

The story of
ROO

A passionate yet scientific journey to Return On Objectives.

by **Paul Pednault**



What they had to say.

In the early 2000's I was desperately seeking for a solution to manage the company's huge sponsorship portfolio. I had a good team that was drowning in paperwork, thousands of requests to proceed yearly, and a time-consuming, custom made system to manage it all that was far from being user friendly..... And then met Paul.....Not only did he understand what I was going through, he had a solution, a simple flexible solution.

In this book you will find out about Sponsorium and PerforMind, but I would like to introduce the man that created all this. Not only is he a good listener always aiming to make a difference, but he was smart enough to communicate his values and make sure that the whole team would follow his path. So wherever you sit on this planet, you benefit from his knowledge, his spirit of service and excellence.

Quebecers are known for their creativity and innovation, and if you add passion and fun, you get the perfect description of Paul. Many years and three jobs later, I am happy to say that I'm still a very satisfied customer and I am honoured to say that Paul has become a dear friend.

Lucie Lamoureux

Director of Sponsorship and Community Investments

Loto-Québec, Montréal

A successful sponsorship contains many elements, from traditional signage and hospitality to social media, and everything in between. Effectively measuring and assigning a value to many of these assets, however, can be a subjective exercise. Sponsorium and its approach to ROO has solved that challenge by providing a consistent and objective tool that allows us to customize and measure what is important to us. Additionally, it has saved us time and money that we can reinvest back into our business.

Denise (Wolffs) Leyhe

Senior Vice President

Head of Sponsorships and Corporate Giving

Citizens Bank, Boston

FOREWORD

I first met Paul in Barcelona about ten years ago, following an enquiry I made about Sponsorium. After launching “Nuevos Valores” the premier publication on Corporate Social Responsibility in Spain, readership was growing and we were breaking new ground editorially but I had become disenchanted with the way corporations were approaching the subject. By the time I met Paul, I was managing sponsorship for a motorsports team in the GP2 Series – and this was proving to be a real challenge.

So when I discovered Sponsorium, I knew I had found the solution that I wished my customers had. It just made sense. Paul possessed a sporting track record as a race car driver, but more importantly, he had an innate understanding of how sponsorship worked and what people valued. He turned that wisdom into practice and developed a scientific methodology, while his gentleman-racer spirit taught us the need to balance all the intangible values – the art of creating the right sponsorship objectives.

I am honoured to present this story and delighted that Paul has been persuaded to publish and share the concept of ROO. Many more organisations should apply it, including yours. How else do you measure fun?

Jonathan Hayes

Founder & President

Dinube –the digital payment network, Barcelona

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THE STORY OF ROO

Overture.

Montréal, April 1990. “Today, you failed miserably to prove your methodology to our Board of Directors,” said JG, Head of Sponsorship for a major Canadian corporation.

That day, I realized I had been wrong about how important ‘pet projects’ were to Top Management. You can’t just walk in and tell them that they have been ill-advised to support their projects armed with analytics alone, regardless of numbers, its method or credibility. Sponsorship and community investments touch people’s passions and emotions; a love story, you could say. On the other hand, very often there are corporate considerations involved such as repaying an I.O.U. to a third party, a discretionary budget allocated to the CEO, a new Board policy, etc.

This in turn begs the question- “why do you sponsor or invest in community projects?” I usually got two types of answers pushing for either qualitative soft or quantitative hard objectives. But what if we need to achieve both? How would conventional ROI methodologies help with any level of credibility to measure qualitative softer objectives? This led me to the conclusion that to achieve both, we must look for an inclusive and credible way to evaluate return on investor’s combined objectives. This is what we called Return On Objectives (ROO) methodology.

Simply put, whether a corporation is looking to directly promote sales or adopt a softer approach to embrace community values, the ultimate goal will always be to achieve returns on its objectives.

This book will tell the story of how expertise, innovation and a sense of fun continue to help professionals deliver highly successful Sponsorship and community investments around the world.

I offer my story to professionals and those interested in the subject matter, solely to promote, and hopefully inspire wider discussion – and create greater value for our businesses and the communities that we engage with.

This is an account of my field experience. It is meant to introduce the concept of Return On Objectives (ROO), now widely accepted by leading sponsors as the only approach to measuring the success or otherwise of their investments.

Have fun!

Paul Pednault
Montréal, 2015

Our Journey.

When I was a young teenager, my father had two jobs. He played jazz piano at night and was a traveling salesman during the day. I truly admired him for his artistic talents but more so preferred looking into his customers' files, toying with the idea they were mine, imagining myself convincing the buyer sitting somewhere – at the Head Office perhaps!

I have this thing for Head Offices, although some people kind of despise them. I know this may sound ridiculous, but this fantasy stayed with me ever since.

Right or wrong, I still see the Head Office as a protected dome under which people mastermind the great ideas of our times. I will grant you that HQ doesn't hold the exclusivity on genius, but I have great respect for where it all started.

The story began with me racing cars as a hobby (albeit with relative success) and yet performing far better in winning sponsors to fund my passion than the racing itself. Professionally, I had been developing accounting systems – a far cry from Sponsorship then but later became a pivotal driver of our success.

I am also happy to confess to be a serial entrepreneur – proud of every little triumph that took me from the lemonade stand to the podium, as a privateer racing my Honda/ Michelin and Formula Ford cars. Without delving into the trials and tribulations of a 5-year old lemonade business owner, we can begin in 1982, when I founded Communicart to help match sponsors to events.

It was time to turn the success of securing sponsors for my amateur racing team into a professional enterprise and before long, we found ourselves grappling with rapid expansion. We created the Granby Grand Prix held in 1984 and 1985, a city street car racing event.

