

BMC Module 11 - Commercial Sponsorship



Commercial sponsorship is being used by many companies as an alternative to traditional advertising. Companies desire to make an emotional connection with consumers. Family and MWR provides companies with the opportunity to align their brands with the military market. The mission of the Family and MWR commercial sponsorship program is to support Family and MWR events and programs by obtaining private sector funding, services, or supplies in exchange for advertising and promotional opportunities within the Army community.

This module gives managers a basic understanding of commercial sponsorship and advertising, the benefit to Family and MWR programs and activities, and how to be part of the process. Once you complete this module you will be able to:

- Describe the commercial sponsorship program.
- Identify the benefits of commercial sponsorship to both the Family and MWR program and the sponsor.
- Apply this information so that you can be a key player in the process.

1.1 Introduction to Commercial Sponsorship

Overview

Commercial sponsorship allows corporations to directly reach the military consumer market. Success of the sponsorship program depends in many ways on Family and MWR managers to ensure development of high-quality programs and events. This lesson will begin to explain the concepts of commercial sponsorship within Family and MWR .

At the end of this lesson, you will be able to:

1

Describe Commercial Sponsorship

2

Recognize the difference between solicited and unsolicited sponsorship



1.2 What Is Commercial Sponsorship To You?

The use of commercial sponsorship in North America totaled approximately \$23.2 billion in 2017. This reflects a new social conscience as corporations become more concerned about their communities.

For example, AT&T has identified the following as goals for using this marketing method.

- Increasing community involvement
- Increasing communication with key customers.
- Achieving corporate visibility.

Not Just Brand Awareness

Often we think commercial sponsorship means providing a specific benefit to the corporation, such as increasing brand awareness. However, that is not the entire purpose of commercial sponsorship for the sponsor or the recipient of the sponsorship. Commercial Sponsorship can help the corporation reach a wider demographic and can help both parties create a more positive customer experience.

1.3 What Is Commercial Sponsorship ?

What is Commercial Sponsorship?

In 1988, Family and MWR programs and activities were authorized to use commercial sponsorship and advertising to support programs and events. The authorizing agency was the Office of the Assistant Secretary of Defense (OASD). The governing regulations are DODI 1015.1, enclosure 9, and AR 215-1. Commercial sponsorship is defined by Family and MWR as:

"...An exchange of value (cash, goods and/or services in return for public recognition or advertising and promotional benefits of an equivalent value between the US Army and a corporate sponsor."

These goods or services, as included in the definition, can include:

- 1 Assistance, such as manpower.
- 2 Funding, such as dollars for event or program expenses.
- 3 Goods, equipment, and services for Family and MWR programs or event, such as a dunking booth or equipment to host the event.
- 4 Items normally purchased to produce the event, such as sound equipment or stage.

Sponsors can be agencies, associations, companies, corporations, or other entities.

Commercial sponsorship is further defined by these parameters:

Provided for a limited period of time An

exchange of value

Provided at no cost to the Government

1.4 Solicited Versus Unsolicited Sponsorship

Solicited Versus Unsolicited Sponsorship

The U.S. Army must not show favoritism to any potential sponsorship partner. By following the rules for both solicited and unsolicited sponsorship, we ensure each sponsor has the same opportunities. There are several major differences between solicited and unsolicited sponsorship. In a nutshell, solicited business proposals are done in response to a customer's request, while unsolicited proposals are initiated by the outside entity.

SPECIAL CONSIDERATION

A little extra thought goes into sponsorship with financial institutions, alcohol and tobacco companies.

Alcohol and tobacco companies **may not** be solicited. While it is acceptable to enter into an **unsolicited** sponsorship agreement with an alcohol company, accepting sponsorship from tobacco companies should be avoided.

