



Corporate Relations with a Marketing Twist:
A New Corporate Sponsorship Strategy and
Corporate Partners Program Business System for
the University of Arizona

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Introduction/Summary

A new corporate sponsorship and corporate partners program business system for the University of Arizona could develop a largely-untapped source of revenue for the UA—corporate partners sponsorships of academic and administrative units’ programs and events. This University-wide business system would provide the tools, support and guidance to non-Athletics campus units for corporate sponsorships and corporate partners programs, enhance existing revenue streams from sponsorable properties, and create new revenue streams from these properties to better serve the mission.

What do we mean by “sponsorship” in this case? Sponsorship: “A fee paid to a property by a corporate entity in return for access to the property’s exploitable commercial potential.” (source: Webster’s Collegiate Dictionary)

A broad institutionally-directed program with an established executive officer position could dramatically increase our revenues by developing corporate relations in which companies pay cash and/or in-kind fees in return for access to the marketing potential associated with the University. We could package these tangible assets for them in ways that would help them reach their sales and marketing goals.

At present, corporate relations at the University of Arizona mainly focuses on securing corporate support based on philanthropy or strategic philanthropy. This related approach to corporate relations—business development from a marketing perspective—would open up new possibilities for funding support and relations with our corporate partners.

Background/Challenges

Responding recently to the prospect of additional state budget cuts, Arizona Board of Regents President Ernest Calderon said that student tuitions could soar, hundreds more university employees could lose their jobs and students with merit-based scholarships could find themselves empty-handed (Arizona Daily Star article, Associated Press 10/16/09).

President Robert Shelton has placed a strong emphasis on finding new sources of revenue to backfill the hole created by the permanent budget cuts we are experiencing, so that we can maintain the quality of our institution.

The University of Arizona Five-Year Strategic Plan 2010-2014 lays out four strategic directions. Of these, a campus-wide corporate partners program business system would most directly impact number four: Improving Productivity and Increasing Efficiency.

Many of our current practices, policies and procedures prevent us from building these revenue streams and enjoying related benefits to their full potential. Reports from corporate partners and prospects indicate that many are frustrated by receiving multiple calls for support from UA units and the lack of a principal point of contact or office that could open up integrated marketing opportunities for them across the UA and help them maximize their return on investment.

Some UA units are cancelling major programs and events for lack of funding, despite their attempts to bring in corporate sponsorship dollars. Already hamstrung by staff cuts and left on their own with little or no institutional support for their corporate partners programs, they lack the “critical mass” to successfully get sponsorships in the door and the results are often devastating. One administrative unit recently cancelled a flagship annual arts fair for lack of funding, a gap that could have been filled by corporate sponsorship.

The UA currently enjoys benefits from major corporate vendor/partners such as Coca-Cola, Office Depot, and Wells Fargo. Much of the promotional involvement for these institutional partners centers in Arizona Athletics, but product and service sales factor hugely across campus for these partners in equipment and supplies purchases, food and beverage sales, and financial services sales.

Here again, the UA misses out on major opportunities to leverage these relationships to benefit both the partners and the University. For example, Office Depot wants to get better promotional returns on its \$250,000 “added value” investment in UA programs, but company representatives have indicated they have encountered roadblocks and slowdowns to this process.

UA Procurement and Contracting Services reports that none of these vendors, or other companies, has exclusivity agreements with the UA as of August 31, 2009.

Policies and Procedures

There are several principal UA policies and procedures in place for corporate partners programs and marketing-driven, commercial, contractual relationships with the UA; University Business Practices Guidelines, Policy on Corporate Relations, Guiding Principles for Establishing and Administering Purchasing/Vendor Alliances, and Sponsorship, Advertising or Other forms of Acknowledgment on the UA Web Site, among others. With the exception of the latter, these policies have not been updated in the last several years. These policies also largely appear unrelated to each other and reflect the decentralized organizational structure of the UA.

The current set of policies and procedures and the organizational culture allow individual UA units to pursue sponsorships independently, and problems and conflicts arise as a result. One conflict between pizza vendors within the same administrative office caused one office unit to discontinue their relationship with the vendor/sponsor. Direct conflicts between competing sponsors cause disruptions in service to UA programs and events, and reflect poorly on our institution.

These conflicts compromise our reputation and our corporate relationships. While the UA Foundation has a system in place to manage potential conflicts, there is no similar system for marketing-driven corporate partners programs and sponsorships at the UA outside of Arizona Athletics. Some UA units also tend to jealously guard their relationships with their corporate partners since there is little or no institutional impetus to break down these silos.

Corporate sponsorships and the University’s tax exemption and liability for these activities are regulated by the Internal Revenue Service. The University of Arizona Financial Services Office—Tax Compliance—ensures that the University follows IRS regulations and determines which activities are exempt and which are subject to Unrelated Business Income Tax (UBIT). Information on these regulations and UA policies and procedures is not widely known, causing doubt and hesitance when considering taking on corporate sponsorships.