As of 1986, we published a Sponsorship newsletter called Sponsorium; it later became a weekly, called Sponsor Clips. At one point we managed to get Alcan, the global leader in aluminium, to sponsor the Montréal International Jazz Festival. Soon after, Alcan asked if we could manage their Sponsorship portfolio, which in turn led to the establishment of Sponsorium as a provider of Sponsorship and CSR consulting services.

We produced the first Sponsorium Forum in 1987 and later in the year we held the first ever Sponsorship marketplace called Sponsorium Summit. This led us to convert our activities from fund raising to consulting with sponsors only.

Working with major sponsors opened my eyes to serious gaps and, later, opportunities in the way these sponsors managed requests for Sponsorship, evaluated the opportunities and measured or benchmarked the performance of their chosen investments.

As a developer of accounting systems, I was naturally inclined towards unified processes and genuine business requirements. Yet I fully appreciated and understood that successful Sponsorship is an art driven by intuition, creativity and special skills. That all said, I could see the role of systems to deliver two key unknowns. First, the

extent to which a project meets the sponsor's objectives, using percentage points. Second, at what cost?

It wasn't until a request by a client to help them provide qualitative as well as quantitative performance indicators for their Sponsorship investments that I decided that such a methodology and a system was needed. PerforMind was naturally born out of a real and genuine business requirement. This was in 1989.

Fast-Forward 25 Years.

Today, together with my team at Sponsorium, we find ourselves at the forefront of this industry, sharing our knowledge and unique methodology with the wider community of sponsors and other professionals.

We are proud to celebrate our 12th version of PerforMind providing sponsors a cloud-based system to implement our methodology and manage investments across the world, markets and communities. We have helped customers to set and weigh their criteria (or key performance indicators) for thousands of projects. Our method is used across 35 different sectors and 45 countries. PerforMind currently supports over 25 languages.

Looking back, it has been a deeply fulfilling journey for me, for members of our team and the community of customers and partners around the world. I am proud to know that we never gave up on our entrepreneurial passion and dedication to develop products and services of real value to our customers and direct impact on their bottom line.

We have weathered many economic climates including the turmoil post-9/11 and the recent global financial crisis. In fact, our business grew year on year; a true testament to how essential our work has been to the industry we serve.

Our Philosophy.

Life would be very dull without art, sport, festivals and other social activities to bring communities together. We believe that Sponsorship is the purest expression of support to tell the story of shared passions, aspirations and triumphs of human beings.

Thankfully, corporations and governments have long made this possible. Yet as professionals we continue to question how best to promote and maintain greater partnerships between businesses and their communities, and make it a business of fun for everyone. This is our mission, this is our purpose, this is our life.

We keep learning every day from new customers around the globe, as per this one-minute video (click on world tour): <http://www.sponsor.com/our-people>.

One Medium, Many Ends.

Altruist giving is the ancestor of Sponsorship. Dating back in time, artists and athletes have often been supported by benefactors. In our modern world, all investments are now subject to strategy.

Whether a corporation partners into CSR, community investment, grant, donation, philanthropic or Sponsorship activities, such partnerships have to fall under some sort of strategy. In this book, I give all such activities a single definition: **Sponsorship**.

SPONSORSHIP ROO



First, Why Sponsor?

Far too many sponsors react to opportunities or struggle to justify 'parachuted' projects before they benefit from reviewing why they sponsor in the first place.

I believe there is only one fail-safe approach to answer this question: "does the project meet our corporate objectives and if so, how well does it do that?" Irrespective of the objectives and whether they are strategic or tactical, this approach ensures that you consider your objectives first, that you have a consistent selection criteria and consensus in decision-making. Board Directors and Top Management will trust you when you can justify the spending, when you show good governance and transparency.

Sponsorship is Art.

Sponsorship is truly an art with a capacity to harness individual creativity, intuition and special skills to bring sponsors together with a community to tell a story; the story of every community or group of people with shared passions and aspirations, be it sport, art or a common good cause. Science and analytics are only facilitators to place such art on the public stage and to help justify further investment and secure success.

Sponsorship is Partnership.

A key principle that guides our thinking is that Sponsorship is best approached as a partnership capable of delivering return on the actual objectives of a business rather than the

often-simplistic and narrow approach of achieving empirical return of the value invested.

After all, corporations are communities in their own right and are in constant engagement with society in one form or another. History is never short of examples of local corporate giving and philanthropy.

This is just a case-in-point of how Sponsorship can offer far more value than the narrow acquisition of rights, with a singular objective of sales promotion. Often you hear sponsors claiming to manage a portfolio of 'properties,' the way they might imagine advertising space or billboard real estate.

In the meantime, we are witnessing a tremendous shift in the market, whereby consumers have become averse to traditional commercial marketing and place greater trust in those sponsors who share their passion, engage correctly and add real value to tell their story – be that in sport, the arts, festivals or community.

True and genuine partnerships between sponsors and their communities can deliver trust, recognition and loyalty unrivaled by commercial marketing alone.