COMPETITORS

Competitors of AAFES and Family and MWR should not be solicited. Per Financial Management Regulation, Volume 5, 340404 E, on-post financial institutions are prohibited from promoting any services offered by the on-post banks. On-post financial institutions may sponsor events if they promote services not offered by the on-post bank/credit union. If a garrison does not have any on-post bank/credit union, financial institutions may be solicited from. Although sponsorship is allowed with limitations, advertising is prohibited.

OVERSEAS

In overseas areas, non-U.S. firms can be solicited with the commander's approval, provided that solicitation is not in violation of the Status of Forces Agreement (SOFA) or other agreements

Solicited Versus Unsolicited Sponsorship

| Solicited Sponsorship | Unsolicited Sponsorship |
|--|--|
| <p>Sponsors are solicited from U.S. sources and generally limited to firms and organizations involved with consumer products.</p> | <p>Sponsorship is entirely initiated by the prospective sponsor.</p> |
| <p>Sponsorship must be competitively solicited, meaning more than one corporation per product category must be solicited. The solicitation must be announced, either in the form of written proposals or advertisements in newspapers, magazines, or trade journals.</p> | <p>Receipt of an unsolicited proposal does not require solicitation of other sources.</p> |
| Solicited Sponsorship | Unsolicited Sponsorship |
| <p>The chosen sponsor should not receive favored treatment, with the exception of recognition of sponsorship support and advertising and promotional opportunities.</p> | <p>solicited offer, Family and MWR needs should be determined and an evaluation of the offer made. The sponsorship offer may be either accepted or declined.</p> |

2.1 What are the Benefits of Commercial Sponsorship to Family and MWR and to the Sponsor?

Overview

This lesson describes the things to consider when deciding if sponsorship will benefit your program. First ask, "Is my program authorized to use commercial sponsorship?"

If the answer is yes, you should then ask, "What are the possible benefits?"

At the end of this lesson, you will be able to:

- 1 Identify the Family and MWR programs and activities that are authorized to use commercial sponsorship.
- 2 Identify the benefits of commercial sponsorship to Family and MWR.
- 3 Identify the benefits of commercial sponsorship to the sponsor.

2.2 Authorized Programs

Only Family and MWR programs and events are authorized to participate in the sponsorship program. The list below will help you determine if your event or program qualifies.

Qualified programs and events include:

MWR programs and events.

Army Family Team Building.

Army Family Action Plan.

The Volunteer Ceremony and Food Locker under Army Community Service (ACS) Programs.

Authorized in NAF programs only

Any funds, products, services, or items resulting from commercial sponsorship agreements are to be used only within programs authorized to use NAF Funds.

Private Organizations, Family Readiness Groups (FRGs), and Army units do not qualify for Commercial Sponsorship, nor can Army units solicit for sponsorship as governed by the Department of Defense Joint Ethics Regulations.

2.3 Benefits of Commercial Sponsorship to Family & MWR Programs

Commercial sponsorship provides numerous potential **benefits to Family and MWR programs**. The designated Family and MWR Commercial Sponsorship Manager negotiates the benefits Family and MWR receives.

Types of Sponsorship

The sponsor's benefits are commensurate to the benefits Family and MWR receives.

Each type of sponsorship can be as basic as a single benefit or as extensive as one or more of each of the possibilities listed below.

Cash

Some sponsors may provide funding for the program or event.

Enhance or Create an

Image Corporate sponsors can have a nationally recognized image that will lend itself to enhancing the image of the Family and MWR program or event.

Products, Equipment,

and Services Corporate sponsors can also provide products, equipment, and services that would otherwise be purchased by Family and MWR to enhance an event or underwrite the cost.

Quality Partnering

Partnering with corporate sponsors can ultimately enhance an event, ensuring high quality Family and MWR programs and events.

Here's an example of Commercial Sponsorship in Action.

