

October 27, 2015



CITY OF  
BARRIE

# SPONSORSHIP STRATEGY AND ACTION PLAN

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## Executive Summary

Municipalities across Canada are increasingly turning to collaborative arrangements with the private sector as a means of generating alternative sources of non-tax revenue to assist in improving civic facilities and services. These opportunities include naming rights on civic facilities, signage and advertising in or around city assets, program and event sponsorships, exclusive supplier arrangements and a wide range of private sector driven initiatives to improve the lives of their employees and/or customers where they live, work or play.

The time is right for municipalities to consider these new revenue alternatives. With the current shift from traditional marketing mediums such as newspaper advertising, sponsorship spending continues to grow in Canada and North America as companies look for new ways to connect with audiences and differentiate themselves from their competition. Despite the uncertain economic environment, corporations are still willing to invest in community partnerships, but there is clearly a shift from traditional branding and visibility to a more comprehensive approach that includes adding value to the customer experience so that these audiences are ultimately more receptive to corporate messaging. This is good news for municipalities in so much that “old school” interruptive messaging is being replaced with a more thoughtful involvement and engagement.

Barrie is well-positioned to capitalize on the growth of private sector partnerships. Its programs and services touch the lives of Barrie citizens every day and for any company or organization that wants to reach targeted groups or contribute to the community where their employees and/or customers reside, the opportunities for partnerships are plentiful.

### Asset Inventory and Valuation

The first step in developing The City of Barrie Sponsorship Program involved identifying potential properties and assets within the City that could be leveraged with corporate partners; either as stand-alone opportunities such as facility naming rights, event sponsorships and fitness programs or by bundling multiple assets such as all seniors programs or environmental initiatives. This Master Inventory outlined seven (7) core categories under which City assets could be organized. They included:

- Naming Rights
- City-Wide Public Programs and Services
- Events and Attractions
- City-Wide Themed Initiatives
- Audience Bundled Programs
- Advertising
- Other Unique Opportunities

While the initial Inventory established the overall scope of opportunities that are available, it will need to be considered a “work in progress” as new opportunities are identified and others removed because they are no longer offered or attractive for private sector investment.

Once the City’s potential partnership and advertising assets were identified, an analysis was conducted to determine the potential “fair market value” of these assets. As a result of this valuation exercise, The City can be more confident that it is receiving fair value for its assets, more easily able to rationalize its partnership and advertising pricing and apply a consistent formula to marketing future opportunities.

### **Environmental and Competitive Analysis**

As part of the Strategy development process, an analysis was conducted to determine the feasibility of the City achieving its sponsorship revenue goals relative to the internal environment and external factors. In this regard, Barrie’s greatest strengths are the diverse range of unique facility and program sponsorship opportunities that it has available to market to potential partners and the value of the City’s brand from an associative perspective.

Most likely the City’s biggest challenges are its relatively small size that will make it difficult to attract national brand sponsors (unlike large urban centres) and lack of knowledge among the local business community about the opportunities available. This means that most sponsorship will be driven locally and therefore, the City must actively market its opportunities in order to educate business about the program.

Overall, feasibility research would suggest that there is a strong market for sponsorship investment in Barrie. Barrie has a diversified economy of which the automotive, construction, manufacturing, health care and retail trade sectors continue to do well; and these sectors are the ones most likely to invest in municipal sponsorship. Finally, Barrie is a relatively untapped market as it relates to corporate sponsorship and other municipalities in Ontario, even those that are considerably smaller, have enjoyed tremendous success with their sponsorship and advertising programs and believe that corporate investment in these types of opportunities will continue to grow.

### **Corporate Partnership Strategy**

The proposed Sponsorship Strategy addresses three (3) primary objectives:

- Identifying “low hanging” sponsorship and advertising opportunities that are most likely to appeal to the private sector and focus on the City’s unique positioning in the marketplace;
- Providing a professional, integrated approach towards the marketing the program and delivering on agreements; and,
- Adopting policies and processes that will protect the City’s and citizen’s best interests.

The following section summarizes some of the core strategies that are recommended to achieve the City’s revenue objectives.

#### *1. Overall Product Development*

With the diversity of corporate sponsors and advertisers likely required to achieve revenue targets, the City will need to offer a wide range of opportunities that fit almost any budget and objective. Contrary to many beliefs, long-term sustainability will not be based on a couple of “big wins” but rather, by presenting a diversified portfolio that provides many options for companies to participate at a level they

can afford; thus serving as a “feeder system” for gradual increased investment over the long-term. The product inventory will need to be continually updated as new opportunities emerge and less attractive assets or those no longer applicable are removed from the Inventory.

## 2. *Naming Rights*

Naming Rights is potentially, one of the most lucrative areas that the City can capitalize on to generate sustained revenue for the municipality. Although naming rights typically require the largest investment of time and effort to achieve an agreement, the advantage is that they are longer-term partnerships that require minimal servicing to maintain.

Although the duration of naming rights agreements can range from three (3) years to perpetuity arrangements, the ideal term may be in the range of 8-10 years. This allows ample time for the corporate brand to be integrated with the facility as well as establish public “mindshare.

Having the right “fit” is viewed as a major factor in building community acceptance for a naming rights partner. In this regard, the best candidates are generally those with a strong community connection or those who can offer direct value to facility participants (i.e. automotive dealer offering discounts on sports utility vehicles)

## 3. *Other Highly Marketable Assets*

Other assets to be marketed in the initial roll-out of the program include:

- Expansion of Advertising assets including indoor / outdoor digital screens;
- Public Recreation Facilities and Programs that attract large numbers of participants such as fitness programs, public swims and seniors programs;
- Civic Events and Attractions such as Celebrate Barrie, Downtown Countdown and Winterfest;
- City-wide initiatives including Environmental, Active Living, Culture, Age Friendly;
- Exclusive Service Provision opportunities such as WI-FI in civic facilities.

The assets are recommended because they reflect the City’s unique positioning in the marketplace, are relatively easy to deliver and are least likely to be the least contentious from a public perspective.

## 4. *Coordinated Approach*

To deliver an effective Sponsorship Program, the City will need to take a centralized approach to oversee the municipality’s overall efforts in this area. In addition to providing a coordinating function among the City, this office will also be responsible for any/all of the following: recruiting sponsors, establishing agreements, servicing department-wide sponsorship programs, managing contractor agreements, marketing the program internally and externally, training staff and reporting to senior management on the progress of the program.

This centralized function will ensure a consistent and coordinated approach towards partner recruitment and servicing and ensure that the City’s best interests are upheld. This also includes

adopting streamlined processes for assessing new opportunities and advancing sponsorship and naming arrangements.

#### 5. *Approval Processes*

With the high profile surrounding Naming Rights and the length of the commitment for most of these arrangements, naming rights approvals should be ratified by Council. The City also needs to establish a streamlined approval process for Non-Naming Rights opportunities as this will help maintain momentum through any partner negotiation process and increase chances for a successful agreement. The approval process does not need to be as complex as Naming Rights because it will likely be for a much shorter term as well as for less financial investment.

#### 6. *Communications*

Communications is one of the most critical elements to launching a successful Barrie Sponsorship Program. In this regard, the City needs to invest in ongoing communications with the public and other stakeholders to articulate the progress of the initiative and how these collaborative arrangements are benefiting the citizens of Barrie. The City will also need to be generous in how it acknowledges its corporate partners and reinforce the role of businesses in building more vibrant communities.

This positioning cannot be achieved by words alone. By ensuring that the community directly benefits in some way from the program and communicating these contributions in a public manner, it will be easy for staff at all levels, media, sponsors, community stakeholders and the political level to extol the virtues of the program, thus increasing its brand appeal in the marketplace.

#### 7. *Equitable Access to Opportunities*

In order to ensure that the City provides fair and equitable access to its sponsorship opportunities, it is recommended that a broad marketing communications campaign be implemented to inform businesses of the opportunities. These activities might include ongoing ads in local papers, posting an annual Expression of Interest to encourage companies to respond to the range of opportunities available or come forward with their own ideas for collaboration; web pages on the City site and direct mail distribution of a Sponsorship Prospectus through local business organizations.

Even though it is envisioned that the majority of sales will come from staff identifying and contacting prospects, by implementing the above promotional campaign, the City will be confident that it done its part to make all businesses aware of the opportunities.

#### 8. *Sponsorship Policy*

To effectively position and govern the City's sponsorship and advertising efforts, a formal Sponsorship Policy should be approved and posted on the web site to ensure transparency with the public and business community. This policy will set the parameters for the City's efforts to involve the private sector in supporting civic programs and services as well as safeguard the interests of the City and its citizens.

## 9. Allocation of Revenue

The manner in which The City allocates revenue from sponsorship and advertising initiatives could have a major impact on how citizens and the private sector view the program well as how staff are motivated to support the recruitment and servicing of sponsors. To this end, at least a portion of the funds raised should be allocated towards program or facility improvements to ensure that citizens and stakeholders realize some direct value from the program.

### Program Resourcing

The resources allocated towards the program will have a direct impact on the revenue that can be achieved. Even though the City may actively promote its opportunities, it needs to be recognized that the majority of sales will likely come from the personal selling efforts of qualified staff that can articulate the benefits of the program and develop customized proposals that meet the needs of sponsor prospects.

Currently, the City has no dedicated resource allocated towards the sponsorship and advertising program. Therefore, it is recommended that the following resources be put in place that would be responsible for the marketing and delivery of the program.

- Senior Sponsorship Coordinator (1.0 FTE) to assist in laying the groundwork for a successful launch and to manage the implementation of the program including ongoing sales;
- Continued use of an External Sales Contractor (existing) to manage the Advertising Sales Program.
- Servicing Coordinator (.5 FTE, phased in) to assist in marketing and administration related to the delivery of the program.
- Supervisors (where applicable) trained in sponsorship / advertising sales so that prospects can ultimately be passed on to these staff to support the sales process.

It should be noted that increases in resources may be required as the sponsorship program builds, but corresponding revenue should be tied to any new positions.

### Revenue Summary

Estimated new revenue that can be generated through the Corporate Partnership Program once in full operation (after 5 years), is estimated at just over \$564,000 annually (gross revenue before expenses), with an initial ramp-up five-year cumulative gross revenue total in the range of \$1,607,600 and estimated net revenue of approximately \$848,220 over 5 years. This range is largely dependent on the City's ability to adequately resource the program, market its opportunities and demonstrate flexibility in negotiating win/win collaborative arrangements with the private sector.



## Background

Like most municipalities, Barrie is looking for ways to minimize taxpayer expenses and at the same time, provide for a high quality of life for its residents, businesses and visitors. The area of corporate sponsorship and naming rights is one of the areas that Barrie is considering as a means of achieving these goals.

While the City has some limited experience in this area, it currently does not currently have a formal sponsorship strategy in place to plan, implement, monitor and control sponsor and naming rights agreements. Leveraging the City’s corporate assets for potential sponsor revenue is an initiative that supports the sustainability of existing and future assets as well as enhancing or expanding services to the community.

There is a wide range of revenue-generating opportunities that can be considered through private sector partnerships including naming rights, program and event sponsorships, signage and advertising, website, exclusive supplier agreements, community initiatives and a range of opportunities that companies will bring forward if they feel the climate is open for new ideas.

The first phase of this project was conducted in the winter / spring of 2015, where the focus was on identifying potential City assets that could be marketed to the private sector as well as the estimated value of these assets. For more information, please refer to the *Asset Inventory and Valuation Report*, dated June 29, 2015.

The purpose of this report is to propose a Strategy and Action Plan on how the City of Barrie can leverage its assets to generate additional non-tax revenue for the corporation, as well as specific recommendations related to the implementation of the program.

### Key Recommendations:

Recommendation	Reference Pages in Report
<p><b>1. That the proposed Sponsorship Policy be adopted to ensure that the current policy aligns with an expanded sponsorship program.</b></p> <p>The City needs to adopt a more robust Sponsorship Policy that aligns with expanded program objectives, outlines the conditions by which sponsorships will be solicited and agreements managed and how Barrie citizens’ best interests will be protected.</p>	<p>Page 31 <i>Appendix C</i></p>
<p><b>2. That The City adopts a series of Guiding Principles that will be considered as foundations of the Corporate Partnership Program and future sponsorship agreements.</b></p>	<p>Page 23-24</p>

<p>These Principles will serve as a guideline from an operational perspective as we as establish the overall tone and direction for the program. A summary of these Guiding Principles are as follows:</p> <ul style="list-style-type: none"> <li>I. Short-term sponsorship and advertising revenues should not be used to fund core programs and services;</li> <li>II. Sponsorships should include a “value-add” to the participant involved in the sponsored program;</li> <li>III. Sponsor recruitment needs to focus on “audience fit”;</li> <li>IV. The focus of the “ask” needs to be based on providing value for investment and not philanthropic motivations;</li> <li>V. The contribution needs to be acknowledged in a public manner;</li> <li>VI. The merit of new or unsolicited opportunities need to be evaluated on a case-by-case basis.</li> </ul>	
<p><b>3. That an Advisory Committee comprised of key representatives from various City sections be established to monitor the program on an ongoing basis and ensure that the program aligns with corporate objectives.</b></p> <p>Comprised of key representatives from City and input from other divisions as required, the role of the Advisory Committee will be to help set the strategic direction for the program, approve new assets to be marketed, review processes and procedures and ensure that the City’s best interests are maintained.</p>	<p>Page 26</p>
<p><b>4. That a coordinated approach (centralized function) be used to oversee City’s overall efforts in sponsorship and advertising.</b></p> <p>A centralized function within City will result in a more professional approach by coordinating the marketing of City’s sponsorship opportunities and provide a consistent approach as it relates to valuating and marketing assets, identifying and contacting prospects, negotiating agreements, maintaining a database of contacts and sponsors and delivering on sponsor fulfillment obligations.</p>	<p>Pages 25-27</p>
<p><b>5. That 1.5 FTE’ be allocated to coordinate City’s sponsorship, naming rights and advertising efforts.</b></p> <p>In order to effectively market City’s sponsorship and advertising opportunities, the Corporate Partnership Program will need to be resourced with dedicated personnel. To achieve stated revenue objectives a minimum of 1.5 resources will be required to launch the</p>	<p>Page 44-49, 51-53</p>

<p>initiative and market the City’s primary assets; with one (1) half-time resource (phased in) to assist in administering the program.</p>	
<p><b>6. That the municipal assets recommended for inclusion in the City’s Sponsorship and Naming Rights Program be approved.</b></p> <p>That Phase 1 assets be approved for marketing to the private sector.</p>	<p>Pages 29-30 <i>Appendix B</i></p>
<p><b>7. That a portion of the revenue generated through sponsorship be allocated towards improving the sponsored program, service, facility or audience/participant experience.</b></p> <p>If the City wants to achieve full community support for the program and increase its value proposition to business, it needs to demonstrate how revenue being generated from sponsorships is directly benefiting citizens.</p>	<p>Pages 31-33</p>
<p><b>8. That the City implement a Marketing &amp; Communications Plan to consistently position the program and communicate with the various stakeholder groups.</b></p> <p>A proactive Marketing &amp; Communications Plan will ensure that citizens are aware of the program and its benefits to the community as well as support the efforts of the City in marketing its opportunities to the business community-at-large.</p>	<p>Pages 28-29, 35-42</p>
<p><b>9. That Sponsorship and Advertising Program be implemented over a six (6) year period including up to one (1) year of pre-launch planning.</b></p> <p>It is envisioned that it will take up to 5 years for the program to reach its full revenue potential. Also, in order to effectively implement the program, there is much ground work that has to be laid for a successful launch. This includes putting the resources in place to deliver and manage the program, further refinement of sponsorship and advertising opportunities to be marketed, establishing policies, procedures and template agreements to support the program and developing communications materials.</p>	<p>Page 33-34</p>

## Environmental Scan

### Sponsorship Environment

Even with the current shift to online marketing away from traditional mediums such as newspaper advertising, sponsorship spending continues to grow in North America as companies look for new ways to connect with audiences and differentiate themselves from their competitors. Some of the key industry-wide trends include:

- Corporations are taking a more strategic approach towards sponsorship spending by aligning sponsorships more closely with business objectives and increased emphasis on measuring the performance of their investments;
- Growth of cause-related sponsorships as a means of associating a brand with a worthwhile cause that is viewed as important by the customer;
- Increased emphasis on “activating” sponsorships to leverage opportunities and increase audience impact;
- Increased integration between sponsorship and social media channels as a means of engaging audiences.

Despite a volatile economy, corporations are still willing to invest in sponsorship, but there is clearly a shift from the traditional “signs and banners” to a more comprehensive approach that includes adding value to the customer experience so that they are ultimately more receptive to sponsor messaging. This shift will have an impact on how the City must approach sponsorships in order to be successful in this area.

### Municipal Sponsorship

In a survey conducted by CEPSC in 2013 of municipal sponsorship activities nation-wide, it was found that 81% of municipalities are involved in some form of sponsorship engagement, whether it’s seeking naming rights for facilities or other community assets or generating financial and in-kind support for programs, events and other community initiatives. The survey also indicated varying levels of corporate engagement at the municipal level, with many municipalities such as Burlington, Coquitlam, Calgary, Kitchener, Mississauga, Ottawa and Winnipeg taking a very active role in recruiting sponsors, while others are taking a more passive approach.

### Industry Research

Another barometer of the current sponsorship environment is the Canadian Sponsorship Landscape Study which provides the most comprehensive information on the scope, scale and trends of Canada’s sponsorship industry, including industry size, spending by sector, activation trends, evaluation practices, strategic priorities and future outlook. Key findings from the 2014 study include:

- The size of the Canadian sponsorship industry has grown yearly since the Study was first completed in 2006; reaching approximately \$1.77 billion in 2014.