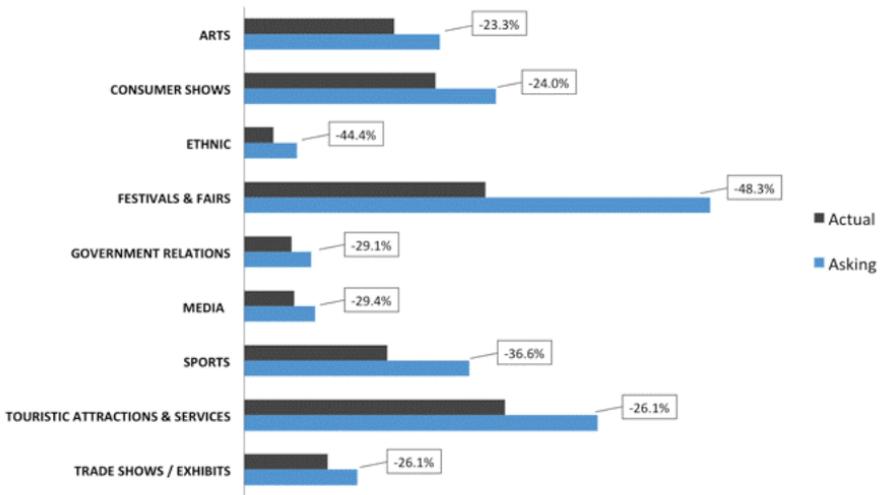
Share Knowledge, Sponsor Intelligently.

I have always believed in sharing knowledge and allowing the industry to learn from itself, enabling Sponsorship practitioners to make better-informed decisions and allow them to apply the full extent of their creativity and intuition. For decades, corporations have been sponsoring projects

but had little time or opportunities to share knowledge about their experience. Even though sponsors may compete for share of voice during events, they always benefit from learning more about each other's performance as well as the rest of the industry in their sector, geography and/or type of project.

Our management system, which corporations from around the world use to manage, evaluate, and report on their activities, allows sharing actual data and benchmarking information. This anonymized mass of data is periodically published (through The Sponsorium Report) to reflect the real-time state of the industry and offers unique insights into the ever-changing trends in Sponsorship together with industry benchmarks and best practice.

Uniquely, The Sponsorium Report delivers insights from actual data collected from users of PerforMind. For example, a frequently asked question is : "How much is negotiated down from asking money?". The data showed below gives a clear answer for nine different sectors. The 'Actual' amount is the negotiated one, while the 'Asking' amount is the original asking price.



A specific piece of data such as the gap between asking price and negotiated price is extremely helpful to marketers seeking to understand market value for their sponsorships. Using 50,000 actual partnerships that corporations sponsor, we were able to track both the original Asking Rights of the sponsorship as well as the Actual Paid amount. The accompanying chart shares the percentage (%) negotiated by the sponsor per sector, so for example, Sports sponsorships are typically reduced by 36.6% when executed. Armed with this intelligence, brand marketers are able to gauge more accurately their own negotiation skills and industry standards.

In my view, sharing such industry findings and projections based on factual data is bound to produce more successful outcomes and safeguards everyone's decisions.

What we know.

Three decades of Sponsorship and community experience taught us a great deal about the business and what it means to various stakeholders with uniquely different corporate cultures and social attitudes. We have witnessed the way it has evolved to the heart of corporate strategy and how it has impacted on our communities. Crucially, the lessons learned on the front-line define our thinking today, with plenty to bring to the table when serving customers.

If You Can't Justify It, Why Do It?

One could find many claims to the title 'Sponsorship' each with a different agenda, scope, benchmark, expectation and justification approach; it is managed by different individuals within a corporation, that much-too-often fails to communicate or coordinate internally to ensure that their investments are meeting their corporation's common business objectives.

If you cannot demonstrate relevance to your brand and impact of your investment, then sooner or later, your budgets (and staff) will be at great risk of loss or cutbacks. When people ask what we do for a living, I half-jokingly tell them "We protect budgets and save jobs".

Corporations, private and governments, are under constant pressure to justify the millions they spend each year on marketing, Sponsorship and community investments. Adopting and implementing a standard methodology and weighted criteria to evaluate all Sponsorship investments is the minimum requirement to ensure best practice, good governance, and transparency. There's only one question

to ask when justifying new or continued Sponsorship investments : ‘how well does it meet the required Return On Objectives?’

Take Charge. Don't Let Your Projects Steer You.

You are working in or perhaps overseeing the Sponsorship or Community Department. You are the ‘guardian’ entrusted to engage with the public and invest in new relationships with the wider community, while assuring that corporate objectives are met and good governance is observed.

You are responsible for deriving maximum value from a portfolio of partnerships in line with your corporation’s top-level objectives and long-term strategies. Opportunities abound. Evaluating them is key, but do you always have the time and resource required to consistently evaluate every opportunity? You want to stop reacting to opportunities and start taking control, shaping your portfolio for greatest value. Sometimes you need to defend a budget, sometimes you need to see it grow.

Without a clear and consistent measurement benchmark, sponsors cannot claim to be in total control over their investments. Having such a benchmark and adopting a single methodology gives you total control over your Sponsorship and community investment activities.

You now have technology acting as a dedicated personal assistant that puts the power of evaluation in your hands. That means you can stop reacting and start deriving

maximum value from your investments. Wouldn't it be great if you could devote all your energy to steering your projects portfolio for greatest return on objectives?

Partners not Properties.

Buying a property, albeit with a nice garden, does not guarantee beautiful blooms every day. It takes a great deal of commitment, passion, creativity and love to maintain a beautiful view for all to enjoy and for the longest time.

Similarly, when sponsors engage with events and communities in genuine partnerships, they might be handsomely rewarded with great returns on the value they invested. Such partnerships will normally over-deliver in the form of goodwill, new opportunities, duty of care and diligence by the rights holders or communities far beyond any package of rights, contractual terms or agreements.

The public increasingly expects brands and community investors to go beyond provision of funding but also to be actively involved in sponsoring their favorite art form, sport or cause.