- In one commercial sponsorship effort, 96 Army bowling centers worldwide signed up for the Family and MWR "Bowl Hog Wild" promotion, a program held following the terrorist attacks of September, 2001.
- Miller Lite, the event sponsor, provided a 2002 Harley-Davidson Sportster that one lucky bowler won during a drawing at the Family and MWR Headquarters.
- In addition, another corporate sponsor provided every participating Family and MWR bowling center a custom logo Viz A-Ball bowling ball to give away, as well as logoed Pilsner glasses as prizes.
- Based on the after-action reports received, the promotion was a success.

AAR Comments from the Example

The "Bowl Hog Wild" promotion helped Army Family and MWR and Miller Brewing Company minimize losses they may have incurred during this timeframe due to the impact of limited post access and heightened security restrictions that were implemented in response to the terrorist attacks.

2.4 Benefits of Commercial Sponsorship to the Sponsor

Put yourself in the Sponsor's Shoes

There are many things a sponsor looks for in an event to decide if it will work for them. It really is dependent on the sponsor's marketing strategy, business objectives, and budget.

Each year a corporation may have different marketing goals and, therefore, desire different benefits from a program or event.

The more potential benefits your event has to offer, the more sponsorship value you create. This will increase your chances of enticing a sponsor to "buy" into your event. But more importantly, by increasing the value, you increase what a sponsor is willing to "pay" for your event. This means more benefits for your program.

2.5 Sponsor Benefits Before and After the Event

Sponsorship starts before the event. Whatever you do to promote or advertise your event may help you add sponsorship value. Always ask yourself the following: "Can I include the sponsor's name, logo, or product here as a benefit?"

Note: Do not include use of the Family and MWR logo unless authorized in the sponsorship agreement.

Some of the more common pre-event benefits for the sponsors include:

- **Logo recognition on collateral material.**
- **Point-of-sale merchandising and promotion.**
- **Advertising (Logo on ads).**
- **Mention on Signage (e.g., billboards, electronic, specialty). Positioning.**

Some intangible benefits are less obvious but they should not be overlooked. Examples include:

- Positive publicity, i.e., an act or device designed to attract public attention.
- Exposure at Family and MWR venues and activities.
- Positioning to the civilian market ("It's the right thing to do to support America"). Sponsors have the right to highlight support for Family and MWR in their company public relations materials outside the installation.
- Impact on the narrow Military market. In cooperation with the Army and Air Force Exchange Service (AAFES) and the Defense Commissary Agency (DECA), displays, sales, promotions, and sampling can drive specific product sales.

Plan to start the promotional campaign early to increase potential for success.

Sponsor Benefits After the Event

Just because the event is over doesn't mean your opportunities have ended. There are still things you can do to add value for a sponsor.

The following are some suggestions to add value:

1. Provide publicity samples, such as articles from Army publications.
2. Contribute event statistics, such as event attendance and sales figures, for the after action report.
3. Provide the sponsor with photos from the event.

2.6 Sponsor Benefits at the Event

Sponsor Benefits At the Event

There are many benefits you can offer a sponsor at your event to make it valuable for them. For example, the sponsor can create goodwill and impact consumer brand loyalty by providing quality concert entertainment or free event T-shirts.

By knowing your event and what is possible, you can aid your sponsorship representative in increasing the value of the event.

Creating brand awareness and goodwill while increasing sales, through:

- Event program advertising, public address announcements, couponing, product sampling, consumer research (surveys)
- VIP hospitality and associated perks
- Exclusive sponsor in the category

You can also aid your sponsorship representative in increasing the value of the event by offering your sponsor VIP hospitality and associated perks and /or allowing them to be the exclusive sponsor in their category.

RESULTS

At the "Bowl Hog Wild" event described earlier, sales of Miller Brewing Company products more than doubled at one installation, despite the fact that the post was closed with very limited access and limited troop leisure activities.

SUCCESS

At another installation, patronage at the bowling center increased by 60%, and Miller sales at the bowling center quadrupled compared to sales during the same period in the previous year. Product sales and patronage increases were also reported at other installations.