- One-quarter of marketing communications budgets are being allocated to sponsorship marketing and the majority of sponsors expect their budgets to remain the same or slightly increase over the next year;
- In terms of sponsorship activation, the five most popular areas of leveraging and activation were advertising, hosting/hospitality, public relations, branded content/events and internal marketing. The biggest increase was in branded content which is reflective of the increased interest in “experiential marketing”.
- There is a significant increase in the diversity of sponsorships being pursued;
- Integration of sponsorships with social media as a primary activation tool;
- While professional sport is still the largest beneficiary of sponsorship, other categories such as Amateur Sport, Festivals, Fairs and Annual Events, Education, the Arts and Community sponsorships continue to grow;
- The most popular sponsor categories include Retail Trade, Services, Finance, Manufacturing, Oil & Gas and Communications;
- The biggest challenges sponsors are facing include measuring price justification and ROI on sponsorships, activating sponsorships to leverage each opportunity and how to integrate new media / social media.

### Summary

So, while the timing is right for municipalities to explore revenue opportunities from the corporate sector to help fund facilities and community programs, the City will need to be mindful that whether corporate funds come from marketing (sponsorship) or community investment (philanthropic) dollars, there must be a strong value proposition attached to the opportunity for companies to invest in these initiatives. To this end, municipalities must balance good policy and governance with the ultimate goal of leveraging these collaborative arrangements to provide citizens with cost-effective, high quality programs and services.

To secure investments, the City will need to be seen as a “client-driven” organization that is flexible in its approach by working with each corporate prospect to develop creative sponsorship packages that meet their specific marketing needs.

In addition, to ensure the success of the City’s sponsorship program, it will be important to develop an integrated plan that effectively positions the opportunities to corporate partners and at the same time, instills confidence among all stakeholders that the City is taking a responsible, professional attitude towards corporate engagement.

### Master Inventory of Sponsorship and Advertising Assets

The first step in developing a City of Barrie Sponsorship Program involved the development of a Master Inventory of potential properties and assets within the City that could be leveraged with corporate partners; either as stand-alone opportunities (e.g. event sponsorships, sponsor of City Fitness Programs) or bundled packages (e.g. Seniors Programs, Learn-to-Swim).

This Master Inventory was compiled by examining the wide range of programs and services offered by the City with a view to identifying those areas where corporate involvement could be leveraged to the benefit of the City, the company and program participants.

To provide a starting point for identifying and organizing potential assets through this Master Inventory, a high-level Framework was established as a means of creating a structure for all opportunities. This Framework outlined seven (7) core categories under which City assets could be organized. They include:

1. **Naming Rights** – Opportunities where a sponsor name can be added as a prefix to the facility name i.e. TD Recreation Complex and receive a wide range of supporting visibility opportunities over an extended term.
2. **City-Wide Public Programs and Services** – Opportunities to support City-wide programs or services that are offered to citizens under a centralized or common delivery system i.e. Public Swim Program
3. **Events and Attractions** – Opportunities for companies to reach large numbers of citizens through community celebrations and events i.e. Celebrate Barrie, Canada Day
4. **City-Wide Themed Initiatives** – Opportunities for companies to associate their organization with a high profile City-wide initiatives to improve the lives of citizens i.e. Environmental, Active Living, Culture, Age Friendly).
5. **Audience Bundled Programs** – Opportunities to support multiple programs delivered through various facilities that cater to similar (homogenous) audiences i.e. All Adult Fitness classes.
6. **Advertising** – Commercial advertising opportunities where there is no implied associative element or relationship between the City and the advertiser.
7. **Other Unique Opportunities** – Other opportunities for sponsorships that are not necessarily related to any of the above categories i.e. WI-FI Services.

It is important to note that while the framework establishes the overall scope of opportunities that are available, it will need to be considered a “work in progress” as new opportunities are added and others removed because they are not viewed as practical from an appeal / implementation perspective, or are no longer being offered due to policies or administrative (budget) process.

Please refer to **Appendix A** for an overview of the assets identified in the Master Inventory development process.

#### Master Inventory and Analysis

Once the Master Inventory was assembled, the consultant undertook an analysis to determine the synergies between various assets and identified potential “low hanging fruit” from an implementation and revenue perspective. The following is a summary of this analysis:

- As the Inventory illustrates, Barrie has a wide range of properties and assets that can be leveraged with the private sector. The challenge will be how to position, market and manage the wide range of opportunities. This will be discussed in throughout this Strategy document.
- The Inventory also demonstrates that the City has the ability to appeal to a wide range of corporate objectives from branding and image-building (i.e. Naming Rights) to marketing specific products and services (e.g. Fitness products) to value-based social responsibility marketing (i.e. Health Promotion). This is viewed as a major strength in the City's ability to respond to the specific marketing and communications needs of companies and a major point of differentiation in the market.
- Many of the stand-alone recreation programs have low numbers of registrants and/or participants which will make it difficult to recruit consumer or retail-oriented sponsors (who would want to reach larger markets). Therefore, one of the strategies will be to bundle complementary programs under a common theme in order to increase reach to a specific audience.
- For each of the areas identified in the Inventory or where multiple programs are bundled, the City will need to identify the audience and the number reached and/or served. This information is viewed as critical to establishing the potential value of the sponsorship or advertising opportunity.
- While the Inventory outlines the scope of sponsorship and advertising opportunities, not every single asset has been listed. In addition, many areas will need to be further explored and refined before they can be presented to the corporate sector. The recommended approach will be to implement the program in phases which will be discussed throughout this report.

#### Assigning Values to City Sponsorship and Advertising Assets

One of the biggest challenges in implementing any sponsorship program is how to determine the “fair market value” that a company receives in return for their investment. Once the City's potential sponsorship and advertising assets were identified, the consultant conducted an analysis to determine the potential value of these assets using a formula that has been used to value hundreds of other properties. To determine the value of City assets, the following factors were considered:

##### *Value of Tangible Assets*

Tangible benefits refer to quantitative elements that may be measured (e.g. media / print circulation) and non-measured (impressions). These include such elements as logo ID impressions, media advertising and sampling opportunities.

In calculating tangible values, the number of impressions (transactions) received through any benefit is multiplied by a pre-determined dollar value to arrive at a total tangible value. For example, if a logo and link on a web site is exposed to 100,000 “unique visits” during a defined period, it would be multiplied by an assigned value (e.g. \$.005) to arrive at a tangible benefit value of \$500.00. The same principle applies to all other benefits that can be counted such as the number of people exposed to a banner, ad or logo, the number of samples or coupons distributed, logo placement on print ads and so on.

Tangible values are determined by assessing the value of sponsorship assets against other communication or promotional channels in the marketplace (i.e. major newspapers) as well as other factors such as the quality of the audience and value of the sponsor benefit in moving audiences along the purchasing decision continuum. The Asset Pricing Considerations in the *Asset Inventory and Valuation Report* provides a sampling of what it would cost to advertise in other mediums relative to the broader market. By using average prices as a benchmark, the municipality can ensure that it is being competitive in its baseline sponsorship pricing.

Tangible benefits, without the associative or “relationship” element inherent in sponsorships, are similar to other forms of advertising or promotion. If the sponsorship opportunity doesn’t present a strong link between the corporate partner and the audience and/or their “experience”, sponsor prospects will likely compare your offering against other traditional advertising options.

#### *Value of Intangible Assets*

In addition to assigning Tangible Values to benefits, there is also a strong Intangible Value that can be attributed to a corporate partner’s association with an organization or specific property. Intangible values are those associative or qualitative benefits that add value to a benefits package and the tangible value rating. Key elements considered in the Intangible assessment include the uniqueness of the opportunity, quality of the audience, reputation of the organization that can be leveraged by the corporate partner, the experience the partner can deliver to the audience, amount of sponsorship “clutter” and the potential for leveraging the associative elements to the benefit of the partner.

As a result of this valuation exercise, the City can be more confident that it is receiving fair value for its assets, more easily able to rationalize its partnership and advertising pricing and apply a consistent formula to pricing strategies.

For more information on the valuation of specific properties, please refer to the *Inventory of Assets and Valuation Report*, dated June 29, 2015.

## **Opportunity and Constraint Analysis**

As part of the preliminary research, the consultant examined the City’s ability to achieve sponsorship and advertising revenues as well as some of the barriers that will need to be addressed in order to meet stated goals.

### **Opportunity Analysis**

The following factors are viewed as forces that will positively impact the City’s corporate partnership and advertising program.

#### **Strengths**

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### **Organization Credibility**

Barrie is a well-known and respected public organization. Any company considering participating in the City's sponsorship or advertising program can feel confident that they are dealing with a reputable organization.

### **Financial Resources and Capability**

Barrie has the resources and capability to deliver on programs and services as well as the deliverables outlined in any sponsorship or advertising agreement.

### **Diversified Audience Reach**

Barrie has the ability to reach a wide range (and large number) of audiences with specific needs and interests. This provides the City with significant flexibility in being able to respond to the individual needs of companies.

### **Economy**

Barrie is home to over 16,000 businesses and the County of Simcoe has a diverse economic base. Automotive is just one of many industry sectors that thrive within Simcoe County that also includes plastics and glass manufacturing and pharmaceuticals. Agri-business is also a diverse multi-faceted industry and farmland in the region is among the best in all of Canada. Tourism also plays an important role in the local economy and Barrie's historic downtown and waterfront are at the heart of its tourism industry.

### **Quality of Programs / Staff**

Barrie has a highly trained employee base that delivers quality programs and services. This is important to companies that want to minimize risk and ensure that their brand is protected.

### **Scope of Marketable Assets**

Barrie has a diverse range of high quality facilities that attract thousands of participants annually including the Allandale, East Bayfield and Holly Recreation Centres which serve as the hubs of recreation programming in the area.

### **Sponsorship / Advertising Culture**

The City already has a number of advertising and sponsorship initiatives in place which reflect a culture of corporate revenue generation and so, moving to the next level of sponsorship should be a natural progression. In particular, the City has enjoyed considerable success through the provision of in-kind products and services.

### **Trusted Provider of Programs and Services**

The citizens of Barrie trust that the City is acting in the best interests of the public and can likely feel secure that their individual and/or family needs are being met with a high degree of integrity.

## **Opportunities**

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### **Growth of Sponsorships and Partnerships**

Companies are demonstrating increased interest in sponsorships and other forms of marketing partnerships as a core business model. In addition, the growth of cause marketing as part of a

company's social responsibility strategy will create opportunities for new sponsorship revenue for the City.

#### **Diversity of Audience / Size of Audience**

Barrie has a wide range of assets that can be leveraged with potential corporate partners. The diversity of audiences, coupled with the large numbers of audiences served will create an environment rich in corporate partnership opportunities for any company that wants to reach Barrie residents.

#### **Opportunity to Deliver Timely Messages**

Further to the above, the City has tremendous potential in its ability to deliver messages to audiences when they are receptive to receiving messages (i.e. receiving a message from a local sports store about hockey skates when registering for a learn-to-skate program). By capitalizing on these audience "touch points", the City will own a unique position in the Barrie market.

#### **Uniqueness of City Sponsorship and Advertising Opportunities**

Many of the sponsorship opportunities presented by the City will be offered for the first time; increasing the appeal of these opportunities to potential corporate partners.

#### **Goods In-Kind**

Another area that could see significant sponsorship growth for the City would be in the area of sponsored in-kind goods or services; either for 100% of the sponsored product/service or a portion thereof. The challenge in this area will be to identify those areas that would be suitable for in-kind sponsorships and negotiating arrangements that do not conflict with procurement policies.

#### **Businesses Characteristics**

Barrie is home to a wide range of thriving businesses, many of whom are not directly tied to consumers, but whose employees live in the area. This represents an untapped market and if Barrie can create opportunities that appeal to these sectors, they could generate significant revenue from these sources.

#### **Sponsorship Culture**

If the City can adopt a "sponsorship-driven culture" where staff seek out opportunities within their respective areas as part of their day-to-day business, the job of securing increased sponsorship revenue will be spread out across the corporation vs. a few key individuals. It will also encourage increased collaboration between various divisions / departments and a more coordinated and professional approach towards recruiting and servicing sponsors.

### **Constraints & Solutions**

The following factors need to be considered as potential barriers to City achieving its sponsorship and advertising revenue objectives.

#### **Weaknesses**

#### **Size / Population / Geography**

With a population of roughly 136,000, Barrie would not be considered a primary market for national brands that would likely gravitate towards Toronto or the larger GTA centres if they were to focus on

any geographical regions in Ontario. This leaves it primarily up to local companies that may want to market to Barrie's citizens, but do not traditionally have the resources for big-ticket sponsorship opportunities, unless they carry a direct business benefit.

Solution(s):

- Focus on Regional companies that have a vested interest in the community.
- Focus on the unique value proposition to each potential sponsor and be prepared to customize proposals to help sponsors achieve specific business objectives i.e. drive traffic to a store.

### **Regional Business**

As many of the companies in the area do not market directly to Barrie residents, different strategies will need to be developed to encourage these businesses to invest in local programs, infrastructure and services.

Solution:

- Focus on developing sponsorship packages that will go beyond traditional consumer marketing programs such as employee benefits / retention programs, recruitment fairs and promoting investment in the community where their employees live, work and play.

### **Level of Expertise**

Most staff are not trained in key disciplines related to soliciting corporate sponsors and advertisers as well as servicing these agreements.

Solution:

- Core (mid to senior-level) staff should be oriented to the program and trained on basic elements that will contribute to a successful City-wide outcome such as compiling audience attendance statistics and analysis, identifying potential partners and partner servicing techniques.

### **Collection of Statistical Information**

The City is lacking in detailed user attendance statistics for a number of its facilities and programs and this impacts the ability of the City to assess the true value of its sponsorship opportunities.

Solution:

- Systems will need to be put in place that track the number of participants for various facilities, programs and services and the appropriate staff will need to be oriented on the purpose of these systems and why it is so important to achieving sponsorship revenues.

### **Size of Organization**

The cross-jurisdictional nature of many of the sponsorship opportunities (e.g. bundled programs) will mean that many people are likely be involved in decisions related to the solicitation and/or delivery of sponsorship and advertising benefits programs. Similar to the Approval Processes, systems will need to be established that allow for the timely discussion of new opportunities.

Solution(s)

- Baseline sponsor benefits packages approved before being marketed to the private sector.
- Delegation of authority for various levels of sponsorships.
- Steering Committee established to approve unsolicited or new benefit requests.
- Use of template proposals and agreements that provide a standard format for these recruitment tools.

**Sponsorship Policy**

Currently, Barrie does not have a Sponsorship Policy to govern its activities in this area. As part of its Strategy development process, the City will need to establish the conditions for which sponsorship or naming rights will be sought as well as the terms of sponsorship engagement. This will be critical for demonstrating transparency and encouraging community buy-in.

Solution(s)

- Development of a Policy to ensure that it is aligned with the proposed strategy;
- Where sponsorships are generated for a specific program or service, a portion of revenue generated through these arrangements should remain within the program and/or work area for the purpose of off-setting costs or making improvements to that specific program/service/event;
- For facility naming rights, a portion of revenue from these arrangements should be allocated to facility repairs and/or improvements that benefit all users. Consideration should also be given to establishing a general purpose reserve to allow for future investments by the municipality in programs/services/events/facilities (*See Revenue Allocation*).

**Company Perceptions of Dealing with a Municipality**

Most companies do not see municipalities as a destination for their “contributions” and would rather see their philanthropic dollars allocated towards recognized charities and non-profit organizations. Therefore, Barrie will need to emphasize the “business value proposition” and “contribution to community life” of its opportunities in order to be taken seriously by potential sponsors.

Solution (s):

- Focus on “marketing partnerships” and business-oriented language in communications rather than “contributions and donations”;
- Conduct ongoing communications to educate citizens about the benefits of these partnerships to the community.

**Media Scrutiny**

Further to the above, the sponsorship program is likely to be scrutinized by the media especially in light of the Mady situation and so it will be important to effectively and consistently position the overall program and its direct benefits to the citizens of Barrie.

Solution(s):

- Effectively position the overall program and its direct benefits to the citizens of Barrie (*See Communications*)

- Demonstrate transparency at all times.

#### Threats (Risks)

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##### **Marketing and Social Media**

The increase and impact in social networking has had an impact on the amount of funds that are available for traditional advertising campaigns and sponsorships. Companies are now looking for activation activities (those activities that can help increase sales) as opposed to just having a company name and Logo ID on signage or other “soft” sponsorship benefits. A recent study showed that companies are committing almost the same amount of funds to sponsorship but expect much more impact for their investment therefore, if the City is not able to compete at this level, it will likely lose out on such opportunities.

##### Solution(s):

- Focus on the unique aspects of the City’s sponsorship program and how it complements social media and other marketing spending;
- Offer creative activation ideas as part of proposals to demonstrate the level of audience engagement that is possible through the program.

##### **Competition for Dollars**

With dozens of non-profit organizations in the region, the competition for corporate dollars is significant. In addition, with an increased emphasis on sponsorships as an important source of revenue for many organizations, competition for sponsorship dollars has been greatly intensified. Therefore, Barrie will need to articulate a clear value proposition that differentiates its sponsorship and advertising programs from the “competition” and offer tangible value to compete in a crowded marketplace.

##### Solution(s):

- Focus on “audience/sponsor fit” and the City’s ability to reach large numbers of targeted audiences with specific interests and lifestyles.

##### **Impact of Increases / Decreases in Sponsorship Revenue**

Like most municipalities, the City of Barrie is likely “price-sensitive” when it comes to establishing fees for various programs and services. If sponsorship revenue is used to establish new programs or off-set fees, the issue will become how to deal with increased customer expectations / budget pressures if the sponsorship revenue falls off.