Innovate with Knowledge and Insight.

No matter where we live or work, our businesses and our communities will forever change and transform the interaction between the two. For example, a global brand can apply Sponsorship in a variety of ways. It could sponsor a local music festival- to push more product and at the same time sponsor a theater production- to maintain its

market share, or promote education in partnership with a foundation- to meet its CSR objectives.

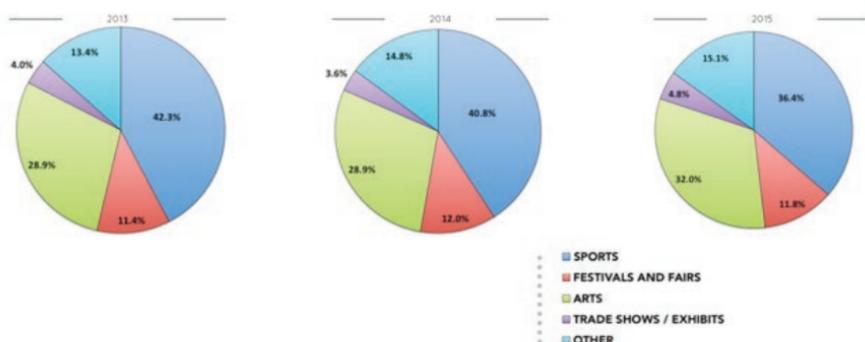
To innovate and engage with community and effectively achieve best holistic return on your objectives requires full use of industry knowledge on top of applying your intuition, your creativity and your special skills.

Real-time data and insights have proven to be invaluable to many professionals who needed to gain best value from their investments, while meeting own stricter standards for transparency and governance.

Diversification.

The charts here, containing data extracted from PerforMind over each of the last three years, show the volume of leading sponsorship sectors that brands are examining. The trends that emerge are clear. As this data is not representative of spending, but rather the types of activities that brands are investing in, the data shows the diversification of the corporate sponsorship portfolio. For example, Sports, the leading sponsorship sector, has seen volume of activities drop 6% over the last three years, while Arts and many Other categories have seen increases.

Global Sponsorship Market Landscape



In fact, these 'adjustments' were all part of a trend evidencing that corporations were diversifying Sponsorship portfolios and moving into more non-traditional categories. They are increasingly executing more creative and integrated campaigns through causes and unique alliances.

Rise of Cause-Related Investments & Other Trends.

We used data collected from sponsors to demonstrate that cause-related activity was increasing with companies around the world. Sponsors are executing more creative and integrated campaigns through causes and unique alliances.

Looking at five-year trends, the Report also showed that sport and the arts have been pretty consistent when it comes to achieving Sponsorship objectives while Consumer Show promoters have found additional elements for sponsors to own, or new methods for sponsors to interact with Consumer Show audiences and followers.

Good Governance.

The impact of the financial crisis of recent years went beyond just the cutting of Sponsorship budgets. In fact, sponsors applied far greater scrutiny and attention to decision-making including the assessment of community and Sponsorship investments in line with corporate strategies and objectives.

Sponsorship professionals were faced with demands from all sides with Top Management offering smaller budgets, less resource while demanding greater value and far more transparent reporting. On the other hand corporate strategies required greater endorsement of sustainable trust, fairness and openness in engaging with respective communities.

With real-time data, comparable benchmarks, knowledge and insights, corporations can now deliver far greater transparency in their decision-making process.

Your Management Needs You!

The financial crisis post-2008 caused significant and far-reaching impact on corporate and public spending. The Sponsorship community had to respond with new higher levels of accountability, both financial and strategic. Remarkably, Sponsorship professionals also gained newly found access to Top Management.

This new level of maturity was largely due to the adoption of balanced scorecards in the assessment and management of Sponsorship and community investments. This approach re-established the trust and transparency across all levels and functions of management.

Today, Sponsorship professionals are expected to demonstrate added value; not only in commercially related terms, but work closely with Human Resources management to promote higher retention and staff satisfaction rates, develop new products and services with consumer research, as well as collaborate with Corporate Social Responsibility programs to achieve corporate strategic value chain. This surely reflects a new understanding and direction by corporations towards Sponsorship.

Agencies Are Partners.

Agencies and consultants play an important role in delivering and managing marketing and public engagement campaigns on behalf of brands and other community investors. We empower agencies with best practices and we work together to help bolster their relationship with their clients and add value in terms of improved level of service, innovation, time and cost efficiencies.

The Sponsorship market is a dynamic one. Agencies do recognize the new trends and the greater value for Sponsorship. They can lead progress in setting new industry standards with smart methodology, better technology and whole new approach taking the value chain far beyond the conventional limits.

Achieving ROI or a Return On Investment, regardless of form, is a fundamental principal in any endeavor. Yet one cannot measure qualitative data with essentially a quantitative ROI methodology.

The Case for *ROO*.

For example, focusing on media ad-value measurement as an assessment of your Sponsorship's ROI in fact dismisses other potential returns benefiting softer corporate objectives. Furthermore, the fact that much of the media coverage is beyond the control of the sponsor, and the increasing fragmentation of communication channels not to mention the trend of consumers preferring ad-free content, tells us that ROI is increasingly out of touch.

We listened to our customers and their increasing need to save their budgets and projects that didn't always merit investment according to ROI methodologies.

The Sponsorship business is a tough proving ground, but I ensured that we work very closely with our customers to enhance their evaluation techniques and virtually invented the concept of ROO for use in this ultra-competitive sector.