Note that in this example, the commercial sponsor provided valuable products in exchange for promotional opportunities at no cost to the Federal Government.

PLAN AHEAD

In addition to what you can offer the sponsor during the event, think of what you may offer a sponsor before or after an event to increase value.

2.7 Reasons Why Sponsors Come Back

Reasons Why Sponsors Come Back

While working to make the current event a success, a good program manager builds positive relationships to maximize the possibility that the sponsor will be interested in participating in future events.

To help you evaluate your event, answer the following questions:

Did the overall event meet the sponsor's expectations?

Was the event sta. professional and courteous?

Was the event paperwork concise and easy to understand?

Was the event billing timely and simple to follow?

Did the on-site production team manage details efficiently and professionally?

Was the event coordinator easily accessible for questions and changes?

Was the event wrap-up completed in a timely and organized manner?

Was the after-action report completed and submitted in a timely manner?

3.1 Limitations of Commercial Sponsorship

Overview

While commercial sponsorship provides many possible benefits to both Family and MWR and the sponsor, there are limitations and requirements that govern commercial sponsorship in the Army.

At the end of this lesson you will be able to:

- 1 Identify the requirements for keeping sponsorship legal.
- 2 Define "gifts and donations" as applied to commercial sponsorship.

3.2 Keeping it Legal - Essential Components to Make Sponsorship Official

Commercial sponsorship support of Family and MWR is authorized if the following guidelines are met:

- Sponsor and Family and MWR sign a legally reviewed written agreement
- Agreement specifies Family and MWR and sponsor responsibilities and details
- When necessary, Family and MWR provides coordination with entities impacted by sponsorship

Written Agreement

- The original agreement and any annual renewals may not exceed a total of five years.
- All agreements will receive a legal review by the servicing State Judge Advocate (SJA).

Equal Value

- Need to ensure advertising, publicity, or other promotional consideration provided to sponsors is equal to the value of the benefits the sponsor is providing.

Disclaimers

- Since the Army does not endorse or favor any corporate supplier, product, or service, appropriate disclaimers, such as "sponsorship does not imply endorsement," are required.

Army Logos, Slogans & Terminology

- The Army evaluates the contents of all public recognition and sponsor advertising that refer to any Army program for proper use of logos, slogans etc.

Placement of Advertising

- Corporate sponsor advertising is authorized on APF and NAFI built facilities as well as ball fields and sports scoreboards.

Monitoring Sponsor Performance

- Performance of sponsor(s) will be monitored during the course of agreement

Personal Contact Information

- Commercial Sponsorship is not to be used to obtain personal info from attendees, without asking the individual for written permission to contact. Any forms used must be reviewed and include opt-out.

3.3 Gifts and Donations

It is important to distinguish between commercial sponsorship and a gift or donation.

Sponsorship:

- Is not a gift or donation
- Is an exchange of value between the sponsor and Family and MWR
- Does not allow for special concessions, advertising rights, or sponsor benefits.

Gifts and donations

- May NOT be solicited.
- May be accepted by the NAFI when voluntarily offered by a private individual, group, or corporation. May be accepted if it is determined that the acceptance is in the best interest of the Army.

Needs of the NAFI

- NAFI needs may be identified when responding to inquiries from potential donors. Rules governing the acceptance of a gift or donation by the NAFI are in AR 215-1, paragraph 7-39.

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4.1 Roles and Responsibilities of the Installation Sponsorship Manager and the Commercial Sponsor

Overview

Sponsorship phrase to live by: "Always under-promise and over-deliver!"

A successful commercial sponsorship program requires teamwork and coordination with multiple program managers. Some key members of the sponsorship process include the installation sponsorship manager, the program manager, the Staff Judge Advocate Office, and the sponsors. At the end of this lesson, you will be able to:

- 1 Identify positions with authority to solicit sponsorship
- 2 Explain the importance of separating responsibilities for commercial sponsorship solicitation and management.
- 3 Identify the responsibilities of the Installation Sponsorship Manager.
- 4 Summarize the commercial sponsor's responsibilities.