##### Solution(s)

- Dollars generated through sponsorships should not be used to replace core funding or off-set user fees, but rather linked to “cost avoidance” or equipment purchases and/or program/service enhancements that provide additional value to participants or citizens.

##### **Perception of Commercialization**

The overall program will need to be effectively positioned with various publics, otherwise the City could risk its image by appearing as though they are “selling out” to the corporate sector.

Solution(s):

- Articulate the benefits of the overall program and demonstrate how the sponsorship is benefiting the citizens of Barrie and/or program participants;
- Conduct an annual ad campaign that thanks partners and communicates the value that the program brings to Barrie residents.
- Focus on activation as a means of providing partner value instead of interruptive messaging.

### **Perception of Competition**

The City's Sponsorship and Advertising program could be perceived as competing against other community organizations (i.e. community associations, non-profits, charities, festivals, etc.), so the City discord from these sectors. The program could also be perceived as conflicting with commemorative naming initiatives within the City.

Solution(s):

- Focus on audience fit by aligning with companies that want to reach potential customers in unique City environments and activities i.e. recreation / sporting products.
- Focus on generating corporate "marketing" dollars vs. "donation" dollars.

### **Exclusivity**

Most sponsors rely on a certain level of exclusivity through sponsorships in order to differentiate themselves in the marketplace and often, this is contrary to municipal policies.

Solutions:

- Conduct an annual posting of sponsorship opportunities to ensure businesses are aware of the opportunity to partner with the City.
- Although the municipality cannot provide city-wide, exclusive arrangements with any one sponsor, they can provide exclusive opportunities in the specific area(s) for which the sponsorship dollars are directed.
- Demonstrate transparency at all times.

### **Competing Interests**

By opening the door to corporate involvement on a wide-spread scale, it is quite conceivable that businesses that are competing with municipal recreation programs at some level may want to take advantage of an expanded partnership and advertising portfolio to promote their products and services. This increased competition could have an impact on revenues that the City currently / or could generate through its own programs.

Solution(s):

- Overall, the Sponsorship Policy should reflect the limitations with respect to the types of companies that will not be allowed to participate in the City's sponsorship and advertising opportunities, including the City's right to refuse any advertising or partnership opportunity that is not deemed to be in the best interest of the municipality.

- Because sponsorships generally offer more audience engagement opportunities, the City should have the option to exercise its competitive advantage for sponsorships that could directly impact a core audience (i.e. a Fitness business wanting to sponsor a City fitness program).

#### **Business Perception of the Program**

Business wants to be involved with a program that has a positive image in the marketplace and professionally operated. In this regard, the City needs to take the time to ensure that all of the pieces are in place before actively marketing the program to the business sector.

Solution:

- Ensure that the assets to be offered, the policies, agreements and procedures are in place before publicly launching the program.

### **Sponsorship Strategy**

In order to successfully develop and implement a successful Corporate Sponsorship Program, there are four (4) key strategic areas that must be planned and executed in tandem. They include:

1. Guiding Principles
2. Inventory (Product) Development
3. Program Development and Coordination
4. Communications

Each of these areas is discussed at a strategic level below.

#### **1. Guiding Principles**

At a strategic level, there are several Guiding Principles that need to be considered as key foundations for the City's Sponsorship Program. While these principles are not formal City policies, they would set the scope, tone and direction for the expanded sponsorship program and provide a framework for interpreting and executing the Sponsorship Policy at the operational level.

These Guiding Principles include:

1. **Short-term sponsorship and advertising revenues should not be used to fund core programs and services.** While sponsorship and advertising revenue are an increasingly critical source of budget revenue, revenue from short-term agreements should not be used to off-set core funding as they are more prone to marketplace fluctuations and/or conditions.
2. **Where possible, sponsorships should include a "value-add" to the participant involved in the sponsored program.** If the direct participant or Barrie citizens benefit in some way from the sponsorship, they will be more likely to view the sponsorship as a benefit rather than an intrusion. This is viewed as an important element in ensuring that the City's program is positively received by the citizens of Barrie. In addition, research indicates that if there is a strong value connection between the sponsor and the audience experience, the audience member is more likely to look favourably upon that company, thus contributing to the company's overall satisfaction with their

sponsorship investment. By allocating a portion of the funds towards program / service delivery enhancement, the audience experience will be enhanced, City staff will be better motivated (rewarded) and corporate partners will see the direct benefit of their involvement.

3. **Sponsorship recruitment needs to focus on “audience fit”.** The City’s strongest selling point is that it has the ability to reach large numbers of audiences with specific needs and interests. By matching company products / services with audience needs / interests, the City will likely have a higher success rate with potential sponsors as well as a higher level of interest and acceptability from the audience.
4. **The focus of the “Ask” needs to be based on providing marketing value for investment and not philanthropic motivations.** For the most part, companies do not view a municipality as a destination for their philanthropic contributions, so the business case for investment needs to be focused on more marketing / competitive based principles.
5. **The contribution that a company makes needs to be acknowledged in a public manner.** By constantly reinforcing the value that the corporate partnership has brought to the program, service or operation, the more the public and the corporation will feel good about these collaborative arrangements. Examples include conducting Official Ceremonies for naming rights sponsors and providing recognition at Council for major sponsors.
6. **The cost-benefit of new and/or unsolicited sponsorship / advertising opportunities needs to be evaluated and prioritized on a case-by-case basis.** To this end, the City will need to evaluate the cost-benefit of new opportunities to ensure that potential revenue warrants the cost of staff time and/or changes to existing policies or processes.

## 2. Inventory (Product) Development

In order to recruit the number of corporate sponsors and advertisers likely required to achieve revenue targets, the City will need to offer a wide range of opportunities that fit almost any budget and objective. Contrary to many beliefs, long-term sustainability will not be based on a couple of “big wins” but rather, by presenting a diversified portfolio that provides many options for companies to participate at a level they can afford; and serves as a “feeder system” for gradual increased investment over the long-term. The added value of this approach is that the City will not be dependent on a few partners to carry the load, thus reducing the risk of revenue pressures when one of the major sponsors discontinues their involvement.

In order to be effective in the Inventory (Product) Development area, the City will need to continually re-examine its inventory with a view to expanding with new products, re-positioning existing products to maintain their appeal to the corporate marketplace or removing products that no longer have an appeal.

### Impact of Changes to the Proposed Inventory of Assets

The proposed Phase 1 Inventory of marketable assets (Appendix B) has a direct impact on projected revenue. Changes to the inventory can positively or negatively impact anticipated revenues.



For example, if Council approves a commemorative name for a Tier 1 Naming Rights opportunity, it will be difficult to achieve the revenue potential that can be achieved through a naming agreement. As another example, the proposed inventory also includes web advertising initiatives and if these opportunities are not approved, revenue projections will need to be adjusted accordingly.

In addition, City Council may choose to remove some sponsorship opportunities from the inventory of assets, which were assumed as the basis of this strategy, due to concerns from the public (i.e. the general public may not want to see the private sector involved in a particular program or facility). For this reason, it will be important for City staff to test the specific components of the inventory (and the potential benefits to be provided to partners) prior to finalizing and launching the full program.

### **Naming Rights Products**

Naming Rights is potentially, one of the most lucrative areas that Barrie can capitalize on to generate sustained revenue for the corporation, although it also requires the largest investment of time and effort to achieve an agreement (can take as long as 18 months to complete). The advantage of naming rights partnerships is that they are longer-term agreements that require minimal servicing to maintain. Based on experience in other municipalities, the following are key considerations for implementing a Naming Rights revenue program:

- Having the right “fit” is viewed as a major factor in building community acceptance for a naming rights partner. In this regard, the best candidates are generally those with a strong community connection or those who can offer direct value to facility participants (i.e. sports retailer offering discounts on sports equipment.)
- Although the duration of naming rights agreements can range from three (3) years to perpetuity arrangements, the ideal term may be in the range of 8-10 years. This allows ample time for the corporate brand to be integrated with the facility as well as establish public “mindshare”. For agreements that are longer than fifteen (15) years, an escalation clause should be considered to account for inflation values.
- To encourage longer-term agreements, the City might consider structuring agreements so that there is an “opt-out” clause (without penalty) after a certain period. This will make it easier for a partner to agree to a longer term, knowing that they have an “out” should they not be realizing sufficient value or should their financial conditions change.
- A consistent formula should be used to establish the “fair market value” of each naming rights asset. The valuation process outlined in the Asset Inventory and Valuation Report provides a useful tool for determining the value of these assets.
- The City might consider providing incentives for condensed payment terms. For example, a sponsor that pays the entire fee upfront might be provided with a discount of 20%-25%; within 3 years, 10%-15% and within 5 years, 5%-10%.

### **3. Program Development and Coordination**

There are several areas that need to be considered at an internal level that will support the development of a City-wide sponsorship and advertising program. Key considerations include:

**a. Overall Stewardship of the Sponsorship and Advertising Program**

To ensure the effective management of the program, it is recommended that an Advisory Committee comprised of key representatives from various departments be established to ensure that the program aligns with corporate objectives. The role of this committee would include setting a strategic direction for the program, approving assets to be marketed and overall benefits programs, overseeing the sales and servicing processes and monitoring the program to ensure that it meets the City's ethical standards.

**b. Centralized Sponsorship / Advertising Function**

If the City is going to deliver an effective sponsorship program, it will need to take a centralized approach to oversee its overall efforts in this area. In addition to providing a coordinating function among the City, this office could also be responsible for any/all of the following: recruiting sponsors, establishing agreements, servicing department-wide sponsorship programs, managing contractor agreements, marketing the program internally and externally, training front-line staff and reporting to senior management on the progress of the program.

This centralized function will ensure a consistent and coordinated approach towards partner recruitment and servicing and ensure that the City's best interests are upheld. Due to the City-wide scope of the Barrie program, this office should likely be within the City Manager or Economic Development portfolio. This will ensure that the program is treated as an important corporate-wide initiative and allow for more effective integration of benefits packages, sales and marketing. Having said this, if the majority of assets being marketed at any one time are under Recreation jurisdiction (i.e. 80% or more), the department could be considered to play the coordinating role for the City in order to protect its interests in the program. For information on resourcing, refer to the section, *Human Resource Considerations* on Page 40.

**c. Leveraging External Contractor Advertising Assets**

At present, Barrie is relying on external contractors to market its advertising assets. To facilitate sponsor agreements, a portion of the overall advertising inventory (i.e. 5%) should be reserved for the City's use, either for its own messaging or for inclusion in sponsorship benefits packages. This will ensure that the City has flexibility in customizing sponsorship benefits packages that include a commercial advertising element.

**d. Statistical Information**

In the past, the City has not placed a priority in compiling facility and program attendance statistics and this impacts the City's ability to assess the "fair market value" of these assets. In order to advance a number of the sponsorship opportunities, City staff will need to place more emphasis on the collection of statistical information that will support the sponsorship development process.

**e. Sponsorship and Advertising Database**

To support the coordination of sponsorship sales, a central registry will need to be established that identifies current sponsors and active prospects as well as provides a history of a company's previous involvement with the City. This database and management system is viewed as essential for sharing

information that is very important when approaching potential sponsors and reduces the frequency with which sponsors are asked to invest in specific initiatives. It will also give sponsors the sense that the City is coordinating efforts in this area, leading to greater confidence that the municipality is taking a professional and strategic approach towards its sponsorship program.

For information on the database, refer to the section on *Technology Requirements* on Page 39.

**f. Approval of Benefits and Agreements**

Prior to approaching potential sponsors, the types of benefits that might be included in a sponsorship package as well as a standard agreement format should be approved in advance so that that momentum can be maintained throughout the negotiation process. This will also ensure that discussions can proceed without any embarrassing or unwanted delays.

**g. Solicitation of Sponsorships**

Given the scope and potentially complex nature of the sponsorship and advertising program, it is likely that a number of sales options including internal staff and external contractors could be considered in order to achieve revenue targets. The following model provides a high-level structure for the program:

- Centralized staff (office) to market the program and recruit sponsors for naming rights or major City-wide initiatives;
- Continued use of external advertising contractors to market and sell commercial advertising assets;
- Selected City Supervisors (trained in sponsorship / sales) from various programs or facilities who can directly support the sponsor recruitment process;
- Front line or program staff who would be encouraged to identify new opportunities and/or potential sponsors as well as fulfill sponsor obligations in their respective areas.

It is believed that to achieve sustainability for the program over the long-term, it will be important to develop a corporate culture that encourages staff at all levels to proactively think of ways to reduce costs or enhance services through partnerships as part of their day-to-day business function. To this end, front-line program staff should be encouraged to identify and bring forward potential opportunities that can impact their specific areas of responsibility. To achieve this, staff will need to be trained in the basics of sponsorship and the role that they play in the process.

**h. Integration of Benefits**

The City needs to be flexible in the benefits it offers potential sponsors and this includes extending benefits to outside of the actual sponsored program, facility or service. For example, it should be possible to place a Holly naming right sponsor's ad in another facility or extend their online visibility to an unrelated section of the City web site that attracts their audience. This type of flexibility will allow for the full customization of sponsorship and advertising proposals to suit the specific needs of each business.

#### 4. Communications

Next to product development, communications is likely the most critical element to launching a successful Barrie sponsorship program. With the amount of public and media scrutiny that the program may be subject to, coupled with the City's desire to minimize commercial overtones, it will be extremely important to build a communications plan that positions the program in the best possible light. By creating a positive atmosphere in which partner investments are positioned as beneficial to the citizens, the City and the corporate community (in this order), companies will see themselves as contributing to the quality of life in Barrie. Simply stated, this message will resonate much better than "helping the City reduce its costs".

This positioning cannot be achieved by words alone. By ensuring that the community directly benefits in some way from the program and communicating these contributions in a public manner, it will be easy for staff at all levels, media, sponsors, community stakeholders and the political level to extol the virtues of the program, thus increasing its brand appeal in the marketplace. There are three (3) key elements that need to be considered from a strategic communications perspective, as outlined below:

**a. Overall Program Positioning:**

To soften the commercial elements associated with "sponsorships", The City should consider positioning its sponsorship program as a "Corporate Partnership Program" for all public communications and as a "Marketing Partnership" for corporate audiences.

**b. Public Positioning:**

Public positioning will be critical to build mutual understanding about the City's efforts in this area. Potential messages include:

- Barrie is committed to providing value for the taxpayer dollar;
- Barrie's sponsorship / advertising program is aimed at reducing or minimizing costs while improving the level of programs and services to the public;
- Revenues received through sponsorships will be used to enhance the experience of Barrie citizens participating in various programs and services offered by the City;
- Corporations know that a strong community (and quality of life) is good for business and see this as an opportunity to make a meaningful contribution to the community where their employees and/or customers work, live and play.

**c. Corporate Positioning:**

While somewhat similar to public messages, effective positioning with the corporate sector will help set the overall tone of the program and value proposition for companies that are considering participating. Potential messages include:

- The City has a proud history of delivering a diversified range of programs and services to the public;
- The City is interested in developing marketing partnerships with corporations that want to offer value to their employees and/or customers and create a strong balance between business objectives and corporate responsibility;

- Funds generated through the program will be used to maintain and/or improve programs and services and enhance the experience of the audience participating in City programs;
- Companies that participate will be making a positive contribution to the city where their employees and/or customers live, work and play.

**d. Internal Positioning**

The strategy and positioning for Internal Communication will be to inform internal audiences of the progress of the sponsorship program (success stories) and the positive impact it is having on City operations. Potential messages include:

- The City is interested in developing marketing partnerships with corporations that want to offer value to their employees and/or customers and create a strong balance between business objectives and corporate responsibility;
- Funds generated through the program will be used to maintain and/or improve programs and services and enhance the experience of the audience participating in City programs;
- All staff have a role to play in identifying potential sponsorship opportunities as a means of off-setting costs and enhancing operations;
- The City will always retain full control of its assets and programs;
- Core budgets will not be impacted by the program.

**Recommended Assets to be Marketed – Phase 1**

As mentioned in previous sections of this report, it is recommended that the inventory of sponsorship, naming and advertising opportunities be phased in over a number of years as the level of sophistication develops among staff and new opportunities emerge.

**Strategic Areas of Focus – Phase 1 (Years 1 & 2)**

As the Inventory of Sponsorship and Advertising Assets illustrates, Barrie has a significant number of potential assets that can be leveraged with potential corporate partners. However, based on initial research and analysis, there are several areas that represent “low hanging fruit” for potential corporate partners, that are relatively easy for the municipality to implement while minimizing push-back from various community stakeholders.

Recommended Phase 1 Sponsorship and Advertising Opportunities include:

Area of Focus	Examples of Opportunities
<p><b>Naming Rights</b> for major complexes and their amenities as well as other major recreation facilities that have a strong community attraction, attendance and/or high street visibility, new facilities (planned) and amenities within selected Park operations.</p>	<p>Allandale, East Bayfield and Holly Complexes and amenities not commemoratively named, Southshore, Eastview Arena and other high profile properties.</p>

<p><b>Public Programs and Services</b> (stand-alone or bundled) that are delivered primarily by City staff and appeal to large numbers of the population.</p>	<p>Public Swims, Public Skates, Outdoor Skating &amp; Hockey, Fitness Classes, Learn-to-Swim, Day Camps and Seniors Programs</p>
<p><b>City-Wide Initiatives</b> that contribute to a safer, healthier and more sustainable community</p>	<p>A Green Barrie, An Active Barrie, A Safe Barrie, Culture Friendly Barrie, Business Friendly Barrie, Age Friendly Barrie</p>
<p><b>Civic Events or Attractions</b> that attract large numbers of participants and/or are focused on a specific audience segment.</p>	<p>Canada Day, Celebrate Barrie, Downtown Countdown, Rhythmfest, Winterfest</p>
<p><b>Exclusive Service Provision Opportunities</b> where exclusive “service provision, pouring or sales rights” may be provided to one or a series of non-competing suppliers</p>	<p>WI-FI Services in City facilities</p>
<p><b>Advertising</b> opportunities that offer a unique value proposition in the market and/or measurable transactions</p>	<p>Web Site (i.e. Registration Page or Receipt, other most viewed pages), Facility/Program Access Passes, Collection and Event Calendars, targeted City-Wide Brochures and Outdoor Billboards</p>

**Appendix A** provides an overview of the scope of opportunities available and **Appendix B** outlines specific programs or services that are recommended inventory for Phase 1 of the program. Based on the experience of other municipalities, new opportunities may be identified by potential partners and should be brought forward for consideration.

