it relates to what the larger organizations can offer and provide and their involvement, they're probably going to have a greater presence in terms of, from a PR standpoint, they're likely to be advertising, getting involved in TV, print, different types of media that a local corporate may not be.

**Rebecca:** We have a very timely question, also from Stephanie and she says, "Do you have specific examples or suggestions about what non-profits are doing differently regarding corporate sponsorship in this economic climate? You addressed it a bit about how the economy has affected corporations, but not necessarily a response to it."

You mentioned earlier that now is an opportunity, but that nonprofits might be treating their sponsorships tasks a little bit differently than they might have a couple of years ago. What has changed in the approach? What do nonprofits need to be sensitive to or change in their ideas?

**Lewis:** Unfortunately, what I have seen is many of them are cutting back, and maybe that's a necessity. They may be cutting back on staff, which makes it even tougher. I think now in terms of stewarding those relationships, and showing - whether it's corporate donors or others - that you're interested in who they are. If the outreach over time is a request for funding, they're going to resent that. Then when they receive the call and every time it's a request for funding, that's not going to go over well.

So the idea of stewardship and maintaining that relationship, and looking for other ways to offer value or keep them involved in a way that is of interest to them is what I would recommend as the best approach, not that that's always the course taken.

**Rebecca:** We've got a question from Connie and she's says, "Great info. While it's presented very positively that most organizations would even get in the door to have a meeting, that does not happen that often. In researching corporations that would be the best match to partner with, not all of the corporations have a philanthropic division. You

mentioned marketing a lot, what is your recommendation of the best person or position within a corporation for that initial contact?"

**Lewis:** Sure. I think if you have contacts or you know people at that organization who've donated, who've supported, who've volunteered, who've been involved, talk to them. So if you have a champion who's involved in your cause who can provide you some inside information. Generally, whether it's community relations or philanthropic support or whatever that department may be called in different organizations, they're not going to have the budget or the support the marketing side is. The marketing side is going to have a much, much greater budget and often you can speak or contact both of those areas.

And you're right, it's not always to get a meeting or get a call or get a discussion going. Often it's a matter of focusing in on your efforts and what you're doing, and understanding who they are. They get many, many requests.

If we take a step back and think about all of the different nonprofits that are out there, and then add to that other organizations that are soliciting requests, like sports teams and many, many other organizations, you have to recognize that they're going to get overwhelmed, so we want to take a different approach if we can.

**Rebecca:** Cathy says, "How do we make small to medium-sized businesses buy in to the benefits of a partnership or sponsorship? It's really for those businesses who aren't as savvy or knowledgeable as larger companies with regards to partnering and sponsorship."

**Lewis:** Sure. If we're dealing with a smaller company where maybe the CEO is the one making the decision, there it's a question of understanding what their drivers and motivators are. And if we understand what's driving me and we can help them with their goals, whether they're looking for new leads or they're looking for ways in which to network, or they're looking for visibility and awareness - if we understand that, then we can fill that gap or we can offer something to them that's going to help achieve those goals, that puts us in a much better situation. If it's a smaller company, then it's not going to be a huge PR effort with print and online, maybe it's going to be smaller effort and smaller dollars.

**Rebecca:** We have had about five people write in all asking if by chance you had any simple written contracts and agreements that include like the ethics clauses and some of the other things they need. Do you have any samples we could distribute after the call?

**Lewis:** I think overall yes, but the contracts are going to be across the board. I don't know if they're - in looking at my understanding within this audience where there are arts groups, there are events-based sponsorships, there are groups that are fighting for better education, fighting poverty. I think you want to be careful in terms of a standard agreement. An ethics clause is the one that I could easily provide.

**Rebecca:** Excellent. After the call when we send out our materials on Friday morning, we'll be sure to include some extra materials. Thank you for that, Lewis.

We have a question from Nancy. She says, "We have a question about how do create relationships between the amount of exposure for the corporate partner and the amount they'll give? Is that even the way to approach how much they could sponsor us for?"

**Lewis:** Yes and no. If they're generating a lot of exposure for that corporate, that is going to be of higher value. The issue is from the corporate side, how valuable is that to them? So often we look at it from an internal perspective and say, at an event, we had their name in five different locations, or on our website we featured their name in bright lights. We may look at that and say, yes, it is of value. From a corporate perspective, what is it that they're seeking? What is it that they're looking for? And if we customize or structure these relationships in a way that is in alignment with what we're offering the other corporates and helps meet their goals, generally we're going to be in a better situation.

And that's a tough one to answer without knowing more detail.

**Rebecca:** We have a great question from Laura, and it ties in with another question we got from Cheryl. Laura says, "Could you give some examples of nonprofit assets and how to present them as such those to potential partners to engage them in providing funding and other sources?" As Cheryl put it: "You mentioned that signage at an event isn't necessarily a benefit in and of itself to the corporation. So what are some examples of benefits that corporations are seeking and what are some examples of assets that nonprofits can provide for them?"

**Lewis:** Good question. The assets are different programs that you offer, your audience, your communications channels, you award could be an asset. Those are the assets. How to present them in a way that is of benefit to the corporate is instead of giving all the details of your programs, if you give a brief overview or summary of your organization - five or ten minutes - and then understand what they're looking to. Then you can come back and present your award program or your initiative or your effort in a way that's going to tie in to what they're looking for. Another example, I worked with a small organization in the Midwest. Very small. They were running a scholarship program where there a number of graduates who wanted to give back to the community. So they ran a scholarship program at a local high school.

In working with them, they were looking for ways in which to increase their sponsorships. Basically they gave a scholarship at a golf outing and that was it. I shouldn't say that was it, but that was the fundamentals of the program.

So in working with them, the idea of tying in with the community bank made sense. In tying in with the community bank, it wasn't about the scholarship, it wasn't about the golf tournament. The bank was looking at it from the perspective of, "We recognize that individual who are junior high or high school age are beginning to open bank accounts. It's very tough to get your corporate name into the school. If we can get involved in terms of providing a scholarship into the school...."

And anybody who is nominated for that potential scholarship receives a bank account and they get involved in that way, then they're meeting others in the community through the golf event and other ways, all of the sudden the value of that goes much, much higher.

But the value from the bank wasn't the golf outing or the scholarship, it was look at the group of students, how can we get them involved in terms of accounts and other ways that they can work with us.

**Rebecca:** Great. Wonderful. Thank you so much, Lewis. This has been incredibly informative and I know we've gotten a lot of positive feedback already. Thank you for joining us today.

**Lewis:** Thank you, Rebecca. I appreciate the work that you and your colleagues do at Network for Good. My contact information is on the last slide, so if people have questions, they can feel free to contact me either via email or phone.

**Rebecca:** Excellent. Thanks so much. And thank you, everyone, for joining us today.

Transcription by CastingWords