Complete the content above before moving on.

4.2 Who Is Authorized to Solicit?

Commercial sponsorship is authorized only if the installation has established standard procedures to ensure compliance with all applicable policies and regulations. Authorized employees are designated in writing by the Installation Commander or Family and MWR Director and have completed the Family and MWR Academy's Commercial Sponsorship Online Training Course as well as the Army's Ethics training. Typically this individual can be found in the Marketing Office.

Because of the importance of the legal requirements, it is most effective to have a single person soliciting. A sponsorship manager can approach local business and typically get more support from potential sponsor by soliciting sponsorship for several programs.

Once designated as the Installation Sponsorship Manager, this person becomes the installation Point of Contact (POC) for all sponsorship efforts, provided he/she:

- Meets the requirements as stated in AR-215-1
- Is trained in sales techniques and procedures.
- Is aware of industry trends
- Is up-to-date on latest rules and regulations.
- Attends annual ethics briefings.
- Has an appointment letter/designation memo in writing by the installation command.

4.3 "Why Can't I Solicit Sponsorship for My Programs?"

There are many reasons why each program manager is not authorized to solicit sponsorship. The most important one is **efficiency**.

By **designating a single person**, we enable him or her to do the following:

- Streamline the process
- Solicit for multiple events at the same time
- Cover multiple events at a single meeting
- Develop relationships with sponsors
- Spend time developing new contacts and potential sponsors
- Package groups of events together to entice otherwise uninterested sponsors and/or ask for more money by creating more leverage
- Know what sponsors may be looking for at any given time so that they can guide managers in building equity in the events and make them more "sellable"

By **designating individuals** to solicit, we strengthen our selling position in the corporate market and are more likely to meet the bottom line.

4.4 Installation Sponsorship Manager's Responsibilities

Family and MWR program managers often have the opportunity to **work together** with their Installation Sponsorship Manager to plan **successful** sponsorships.

Job **responsibilities** for the Installation **Sponsorship Manager** for Family and MWR and Installation partners include:

- Serving as a central point of contact for all commercial sponsorship and advertising.
- Adhering to the Army's rules and regulations.
Coordinating direct solicitation efforts for all Family and MWR events and programs.
- Ensuring managers know and understand their responsibilities and what benefits their program will receive from the sponsorship agreement.

Interacting and negotiating with the sponsor are the most **visible responsibilities** of the Installation Sponsorship Manager.

Other responsibilities related to Sponsors include:

1. Reviewing unsolicited proposals for sponsorship.
2. Maintaining current sponsors and developing new sponsors.
3. Developing sponsorship proposals.
4. Building equity in their events.
5. Ensuring sponsors receive promised sponsorship benefits

Program administration job responsibilities also include:

- 1. Coordinating with the Judge Advocate General's (JAG) office to ensure compliance with Army regulations and possible local limitations.**
- 2. Composing written agreements that outline the responsibilities of both Family and MWR and each sponsor.**
- 3. Maintaining proper file documentation to include solicitation proposal, evaluation criteria, invoice request, and after action report.**
- 4. Preparing annual sponsorship and advertising income and expenses report for IMCOM and Family and MWR Headquarters.**

4.5 The Sponsor's Responsibilities

The sponsor has **other responsibilities** besides paying us in cash, product, or services.

Timely **communication** and **coordination** play a critical role in event success.

Examples of what the corporate sponsor may be required to do are:

- Send banners prior to the event or have the person bringing the items coordinate with the Event Manager as to when and how the items will be delivered the day of the event to ensure there is enough time to hang banners and place promotional items.
- Provide giveaways, prizes, awards, and equipment on or before the dates specified in the sponsorship agreement.
- Fulfill any of the sponsor's requirements indicated in the written agreement.
- Provide payment to the financial management department in a timely manner for sponsorship benefits provided.