By focusing on “low hanging fruit” and corporate partnership opportunities that represent a good audience fit, the City will be positioning itself for some “quick wins” that also demonstrate how the sponsorship and advertising program can be successfully integrated with City operations.

#### Recommended Baseline Sponsorship Benefits – Phase 1

The *Inventory of Assets and Valuation Report* outlined common baseline benefits that might apply to any Phase 1 sponsorship benefits package. These common benefits are viewed as critical to developing a “value proposition” that companies see as worthwhile in investing and they include:

- Web Site names, logos, links and banner ads

- Publication names, logos, ads
- Opportunity to distribute brochures, product samples and promotional items
- Promotional passes or complimentary admissions
- Exhibit / display / demonstration space
- Use of facilities for corporate or community functions
- Sponsor message in communications with participants
- On site signage
- Logos on City ads
- Opportunity for customized sponsor activation

It is important to note that the baseline benefits outlined above will provide a “stable” of common benefits and that any major sponsorships will likely require customization, especially in the “activation” of sponsorship agreements. This will need to be negotiated with each sponsor on a case-by-case basis, depending on their specific objectives.

## Program Implementation

The following section provides recommendations related to the implementation of the City sponsorship and advertising program in the following areas:

1. Sponsorship Policy
2. Allocation of Sponsorship Revenue
3. Six-Year High-Level Roll-Out Strategy (2014 – 2019)
4. Marketing Barrie’s Sponsorship and Naming Rights Program
5. Approval Processes
6. Technology Requirements
7. Human Resource Considerations

Each section is described in detail below.

### 1. Sponsorship Policy

To effectively position and govern the City’s sponsorship, naming rights and advertising efforts, a City Policy should be approved by Council and posted on the web site to ensure transparency with the public and business community.

Please refer to the City of Barrie *Draft Sponsorship Policy* (Appendix C) to review the proposed Policy for Barrie.

### 2. Allocation of Sponsorship and Naming Rights Revenue

The method by which the City allocates revenue from sponsorship and naming rights initiatives, the impact of any new revenues on existing operating budgets and the ability to roll-over funds to the next fiscal year are all viewed as major factors in gaining a broad level of internal support for the program. To establish an internal culture that supports the program, and to help maximize interest in the program from the private sector, the City should consider the following:

While the Inventory and Revenue Analysis estimates the Gross Revenue that can be achieved through a wide range of sponsorship, naming and advertising opportunities, Barrie will need to consider various “cost of doing business” areas that will ultimately impact the net revenue to the City. Considerations include:

1. As a general rule of thumb, if up to 35% of total revenue is used for resourcing and operations to market City assets, solicit companies, service sponsors and coordinate the program, it is viewed as an acceptable range for such operations.
2. Agreement Servicing Costs - It should be expected that the City will incur direct servicing costs in the range of 5%-10% of revenues to facilitate its end of any partnership arrangement. This includes areas such as the preparation of partner / facility signage, official announcement events, changing names on publications, etc.
3. A portion of the sponsorship funds generated should be allocated towards directly improving the sponsored program, service, facility and/or audience experience. It could also be allocated towards other projects that citizens would see as valuable to the community. This will provide front line staff with an incentive to support the program as well as demonstrate to sponsors that their investment is being put to good use. At a minimum, 15% - 25% should be allocated to the sponsored program, service or facility for program/service enhancements.
4. A portion of the revenue generated through sponsorships or advertising could be allocated to a general revenue account to off-set current expenses or put into a reserve that can be drawn upon for future investments in the community or as approved by Council. As an alternative, the revenue that might go to a general revenue account could be kept within the department or allocated back to facility or program for service enhancements.

The above considerations are summarized in the chart below:

Expense or Allocation Consideration	Estimated Percentage of Gross Revenue
1. Staff resources (internal or contracted) to implement and manage the program. Includes centralized function, marketing, soliciting businesses and servicing agreements.	30% - 35%
2. Servicing costs to meet the City’s obligations (fulfillment) as it relates to each agreement. Includes signage, special printing costs, distribution of materials, etc.	5% - 10%
3. Dollars from the sponsorship allocated towards improving the sponsored program, service or facility, or another area viewed as valuable to citizens.	15% - 25%



4. Revenue allocated towards General Revenue (at City or Department level) that could help fund future priorities.	30% - 50%
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As the chart above illustrates, up to 45% of the revenue generated should be set aside for direct committed expenses, leaving up to 55% for discretionary allocation.

### 3. Five-Year Roll-Out Strategy (not including Pre-Launch Period)

To be sustainable over the long-term, the City will need to build its brand and reputation for working effectively with the private sector as well as develop its resource capacity to effectively recruit and service partners. The following is the recommended Roll-Out Strategy.

#### Pre-Launch Period (Planning, Preparation, Market Testing)

- Develop the internal infrastructure to effectively manage the program (i.e. Staff hiring, training, physical operation, parameters of centralized function, internal procedures, approvals, etc.);
- Consult with selected members of the business community to get their overall feedback on the program and the opportunities available (Appendix A);
- Ensure policies, agreement templates and other administrative documents are in place to support the program;
- Prepare Naming Rights specification sheets for each opportunity;
- Verify expanded Advertising inventory;
- Bundle high priority Themed Initiatives and specific program/theme sponsor benefits;
- Develop full marketing communication plan for the program, including collateral (print materials, web pages, etc.) to promote opportunities to the private sector;
- Through the informal business consultations, attempt to secure 1-2 new sponsors that could be part of the official launch of the program.

#### Year 1 (Official Launch Year)

**Note on Timing of Launch Date:** Although the Launch date of the Corporate Partnership Program could be anytime (except the Summer period), an early Spring launch date is advantageous because it help the City position opportunities in the marketplace prior to the Summer festival and Fall program season as well as get information in the hands of businesses before their Summer/Fall budgeting period.

- Initiate formal launch of Corporate Partnership Program including Communications Campaign to inform businesses of the opportunities;
- Focus sales efforts on low hanging Naming Rights (i.e. Holly), high profile programs and special events as outlined in Appendix B.
- Secure some “early wins” that demonstrate the positive aspects of the program and City’s ability to achieve revenue objectives (i.e. naming rights for or facility);
- Focus on the expansion of advertising opportunities and exclusive supplier services (i.e. WI-FI) to all municipal facilities;

- Collect ongoing industry feedback on Phase 1 Inventory and partner benefits to determine those areas that have the greatest appeal for sponsorship, naming rights and advertising;
- Bundle other Themed Initiatives and specific sponsor benefits;
- Develop data collection processes and begin to collect / compile program statistics (i.e. participation rates) that more strongly support asset such as verified attendance, demographic profiles of various program participants and placing people counters at selected outdoor sites;
- Build program staff capacity to identify potential sponsorship opportunities.

#### **Year 2**

- Build on Inventory and sponsor benefits packages based on industry and stakeholder feedback received in Year 1;
- Focus on increasing corporate take-up on existing Naming and Sponsorship and Advertising Inventory as outlined in Appendix B.
- Expand advertising capacity throughout the municipality;
- Build database capability for the integration and sharing of sponsor / advertiser information;
- Build staff capacity to identify and recruit sponsors.

#### **Year 3**

- Build on Inventory and sponsor benefits packages based on industry and stakeholder feedback received in Year 2;
- Expand sponsorship program to include new opportunities for Naming Rights, Programs, City-Wide Initiatives and Bundled Registration-based Programs;
- Conduct 3 year review of the Corporate Partnership Program and present report to City Council that includes Revenue outcomes, sponsor and community feedback, program challenges and success stories;
- Build staff capacity to identify potential sponsors.

#### **Year 4**

- Build on Inventory and sponsor benefits packages based on industry and stakeholder feedback received in Year 3
- Build staff capacity to identify and recruit sponsors and advertisers.

#### **Year 5**

- Build on Phase 4 Inventory and partner benefits packages based on industry and stakeholder feedback received in Year 4;
- Conduct an extensive review of the program to determine its impact on citizens, corporations and the municipality, and make recommendations on the program's future operations.
- Build staff capacity to identify and recruit sponsors and advertisers.

4. Marketing Barrie’s Sponsorship and Advertising Program

A successful marketing campaign will effectively position the City’s opportunities with those companies that have the most to gain through an association with the municipality. To this end, companies will need to be educated about the opportunities and feel confident that they are receiving good value for their investment. By effectively branding the program and presenting opportunities that are relevant to each company, the City will minimize the sales cycle and increase the odds of a successful, long-term relationship.

a. Pricing Strategies

With the exception of Naming Rights which are traditionally exclusive opportunities, partnership pricing should allow for a range of companies to participate in any given activity, depending on their size, needs and financial capacity. This strategy will increase the appeal of the City’s sponsorship program to a broader range of companies and allow these firms to “test the waters” before committing to larger investment levels.

The advantages of a multi-tiered pricing strategy to the City is that it contributes to the organization’s goal of providing equitable access to business and at the same time, creates a “feeder system” that supports higher levels of investment over time.

As an overall strategy, most sponsorship opportunities could have at a minimum, two (2) levels of investment and depending on the opportunity, up to three (3) pricing points. These levels should be used internally to organize or prepare customized benefits packages, but can also be used publically to promote opportunities around a specific property (i.e. Canada Day Celebrations). The following serves as an overall framework for the pricing of various partnership properties.

Level	Specifications	Pricing Strategy
Exclusive Partner	Properties limited to one (1) partner. Usually applied to Naming Rights	Priced at full value, based on level of exposure and benefits received
Presenting Partner	Typically, limited to one (1) company in a Presenting or Title partner role associated with a specific program, service, activity or event.	Priced at full value, based on the level of exposure and benefits received through the opportunity. i.e. Title Sponsorship: \$50,000
Major Partner	Typically, ranges from one (1) to six (6) partners, depending on the nature of the property. Usually exclusive by industry sector.	Priced at 40% to 50% of the value of the Presenting Partner package, based on a lesser level of exposure and benefits. i.e. 40% to 50% of \$50,000 =

		\$20,000 to \$25,000
Supporting Partner	Typically, ranges from one (1) to eight (8) partners, depending on the nature of the property.	Priced at 15% to 25% of the value of the Presenting Partner package, based on a lesser level of exposure and benefits. i.e. 15% to 25% of \$50,000 = \$7,500 to \$12,500

On occasion, the City may want to consider adding an additional price point to the above levels where the sponsored property can accommodate a wide range of “Contributors” at a lower level (2% to 5%). This level usually applies to in-kind contributions or those occasions when a local business may want to be involved in a particular activity.

*Valuated Price vs. Market Price*

The value (proposed investment level) of each sponsorship opportunity should be based on the process that was used to assign values to core Barrie properties. However, there will be instances where the actual “asking price” may be higher or lower than the identified value because of market conditions or the perceived value by potential sponsors. The City will need to assess each of these situations on a case-by-case basis to ensure that the integrity of the process is maintained.

In cases where the current price paid is significantly lower than the valuated amount, there are a number of options that can be used to adjust the pricing or leverage the situation to the benefit of Barrie. They include:

- Gradual increases in the current price to eventually achieve parity in pricing;
- Offer a value-add (s) that makes it easier for the current sponsor / advertiser to accept the new pricing model (e.g. ad on web site to support print ad);
- Offer an incentive to keep current pricing by signing to a longer-term deal.

The City will need to assess each of these situations on a case-by-case basis to ensure that the integrity of the process is maintained.

**b. Promotion and Recruitment Strategies**

In the marketing of the City’s assets, there are two main functions that need to be implemented in a coordinated manner.

- Communications and Promotion
- Personal Selling

The following are considerations for each of these areas:

## Communications and Promotion

The program needs to be supported by a Marketing & Communications Plan that is focused on three (3) main audiences:

**Businesses** – informing businesses of the opportunities for sponsorship and advertising. This campaign should consider providing local companies with fair and equitable access to opportunities to partner with the City. It should also communicate program success stories to create “buzz” and build credibility for the City’s program. The ultimate objective would be to create “warm leads” for sales staff to follow-up on.

Specific tactics include:

### *Web Site*

Development of a comprehensive web site that articulates the value of being involved in the program and the opportunities available. At a minimum, the web site should include the following:

- Mayor’s message,
- Program Information (including Guiding Principles and the Policy),
- High-Level Opportunities (high definition photos and facility synopsis to promote naming rights and program sponsorships),
- Overall Benefits of Participating,
- Partner Profiles,
- Endorsements and Testimonials,
- City Contact information,
- Lead Generation (e-mail) Function.

### *Promotional Collateral*

Given the range and large numbers of partnership and advertising opportunities available, it is not practical, nor desirable to produce collateral that features all of these opportunities. The primary goal of the partnership and advertising collateral should be to position the program, provide an overview of the types of opportunities available and to generate interest in the program.

Initial collateral should include:

- *Sales Letter (print or e-mail format)* that introduces the program and where specific messages can be customized for the reader;
- *Branded Kit Folder* to insert standard or customized documents;
- *Brochure - Opportunity Overview* (2-3 page overview of the program and high-level opportunities);
- *One-Pagers* to promote specific opportunities such as naming rights for certain facilities;
- *City-Wide Inventory* page (for selected use);
- *Photo / Testimonial* page that can be inserted into presentations / proposals;
- *Template Proposal* document that can be used to customize sponsorship proposals;
- *Power Point* deck to present an overview of the program to prospects at the initial meeting.

Materials need to be made available in print and electronic format (PDF).

*Brochure – Opportunity Overview (Print and PDF format)*

A general promotional brochure that can be widely distributed through City facilities and business groups including:

- A message from the Mayor;
- An introduction that effectively positions The City’s sponsorship program and its benefits to the community
- High-level sponsorship and naming opportunities
- High-level benefits and recognition a company could receive for their contribution to City facilities / activities / programs
- Compelling statistics for selected City facilities / programs
- Photos and testimonials from business leaders or sponsors
- Contact information

*Newsprint Ads (minimum once per year)*

City-run newspaper ads announcing the program and encouraging all businesses to become involved. This could feature promotional copy or be positioned in the form of an Expression of Interest notice.

*Recreation Guide*

One page in each issue of the Recreation Guide (Barrie Corporate Partner Program) to promote sponsorship opportunities and recognize partners.

*Open Bidding System (once per year, Expressions of Interest)*

Posting an annual Expression of Interest to encourage companies to respond to the range of opportunities available or come forward with their own ideas for collaboration.

*Pop-Up Banners – Key Venues*

Pop-up signs in key venues during the initial launch period to position and promote the program.

*Direct Mail Campaign (Local Businesses)*

Targeted mailing to Barrie businesses including the Promotional Brochure. Message subject to change according to sector pursued.

*Face-to-Face Communications*

Exhibits at Barrie area business association functions.

*Sponsor Announcements / Events*

Prominently announcing new partners through news releases and events and featuring partners on the web site and in collateral.

*Elected Representative Speaking Engagements*

Provide the Mayor/Councilors with speaking notes for various business functions.

*Agency Briefing Session*

One-time briefing session to explain the program and opportunities available to their respective clients.

**Citizens** – sharing the benefits of the program with citizens. This campaign should focus on building understanding about the program and service enhancements that are made possible through the

program. It would also provide recognition to the City's corporate partners which would enhance credibility among the private sector.

Specific tactics include:

*Web Site*

The City's public web site should include pages dedicated to the Sponsorship Program which includes overall positioning for the program and its benefit to citizens.

*News Releases*

The use of City generated news releases (traditional and social media) to announce the launch of the program as well as major agreements and their benefit to the City.

*Announcement Events*

Mayor / Councilor participation in events announcing major new partnerships.

*Annual Report to Council*

Annual document submitted to Council outlining the contributions of sponsoring companies and the value delivered to citizens as a result of the partnership. This could include in-person recognition for the City's most major sponsors (\$ value to be determined).

*City Recognition Ads*

Ads in local newspapers (minimum once per year) recognizing City sponsors and the value delivered to citizens through each of these partnerships.

*Wall of Honour*

Installed at City Hall to recognize major partners (\$ value to be determined) that have contributed to the City through its sponsorship program.

**Internal Audiences** – encouraging a "sponsorship culture" and encouraging buy-in for the initiative. This campaign should be aimed at providing updates on the progress of the program, communicating success stories and recognizing staff that are taking an innovate approach towards sponsorship development.

Specific tactics include:

*Council Reporting (Minimum once per year)*

Information Report to Council showing the revenue that has been generated through the program and how it has benefited citizens and/or City operations. Could also be tied into a sponsor recognition program.

*Staff Briefing Sessions*

Initial Briefing Sessions with staff from various program areas to explain the program, the steps that will be undertaken and potential impacts and how they can contribute to the program.

*Employee Correspondence*

Announcement of the program in Employee E-mail or Newsletter and/or condensed version of the Council Report to inform employees of progress.

## Personal Selling

Despite the communications and promotion activities discussed above, it is likely that most sponsorship arrangements are going to come about as a result of personal sales efforts – identifying and contacting leads, meeting with prospects and developing proposals based on their unique needs and interests. As mentioned above, the advantage of a strong promotion campaign would be to generate interest and pre-qualify prospects so that sales staff are not “going in cold”.