In other words, the ROO methodology and our technology were born out of a genuine business need for a combined quantitative and qualitative performance indicators within a single framework. Importantly, it has also achieved internal consensus among decision-makers to justify, measure and manage all Sponsorship activities for our customers.

ROO - Bringing Strategic focus to Marketing.

Over the years, I have observed one common quality among great marketing leaders and professionals. They were driven by their ability to see the 'big picture' and to align all their corporation's activities, internal and external, in a single holistic organizational approach to

meet their core corporate objectives. In effect, they reach a point where every member of staff in every function of the corporation becomes a model ambassador for the company's interests and objectives.

Adopting a standard and corporate-wide platform based on Return On Objectives (ROO) will form the foundation for a truly impactful and sustainable marketing strategy. In fact, the concept of ROO focuses attention of all stakeholders on their common objectives and empowers CMOs and their teams to rally corporate functions together and integrate their efforts into one powerful program and corporate marketing strategy.

Sponsors could now integrate mainstream marketing, commercial Sponsorship, community and employee engagement into a single holistic approach; a significant step closer to their customers and delivering on their expectations. This is at a time when Social Responsibility is no longer a choice and ignoring the voice of the consumer will lead to certain failure.

Furthermore, armed with this approach, our customers have been able to challenge and overcome internal resistance to change, silo corporate structures and budget cutbacks to successfully manage their investments in Sponsorship, community and employee engagement initiatives as never before. In many cases, they not only protected their budgets but also increased them thanks to greater level of trust built between them and their Top Management.

Delivering *ROO* with Science.

We didn't stop at developing the ROO methodology but needed a tool to help our customers implement the concept across their Sponsorship activities. It took years of front-line Sponsorship and Community experience to craft a new breed of performance analysis tool- PerformMind (performance indicator).

It matured into a robust and highly versatile tool used by customers across the world; to automate and manage their Sponsorship program end-to-end, all within a single platform. Hundreds of corporations continue to rely on it to manage, evaluate and benchmark proposals and projects on merit against their own weighted criteria.

Crucially, it has become a tool that goes far beyond the operational needs of customers to save time and streamline processes; such tool is the intelligent gatehouse to spot the best opportunities and strategically safeguard sponsors' corporate objectives while ensuring good governance and transparency are followed. You may want to view a three-minute video that could change your entire perspective on delivering with science: <http://www.sponsor.com/deliver-with-science>.

In hindsight, what really sets us apart is the fact that we are Sponsorship and community investment experts but happen to be in the software business. This uniquely combined knowledge ultimately made all the difference when it came to integrating the software into our customers' processes and culture, and tailored a product that is relevant to business needs at any given time. .

Create Value; Not Just Manage Paperwork.

Brands value their reputation and it is bad PR to ignore a proposal. Many sponsors have a rule that any communications, whether it's a letter of complaint, praise or a Sponsorship proposal has to be responded to in a certain space of time.

Failing to examine incoming proposals carefully might lead to losing out on an opportunity which would have been a huge benefit to the corporation.

We created a system that frees people to get on with the main business of Sponsorship, developing and evaluating programs. It also delivers the confidence that no great ideas are missed because they get lost among a mass of unsolicited proposals.

Some 98% of proposals are turned down because they do not meet criteria, including financial availability. Using such a system means everybody and every proposal has the opportunity to be considered on a level playing field.

The system will automatically generate an appropriate letter of response – ensuring that the PR issues are dealt with effectively, leaving staff to focus on valued proposals. It also leaves the applicants with a positive brand image.

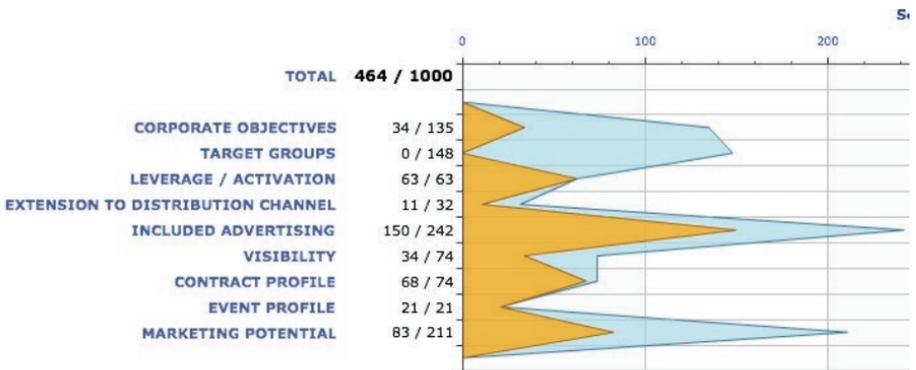
Evaluate Consistently.

We have always felt strongly that whatever methodology we develop must be fair to every applicant, consistent in assessment and fit for purpose as per the criteria set by

the sponsor. Fairness and consistency are guaranteed with an online questionnaire offering applicants a simple and clear step-by-step process to complete.

This 'smart' questionnaire is made up of weighted questions/answers that scores applications and provide 2 key variables- the total Point Score and the Cost Per Point on the basis of the amount requested by the applicant. Every application is treated in exactly the same way.

The questions and respective weighting directly reflect the sponsor's criteria for investment and to ensure, above all, consensus among the various stakeholders responsible for Sponsorship and community investments. Customers' criteria would specify what they expect from possible investments from media coverage to audience, demographics, fit with brand image, marketing potential, just to name a few.



Insight and Improved Performance from the Same Budget.

