

Sponsorship Strategy

Outsourcing Options

Finance and Corporate Services Committee
November 6, 2016

AGENDA

- Background
- Sponsorship Outsourcing Models
- Municipal Comparators
- Key Success Factors
- Findings
- Pilot Project
- Proposed Program
- Next Steps
- Questions and Discussion

Background

- City of Barrie *Sponsorship Strategy and Action Plan* approved by Council on January 4/16
- Strategy recommended new internal resources to implement the plan
- During the 2016 Business Plan deliberations, Council directed staff to look at other options for implementing the Sponsorship Strategy
- Staff have reviewed outsourcing and procurement options as alternative options for implementing the Sponsorship Strategy

Sponsorship Outsourcing Models

- Specialized Naming Rights/Sponsorship Firms
- Local Charitable Fundraisers
- Local firms with sponsorship experience
- Advertising outsourcing firms
- Individuals with strong local networks and general sales experience

Municipal Comparators

- Reviewed current sponsorship practices of 6 peer municipalities, and asked about previous attempts at outsourced or decentralized sponsorship implementation models
 - Windsor – Full-time dedicated resource in centralized sponsorship office.
 - Whitby – Dedicated resource for 17 years. Created true sponsorship culture.
 - Hamilton – Full time Manager and part-time resource.
 - Newmarket – 2 full-time staff members.
 - Milton – 1 full-time staff member
 - Oshawa – 1 full-time staff member
- Experiences and findings consistent with and supported by City's Sponsorship Strategy

Key Success Factors

- Key activities that would allow the sponsorship strategy to be successful over the long term:
 - Create a diversified Portfolio of Sponsors
 - Maximize Value for Sponsor
 - View sponsorship recruitment and retention as a long-term activity
 - Manage City Obligations
 - Engage in regular sponsorship follow up
 - Manage sponsorship asset inventory regularly
 - Protect the interest of the City and the brand of the program

Findings

- Outsourcing is a viable option for recruiting sponsors for highly visible and high value assets
- Outsourcing is not as viable an option for lower value assets
- Outsourcing is not a viable option for maintaining a sustainable sponsorship program
- Outsourcing is not likely to provide an overall cost saving when compared to in-house implementation
- Outsourcing alone is not likely to result in a successful sponsorship program but would be a benefit as part of a comprehensive program employing a variety of approaches

Pilot Project

- A one year pilot project is proposed to best validate assumptions regarding effectiveness of outsourcing relative to;
 - Length of time to recruit sponsors and finalize agreements
 - Cost effectiveness of outsourcing model(s)
 - Level of ongoing City obligations resulting from sponsorship agreements
 - Ability to maximize value for the City and the Sponsor through targeting, matching and packaging of prospects to assets
 - Type and amount of internal support that will be required by external provider
- Generate revenue
- Validate accuracy of City's asset inventory valuation
- Utilize findings to assess viability of outsourcing for broader program

Proposed Program

- Outsource sponsorship for a limited number of high value assets via a maximum 1 year pilot
- Finance and Corporate Services to identify pilot assets including related smaller assets as leverage
- Mady Centre be used to test non-binding RFI (Request for Interest) approach as a less costly sponsorship model deemed to be effective for highly visible assets

Next Steps

- Implement Pilot Project if supported by Committee and Council
- Immediately commence RFI for Mady Centre
- FCSC to identify pilot inventory for outsourced contract
- Procure experienced outsourced services
- Report quarterly on progress
- Summarize findings of pilot project to develop broader sponsorship program

Questions