

## Changing Times: The Case for Sustainable Sponsorship

The Vancouver 2010 Local Organising Committee has been working together with its event sponsors to co-ordinate support for social and environmental development projects within Canada. Premier national sponsors Bell Canada and RBC are involved in community development projects; while Hudson's Bay Company, another premier national sponsor and the official Olympic team uniform supplier, will ensure that products meet social and environmental standards.

With traditional sponsorship practice recently under so much scrutiny, VANOC's approach could be among those deals that trigger a renewed commitment to meaningful sponsorship deals that are more in tune with the times.

Traditional sponsorship practice, that associates a brand to a particular property or event, can amass goodwill through brand association among a target population. However, it does not address the high levels of animosity currently felt towards the corporate sector and may even serve to aggravate the situation.

In an effort to regain trust, a more hands-on approach, as demonstrated by VANOC and its sponsors, will enable other sponsors and sport organisations to communicate a long-term commitment to responsible business practice to a broader target audience. This is known as *sustainable sponsorship*.

Sustainable sponsorship can be defined as the sponsorship of a sport property or event whereby both parties are responsible for a long-term positive impact on society or environment. Sustainable sponsorship is that much more effective, and believable, if it is used as a manifestation of a long-standing commitment to corporate social responsibility (CSR).

Establishing a sustainable sponsorship agreement without a solid CSR grounding is pointless. Customers are well-informed and can see through organisations making ambiguous claims. Implemented correctly, however, sustainable sponsorship can be used as an effective means to communicate to a number of stakeholders (potential new recruits, public authorities, pressure groups), helping to maximise opportunities and minimise risks.

Many large corporate entities have now developed sound CSR practices that make up part of their DNA. Coca-Cola, for instance, has been very public about its intentions to become water-neutral by 2012. In India, it has 4,000 projects dedicated to water harvesting and renewal and aims to provide drinking water to 1,000 schools in the country by 2010.

Sport organisations are intrinsically different to corporates yet their motivation for implementing a social responsibility strategy is not. Sport's unique influence on society has helped to guide some sport organisations to identify areas in which they can harness their sport's positive values to benefit communities.

For example, UEFA works with selected partners across Europe to address social issues connected to football. It supported and promoted five football and social responsibility projects, under the umbrella term of 'Respect', during the EURO 2008 tournament in Switzerland and Austria.

So, if the sponsors and sport organisations have the credentials, what has prevented them from collaborating in the past? What is stopping the International Olympic Committee from working with its global sponsors to develop sustainable sponsorship strategies at next year's Winter Games?

Even before the financial crisis, sport organisations were under increased scrutiny from a cynical media and public over their media rights and sponsorship revenues.

Despite being aware of this, collaboration between corporate sponsors and sport organisations on projects that create a sustainable impact on society have so far been lacking. And, until now, issues regarding the alignment of different CSR strategies have perhaps justified the relative inaction. These issues are outlined below.

1. Since CSR focus areas and implementation methods will vary from one organisation to the next, logic tells us that sustainable sponsorship should not be a 'one size fits all' approach. In a different approach to Coca-Cola, Nike's environmental CSR goals focus on producing environmentally friendly products. One of the initiatives it has developed is the Nike Considered Index. It uses this to rate the ecological footprint of the products that it manufactures. A 'Considered' product is one that has been made with the fewest possible materials and can be easily recycled into a new product or "safely returned to nature" at the end of its life.

These companies' choices will define their overall strategy, influencing day-to-day decisions, like sponsorship. Rather than making ad-hoc charitable donations, they will support meaningful projects that meet specific business goals and stakeholder expectations.

Sustainable sponsorship practitioners would need to align the CSR commitments of different organisations to enable them to support a shared, or unified, social or environmental development project.

2. Having good intentions does not necessarily mean that you are 'doing good'. This is one of the most widely used, and necessary, CSR industry clichés. To increase the chances of having a positive impact, and not causing harm, good things must be done well. A responsible 'do no harm' approach can only be validated by the use of an impact assessment. Both UEFA and Nike have policies that dictate the use of external evaluations to assess the social or environmental impact of projects that they support.

In relation to sustainable sponsorship initiatives, this means that projects should not be designed only for their alignment with supporting partners but, primarily, because they help to combat a problem affecting society. Selecting a suitable project should be a bottom-up process that starts by assessing the potential impact of the project and then looks for the alignments among partners' CSR strategies. This added variable makes the task appear slightly more tedious.

3. Time pressures raise the challenge of alignment if the objective is to create sustainable sponsorship agreements for an event. So far the prospect of involving so many partners (host countries and cities, local implementing organisations, sponsors, sport federations and associations) in sustainable sponsorship project negotiations has been a deterrent, although that is not to say it has not happened on a smaller scale.

At the recent UEFA EURO 2008, the tournament's official watchmakers and timekeepers, Hublot, donated their sponsorship allocation of three pitch-side advertising boards to the UEFA-supported Unite Against Racism campaign.

The practice of effective time management is necessary to ensure that, instead of being a hindrance to progress, multi-sector partnerships are nurtured to create synergies that mobilise

the skills and resources of each partner group. The potential to strengthen the impact of a project and meet the needs of all partners and stakeholders is great.

A few months ago, in a BBC survey, the majority of Scottish football club chairmen admitted that they had been forced to make cut-backs as a direct result of corporate sponsorship drying up. This trend is a consequence of the ineffectiveness of certain types of sponsorship practice in today's economic climate. Some companies are opting to pull out of sponsorship deals which they see as dead wood. However, for those willing to explore alternative options, the incentive to overcome the challenges of sustainable sponsorship is certainly more attractive now than it was before.

There is no doubt that the sponsorship industry will adapt to changing times and find the necessary solutions to sustainable sponsorship. One of which might be to empower local implementing organisations, to find the alignments. Whereas in the past these organisations have been happy to be good people doing good things, many have now topped-up these credentials with good business nous.

Given the time and funding to investigate the partners' expectations, these organisations are best placed to come up with an idea that suits everyone. Their knowledge and awareness of the issues affecting society should allow them to provide relevant and viable options to the other partners.

In this new era when the 'rich' will be judged more and more by how they treat the 'poor', continuing on the traditional sport sponsorship path is simply not enough. It is in the best interests of the parties involved in agreements to overcome the challenges and adopt a sustainable sponsorship approach, for their own economic benefit and for the benefit of society.

#### **What is sustainable sponsorship?**

- **Sustainable sponsorship is the sponsorship of a sport property or event whereby both parties are responsible for a long-term positive impact on society or the environment.**
- **As opposed to traditional sponsorship practice, which aims to amass goodwill through brand association among a narrow target audience, sustainable sponsorship enables both parties to communicate long-term responsible business practice to a broader target audience.**
- **Sustainable sponsorship is more in tune with the times and can reach out to a larger group of stakeholders including potential new recruits, public authorities and pressure groups.**
- **Sustainable sponsorship should be used as a manifestation of a long-standing commitment to CSR. Making ad-hoc, charitable donations via sustainable sponsorship agreements that do not fit with pre-existing CSR strategy can easily be seen as a PR stunt.**

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