### c. General Sales Considerations

- Prior to a full launch, City staff should test the various opportunities with potential sponsors (“friendly corporations”) to gather “advice” and initial feedback and further refine the program;
- Focus on identifying and approaching businesses that cater to audiences served under each approved sponsorship opportunity (sponsor fit);
- Adopt a consultative selling approach for major Barrie-based companies by exploring their objectives and customizing benefits programs around their specific interests;
- Provide a number of “price points” that provide companies with options for participation, depending on their financial capability;
- Encourage the signing of three-year agreements or longer for Naming Rights (8-10 years minimum) to reinforce the long-term approach that should be taken towards achieving marketing objectives from sponsorships. These agreements would include an “Opt-Out Clause” that would allow either party to terminate their involvement with written notice by an agreed-upon date.

### d. Companies Most Likely to Participate in Barrie’s Corporate Partnership Program

Experience has shown that sponsors can come from almost any industry sector; however, the most likely prospects share or any number of the following characteristics:

- Companies with strong community roots;
- Companies that are new to the community and want to increase their visibility;
- Competitive sectors (i.e. telecom, automotive, home building, food services, etc.);
- Companies that sell higher margin products or services to the consumer market (insurance, telecom, financial institutions, automotive, etc.);
- Companies that want to market specific products to specific audiences (i.e. sports equipment, physiotherapy);
- Companies that want to build loyalty and frequency among target audiences;
- Companies that hire a large number of local residents (potential HR solution).

In particular, almost any company that sells products to consumers is going to likely to be the most open to any ideas that can help them interact with consumers in a non-competitive environment as well as have the shortest sales cycle. However, companies that have low profit margins will likely not be able to afford the “big ticket items”. Based on experience in other municipalities, the most likely prospects include:

- Home developers who are active in the market
- Automotive dealerships
- Financial and telecom companies



- Companies that service the sports industry (i.e. sports retail, physiotherapy)
- Retail food stores

The key in developing a highly responsive prospect list will be to determine the right fit from an audience perspective and approaching companies individually to determine where the opportunities for collaboration exist. It will also be important to promote the City's opportunities in an open forum (i.e. ads) as by making the opportunities public, prospects may come forward that are not typically considered in the initial prospect list.

#### e. Specific Sales Strategies-Business-to-Business Companies

As mentioned earlier in this report, Barrie is home to many businesses that are not tied to the local consumer market. This represents an untapped market and if Barrie can create opportunities that appeal to these sectors, they could generate significant revenue from these sources. The challenge is that B2B companies don't market products or services to local residents, so sponsorship with these companies requires a different approach than local businesses who service the community and surrounding area.

In order to appeal to these companies, Barrie will need to focus on elements that are likely more important to their business; namely:

- *Share Fate Rationale:* Community investment helps create a more prosperous Barrie, which helps build infrastructure (i.e. transportation, transit) and services (i.e. economic development) that support business activities and add value to their business.
- *Employee Recruitment and Retention:* Barrie sponsorship provides an opportunity for companies to enhance the quality of life of their employees through the provision of high quality facilities, programs and services as well as opportunities for recruiting new employees by making it more attractive to live in Barrie or leveraging the City's assets such as its recreation complexes to recruit new employees.
- *Workplace Health:* Sponsorship can provide company employees with access to Barrie fitness and recreation facilities that could help reduce absenteeism and other workplace issues through the adoption of healthier lifestyles.
- *Leveraging Barrie Assets for Corporate Functions:* Sponsorship provides opportunities for businesses to make use of facilities such as the Holly Centre to hold employee functions, exhibits, recruitment fairs and other corporate activities.

Specific strategies to recruit these companies include:

1. Target sponsorship opportunities for companies that have large numbers of employees that live in Barrie, companies that are growing and want to recruit new employees or established companies that would view community investment as part of being a good corporate citizen and would want to invest in City-wide initiatives (i.e. Active Living, Age Friendly).
2. As an enhanced level of sponsorship, the City might consider developing a **Barrie Community Patron Program** where companies invest a nominal amount (\$5,000 to \$10,000) of money each year to fund community projects and/or programs and receive special recognition as well as a variety of other corporate-related benefits such as:

- Recognition on a Community Patron Wall of Honour at City Hall;
- Official framed certificate from the City for their corporate office;
- Annual recognition at Council for their contribution of the community;
- Corporate profile on web Patron page;
- Recruitment ad on a Career Board at major recreation complexes;
- Access to discounted passes for Facility memberships for their employees;
- Annual credit for the use of Barrie facilities and/or discounted rates for the same;
- Exhibit space at approved facilities for a pre-determined number of days each year;
- Annual report showing how Patron dollars were used to improve Barrie programs and services.

The key to this program will be to demonstrate how their contribution is helping to improve the lives of Barrie citizens, including those of their employees.

3. Develop specific messaging and sales collateral for these businesses including: Letter from the Mayor, 1-2 page Prospectus document, Power Point Presentation for one-on-one meetings with prospects.
4. Promotion of the Community Patron Program through business groups.

## 5. Approval Processes

### *Naming Rights*

With the high profile surrounding Naming Rights and the length of the commitment for most of these arrangements, a more substantive approval process should be established. The recommended approval process for Naming Rights agreements is as follows:

1. Initial **Letter of Intent** signed by the potential Naming Rights sponsor and the City that outlines the proposed Term, Payment Schedule and Benefits. While it is advantageous to have as much detail as possible in this Letter, it is often used as an intermediary step to maintain momentum in the sales process, ensure that the prospect is serious about the opportunity before undertaking all of the detailed work to confirm specific benefits and to conduct an optional “dry run” with senior officials / elected representatives before any discussion goes public.
2. Letter of Intent signed-off by the City Manager;
3. Consultations with the appropriate elected representative(s) to gain his/her concurrence with the opportunity and the potential corporate partner (Optional);
4. Formal approval of the Naming Right Partner (and Terms as per the Letter of Intent) at Council;
5. Preparation of a **Legal Naming Rights Agreement**.

This approval process will ensure that long-term agreements have the full support of the municipality as well as avoid any embarrassing moments that could arise from Council not approving a potential Naming Rights partner.

### *Approval of Program and Other Sponsorships*

The City also needs to establish a streamlined approval process for Non-Naming Rights opportunities as this will help maintain momentum through any partner negotiation process and increase chances for a successful agreement. The approval process does not need to be as complex as Naming Rights because it will likely be for a much shorter term as well as for less financial investment. These agreements also do not typically require a Letter of Intent. The following is an example of how the approval process could be structured:

- Discussions with affected municipal staff to agree on what will be proposed to the prospective sponsor;
- **Written Proposal** to the prospective sponsor that includes customized benefit elements;
- Proposal sign-off by the prospective sponsor, either on a signature page in the proposal or other means of written correspondence (i.e. e-mail);
- Preparation of **Legal Sponsorship Agreement** including finalized benefit deliverables inserted as an Addendum;
- Signing levels and authority as indicated by City policy.

To streamline the approval process for these sponsorships, it is recommended that approval authority be considered for various levels of investment. It will be important to have template agreements and approval processes in place prior to engaging the private sector, so that momentum may be maintained throughout the discussion / negotiation phases.

To facilitate this process, it is recommended that a general agreement be put in place by Legal that can be used for all partnerships, with specific agreement details (e.g. payment terms and benefits) added as an Addendum to each agreement document. With this process, there will be less requirement for Legal to review the entire agreement each time, thus speeding up the approval process significantly.

## 7. Technology Requirements

To effectively manage the activities associated with the program, the City requires a database management system that can accomplish the following:

- Cataloging and storing the City's partnership prospect database;
- Shared capability across senior staff (all involved in the program's sales, management and servicing);
- Sorting capabilities for identifying specific types of prospects;
- Reporting;
- Notes fields to allow for updating contact notes;
- E-mail campaign capability;
- Controls to ensure data is seen only by those who need to see it / edit it;
- Analytics.

No matter which software is used, the City needs to remember that the more complicated a system is to use, the less people who will make use of it. At the very least, a simple Excel spreadsheet on a shared drive will serve as a good starting point, since so few people will be involved in the sponsor solicitation process.

The following are potential enhanced software solutions for Barrie. These solutions were recently recommended by sponsorship professionals as viable options to consider for any sales CRM system.

*Publish2Profit.com Inc.*

<http://www.publish2profit.com/>

ZOHO CRM

<https://www.zoho.com/crm/>

SalesForce

[https://www.salesforce.com/form/sem/sales\\_salesforce.jsp?d=70130000000t7P3](https://www.salesforce.com/form/sem/sales_salesforce.jsp?d=70130000000t7P3)

HelpGetSponsors

<http://www.helpgetsponsors.com>

Act!

<http://www.act.com/>

## 8. Human Resource Considerations

To support a program that generates sustainable sponsorship revenue, adequate human resources will need to be put in place to fulfill the functions below. As the sponsorship program takes a foothold, consistent revenues are generated and City staff become more knowledgeable in sponsorship development, it is envisioned that additional resources will need to be considered in order to keep up with sales and servicing workloads.

The following are key functions required to implement an effective Barrie sponsorship program:

Resourcing Requirements	
Function	Initial Responsibility
<b>Promotion of Sponsorship and Advertising Opportunities</b> to the corporate sector at-large	Coordinated through a centralized sponsorship function with assistance from Communications staff
<b>Sponsorship / Naming Rights Sales</b> (Major Properties) – identifying, contacting, presenting proposals and negotiating sponsorship / Naming Rights agreements	Senior Sales Coordinator who can conduct personal sales with prospects, liaise with impacted staff and move proposals through the system
<b>Advertising Sales</b>	External Advertising Sales Contractor managed through the Senior Sales Coordinator.

<p><b>Program Administration / Sponsor Servicing</b> – servicing sponsorship / naming rights / advertising agreements to ensure that the City delivers on agreed-upon benefits as well as renewing partnership / Naming Rights / advertising agreements</p>	<p>Coordinated by the Senior Sales Coordinator to ensure the completion of agreed-upon deliverables and protect the City’s interests. Program/facility staff to also support implementation.</p>
<p><b>Internal Communications and Coordination</b> – promoting the benefits of the program internally and providing program/facility staff with the training and tools to support the program</p>	<p>Central sponsorship function to liaise with Communications</p>

While the City should be looking to assume overall responsibility for recruiting corporate sponsors and managing all aspects of the sponsorship program through a centralized office of municipal staff, it needs to keep in mind that sponsorship marketing requires specialized expertise and that staff involved in selling the program need to have the background and experience in this area in order to be successful.

Consideration also has to be given to how many resources will be allocated towards the project. It cannot be overstated how important it is to adequately resource the program, so that maximum time is spent by City representatives “in the field” having direct conversations with company representatives. As a rule, at least 50% of the Senior Sales Coordinator’s time should be spent prospecting potential sponsors. If this not achievable, the City should not expect to achieve its five (5) year sales targets.

For example, if only one (1) staff person) were allocated towards the program and their job is was to coordinate all sponsorship activities (internally and externally) and manage advertising sales as well as sponsorship sales, it is the consultant’s opinion that the required functions will be significantly under-resourced for the work required to effectively implement the program. In particular, the Advertising and Sponsorship sales functions are quite different from one other in the approach required in addition to the amount of time each function takes; and therefore, a concern needs to be how thinly this position will be spread in attempting to cover off all areas.

**Internal VS. External Resourcing**

As part of the Strategy development, the consultant considered Internal vs. External resourcing as a means of minimizing cost and risk to the City for the implementation of the program. In this regard, a number of key factors were considered:

- Sponsor acquisition and retention in any environment, is a long-term proposition based on building the property brand as well as relationships over a sustained period of time;
- Sponsor acquisition is generally a difficult process that involves a high degree of skill to be effective, mainly because it involves addressing more complex issues than commercial advertising. Where commercial advertising can be sold more as a commodity, partnerships involve a strong knowledge

of business as well as the marketing discipline to develop and negotiate benefits packages that meet the needs of business and the property;

- Sponsor acquisition requires an extensive knowledge of the municipalities overall assets, values and strategy so that companies can be aligned with the opportunities that meet their needs and that the appropriate internal stakeholders can be recruited and/or managed as it relates to fulfilling these agreements;
- Sponsor acquisition is just the beginning of the corporate / property relationship. To be successful over the long-term, just as much emphasis needs to be placed on executing these agreements, ensuring processes within the municipality are followed, maintaining communication with partners and providing fulfillment reports at the end of each agreement;
- Most times, sponsors want to establish relationships with those individuals who “own” the program (vs. a contracted salesperson) in order to leverage the relationship between the property and the company as well as ensure that there is a strong level of buy-in from the municipality itself;
- The City needs to protect the interests of the corporation as well as the citizens of Barrie. This may involve strategic decisions not to pursue certain opportunities because they do not support the City’s values and ethics or foregoing opportunities in order to ensure fair and equitable access by regional businesses.

In further addressing the advantages of each approach, the following areas need to be considered:

Consideration	Pros Internal vs. External Management	Cons Internal vs. External Management
Developing Sponsorship Packages	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ Would have the internal knowledge and ongoing relationships with City staff to identify and build integrated partner benefits packages as well as encourage buy-in from various departments.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Would likely bring a wider range of ideas to the table due to broader exposure to the market.</li> </ul>	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ May be difficult to generate “out-of-the-box” thinking around benefits packages due to history with the program and/or internal pressures.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ May have an unrealistic view of what can be offered to potential partners, resulting in lost time or frustration with the program and/or process.</li> </ul>
Recruiting, Negotiating Sponsorship agreements	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ Possible higher degree of trust due to association with the City.</li> <li>▪ Direct relationships would be established between the City and Sponsor vs. through a third-party.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Will likely have the skills to immediately perform required functions to a high degree of proficiency.</li> </ul>	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ May not have the skills to immediately perform required functions to a high level of proficiency, which could affect the reputation of the program.</li> <li>▪ Low skill level could result in missed opportunities, poorly negotiated agreements.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ May have an unrealistic view of</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Possible higher level of confidence in opportunities being presented.</li> </ul>	<p>what can be offered to potential sponsors.</p> <ul style="list-style-type: none"> <li>▪ Could lose interest if approval processes too onerous.</li> </ul>
Servicing Agreements	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ Would likely allocate more effort towards servicing sponsors to ensure the City’s reputation.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Would likely have lower servicing costs.</li> </ul>	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ Likely higher cost due to municipal remuneration packages.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Would likely spend less time on servicing, unless compensated for the service.</li> </ul>
Brand Management	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ More focused on protecting the City’s interests and long-term reputation of the program.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Would likely bring more innovative ideas to the table on how to promote the program brand.</li> </ul>	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ May have a biased view of the program / City reputation that prevents critical self-analysis.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ May be more interested in short-term gain than long-term reputation of the City.</li> </ul>
Financial	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ Ability to ramp-up operation as required to service the program.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Would likely cost less overall to service the program.</li> <li>▪ Likely to focus on shorter-term, low hanging fruit, rather than more significant opportunities that require a longer investment of time to achieve (i.e. naming rights can take up to 18 months to achieve).</li> </ul>	<p>Internal</p> <ul style="list-style-type: none"> <li>▪ Would likely cost more to implement the program, based on municipal remuneration packages.</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>▪ Would likely be reluctant to spend more dollars executing the program, unless there was a direct financial benefit.</li> </ul>

It is the consultant’s professional opinion that over the long-term, it is in the City’s best interests to assume overall responsibility for recruiting sponsors and managing all aspects of the sponsorship and advertising program through a centralized office of municipal staff. However, like any situation, it will be important to have qualified professionals that are supporting the City’s best interests in any business situation, especially in the early stages of the program implementation when the program will be establishing its value in the marketplace.

It is also the consultant’s opinion that the current use of an External Contractor for Advertising Sales is the right approach because of the low-risk nature of display ads and requirement to “pound the pavement” in order to recruit potential advertisers. Advertising in general is a very competitive business and while the City may receive

less net revenue by using an external contractor, the benefits of using an experienced contractor in this area will enable the City to focus on its more lucrative sponsorship opportunities.

### **Minimum Staffing Requirements**

Despite promoting the City's sponsorship opportunities, it is likely that sponsorship sales will require direct discussions between the Barrie representative and sponsor prospects in order to position the opportunities effectively, understand the needs of the prospect and customize proposals that respond to business objectives.

It should also be noted that sponsorship or naming rights are not typically on a company's agenda, so in many cases, companies need to be educated on the opportunities, "sold" on the benefits of participating and properly budget for the expenditure. In this regard, a typical sponsorship or naming right agreement can take anywhere from three (3) to eighteen (18) months to complete, depending on the amount of investment, length of the commitment and budget cycle.

Therefore, of key importance is establishing a strong face-to-face sales campaign where staff are spending the majority of their time contacting and meeting with company representatives.

### **Recommended Resourcing**

**To achieve sponsorship and advertising revenue targets, it is recommended that the City initially allocate 1.5 FTE resources to implement the program as outlined below:**

**Senior Sponsorship Coordinator (1.0 FTE)** – to manage the overall program and directly market high profile sponsorship and naming opportunities to business. The compensation package would likely be in the range of \$103,000 annually, consisting primarily of salary and possible performance bonuses.

**Servicing Coordinator (.5 FTE)** – phased-in (Year 2) half-time position to coordinate administrative efforts internally and ensure that sponsor benefits are delivered as agreed. This compensation package would likely be in the range of \$30,000 (based on half-year costs) annually, consisting primarily of salary.

With an estimated 82% of the projected \$564,000 annual revenue coming from Sponsorship and Naming Rights, the above staffing structure would provide a sales focus in the key revenue areas and enable staff to spend the majority of their time performing a sales function in their respective "product" areas.