Solutions/Benefits

For decades, universities have excelled at leveraging the tangible marketing benefits their teams can provide to corporate America, but what happens once we step off the gridiron or the hardwood court? What if we were to approach sponsorship across the campus in the same strategic manner our counterparts in athletics have seemed to master? What if traditional marketing metrics were applied to programs such as the arts or medicine? What new benefits to the University could we deliver while strengthening relationships with our corporate partners? (Jacobson, 2009)

Systematic Project Management

A successful campus-wide corporate partners business system partly depends on knowing the crucial factors in developing a sponsorship, assessing the value of each unit's sponsorable assets, and properly working the sales pipeline: prospect, qualify, manage, propose, and close. The sales cycle typically requires 6 to 18 months to complete, depending on the availability of prospects, where the property fits into the prospect's budget cycle, and finding the right "fit" for prospects. A web-enabled, multi-user project management application like The Raiser's Edge or dotProject.net works well for these purposes.

Troubling Times Ahead? Opportunities for Sponsorship!

Traditional advertising media such as broadcast, print and the internet are expected to see a 4.2% decrease in revenue for this fiscal year. However, sponsorships are expected to rise by approximately 2.2% for a projected North American spend of \$16.79 billion.

Sponsorships allow companies to engage their target audience in a way that no other medium can provide. Sponsorship puts brands in the hands of consumers and creates an impactful experience or connection that traditional advertising cannot provide. Many Fortune 1000 companies are now dedicating over 25% of their total marketing budget to sponsorship programs. (Jacobson, 2009)

Sponsorable Assets of The University of Arizona and Benefits for UA and Corporate Partners

The people of the University of Arizona hold tremendous value to corporate partners—a highly desirable audience represented by: student enrollment, staff and faculty members, and Arizona alumni.

Programs and events organized by academic and administrative units hold tremendous untapped value for corporate partners seeking marketing-driven sponsorships. Some examples could be Fine Arts programs, professional schools, attractions and museum exhibits and events, and visitor center programs.

Companies want to sponsor institutions such as the University of Arizona for many reasons and often to reach several goals at once. Through UA sponsorship, sponsors can showcase community responsibility, increase brand loyalty, drive retail traffic, create awareness and visibility, differentiate product from competitors, and enjoy many other benefits that help them reach their sales and marketing goals.

Current Programs

UA academic and administrative units have many existing revenue streams that could be positively impacted by an integrated marketing approach to corporate relations: outreach program fees and merchandise sales; retail sales; advertising sales; ticket sales; concessions sales; publications sales; and conference registrations and exhibitor fees (when a UA unit is the principal organizer). Existing programs offer insights into how corporate partners programs and sponsorships could grow across campus.

Academic units with corporate partners programs include The Eller College of Management, Terry J. Lundgren Center for Retailing, Racetrack Industry Program, and UApresents (currently within Office of the Provost). The support for these programs can largely be characterized as philanthropy or strategic philanthropy, rather than corporate sponsorships.

Auxiliary units with active corporate partners include UA BookStores, Arizona Student Media, Arizona Student Unions, Parking and Transportation Services, Career Services and Campus Recreation. Arizona Student Media sells advertising for its publications, Web sites, and electronic media.

Other campus units with corporate partners programs include Arizona Alumni Association and of course, the Department of Intercollegiate Athletics. Arizona Public Media sells underwriting for its programs, but its corporate sponsorships are few and limited—an area of possible growth.

University of Arizona units organize regional, national and international conferences and these are typically supported by corporate sponsors. Conference organizing and sponsorship marketing is another big piece of ongoing business at UA that could use broadly shared expertise and best practices.

Two University Models – Campus-wide Corporate Partners Business System and Strategy

University of California, Los Angeles

With a recent addition to their Office of Corporate, Foundation and Research Relations, peer institution UCLA has created a new position with responsibility for the identification, development and sales cycle of non-Athletics related corporate sponsorships across the campus.

Eron Jacobson, Director of Corporate Partnerships, develops corporate partners programs with academic and administrative units to make their sponsorable assets more marketable and available to corporate sponsors. Depending on the need, he may take a lead or support role to identify opportunities, package them, develop a pipeline of prospects, and when appropriate, pitch those prospects and close sponsorship deals. His focus ranges from UCLA's professional schools to their Office of Student Programming and Development's Welcome Week and Bruin Bash.

Recently, Jacobson provided assistance in the development of a major corporate sponsorship for the Fowler Museum at UCLA and their current exhibition *"Steeped In History, The Art of Tea"*. While the Museum's development staff had secured foundation funding to support the exhibit, the group had no funds to market the program.

Only six months into his new position with UCLA, Jacobson secured a presenting sponsorship worth \$30,000 in cash, \$10,000 in in-kind support and additional support through in-store promotions delivered by the sponsor, Coffee Bean & Tea Leaf. Development staff indicated that the sponsorship allowed them to drive incremental traffic to the museum and to reach a whole new profile of guests and prospective donors. It also helped them to raise the level of programming for their donor parties and public programs.