From a decision maker's point of view, PerformMind's key feature is a grid, which effectively presents a 'window' into a portfolio to reveal proposals and live partnerships as Promising (low score, low cost per point), Winners (high score, low cost per point), Strategic (high score, high cost per point) and Low Fit (low score, high cost per point). This puts any decision maker and Sponsorship practitioner firmly in the driving seat to decide, with relative efficiency, on new investments but also improve the performance of their portfolio without increasing budgets. For example, a low performing investment with a low Point Score and high Cost Per Point can be improved into a promising investment by working with the rights holder or community partner to lower costs or improve on deliverables. Alternatively, such a project could be dropped and the budget re-invested into one or more of the promising proposals to realize greater value from the overall portfolio and for the same budget.



Performance of active portfolios is also improved by comparing pre and post event results against the set criteria.

Top Management Consensus with Even Bigger Budgets.

A key benefit of adopting ROO and a technology platform is the consensus at all management levels, and beyond, that you reach by applying agreed and preset corporate criteria and a clear empirical methodology to decision-making. This not only delivers consensus amongst stakeholders but also opens the door for bigger budgets given the de-facto transparency and fairness of the approach.

Such trust in the assessment method has opened new avenues for Sponsorship professionals with new freedoms in creativity and wider and bolder engagements with the public. It has also offered greater confidence for Top Management in considering investments in projects that may have been disregarded in the past for lack of understanding or stigma.

Glimpse into the future.

The Sponsorship industry has come far with much yet to go on the road to a more integral, subtle and impactful engagement between sponsors and their respective communities.

As it happened, much of the progress was fast-tracked as a result of the financial turmoil post-2008. Demands for greater cost efficiency, diligence in decision-making processes and measurement methodologies led many major sponsors to review and over-haul their approach to meet the new expectations.

On the other hand, the financial crisis also led to new challenges for sponsors to actively increase their engagement and investment in their communities with far greater levels of transparency and objectivity to regain a lot of the trust lost along the way.

Fortunately, we have been at the heart of the industry's change by introducing the concept of Return On Objectives (ROO) and technology to empower Sponsorship professionals to drive progress. Armed with new strategies, understandings and systems, many Sponsorship professionals have succeeded in not only meeting new corporate demands but also growing the value of their Sponsorship programs beyond all expectations.

A New Wisdom, New Roles for Sponsorship.

Changes in the world's economies brought about a new wisdom amongst leading brands and community investors that Sponsorship could, in fact, effectively transcend most

conventional marketing channels. Such wisdom gained Sponsorship newly found respect for not only withstanding the pressures of the financial crisis but also offering greater value when it comes to returning impact with integrity.

Over recent years, marketing has been undergoing a culture shift from conventional sales-centric to a more balanced customer-centric approach. Traditional objectives of achieving highest impact from exposure is being replaced by more integral investment in Sponsorship and other related activities to, among other objectives, capture the voice of the customer (VOC) and feedback into ultimate commercial impact.

As more Sponsorship practitioners continue to educate their management on the role of Sponsorship, they find themselves collaborating with more functions throughout their firm such as Human Resources, CSR departments, technology and consumer research.

Net Score on Social Media

In recent years, brands have leveraged social media to increase engagements from fans, in both sports and culture. A two-way engagement is preferred and integrated into the overall experience. Examples could include: fans interacting with the sponsor's on-site display, text program, entering online sweepstakes or competition, or "liking" the brand on Facebook, and others.

Such social media campaigns may be measured internally, and often through third parties such as research groups

or agencies. By aggregating quantitative and qualitative KPIs on an ROO evaluation basis, you get a net score or percentage of success out of social media activities.

Continued Growth.

The global Sponsorship market did not stop growing. With the exception of 2008, Sponsorship spend has increased by a double digit year on year for the past 15 years. All sources have indicated that in comparison, advertising has had an average of approximately 5% year on year increase while promotions reached close to 8%.

This trend is bound to continue as Sponsorship matures as an industry and sponsors grow far more confident in the versatility and far reaching impact their investments can offer.

Sponsoring Your Own.

A recent study published by the Harvard Review (LaMotte, 2014) stated that companies spend over \$720m each year on employee engagement to meet purely internal objectives and promote themselves as employers of choice, improve retention, increase satisfaction and performance. Yet, the study indicates that employee engagement actually remains as low as 13% due to the fact that HR departments are investing in in-house initiatives and disregarding their employee's interests after they leave the workplace. Moreover, potential recruits are increasingly interested in values of transparency and what companies and their leaderships stood for.

In my mind, this clearly demands progressive and innovative partnerships between HR and Sponsorship professionals to not only engage their internal communities to share their aspirations and tell their story but to also align their external and internal investments to deliver a holistic return on all corporate objectives effectively.

For example, during the London 2012 Olympics, many sponsors recognized the opportunity to model Olympic values, using the power of the Olympic spirit. They used the 'four year Olympic journey' to put in place an employee development program; they used Olympic related goal-setting, the experience of expert sport coaches, and development activities to promote for individuals to learn from the lessons of an athlete's search for Olympic glory and perhaps apply those lessons to their own role.

Companies also used Sponsorship to promote corporate integrity through corporate social responsibility (CSR) opportunities. CSR is a valuable Sponsorship asset that can dramatically enhance employee engagement. For example, Sponsorship of the Paralympic Games created a new sense of pride for the employees of one American company, who deeply felt that their engagement had a bigger social impact. In fact, they believed that their Paralympics Sponsorship had far more impact than their Olympic Sponsorship.

Governments are Natural Community Partners.

Governments are mirrors of society. Public servants become proud citizens when their employer participates in the advancement of their community.