Initially, the Servicing Coordinator function could be fulfilled by an existing staff person on a part-time basis to begin with, until the program grows to a point where a dedicated resource is required.

### **Additional Strategies for Maximizing Staff Effectiveness**

The following are additional strategies to ensure that staff resources are fully maximized:

- Initial focus on face-to-face selling of the "lowest hanging" sponsorship opportunities, namely:
  - Naming opportunities for Allandale, East Bayfield and Holly Recreation Complexes;



- Selected Program Sponsorships reaching the largest and most targeted clientele (i.e. Fitness)
- Highest profile Events
- Membership VIP Card (Monthly Access Passes)
  
- Active promotion of the various sponsorship and advertising opportunities through communications channels such as print advertising and direct mail to encourage call-ins from interested businesses;
- Active in-facility promotion of Advertising opportunities;
- Training facility supervisors in supporting less complex sales activities, so that the sponsorship staff are not spending significant time on lower valued or straight-forward opportunities;
- Focus on multi-year agreements where possible, to reduce the need for constant re-selling of the sponsorship or advertising opportunity.

Please refer to the next section on *Revenue Analysis - Program Implementation Costs* for more details.

## REVENUE ANALYSIS

As part of the preliminary planning process, the consultant conducted a high-level analysis of potential properties to determine the potential new revenue that could be generated through the program. In order to determine a set of initial revenue projections for a Sponsorship Program, a series of assumptive partner benefits were established for each of the following categories of sponsorship:

### Sponsorships:

1. **Naming Rights** – To estimate potential revenue from Naming Rights, only high profile, multi-purpose facilities, individual arenas and pools were considered, as they were viewed as the best opportunities for corporate sponsorships.
2. **Program Sponsorships** – Revenue estimate considerations included the size of the audience and composition, the types of benefits offered, combined value of benefit offerings and associative value of the property.
3. **Event Sponsorships** – Revenue estimates focused on existing events that attract relatively large numbers or other events that are very targeted.
4. **Themed Community Initiatives** – Revenue estimates were based on bundling multiple activities around important community-wide initiatives such as the Environment or Active Living.
5. **Bundled Programs** – Similar to Program Sponsorships, the revenue estimate was based on bundling together multiple programs and services catering to a specific population such as Seniors.

### Advertising:

6. **Web Site Advertising** – To determine the potential value of these opportunities, baseline revenue estimate considerations included the level of visibility and number of unique visits. Based on traffic counts, single or rotating ads (unless indicated) are initially recommended.

7. **Print – Display Advertising** – Phase 1 Print-Display Advertising should focus on consolidating advertising on high profile opportunities in major facilities as well as targeted opportunities such as the Access Pass VIP Membership Program.
8. **Other Opportunities** – In addition to the core revenue opportunities described above, there are other product / service categories that have the potential to generate additional revenue sources for the City. In addition, it is anticipated that businesses will come forward with their own ideas (Unsolicited Proposals) once the City promotes that it is “open for business”.

Further details on the assumptions made in developing the revenue projections for this strategy are included in *Appendix B – Recommended Sponsorship and Advertising Assets – Phase 1* of this report.

**Revenue Mix / Projections**

The following chart provides a summary of estimated annual gross revenues, operating expenses and net revenue projections spread over a 5-Year implementation schedule.

Year 1	Year 2	Year 3	Year 4	Year 5
\$103,000 Gross	\$196,800 Gross	\$315,200 Gross	\$428,600 Gross	\$564,000 Gross
Expenses \$108,150	Expenses \$153,840	Expenses \$159,760	Expenses \$165,430	Expenses \$172,200
(\$5,150) Net	\$42,960 Net	\$155,440 Net	\$263,170 Net	\$391,800 Net

It is important to note that the first five (5) years need to be viewed as building blocks to a sustainable sponsorship program. After the first five years, the City could potentially be in a position to sustain an estimated \$564,000 in gross revenue annually. This amount could grow substantially if sponsorship opportunities are expanded to other City operations.

It should be noted that revenue estimates are conservative in approach and that as new facilities, programs and public services are introduced and/or removed from the inventory, the Revenue Mix and Projections will be subject to change.

**Estimated Revenue Mix and Projections**

The following chart provides an illustration of the potential revenue mix in each area year-over-year as well as the Projected Cumulative Total over a five-year period.

*Revenue Mix Projections*

<b>Sponsorship and Advertising Assets</b>	<b>Estimated Annual Revenue</b>	<b>Year 1 2016</b>	<b>Year 2 2017</b>	<b>Year 3 2018</b>	<b>Year 4 2019</b>	<b>Year 5 2020</b>	<b>Projected Cumulative Total (low)</b>
Naming Rights	\$287,000	\$72,000	\$114,800	\$172,200	\$229,600	\$287,000	\$875,600
Program Sponsorships	\$43,000	\$10,000	\$20,000	\$30,000	\$40,000	\$43,000	\$143,000
Events	\$65,000	\$15,000	\$30,000	\$40,000	\$50,000	\$65,000	\$200,000
Themed Community Initiatives	\$45,000		\$10,000	\$20,000	\$30,000	\$45,000	\$105,000
Audience Bundled Programs	\$20,000			\$10,000	\$10,000	\$20,000	\$40,000
Advertising - Web	\$24,000			\$5,000	\$15,000	\$24,000	\$44,000
Advertising – Display / Print	\$30,000	\$6,000	\$12,000	\$18,000	\$24,000	\$30,000	\$90,000
Other Unique Opportunities	\$50,000		\$10,000	\$20,000	\$30,000	\$50,000	\$110,000
<b>Total Potential Annual Revenue</b>	<b>\$564,000</b>	<b>\$103,000</b>	<b>\$196,800</b>	<b>\$315,200</b>	<b>\$428,600</b>	<b>\$564,000</b>	<b>\$1,607,600</b>

The Projected Cumulative Total is based on a graduated revenue approach (year-over-year increase) with a minimum of three (3) years in most cases, to achieve a 50% revenue potential based on the initial assets identified in this phase.

In addition, projected revenue is based on achieving sales on a percentage of the total identified inventory. This is because it is expected that the City will always have more inventory than what will be sold and companies will drop in and out of the program as their needs and financial capacity changes.

**Program Implementation Costs**

Currently, the City has no dedicated resource allocated towards the sponsorship and advertising program. In order to establish a successful program, market the number and variety of opportunities available, coordinate the sponsor deliverables and manage the sponsorship and advertising program, the following is recommended:

1. That a Senior Sponsorship Coordinator (1.0 FTE) be hired to assist in laying the groundwork for a successful launch and to manage the implementation of the program (incl. sales). The initial planning work would be completed prior to launching the program and involve the establishment of

internal infrastructure and processes, preparation of marketing collateral and market testing. Estimated initial cost is \$103,000 per year including salary and commissions.

2. That a Servicing Coordinator be assigned on a part-time (.5 FTE) basis, beginning January, 2017, to assist in marketing and administration related to the official launch of the program. Estimated cost is \$30,000 annually, based on .5 FTE;
3. That supervisors in the appropriate areas be trained in the sponsorship sales process so that prospects can ultimately be passed on to these staff to support sales.

In addition to the above, an ongoing variable cost needs to be identified for Servicing Agreements which includes benefit activation costs for items such as City-installed signage as part of any partnership agreements (5%-10% of partnership fee) as well as ongoing marketing costs to promote the program to the business community. These costs are illustrated in the *Costs and Benefits Table* below.

It should also be noted that increases in resources may be required as the sponsorship program builds, but corresponding revenue should be tied to any new positions. By steady state, the maximum administration costs to support the sponsorship and advertising program should be in the range of 30%-35% of the benefits realized. This cost is in line with marketing sponsorship programs on an industry-wide basis. The overall cost of the Program during the five years from the Official Launch and the Net Revenue Targets are identified in the Table below.

**Costs and Benefits**

The following analysis is based on the use of internal staff (full-time and contracted employee) to manage and deliver a successful Corporate Partnership Program.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Annual Projected Revenue (Gross)</b>	\$103,000	\$196,800	\$315,200	\$428,600	\$564,000	\$1,607,600
<b>Annual Staff Costs (Senior Mgr.)</b>	\$93,000	\$103,000	\$103,000	\$103,000	\$103,000	\$505,000
<b>Annual Staff Costs (Admin/Servicing)</b>		\$31,000	\$31,000	\$31,000	\$31,000	\$124,000
<b>Marketing Costs</b>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
<b>Sponsorship Servicing (5% of projected rev.)</b>	\$5,150	\$9,840	\$15,760	\$21,430	\$28,200	\$80,380
<b>Net Income</b>	<b>(\$5,150)</b>	<b>\$42,960</b>	<b>\$155,440</b>	<b>\$263,170</b>	<b>\$391,800</b>	<b>\$848,220</b>

## Issues and Risks

The establishment and reliance on revenue from an enhanced sponsorship and advertising program is not without its issues and risks.

1. One of the major risks is whether there will be uptake on the opportunities being presented by the City. In order to get a better sense on the degree of potential participation by local and national companies of these opportunities, some selected market testing of the program should be completed in 2015. The purpose of the market testing will be to gather industry feedback on the overall program as well as specific opportunities. The results of the business intelligence will allow The City to:
  - Gauge overall potential response to the program;
  - Determine what types of opportunities and benefits will carry the most weight with potential sponsors and advertisers;
  - Gather industry intelligence as it relates to competitive factors as well as other barriers to take-up;
  - Provide staff with business intelligence that supports the overall project (due diligence).

Initial market testing should be completed in 2015. While the overall reaction is expected to be positive, it is anticipated that the feedback received will provide Barrie with useful information to fine-tune the program prior to launching the full initiative.

2. The revenue projections are based on the programs and services currently being provided by the City. If there are program changes (new or cancelled programs), print publication volumes change or there is a change in the method of communicating to the targets audiences, or assets no longer available, revenues will be affected. If, for example, community facilities are no longer available for naming rights because they have been selected for a commemorative naming or there is no community and Council support for a proposed naming agreement, the ability to achieve the revenue targets from this valuable type of opportunity is lost.
3. Resourcing will play a major factor in the revenues that can be generated as well as the length of time it will take to generate projected revenues.
4. In the event that sponsorship or advertising revenues cease for an enhanced level of program or service, there will be an impact on budgets if the program is to continue.

**Appendix A – Inventory of Sponsorship and Advertising Assets**

Naming Rights	Public Programs & Services	City-Wide Initiatives	Audience Bundled Programs	Events and Attractions	Advertising	Other Unique Opportunities
Sponsor name added as a prefix to the facility name e.g. TD Recreation Centre	City-wide or public programs with a centralized or coordinated delivery system	Multiple programs presented under a common theme	Registration-based programs catering to specific audiences	Annual events or activities	Commercial messaging with no implied associative element	Other Opportunities not covered in other categories
<ul style="list-style-type: none"> <li>• <b>Allandale</b></li> <li>– Complex</li> <li>– Large Hall</li> <li>– Meeting Room</li> <li>– Fitness Centre</li> <li>– Day Care Centre</li> <li>• <b>Holly</b></li> <li>– Complex</li> <li>– Aquatic Centre</li> <li>– Arena A</li> <li>– Arena B</li> <li>– Gymnasium</li> <li>– Multi-Purpose Room</li> <li>– Meeting Room</li> <li>– Fitness Centre</li> <li>– Youth Centre</li> <li>– Child Care Centre</li> <li>• <b>East Bayfield</b></li> <li>– Complex</li> <li>– Arena (Purple)</li> <li>– Arena (Green)</li> <li>– Gymnasium</li> <li>– Activity Rooms 1,2,3</li> <li>– Multi-Purpose Room</li> <li>– Fitness Centre</li> <li>– Babysitting &amp; Pre-School</li> <li>– Child Care Centre</li> <li>• <b>Barrie Sports Complex</b></li> <li>– Baseball Diamonds (10, nine lit)</li> <li>– Turf Fields (8, one lit)</li> <li>– playground</li> <li>• <b>Southshore (Complex)</b></li> <li>• <b>Lampman Lane (Complex)</b></li> <li>• <b>Eastview Arena</b></li> <li>• <b>Allandale Seniors Ctre.</b></li> <li>• <b>Parkview Seniors Centre</b></li> <li>• <b>Splash Pads / Parks</b></li> <li>• <b>Adopt-A-Park / Trail (Amenities)</b></li> <li>• <b>Off Leash Parks</b></li> <li>• <b>Skateboard Park</b></li> <li>• <b>Disc Golf Course</b></li> <li>• <b>Park Buildings</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Outdoor Skating and Hockey</b></li> <li>• <b>Aquatics-Learn-to-Swim, Swim to Survive</b></li> <li>• <b>Aquafitness</b></li> <li>• <b>Fitness Membership</b></li> <li>• <b>Registered Fitness</b></li> <li>• <b>Public Swims</b></li> <li>• <b>Public Skates</b></li> <li>• <b>Pre-School Programs</b></li> <li>• <b>Day Camps (Year Round, Summer)</b></li> <li>• <b>Summer Art Camps</b></li> <li>• <b>Visual Arts Programs</b></li> <li>• <b>Performing Arts Programs</b></li> <li>• <b>Outdoor Sports Programs</b></li> <li>– Baseball</li> <li>– Football</li> <li>– Basketball</li> <li>– Tennis</li> <li>– Soccer</li> <li>– Cycling</li> <li>– Trail Programs</li> <li>• <b>Community Garden Plots</b></li> <li>• <b>Fee Assistance Program / Inclusion Support</b></li> <li>• <b>Animal Services (licensing, shelters)</b></li> <li>• <b>Business Start-Up Services</b></li> </ul>	<p><b>New</b></p> <ul style="list-style-type: none"> <li>• <b>An Active Barrie</b></li> <li>– Seniors, Youth and Family activities</li> <li>– Try-A-Program / Free Admissions</li> <li>– Activity Leaflets</li> <li>– Fee Assistance Program?</li> <li>• <b>Green Barrie</b></li> <li>– Clean-up program</li> <li>– Beautifying / Environmental</li> <li>– Tree Planting</li> <li>• <b>Culture Friendly Barrie</b></li> <li>– Doors Open Tours</li> <li>– Public Art/Tours</li> <li>• <b>A Safe Barrie</b></li> <li>– Emergency Preparedness</li> <li>– Bullying Prevent.</li> <li>– School Program (Bus Safety)</li> <li>– Home Safety</li> <li>• <b>Business Friendly Barrie</b></li> <li>– Licensing</li> <li>– Business Services</li> <li>• <b>Age Friendly Barrie</b></li> <li>– Transportation</li> <li>– Housing</li> <li>– Recreation &amp; Social</li> </ul>	<p><b>New</b></p> <ul style="list-style-type: none"> <li>• <b>55+ Centres / Programs / Services</b></li> <li>– Fitness</li> <li>– Dance</li> <li>– Social</li> <li>• <b>Youth Centres / Programs / Services</b></li> <li>– Youth Centres</li> <li>– Sports Programs</li> <li>– Arts</li> <li>– Special Events</li> <li>• <b>Pre-School</b></li> <li>– Fitness / Sports</li> <li>– Aquatics</li> <li>– Arts</li> </ul>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>• <b>Barrie Winterfest</b></li> <li>• <b>Celebrate Barrie</b></li> <li>• <b>Canada Day</b></li> <li>• <b>Rhythmfest</b></li> <li>• <b>Downtown Countdown</b></li> <li>• <b>Arts Award Gala</b></li> <li>• <b>Culture Grows Here Conference</b></li> </ul> <p><b>New</b></p> <ul style="list-style-type: none"> <li>• <b>Family Day</b></li> <li>• <b>March Break</b></li> <li>• <b>PD Days</b></li> <li>• <b>Mayor's Party?</b></li> <li>• <b>Sports Hall of Fame</b></li> <li>• <b>Birthday Party Package</b></li> <li>• <b>Order of the Spirit</b></li> <li>• <b>Christmas Displays and Lighting</b></li> </ul>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>• <b>Rec Guide</b> (15,000 x times)</li> <li>• <b>Digital Monitors</b> (City Hall &amp; CC's)</li> <li>• <b>Transit Buses</b></li> <li>• <b>Rink Boards &amp; Ads in CC's</b></li> </ul> <p><b>New</b></p> <ul style="list-style-type: none"> <li>• <b>Rec Web Pages (selected)</b></li> <li>• <b>Rec Registration Page / Receipt</b></li> <li>• <b>City Brochures</b> (i.e. Public Skating, Fitness, Events Guide, Routes Map)</li> <li>• <b>Facility Access Passes</b></li> <li>• <b>WI-Fi in City Facilities</b></li> <li>• <b>Garbage Bags</b></li> <li>• <b>Collection Calendar</b></li> <li>• <b>Event Calendar</b></li> <li>• <b>Decals on City Vehicles</b></li> <li>• <b>Parking Ticket Backs</b></li> <li>• <b>Parking Bag Ads</b></li> <li>• <b>Elevator Ads</b></li> <li>• <b>Street / Park Furniture Ads</b></li> <li>• <b>Bus Shelters</b></li> <li>• <b>Digital &amp; Display (Billboard) Ads (Outdoor)</b></li> <li>• <b>Flower Beds</b> (i.e. Highway 400)</li> <li>• <b>Inserts in City Mailings</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Employee Benefits Program</b> (300)</li> <li>– Home / Auto Insurance</li> <li>– Banking Services</li> <li>– Automotive</li> <li>– Telecom</li> <li>• <b>Official Suppliers</b></li> <li>• <b>Fleet</b></li> <li>• <b>Telecom</b></li> <li>• <b>Computers</b></li> <li>• <b>In-Kind Suppliers</b></li> <li>• <b>Charging Stations</b></li> <li>• <b>Solar Panels</b></li> <li>• <b>Media</b></li> </ul>

**Appendix B – Recommended Sponsorship and Advertising Assets – Phase 1**

As part of the preliminary planning process, the consultant conducted a high-level analysis of potential properties (or assets) to determine the potential revenue that could be generated through the program. The following is a summary of this analysis.