5.1 Roles and Responsibilities of the Program Manager

Overview

The manager's involvement in commercial sponsorship before, during, and after the event is critical for sponsorship and event success. The quality of sponsorship received, fulfillment of the sponsorship agreement, and continued sponsorship participation is directly affected by the quality of the managers' input and support.

At the end of this lesson you will be able to:

- Describe the role that the Family and MWR Program Manager can play in facilitating commercial sponsorship.

5.2 Before the Event

Knowing **beforehand** what you can do to make sponsorships work for your Family and MWR programs will set the tone for your entire sponsorship experience and put you on the path toward **success**. For your program's annual plan, consider commercial sponsorship opportunities at your events.

Be sure to always Follow the Rules and Plan Ahead!

- Communicate with your local Installation Sponsorship Manager.
- Let authorized personnel handle the solicitations.
- Learn local deadlines for sponsorship requests.
- Learn any special information that may be required for solicitation (The more time you give your sponsorship representative, the better your chance of getting sponsorship.)
- Fill out a commercial sponsorship request form completely (The more information you supply, the more ammunition the sponsorship representative has to sell your event. Leave out nothing!)
- If possible, plan your events well in advance. (A minimum of six months is requested in order to provide your Installation Sponsorship Manager ample lead time to secure sponsors for your programs and events).
- If you have vendors you work with, introduce them to your sponsorship manager, if the vendors express an interest in participating in your events.

Before the Event

Once sponsorship is established:

1. Know what you need to do for sponsors prior to the event.
2. Inspect all banners and promotional items prior to the event.
3. Keep sponsors' items properly secured.

 **By planning and preparing for sponsorship ahead of time, you will be more prepared to host a successful event and please your sponsors.**

5.3 At the Event

Once the event begins, it is common to **focus** on the activity and forget the **sponsor**. Be sure to keep the sponsor's **objectives in mind** as well as your overall program objectives.

Keep in mind our phrase to live by is:

"Always under-promise and over-deliver"

Here are some examples of what you may have to do according to the written agreement:

- Assign someone to look after the sponsor's requirements that day
- Hang banners and signs in prominent
- Treat attending sponsors as VIPs.
- Deliver what was promised to the sponsor.
- Make Public Address System (PA) announcements.
- Take pictures
- Keep track of the number of attendees.

5.4 Training Tip

Training Tip

Take plenty of pictures of sponsors' banners, logos, and products showing people having a good time at the event. Photos document the sponsors' participation and where the products, services, and/or banners were used. In addition, they prove that Family and MWR met or exceeded the requirements.

What Sponsors Want from Event Photos

Crowds showing number of attendees at the event. People participating at the event.

People enjoying the sponsor's product or service. The sponsor's booths/equipment etc.

What Sponsors Don't Want

Pictures without people.

Pictures that don't include their company logo.

Pictures that don't show the success of the event. Pictures that do not identify the event or who sponsored it.



Bad example of event photo



Complete the content above before moving on.

5.5 After the Event

Just because the event is **over** does not mean the sponsorship is complete. There is still time to positively or negatively **impress** the sponsor.

Be sure to follow up the event by:

- Returning sponsors' banners and supplies.
- Creating an after-action report.
- Sending photos and after-action reports to the sponsorship office by predetermined deadlines.

After Action Report

The after-action report is critical to retaining and renewing sponsorships. When providing information to the sponsorship office, be sure to include all information that the sponsorship manager requested, such as attendance and product sales. This provides the sponsorship manager with materials to include in an after-action report for the sponsors and enables the sponsorship manager to show that the sponsors received a return on their investment.

i Remember that what you do after the event will help the sponsor and value in participating in your event. Timely follow-up is key to maintaining a positive relationship between Family and MWR and sponsors