

Emerging Trends – Campus Sponsorship *To Engage or Not to Engage*



Periodically, there are external changes in the business, legal or political arenas that can impact business operations on college and university campuses. Some, such as a major war or the oil crisis of the 1980's, impact inventories of needed goods. The Great Depression spawned the formation of purchasing cooperatives, as colleges and universities pooled their spending to reduce the cost of goods and services. The emergence of women and minority-owned businesses, coincident with a changing social contract, led to the development of diversity programs. Sustainability programs were developed due to the emergence of environmental consciousness, and technology developments opened the door for e-marketplace solutions.

Change happens.

As the cost of higher education continues to increase faster than the cost of living, or more importantly, the ability of students to keep pace with the rising costs, university presidents and governing boards are searching for ways to hold down increases by identifying new sources of funding for capital and other operational programs.

One response has been the privatization and outsourcing of non-academic programs. This privatization can provide a one-time windfall that cannot be repeated in future years. Another response is the growth of online education.

Most recently, some universities have been actively seeking to structure their relationships with the business community, with consideration for the value added to the brand from affinity and access to the university community - including faculty, staff, alumni and the 18 to 24 year old student demographic.

This is not philanthropy and it is not sponsored research. It is sponsorship built upon the recognition that the academy has "assets," tangible and intangible, that have the potential to be a catalyst for strategic business relationships and a source of new revenue, while creating new benefits and opportunities for students and the university community.

Intercollegiate athletic programs at major universities have generated revenue through business sponsorships and advertising for years. The top programs generate millions of dollars in revenue to support their programs. Businesses have been willing to spend significant marketing funds to have their brand associated with the programs, gain access to coaches and facilities, and have their corporate image displayed in collegiate athletic venues. Why limit these revenue generating opportunities to athletics? The concept can be incorporated into the wider campus community, including the sponsorship revenue potential of strategic business relationships.

Some major universities are beginning to develop university-wide sponsorship programs. Early adopters include the University of California, Berkeley, the University of Kentucky, The Ohio State University, Arizona State University, and Georgia Tech. There may be others, but these universities have either designated full time staff resources to develop a program, or have contracted

with one of the few companies that are focused on developing comprehensive sponsorship and multi-media programs for colleges and universities.

For example, the University of California, Berkeley has added a staff person with extensive experience in sponsorship program development, while the University of Kentucky contracted with JMI Sports to develop and manage its university-wide program.

Change happens.

This emerging change will impact the way some colleges and universities manage their business relationships. As early adopters navigate the complexities of these programs, others will follow. The leaders will have to address a number of issues and challenges that will test the viability of sponsorship programs for the long haul and for a broader number of participants.

While new revenue potential from strategic business relationships can be of significant benefit to the institution, there are organizational and operational challenges to be considered. It's important that business and executive officers understand the nature of sponsorships before embracing or dismissing them. It's an important issue to consider on our campuses, and we need to get it right.

What is Sponsorship?

It may help if we begin by stating what sponsorship is not. Sponsorship is not philanthropy, nor is it a mechanism to generate revenue by compromising the privacy of our students. Sponsorship is optimizing and monetizing the value of institutional assets. It is developing strategic business relationships and strategic partnerships that go beyond B2B transactions and/or donations.

Sponsorship intentionally links the brand of one organization to the brand of another, for the purpose of mutual benefit. Sponsorship can be the product of designing a shared value proposition where two or more organizations can enhance their brand equity and integrity within a framework of consistent imaging and messaging. The connection benefits all parties.

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Virtually all colleges and universities have sponsorship relationships. Most are fragmented and decentralized because the organizations are fragmented and decentralized. A business may be very supportive of the institution and demonstrate that support by sponsoring events or programs in individual colleges or departments. Collectively, the institution typically undervalues the sponsorship relationships, and the business entity doesn't receive the benefit they could from the affiliation.

Here is the key point: as institutions, we are already engaged in sponsorship programs. We just aren't doing it effectively. We could, if we consolidated our assets, limited the number of sponsorship relationships that are available to the commercial sector, better understood the value we bring to the relationship, centralized and coordinated our sponsorship efforts, and deliberately leveraged our position.