**Naming Rights**

In order to determine revenue potential, a series of assumptive, baseline “Naming Rights Benefits” were established for potential Naming Rights opportunities. They included:

- Branded Name on Building Exterior Entrance
- Branded Name on Roadside Sign
- Backlit Sign OR Display in Lobby (ongoing)
- Stand-alone Banner (supplied by sponsor)
- Display Opportunity in Lobby or at Entrance
- Title Name in Facility Publications
- Name on directional signage
- Logo and Corporate Profile in Facility Publications
- Title Name in Recreation Guide (print and/or online)
- Full Page Ad (once per year) in Recreation Guide (print or online)
- Name / Logo ID on Facility Web Pages
- Corporate Profile on City of Barrie Web Site
- Name mention on all Incoming / Outgoing Phone Calls
- Official News Release or Media Event to announce the partnership
- Media Mentions (where applicable)
- Annual Credit for use of facility for activation functions e.g. staff function, community events (negotiable)
- Distribution of brochures or samples
- Other activation rights and benefits (as mutually agreed)

To estimate potential revenue, a wide range of facilities were considered; however, the following facilities were identified as the best potential candidates for Naming Rights:

Facility / Exposure Potential	Naming Rights Opportunities	Estimated Annual Potential Gross Revenue (Based on average price range)	Comments
<b>Tier I Facilities (most likely candidates for Naming Rights)</b>			

<p><b>Holly Community Centre</b></p> <p>Attendance: 841,658 Vehicle Exposure: 4,562,500</p>	<p>Complex Aquatic Centre Arena 1 Arena 2 Gymnasium Multi-Purpose Room Fitness Centre Youth Centre Child Care Centre <b>Sub Total:</b></p>	<p>\$80,000 \$42,500 \$32,500 \$32,500 \$22,500 \$6,750 \$12,500 \$6,750 \$6,750 <b>\$242,750</b></p>	<p>One of Barrie’s most valuable public assets from a sponsorship perspective</p>
<p><b>East Bayfield Community Centre</b></p> <p>Attendance: 704,756 Vehicle Exposure: 1,825,000</p>	<p>Complex Arena (Purple) Arena (Green) Gymnasium Activity Rooms 1, 2, 3 Multi-Purpose Room Fitness Centre Babysitting/Pre-School Centre <b>Sub Total:</b></p>	<p>\$65,000 \$22,500 \$22,500 \$17,500 \$12,000 (3) \$5,750 \$9,250 \$5,000 <b>\$159,500</b></p>	<p>One of Barrie’s most valuable public assets from a sponsorship perspective</p>
<p><b>Allandale Recreation Centre</b></p> <p>Attendance: 782,644 Vehicle Exposure: 3,650,000</p>	<p>Complex Lower Meeting Room Day Care Room <b>Sub Total:</b></p>	<p>\$75,000 \$6,000 \$5,750 <b>\$86,750</b></p>	<p>Not as attractive a facility, but well used</p>
<p><b>Southshore Community Centre</b></p> <p>Attendance: 40,000 Vehicle Exposure: 8,212,500</p>	<p>Complex <b>Sub Total:</b></p>	<p>\$22,500 <b>\$22,500</b></p>	<p>Strong social focus</p>
<p><b>Eastview Arena</b></p> <p>Attendance: 95,000 Vehicle Exposure: 2,555,000</p>	<p>Complex <b>Sub Total:</b></p>	<p>\$22,500 <b>\$22,500</b></p>	<p>Stand-alone facility. Minimum value set.</p>
<p><b>Barrie Sports Complex</b></p> <p>Attendance: 100,000 Est.</p>	<p>Complex Baseball Diamonds (1 thru 10, 9 lit)</p>	<p>Revenue (on right) not included in Phase 1 Assets due</p>	<p>Seasonal, strong Tournament focus \$12,500</p>



Vehicle Exposure: 2,500,000 Est.	Turf Fields (1 thru 8, 1 lit) Playground <b>Sub Total:</b>	to uncertainty of ownership of sponsor rights	10 diamonds @ \$2500 = \$25,000 8 fields @ \$2,000 = \$16,000 \$53,500
<b>Total Potential Annual Revenue Tier 1</b>		<b>\$534,000 (Annual)</b>	
<b>Tier 2 Facilities (Will have less appeal due to age of venue, usage, or other factors that complicate sponsorship)</b>			
<b>Lampman Lane</b>  Attendance: Vehicle Exposure: 730,000	Complex Activity Room	\$30,000 Est.	
<b>Parkview Seniors Centre</b>  Attendance: Vehicle Exposure: 4,380,000	Complex	\$25,000 Est.	
<b>Other Seasonal Sports Venues</b>  Attendance: Various Vehicle Exposure: Various	Baseball Diamonds Basketball Courts? Sports Fields? Tennis Courts? Splash Pads / Parks? Beach Volleyball	Ten (10) sponsors at \$1,500 each annually \$15,000 Est. (combined)	Focus on lighted facilities, heaviest used, groupings
<b>Skate Park</b> Children/Youth Attendance: Vehicle Exposure:	Outdoor Facility including Queen's Park and Lampman Mobile	Two (2) at \$5,000 each \$10,000 Est.	May appeal to a company that markets to youth
<b>Total Potential Annual Revenue Tier 2</b>		<b>\$80,000 (Annual)</b>	Adopt Programs would likely require special campaigns

**Facilities not included in the Phase 1 (Initial Roll-Out) Inventory**

- Parks (likely to be controversial, see Adopt-A-Park and Themed Community Initiatives section)
- Picnic Shelters (may be bundled with other programs)
- Smaller, less used rooms in Recreation Facilities
- Medium / Long Term Facility Development Projects (will require details)

**Revenue Analysis**

The value of a Naming Rights sponsorship can change if benefits are either added or taken away from the benefits package. The Recommended Value Range should be on the conservative side to allow for the number of “soft” benefits.

- An assessment of the Naming Rights for major assets in Tier 1 Facilities would indicate a potential inventory in the range of \$534,000 per year. Based on 50% of the inventory being sold at any one time, the potential revenue after Year 5 would be in the range of **\$267,000 annually**.
- A high-level assessment of the Naming Rights for major assets in Tier 2 Facilities would indicate a potential inventory in the range of \$80,000 per year. Based on 25% of the inventory being sold at any one time, the potential revenue after Year 5 would be in the range of **\$20,000 annually**.
- Based on the above, the Combined Total Potential Revenue for Naming Rights for Tier 1 and Tier 2 facilities after a 5-Year period would be in the range of **\$287,000 annually**. This number could increase if additional facilities and/or benefits are added or decrease if the identified inventory is reduced because of Commemorative Naming or other reasons.

Please note that new facilities that come on stream will likely represent the greatest opportunity for sustainable new revenue.

**Program Sponsorships**

To determine the potential value of these opportunities, baseline revenue estimate considerations include the size of the audience and composition, the types of benefits offered, combined value of benefit offerings and associative value of the property.

In order to substantiate revenue potential, a series of assumptive “Program Sponsor Benefits” were established for each identified opportunity. They included:

- Logo ID in Recreation Guide (print and online)
- Full page, half-page or quarter-page ad in Recreation Guide (print and online)
- Logo ID / Link on related Web Site Pages
- Banner ad on Web Site in sponsored section
- Verbal Recognition by Staff Person / Instructor
- On site signage throughout sponsored activity
- Distribution / Sampling Opportunity
- Display / exhibit Opportunity

- Direct Communication Opportunity (with registration receipt or some other appropriate method)
- Additional Activation Opportunities (TBD)

Initially, City-wide and Bundled program sponsorships could be implemented in the following areas. These areas likely represent the “low hanging fruit” because of the unique appeal of the program and/or the number of citizens likely being served.

<b>Program</b>	<b>Sponsorship Opportunities</b>	<b>High-Level Gross Annual Revenue Estimate (New - Combined Levels)</b>	<b>Comments</b>
<b>Outdoor Summer Lifeguard Program (Seasonal)</b> All Ages, Families Attendance: N/A	1 Presenting Sponsor 2 Major Sponsors	\$20,000 combined	Seasonal, high profile on the waterfronts
<b>Public Swims</b> (Indoor, Year-Round) Children / Youth / Families Attendance: 75,000 Est.	1 Presenting Sponsor and/or Multiple Sponsors	\$20,000 combined	Could include Public Swim sponsorship (general) or expansion of Free Swims on holidays and other discounts
<b>Aquatics / Lifesaving Lessons</b> All Ages Attendance: 14,000	1 Presenting Sponsor	\$10,000	Year-Round Could be combined with Youth
<b>Aqua Fitness</b> Primarily Adults/Seniors Attendance: N/A	1 Presenting Sponsor	\$5,000	Year-Round
<b>Public Skates</b> Children/Youth/Families/Seniors Attendance: 75,000 Est. (10,800 x 7 arenas)	1 Presenting Sponsor or Multiple Sponsors	\$20,000 combined	Could sponsor: Special Holidays i.e. March Break Free Skates on certain days
<b>Outdoor Rink Program</b> Children / Youth / Families	1 Presenting Sponsor	\$5,000	2 Artificial Rinks

Attendance: 2,000 Est.			
<b>Fitness Memberships</b> All Ages Attendance: 3,250	1 Presenting Sponsor 2 Major Sponsors	\$10,000 combined	Includes Allandale, Holly and East Bayfield Centres
<b>Fitness Programs</b> Adults Attendance: 3,572	1 Presenting Sponsor 2 Major Sponsors	\$10,000 combined	
<b>Sports Leagues</b> Adult Attendance: 4,427	1 Presenting Sponsor 2 Major Sponsors	\$10,000 combined	
<b>Summer Camp Programs</b> Children Attendance: 6,300	1 Presenting Sponsor 2 Major Sponsors	\$12,000 combined	Year Round / Seasonal
<b>Child Minding Services</b> Children (Parents) Attendance:	1 Presenting Sponsor 2 Major Sponsors	\$10,000 combined	Includes Allandale and Holly Centres
<b>Birthday Package?</b> Children / Families Attendance: TBC	1 Presenting Sponsor Supporting Sponsors	\$5,000 combined	Needs to be a sponsor value- add to participants
<b>Community Gardens</b> Adults / Families Attendance: TBC	1 Presenting Sponsor	\$5,000	Seasonal
<b>Animal Services</b> Various Audiences Licenses Off-Leash Parks Shelters Education Programs	1 Presenting Sponsor Supporting Sponsors	\$20,000 combined	

Attendance: TBC			
<b>Fee Assistance (Inclusion) Program</b> Children / Adults Registrants: 147	Multiple Sponsors	\$10,000 combined	Year-Round Includes Free Facility Admissions and Registered Program Credits
<b>Total Potential Annual Revenue</b>		<b>\$172,000</b>	
<p><b>Programs not included in the Phase 1 Inventory</b></p> <ul style="list-style-type: none"> <li>• Programs with low attendance and/or registration numbers</li> <li>• Specific Arts and cultural programs</li> <li>• Individual sports programs (more focus on facility naming where sports are played)</li> </ul>			

**Revenue Analysis**

It is difficult to verify potential revenue that could be achieved through these programs due to a lack of detailed information and discussion on specific benefits that a sponsor might receive such as the number of supporting publications distributed and level of visibility, newspaper advertising visibility, specific signage locations, sponsor activation, etc. However, based on industry experience, it is estimated that the above inventory could generate up to \$172,000 per year in potential revenue, based on more popular programs and the assumptive benefits that would be offered through the sponsorship. Taking a conservative approach of 25% of the total inventory being sold at any one time by Year 5, the estimated revenue after five (5) years should be in the range of **\$43,000 per annum**.

**Event Sponsorships**

Event sponsorships are viewed as a valuable opportunity because of the typically large numbers of participants, the “buzz” that is usually generated around these events and the fact that sponsorship of events usually as a high level of acceptance by the public.

In order to substantiate revenue potential, a series of assumptive “Event Sponsor Benefits” were established for each identified opportunity. They included:

- Logo ID in the Recreation Guide (Events section)
- One-half page ad in Recreation Guide (Events section)
- Logo ID on Events Calendar
- Logo ID / Link on Web Site in sponsored event section
- Rotating Banner ad on Web Site in sponsored event section

- Logo ID and/or verbal recognition on print, radio, TV ads
- Verbal Recognition at event
- High profile banner opportunity at event
- Distribution / Sampling Opportunity
- Exhibit / Display / Demo Opportunity
- Activation Opportunity (TBD)

Initial inventory should include those that have the highest priority from a City perspective, provide a buzz and attract a large and/or distinct audience that might appeal to specific sponsors. Events in this category could include:

<b>Event</b>	<b>Sponsorship Opportunities</b>	<b>High-Level Gross Annual Revenue Estimate (New - Combined Levels)</b>	<b>Comments</b>
<b>Winterfest</b> Families Attendance: 25,000	1 Presenting Sponsor Supporting Sponsors	\$20,000 combined new	
<b>Celebrate Barrie</b> Families Attendance: 15,000	Major Sponsors Supporting Sponsors	\$20,000 combined new	TD currently Presenting Sponsor, but other assets within event marketable.
<b>Canada Day</b> Children / Families Attendance: 58,000	1 Presenting Sponsor Supporting Sponsors	\$30,000 combined new	
<b>Rhythmfest</b> All Ages Attendance: 6,000	1 Presenting Sponsor Supporting Sponsors	\$20,000 combined	
<b>Downtown Countdown</b> Families Attendance: 15,000	1 Presenting Sponsor Supporting Sponsors	\$20,000 Combined	Specialized sponsorship
<b>Other Misc. Events</b> (i.e. Family / PD Days)	Various Levels TBD	\$20,000	Existing and new events

March Break Sports Hall of Fame)			
<b>Total Potential Annual Revenue</b>		<b>\$130,000</b>	

**Revenue Analysis**

Revenue estimates will need to be confirmed as each event finalizes its program and promotion for that year and is able to confirm sponsor benefits such as visibility in publications and ads, program / event signage, sponsor activation opportunities, etc. Based on industry experience, it is estimated that the above inventory should generate up to \$130,000 per year in potential revenue, based on more popular events and the assumptive benefits that would be offered through the sponsorship. Taking a conservative approach of 50% of the total inventory being sold at any one time, the estimated revenue after five (5) years should be in the range of **\$65,000 per annum**.

**Themed Community Initiatives**

Themed Community Initiatives are an ideal way for a company to support City activities that are aligned with the values of the corporation. In this area, several initiatives would be bundled under a common theme and sponsors would be positioned as “champions” of that particular area. Sponsor benefits would be similar to those outlined in Program Sponsorship, but may be attached to several programs bundled under a common theme.

Themed initiatives in the initial Roll-Out could include:

<b>Theme</b>	<b>Sponsorship Opportunities</b>	<b>High-Level Gross Annual Revenue Estimate (New - Combined Levels)</b>	<b>Comments</b>
<p><b>Active Living</b> (All Ages) Special Incentives Family Fun &amp; Fitness Activities Fee Assistance Program</p> <p>Attendance: TBC</p>	<p>1-3 Presenting Sponsors Supporting Sponsors</p>	<p>\$20,000 combined</p>	<p>Positioned as supporting an active, healthy community</p>

<p><b>Age Friendly Barrie</b> (All Ages / Seniors) Transportation, Housing, Recreation, Health Way</p> <p>Attendance: TBC</p>		<p>\$20,000 combined</p>	
<p><b>A Green Barrie</b> (Children / Families) Spring Clean-Up Recycling Initiatives Tree Planting Beautification</p> <p>Attendance: TBC</p>	<p>1-3 Presenting Sponsors Supporting Sponsors</p>	<p>\$40,000 combined</p>	<p>Positioned as supporting environmental initiatives</p>
<p><b>Culture Friendly Barrie</b> (All Ages) Cultural Awards Culture Days Special Activities</p> <p>Attendance: TBC</p>	<p>1-3 Presenting Sponsors Supporting Sponsors</p>	<p>\$20,000 combined</p>	<p>Positioned as supporting cultural pursuits for all ages</p>
<p><b>A Safe Barrie</b> (Children / Families) Emergency Preparedness School Safety Program Home Safety</p> <p>Attendance: TBC</p>	<p>1-3 Presenting Sponsors Supporting Sponsors</p>	<p>\$20,000 combined</p>	<p>Positioned as supporting safety initiatives</p>
<p><b>Business Friendly Barrie</b> (Businesses) Start-Up Services Business Licenses Ongoing Business Services Special Events</p> <p>Attendance: TBC</p>	<p>1-3 Presenting Sponsors Supporting Sponsors</p>	<p>\$20,000 combined</p>	<p>Positioned as supporting a strong business environment</p>
<p><b>Adopt-A-Trail System</b></p>	<p>Most heavy used</p>	<p>Three (3) non-</p>	<p>Requires more discussion to</p>



Attendance: Various Vehicle Exposure: N/A	sections of the System	competing Trail Patrons at \$5,000 each \$15,000 Est.	determine feasibility
<b>Adopt-A-Park</b>  Attendance: Various Vehicle Exposure: N/A	Various parks throughout the City	Flat Annual Fee or One-Time Payment? \$25,000	Dozens of parks available Recognition plaque over 10 years. Could include Benches.
<b>Total Potential Annual Revenue</b>		<b>\$180,000</b>	

**Revenue Analysis**

Estimated revenue that could be achieved through these programs will be difficult to determine until the specific programs under each chosen category are identified as well as the specific benefits that sponsors will receive as part of their sponsorship. However, based on industry practices, it is estimated that the above inventory should generate a potential revenue up to \$180,000 per year, based on more popular programs and the assumptive benefits that would be offered through the sponsorship. Taking a conservative approach of 25% of the total inventory being sold at any one time, the estimated new revenue after five (5) years should be in the range of **\$45,000 per annum**.