Whether National, Regional or Municipal, governments do make a difference by supporting cultural, sport and community activities. Their financial support of major events have created a whole new industry of services and inspired start-ups at all levels. An entire event industry has come to life because of governmental support. Associations and federations have been incepted. Job creations and a new economy have emerged. Thanks to governments, Sponsorship has matured and led a good number of specialists to start a career in event marketing.

Some government initiatives are admired and have become case studies. They use softer, less commercial evaluation criteria than the private sector; hence, they allow rights holders to express themselves, to reach new heights. Thanks to government support, the Sponsorship industry has set foot on solid grounds in many countries.

Sponsorship Case Study on Multi-Party Evaluation

When brands face the dilemma of complex analytics, only ROO can come to the rescue.

The Challenge.

The Royal Bank of Scotland (RBS) is a major British brand with a new brand strategy supported by a sponsorship program with rugby at its core.

The RBS 6 Nations Championship, plus the England Rugby Football Union (RFU), the Scottish Rugby Union (SRU) and the Welsh Rugby Union (WRU) all sit within the Bank's portfolio.



RBS was looking for a meaningful way to quantify its Return On Objectives (ROO) that could help drive real value, rather than a fictitious ROI figure that so many models produce.

The Solution.

RBS Sponsorship Manager Martyn Wilson talks about getting started with our tool: “As [the tool] was being applied to the bank’s entire rugby sponsorship portfolio, the first step was to identify the sponsorship objectives. We eventually settled on 9 objective ‘concepts’ but none of them could be measured by a single metric. The indicators were much more complex than that, and the [the tool] setup process really helped bring about the clarity we needed.”

Lee Bailey, RBS Manager of Sport Sponsorships, commented, “In the past, we’ve also struggled with the fact that measurement data comes from a variety of internal and external sources. We had a research company delivering awareness and brand tracking data, an activation agency provided data on our digital content, the rights holder supplied the media figures, our hospitality team measured client satisfaction, and our own internal digital team measured staff engagement of our intranet content... just to name a few. Reconciling all of this into a single meaningful evaluation and report has previously proved to be a complex and uncertain exercise. The PerforMind solution has now changed all of that”.

According to RBS itself, it’s implementation of the comprehensive functionality of PerforMind led to one of their most effective campaigns in years.

It is very clear to me that Sponsorship will never look back to the days of pure brand exposure, media valuation and on-site visibility.

You're my hero!

I'm often asked why people like us travel around the globe to share their passions with our industry stakeholders? Well, I believe that people with a passion can change the world for the better. It is a passion that I share with my team as we engage with the world's community of Sponsorship professionals and other Marketing experts.

As Steve Jobs, the co-founder of Apple, once said: "Those people who are crazy enough to think that they can change the world are the ones that actually do".

The ROO Movement.

What ignites my passion further is sharing knowledge by starting a movement amongst Sponsorship professionals. The ROO movement aims to see Sponsorship professionals switch from the clerical world to the strategic one.

Tough Business.

Let me put it to you simply. If you manage a Sponsorship portfolio, you're my hero!

I cannot think of a tougher job than managing a Sponsorship portfolio. When you took this job, you had dreams. And you may have had to abandon some of them along the way. It happens. Typically, people's dreams stall when they have to face one or more of the following challenges:

- Maybe you were inundated by unsolicited proposals. They came from all directions, all the time.
- Some could have been parachuted by Top Management. The nephew is in tennis, we support tennis, the CEO likes golf, so we go into golf. And so on and so forth.

- Maybe you felt you were understaffed.

- Or, during a merger/acquisition, everything was unstable. Nobody knew what would come next.

- Or the new CEO started earning his bonuses by cutting jobs and budgets. The company was restructuring – a modern definition for making the top guys wealthier.

- Maybe management wanted reports in short delays, forcing you into overtime.

- And what a drama, perhaps were you asked to tie-in Sponsorship with sales because of misinformed Top Management. They only knew about ROI.

- At times, you may have felt that you lacked market intelligence.

- Perhaps you had to fight to keep your budget. I don't know about you, but it happens that other Departments want your budget because they can prove return, better than you can.

So, the fun was gone. But you stood strong. You stood strong, facing adversity with courage and tenacity. Not knowing if you would have the budget to fulfill your mandate nor if you would still have a job the very next day, you protected the corporate image, continued negotiating with rights holders, and did your job diligently as usual. You're my hero!

And then, as if this was not enough, you had additional challenges. After a major event, for example, you had all your reports on your desk :

- Brand tracking
- Media valuation
- Customer satisfaction
- Spectator survey
- Valuation of assets
- Hospitality effectiveness
- Employee engagement
- And all kinds of other reports

But you still didn't have a full grasp of your Return On Objectives. And perhaps did you ask yourself: What have I done wrong?

Have You Become a Bean Counter?

Well, if you followed the ROI path, you did nothing wrong. You were forced to become a bean counter, trying to justify your Sponsorship investments against sales impact.

Is this the dead-end for Sponsorship? If all that matters is SALES, why don't we leave that to Sales Promotions? Why call it Sponsorship anyways?

Do you see where I'm getting at?

Don't get me wrong. It's always great to show some sales impact in any Sponsorship, but as you know, there is much more of a Brand Story to share with the communities you do business with.

Even if we get a good return on our money, are we targeting the right audience? Are we positioning or enhancing our brand in the community? Are we backed by our employees and stakeholders? Are we making a difference? Are we giving our customers an experience? Are we blocking competition? Are we using Sponsorship to introduce a new product in a specific market? Are we entertaining special guests in a highly positive atmosphere? Are we promoting customer retention? Are we sharing our story?

Those are worthy measurable objectives, and not just the sometimes-illusory return on the amount invested.