Some of the contributors to this



paper have attended committee or senior cabinet meetings where the issue of sponsorship was on the agenda. Invariably, someone challenges the concept by arguing that we don't want to commercialize the institution. Respectfully, we crossed that bridge a long time ago and proudly bring our visitors to our Barnes & Noble superstore or to one of our Starbucks locations. Our food service venues feature national brand images, and our athletic teams prominently display the branding of major apparel manufacturers. We seek royalties from commercializing research developments and often rent out our facilities. No need to go further.

Positive, Constructive Sponsorship Relationships

Successful sponsorships are mutually beneficial. The best ones are based upon shared values or opportunities to link the brand of the sponsoring entity with specific programs that meet student or institutional needs, or enable the institution to advance initiatives from a new revenue source. Sponsorships can be developed around sustainability initiatives, campus safety and security, internships and scholarship opportunities.

Sponsorship programs can be developed in a way that contributes to the student experience while providing a new source of revenue to the institution.

Sponsorships don't have to be complicated to be effective. Here's an example: a university experiences sudden rainstorms that can be challenging for



unprepared students who need to move between buildings to change classes. The university developed a sponsored "umbrella sharing" program. Umbrellas bearing the logo of the sponsor are placed in academic buildings and residence halls. When a student needs an umbrella, they take one from the rack and deposit it in the rack at their destination. A simple concept, and the sponsor pays the university a fee for placing their image on the umbrella. Everyone wins.

Centralized Campus-Wide Sponsorship Programs Bring Challenges

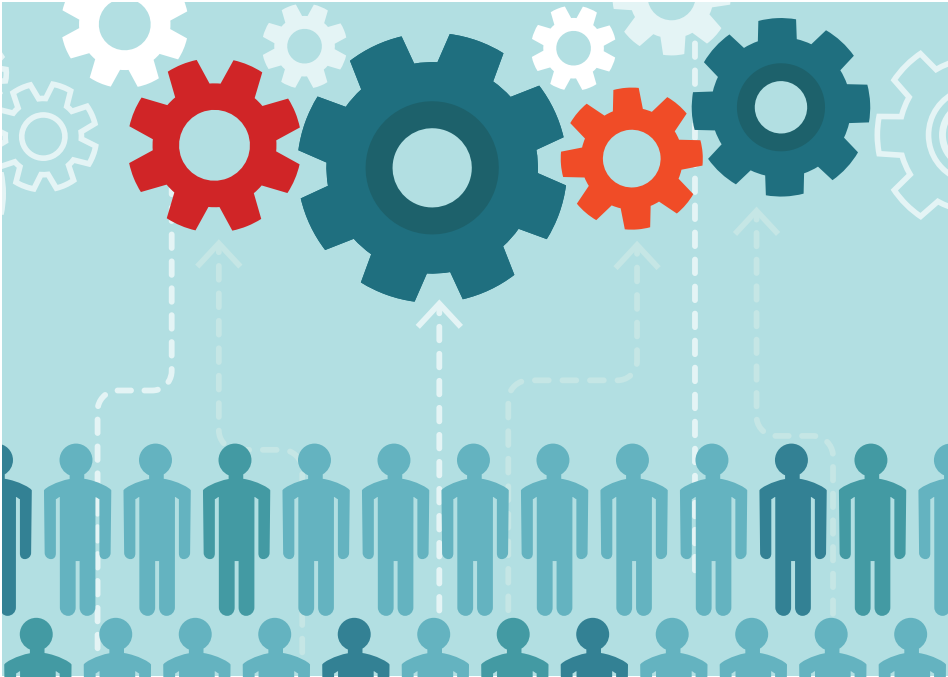
Our purpose here is to highlight an emerging opportunity, and to suggest that sponsorship programs can be developed in a way that contributes to the student experience while providing a new source of revenue to the institution. Change happens, but

if not managed well, change can be harmful. The initial step is to determine whether managed sponsorships might be beneficial to your college or university. From there, it is a matter of managing the implementation.

There are a number of issues that must be understood in order to successfully implement a campus-wide sponsorship program including:

- Governance and Policy Issues
- Operational Elements
- Financial and Resource Issues
- Communication, Messaging and Campus Relationships

For more commentary on these issues, as well as specific recommendations to consider for implementation, please go to www.eandi.org/sponsorship. This comprehensive article is a must read if you're considering a sponsorship program.



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