**Audience Bundled Programs**

Audience Bundled sponsorships are ideal for companies that want to be associated with a particular audience, but where the numbers of the individual programs are not sufficient to warrant a meaningful sponsorship opportunity.

The following area is recommended in the initial Roll-Out of the program:

<b>Audience</b>	<b>Frequency / Distribution / Exposures</b>	<b>High-Level Gross Annual Revenue Estimate (New - Combined Levels)</b>	<b>Comments</b>
<b>Seniors Programs and Services</b> Drop-In Programs Senior Services Dance / Social	Based on Exposures from combined programs	\$20,000	1-2 Presenting Sponsors Would be positioned as helping to deliver Seniors Programs in Barrie

Attendance: 500 Membership Holders			
<b>Total Potential Annual Revenue</b>		<b>\$20,000</b>	

### Revenue Analysis

Until details are confirmed for which programs are offered in the bundle, it will be difficult to assess the full revenue opportunity.

### Advertising

Web site advertising on selected pages can provide profile for program, event or naming rights sponsors as well as stand-alone revenue from advertisers. A rotating banner ad could be featured on selected pages or bundled on pages around a common theme (e.g. environmental issues).

To determine the potential value of these opportunities, baseline revenue estimate considerations include the level of visibility (type of ad) and number of unique visits on a monthly / annual basis. The following chart provides an initial outline of the most likely pages where rotating ads could be featured. Other high profile pages could be added at any time.

### Web Site

Web Page	Unique Pageviews	High-Level Gross Annual Revenue Estimate (New - Combined Levels)	Comments
Curbside Collection	82,523	\$1,650	Single ad or rotating ads with percentage split
Web Cam	90,372	\$1,807	Single ad or rotating ads with percentage split
Recreation Home Page	68,829	\$1,376	Single ad or rotating ads with percentage split

Drop-In Recreation Programs	66,715	\$1,334	
Swimming	59,838	\$1,196	
Job Opportunities	319,129	\$6,382	Single ad or rotating ads with percentage split
Transit Schedules and Maps	399,086	\$7,981	
Transit – General Info	58,143	\$1,162	
Events Calendar	53,551	\$1,071	Single ad or rotating ads with percentage split
<b>Total Potential Annual Revenue</b>		<b>\$23,959</b>	Could base fees on Flat Monthly Rate per rotational spot vs. per exposure pricing.

### Revenue Analysis

The growth of online advertising demonstrates that there is a significant demand for this medium; especially in areas where messages can be targeted to specific audiences. In addition, the emergence of social media has created significant new opportunities to develop “communities” involving dynamic web content and this is where many companies are focusing their efforts. If the City can adapt to this new environment, it has the potential to generate significant revenue by helping to establish communities with which companies want to be engaged.

Potential revenue is estimated at \$.02 per unique page view. Based on the number of unique visits to each of the web pages listed, revenue potential is likely in the range of **\$23,959 per annum** (minimum) based on one (1) rotating banner ad in each section. This figure could be adjusted upwards as new advertising opportunities become available or if Flat Fee Pricing was established (e.g. \$50 per month x 6 advertisers = \$3,600 per year) which is noticeably higher than the assessed value, but likely marketable due to the shift to Internet advertising.

Another consideration is that web advertising could be limited to major program or naming rights sponsors, adding to the exclusivity of the sponsorship arrangements.

Display / Print Advertising

Interior and exterior signage advertising as well as other unique opportunities could prove to be a lucrative area for Barrie. On one hand, businesses prefer signage advertising because it is perceived as highly tangible and is usually competitively priced, making it an affordable option. On the other hand, signage is now viewed as a traditional medium and there is bound to be a fair amount of competition for advertising dollars.

Phase 1 Interior / Exterior Advertising and other ads should focus on those areas that can be serviced by an external contractor as well as those areas that are likely to have a high degree of acceptance by the public.

Advertising Opportunity	Estimated Annual Exposures	High-Level Gross Annual Revenue Estimate (New - Combined Levels)	Comments
<p><b>Arenas / Recreation Facilities</b> An expanded combination of static rink board and facility ads, lobby racks, digital (screen) advertising, in-ice logos, Zamboni wraps, score clocks, marquee signage, dressing room assignment.</p>	<p>Dependent on specific facility, attendance for that facility Holly: 841,658 East Bayfield: 704,756 Allendale: 782,644 Eastview: 95,000 <b>TOTAL: 2,424,058</b></p>	\$10,000	<p>Current Contracted Arrangements Existing: \$29,000 (min. Arenas) \$75,000 BMC</p>
<p><b>Transit Advertising</b> Bus Exterior / Interior, Shelters, Benches</p>	N/A	Existing N/A	Current Contracted Arrangements
<p><b>Membership VIP Card</b> Loyalty card for Monthly Access Card users</p>		8 advertisers at \$2,500 annually = \$20,000 combined	<p>Multiple, non-competing sponsors In-Store Discounts from a wide range of retailers with purchase of Access (Membership) Card</p>

<p><b>Recreation Registration Page / and/or on Receipt</b></p> <p>Product offers tied to Registration</p>	TBC		Could also be a benefit for a Program sponsor
<p><b>Outdoor Billboards</b> (Advertising along major road arteries)</p>	TBC		Would be Contracted to major outdoor ad firm
<p><b>WI-FI in City Facilities</b> Ads messages with free WI-FI access</p>	TBC	Provision of service	Partnership would also include provision of the service
<p><b>Print Ads in Targeted Publications</b></p>	Estimated number of exposures	\$	Does not include Rec Guide advertising revenue
<p><b>Total Potential Annual Revenue</b></p>		<b>\$30,000 (New)</b>	Net to City if Contractor used
<p><b>Inventory not included in the Phase 1 Inventory</b></p> <ul style="list-style-type: none"> <li>• Street / Park Furniture Advertising</li> <li>• Roadside Flower Beds</li> <li>• Decals on Fleet Vehicles (those vehicles associated with “good news”)</li> <li>• Lower circulation Publications</li> <li>• Inserts in City Mailings</li> <li>• E-Mail Newsletter</li> <li>• Staff Uniforms (potential sponsor benefit)</li> <li>• Elevator Ads</li> <li>• Parking Receipts / Permits</li> </ul>			

The City already has a good portion of its advertising inventory contracted out for sales and should continue to expand in these areas. Each of the areas above will need to be further examined to assess revenue potential. The one area that could be introduced is the VIP Membership (Access) Pass which would provide businesses with low-cost access to targeted audiences. Estimated revenue in display / print advertising would be in the range of **\$30,000 per annum**.

Other Unique Opportunities

The following represent other unique opportunities that could be explored or expanded that could generate significant revenue for the City.

Type of Opportunity	Frequency / Distribution / Exposures	High-Level Gross Annual Revenue Estimate (New - Combined Levels)	Comments
<p><b>In-Kind Services</b></p> <p>A wide range of In-Kind Services to off-set City costs</p>	<p>Exposure would be based on the nature of the in-kind service and what is being sponsored</p>	<p>\$50,000</p>	<p>Need to develop a list of potential in-kind opportunities including electric vehicle charge distributors, park benches and shelters, loan of an automobile, sports equipment, etc.</p>
<p><b>Total Potential Annual Revenue</b></p>		<p><b>\$50,000</b></p>	
<p><b>Ideas not included in the Phase 1 Inventory</b></p> <ul style="list-style-type: none"> <li>• Employee Benefits Program (existing)</li> <li>• Official Supplier Program</li> </ul>			

The City is already involved in securing in-kind services as a means of reducing program and service costs and an expansion in this area can easily be achieved by identifying additional equipment or services that could be supplied by a wide range of business in lieu of cash sponsorships.

Summary of Estimated Revenue – Phase 1

<b>Revenue Opportunity</b>	<b>Potential Revenue (Gross)</b>	<b>Comments</b>
Naming Rights	\$287,000	Current facilities
Program Sponsorships	\$43,000	Evolving opportunities
Event Sponsorships	\$65,000	Strong corporate appeal
Themed Community Initiatives	\$45,000	Strong value alignment
Audience Bundled Programs	\$20,000	Focused marketing
Advertising - Web	\$24,000	Growing medium
Advertising – Display / VIP	\$30,000	Unique opportunities
Other Unique Opportunities	\$50,000	In-Kind
<b>Total Potential Annual Revenue</b>	<b>\$564,000</b>	<b>Potential Revenue based on conservative calculations</b>

## Appendix C – Draft Sponsorship Policy

### 1. Policy Statement:

The City of Barrie encourages businesses of all types to support the provision of City programs, services, facilities and projects through mutually beneficial sponsorships. All sponsorships shall be consistent with the City of Barrie's vision and shall not compromise or contradict any City by-law or policy, or reflect negatively on the City's public image. All sponsorship agreements shall be established in a manner that ensures access and fairness, and results in the optimal balance of benefits to the City and its community.

### 2. Purpose:

The purpose of this Policy is to set out Council's direction and guidelines to the Elected Officials and to the Civic Administration with respect to the corporate sponsorship of City programs, services and facilities.

### 3. Scope of Policy

This policy shall apply to all business relationships between the City of Barrie and its representatives, and businesses which contribute either financially or in-kind to City programs, services or facilities in return for recognition, public acknowledgement or other promotional considerations.

This Policy does not apply to:

- Philanthropic contributions, gifts, or donations in which property is voluntarily transferred by a third party to the City without expectation of return. Charitable tax receipts shall be issued only in accordance with the Income Tax Act and the policies of the Canada Revenue Agency;
- Grants obtained from other orders of government through formal grant programs;
- Independent foundations or registered charitable organizations that the City may receive benefit from;
- City sponsorship support of external projects where the City provides funds to an outside organization or where the City is one of multiple partners involved in hosting an event;
- Third parties who hold temporary permits with the City for activities or events;
- Sponsorship arrangements that pre-date this policy.

All City properties are subject to this policy. Any sponsorship which varies from the requirements of this policy shall be approved by Council.

### 4. General Conditions

The City supports the practice of entering into sponsorship agreements with third parties where such partnerships are mutually beneficial in a manner that is compatible with the City's missions, values, and policies. The following conditions apply when establishing sponsorship relationships:



- i. Mutual benefit is provided to the Sponsor and the City;
- ii. Sponsorship will not result in, or perceived to result in, any competitive advantage, benefit, or preferential treatment outside the sponsorship agreement;
- iii. The City does not endorse the products, services, or ideas of any sponsorship or naming rights holder and these companies are prohibited from implying that their products, services, or ideas are sanctioned by the City;
- iv. The relationship must not cause a specific City employee, Council, contractual staff/services and/or family/friends to receive any product, service or assets for personal gain or use;
- v. The City shall retain ownership and control over any sponsored property;
- vi. Sponsorship recognition must not unduly detract from the physical attributes, character, integrity, or safety of the property or unreasonably interfere with its enjoyment or use;
- vii. Any sponsorship arrangement shall respect the use of the City's name, logo and emblems.

#### 5. Sponsor Solicitation and Agreements

- i. The City will offer sponsorship opportunities in an open, equitable and fair manner; however, it is acknowledged that the majority of sponsorships shall be the result of direct solicitation by the City staff or by a company(s) retained by the City for such purposes without the process of competitive bidding. In this regard, the City is free to solicit, accept and negotiate sponsorships, subject to this policy;
- ii. The City shall make the sole and final determination as to whether a sponsorship or advertising opportunity may be a competitive or non-competitive arrangement.
- iii. The City is not required to seek out competing bids when the sponsorship opportunity is initiated by a third party. Unsolicited sponsorship proposals received by the City will be reviewed and evaluated by the relevant program director as per the provisions of the policy. The City reserves the right to reject any unsolicited sponsorship that has been offered to the City and to refuse to enter into agreements for any sponsorship that originally may have been openly solicited by the City;
- iv. All sponsorship relationships shall be documented (i.e. letter, MOU or contract) consistent with the size, complexity and scope of the sponsorship;
- v. All sponsorship agreements must comply with federal and provincial statutes and municipal by-laws, policies and practices;
- vi. Benefits to the sponsor are limited to those expressly stated in the sponsorship agreement;
- vii. All sponsorship agreements must be arranged for a fixed term;
- viii. Sponsorship rights are non-transferable, without the written consent of the City;
- ix. All sponsorship agreements must include a provision for termination by the City in the event that the agreement is no longer deemed to be in the best interest of the City.

#### 6. Exclusions

Sponsorship shall not be solicited from businesses, organizations, or individuals who, in the sole discretion of the City Manager, are inappropriate partners of the municipality in that their products or businesses activities do not align with the City values. These arrangements will not be pursued with:

- Tobacco companies;
- Religious or political groups or factions or organizations;
- Companies that sell or promote pornography;

- Companies that involve the production, distribution, and sale of weapons and other life-threatening products;
- Companies that present imaging that is derogatory, prejudicial, harmful to or intolerant of any specific group or individual;
- Entities that are in a legal dispute and/or disqualified from doing business with the City ad/or are otherwise deemed unsatisfactory by the City Solicitor.

#### 7. Naming Rights

The following specific guidelines shall be applied when entering into naming right agreements for City-owned property:

- i. Not all City properties are available for sponsorship naming. Council will provide advance approval of those properties which are open for commercial naming and reserve its right for commemorative or historical naming of other city assets;
- ii. The City will consider naming rights for City-owned facilities when there is a significant revenue opportunity for the City and where the proposed naming does not detract from the description or proposed use of the facility;
- iii. The cost and impact of changing existing signage and rebuilding community recognition must be considered before a property is renamed and any City costs shall be incorporated into the naming rights agreement and not the City's annual operating budget;
- iv. Any proposed re-naming of a facility requires Council approval. Naming rights agreements cannot be extended or automatically renewed without Council approval.

#### 8. Fund Allocation

- i. Sponsorship funding will be used to supplement Council-approved initiatives and not used to fund core facilities, program and services.
- ii. Sponsorship proceeds received by the City will be allocated to the City's general revenue account unless specified in the sponsorship agreement that proceeds received are to be used for a specific purpose or otherwise directed by Council.

#### 9. Signing Authority:

City staff is authorized to enter into sponsorship and advertising agreements that do not exceed the following pre-authorized limits. Dollar amounts below refer to funds received over the term of the contract:

(Insert Signing Authority and Levels)

#### 10. Governance and Reporting

- i. Sponsorship contributions will be in the public domain;
- ii. City staff will report to Council on an annual basis on the progress of the sponsorship program against stated outcomes.

11. Monitoring/Contraventions

Managers shall monitor the application of this Policy to ensure that all policy requirements are met. Failure to comply with this Policy may result in disciplinary action.

12. References

(Insert other City Policies that might apply)

- Advertising Policy (if applicable)
- Employee Code of Conduct (if applicable)
- Web Site Policy (if applicable)
- Equity and Diversity Policy (if applicable)
- Visual Identity Guidelines (if applicable)

13. Legislative and Administrative Authorities

- Land Use Bylaw (Signs)
- Purchasing By-law
- Ontario Human Rights Act
- Canadian Human Rights Act

**DEFINITIONS:**

**Advertising:** A commercial message directed at a specific audience, usually paid for by the advertiser and with no implied association between the advertiser and the organization offering the advertising opportunity.

**Benefits / Assets** are those visibility or promotional benefits that are owned by a property and are of worth to a sponsor that the property can sell in the way of a sponsor benefits package to help them achieve their goals and objectives.

**Donation:** A voluntary transfer of cash or property such as securities, gifts, services in-kind that is made without acceptance of any benefit of any kind accruing to the donor or any individual or organization designated by the donor. A donation is eligible for an official charitable donation receipt. Also referred to as Corporate Giving.

**Exclusivity Agreement** is an agreement whereby the supplier has an exclusive right to supply goods and/or services to the City for the time period of the agreement.

**Facility Naming Rights Agreement** is the sale of the right to name or re-name a City owned facility that is evidenced in a written contract, with a specified end date to the contractual obligations. All such agreements will be approved by City Council prior to finalization.

**Fulfillment** is delivery of benefits promised to the sponsor in the contract.

**In-Kind:** A transaction involving a good or service that is provided to a project where no money is exchanged between the two organizations. In-kind services may be in the form of a sponsorship or a donation.

**Naming Rights:** A physical property, event or other initiative where a sponsor's name is added as a prefix to the name of the property or activity.

**Right of First Refusal** is the contractual right granting a sponsor the right to match any offer the property receives during a specific period of time in the sponsor's defined product category.

**Sponsorship:** A marketing-oriented, contracted arrangement that involves the payment of a fee or payment in-kind by a company in return for the rights to a public association with an activity, item, person or property for mutual commercial benefit. Sponsorships can come in the form of financial assistance, non-cash goods or a contribution of skills or resources. Sponsorships are not eligible for charitable income tax receipts.

**Sponsorship Property:** Any physical property, event, cause or other activity for which a sponsor can be associated and receive pre-determined benefits as defined through the sponsorship.

**Strategic Philanthropy (Cause Marketing):** Cause marketing or cause-related marketing refers broadly to a type of marketing involving the cooperative efforts of a "for profit" business and non-profit organization for mutual benefit. Cause marketing differs from corporate giving (philanthropy) as the latter generally involves a specific donation that is tax deductible while cause marketing is a marketing relationship generally not based on a donation. Through these arrangements, the partner enhances their institutional image and benefits as a result of their strategic association with the cause. Contributions can come in the form of percentage of sales of a company product or other financial assistance, non-cash goods or a contribution of skills or resources.