Jacobson's work was also key in securing sponsorships and implementing promotions for Welcome Week and Bruin Bash which had major event components that included an A-list concert lineup. Among other endeavors, he is currently focused on marketing corporate sponsorships for education programs and medicine.

New to the world of academia, Jacobson was quoted as saying "It's exciting to see the level of opportunity across this campus. There are a tremendous number of programs that will fit into a traditional sponsorship model here at UCLA. We are able to provide advertisers with a solution that reaches a highly desirable and elusive demographic while associating their brand, product or service with an event that aligns itself with their core marketing strategy." (Jacobson, 2009).

University at Buffalo, State University of New York

University at Buffalo, SUNY, took their Athletics program as a model to create a campus-wide sponsorship marketing position in their foundation office that is responsible for clearing corporate inquiries and assisting non-Athletics units with developing their corporate partners programs.

Elizabeth Siderakis, Director of Corporate Sponsorship Programs, works closely with UB-SUNY units across campus to help them understand the difference between sales and marketing and philanthropy, bring prospects to the table, package assets, negotiate and close deals, guide campus units through the sponsorship process, and renew sponsorships.

Recommendations

- Follow the UCLA model and establish an executive officer position, a vital partner in the successful implementation of the University of Arizona's corporate sponsorship strategy. Essential to this position would be maintaining a global University perspective on reviewing and packaging campus-wide sponsorships opportunities for corporate partners to enhance consistency of funding opportunities and partnerships. This individual would work in close cooperation with people across campus and offices such as the UA Foundation, External Relations, Corporate and Business Relations, Business Affairs, Student Affairs, Office of General Counsel, Procurement and Contracting Services, Trademarks and Licensing, Office of Technology Transfer, and other academic and administrative units.
- Develop and implement a University-wide corporate sponsorship strategy as an integral part of University corporate relations.
- Establish a University-wide Corporate Partners Business System that would open up integrated marketing opportunities for corporate partners based on their identified sales and marketing goals, and benefits from our sponsorable assets.
- Approach prospective corporate partners as a team, and take a concerted and multi-faceted approach.
- Determine exactly what each prospect wants to accomplish through a UA sponsorship and offer targeted benefits to our partners from the *full table* of UA assets.
- Identify the multiple budgets within each prospect's organization, and go after each one with a cohesive strategy that involves the entire UA team responsible for corporate relations.
- Continue to do market research with UA units, peer institutions, and other institutions and groups. Assess and benchmark current operations. Identify best practices. Continue testing, development and implementation, evaluation and re-implementation.

Conclusion

A new corporate sponsorship strategy and University-wide corporate partners program business system could develop a largely-untapped source of revenue for UA academic and administrative units' programs and events. This University-wide system would provide tools, support and guidance to non-Athletics campus units for their corporate sponsorships and corporate partners programs.

Continuing state budget cuts threaten our capacity to maintain the quality of our institution. New revenue sources are critically needed to fill the gap created by these cuts.

Some UA units already enjoy varying levels of success with their corporate partners programs. Changes in organizational practices and structure could dramatically increase revenues, promotional support, and corporate partners' involvement with programs and events to help the University of Arizona reach its strategic goals.

An executive officer within a designated University office, assigned to develop corporate partners programs and sponsorships with non-Athletics academic and administrative units, would make their sponsorable assets more marketable and available to corporate sponsors and bring a cohesive University-wide system into reality.

By taking this strategic approach to corporate relations—business development from a marketing perspective—the University of Arizona would open up new possibilities for funding support and relations with our corporate partners.

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About Breakaway Media

Breakaway Media, an Internet publishing and search engine marketing company, was established in 1987 in Tucson, Arizona by Glenn McCreedy, the company's principal consultant. Originally founded to provide corporate sponsorship and media production services, Breakaway Media

expanded its range of services in 2008 to speak to and engage consumers directly via the Web. Breakaway Media's company name comes from the sport of cycling. In cycling, a breakaway occurs when a cyclist or group of cyclists accelerates away from the pack and creates a gap as the lead is increased.

About Glenn McCreedy

Glenn McCreedy has more than 22 years experience in marketing and communications, integrated marketing and sales of corporate sponsorships, media production, and building brands in both the public and private sectors. He has developed, directed, and managed corporate partners programs and sponsorships for the University of Arizona, Pima Community College, the Arizona-Sonora Desert Museum, the Southwestern Fair Commission at the Pima County Fairgrounds, and Bisbee Cycling Productions, Inc. Glenn has consulted for the Educational Enrichment Foundation, Sierra Vista International Air Show Corporation, Sierra Vista Convention and Visitors Bureau, Drylands Institute, and the Arizona International Film Festival. His list of corporate sponsors and corporate partners includes Arizona Lottery, Coca-Cola, Bud Light, Qwest, Wells Fargo, O'Rielly Chevrolet, U.S. Army, syngenta, KVOA-TV4, Citadel Broadcasting, Raytheon Missile Systems, and Desert Diamond Casino. He has created and implemented consumer sales overlays and value-added promotions that consistently met the goals of corporate sponsors and increased their investment in sponsorable properties.

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