ROI Isn't It.

You very well know that Sponsorship is not a commercial interruption, like advertising is; that Sponsorship is perceived as enhancing the quality of life in the community. Because life would be dull without all the sponsored sports, cultural, and community events. You are perceived as a partner in our lifestyle. So, everything cannot be subject to ROI.

Your life companion says, “Do you love me?” After you say, “Yes I do”, the next question is, “But how much do you love me? ... On a scale from 1 to 10?”. You know you’re in trouble if you answer anything but 10. Right?

While your ROO can be weighted, there is no ROI to measure here... unless a divorce arrives perhaps!

There is a general confusion between ROI and ROO. For example, how do you calculate ROI out of a business lunch? A specific conference? Or Sponsorship for that matter? In the respect of each company’s culture, some are looking for brand awareness more than anything else. So, the notion of ROI is often useless.

Trust Yourself.

Sponsorship is a good team player with Advertising, Promotions and PR, but Sponsorship is a medium of its own. And has been the fastest growing medium over the past decades. We should be PROUD to be part of it.

Ultimately, as a Sponsorship professional, you want to be on top of your trade. You’d love to **stop reacting, start taking control** and **create value**. Not only do you want to keep your budget year on year, but you need more money to activate your portfolio.

Trust your intuition. Yes trust your intuition. Your gut feeling is important because it summarizes the sum of your experiences, while your ability to test the chemistry between your team and the ‘partner’ may set your future relationship with this group.

Trust your creativity. Your ability to negotiate winning deals and develop tie-ins will determine the quality of your future partnerships. So, trust your creativity.

Trust your special skills. Using comparables will help you in the valuation of each proposal and set your own benchmarks. And since activation is key for getting a good return on your objectives, including sales impact when applicable, your skills here could make the difference.

Add Some Science.

A disciplined approach will add some science to your art. Setting your weighted objectives is not rocket science. Give it a small effort. And then evaluating your Return On Objectives can be done in a snap.

Now, do you know why you are not getting the funds you need to give your portfolio a spectacular impact?

Why?

Because you may have been relying too much on traditional ways to justify your good work.

Listen to me. **Add some science to your art.** I want you to get the money you need to fulfill your mandate.

Here is a Simple 3-Step Plan to Success.

You have a portfolio of sponsored projects. It could be sports, arts or community perhaps. But by the time you have signed agreements with rights holders and put your plans in motion,

you realize you need more money to activate your Sponsorship programs.

Would you own a farm without cultivating the land? Would Paul McCartney record a new song for no one to hear? Would you find a miracle cure for cancer and tell no one about it? It wouldn't make sense, of course.

Top Management needs to be convinced on the merits of your activities before giving you more money. So, here is a simple 3-step plan to get all the money you need. It's so simple, even the Board will understand it.

1. **Know why you do Sponsorship** in the first place. Set your weighted Objectives (or KPIs).
2. **Get consensus** internally, including Top Management.
3. **Show your strategic acumen and create value** with your Sponsorship investments.

So why set weighted KPIs? Because you will measure success against weighted objectives. Write down what your weighted objectives are, and evaluate your portfolio against those. It's an easy way to develop your own benchmarks. It will then be easy for you to measure all unsolicited proposals against such benchmarks.

Experience the magic of getting consensus. Do not keep this for yourself. Show your new evaluation formula to your team, including Top Management and some stakeholders perhaps. Use the exercise to make necessary adjustments. Then, get consensus around your project. I guarantee that ROI demands will disappear from your life like magic.

Because of your new ability to show return, you will get MORE activation budget. You won't lose jobs within your team anymore. Now that you know what you want out of Sponsorship, start creating value.

Be The Champion.

You will be in a position to balance your portfolio for maximum *ROO*, weigh new proposals against your benchmarks and even renegotiate agreements based on this demonstrated value. And the results can be remarkable.

On average, companies are able to increase the value of their portfolio in the order of 10% – 40% after only one year of using such a simple plan.

The consequence of putting together your intuition, your creativity, your special skills, combined to your science, will make you the Champion. Let the *ROO* movement change your business life.

Fun Business.

We all know that Sponsorship is serious business, but nothing prevents you from bringing the fun into your working life.

Have fun activating your portfolio.
Have fun bringing quality of life in the community.
Have fun pushing your brand to new heights.

And if you now agree that the shortest route to ROI is *ROO*, then you're my *HEROO*.

Amateur racing days for Paul Pednault



Early days of Communicart, producer of a GP car race in Granby, 1984/1985



Communicart showcases the first Sponsorium Forum in 1987



Sponsorium Summit in 1987 – the first ever Sponsorship marketplace



IT'S ABOUT TIME!

*"Sponsorium is an excellent link
for sponsorship projects"*
Jean-Guy Thibault, director advertising and sponsorship
Alcan, Smelters & Chemicals Ltd.



TUESDAY, NOVEMBER 24, 1987
RAMADA RENAISSANCE DU PARC HOTEL
MONTREAL

Sponsorium Team in 2015



Credits

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PAUL PEDNAULT

“Sponsors could now integrate mainstream marketing, commercial Sponsorship, community and employee engagement into a single holistic approach; a significant step closer to their customers and delivering on their expectations.”

“Social Responsibility is no longer a choice and ignoring the voice of the consumer will lead to certain failure.”

“Create Value; Not Just Manage Paperwork.”

“A key benefit of adopting ROO and a technology platform is the consensus at all management levels, and beyond...”

“Increase the value of your portfolio by 10%-40% year one.”

“A Simple 3-Step Plan to Success.”