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### **Managing internal stakeholders' support of major sponsorships**

*W. Guild<sup>1</sup>, C. Jepson<sup>1</sup>*

*<sup>1</sup>University of Colorado Denver, Business School, Denver, USA*

Wendy.Guild@ucdenver.edu

#### Background

Sponsorship, in the form of naming rights for venues or Tier One corporate partners for major events, is a critical revenue stream for such ventures. While the details of sponsorship agreements have been carefully studied to inform cutting edge practice in marketing, the process of gaining internal agreement within a sponsoring organization has not been well researched.

#### Objectives

The purpose of this study is to examine the process of selling the idea of sponsorship within an organization. In particular, we examine the view of internal stakeholders taken by our sponsorship drivers and how they planned and executed their process of gaining agreement inside their organizations. This study utilizes and informs stakeholder theory when applied within the boundaries of the firm.

#### Methods

Case studies of high profile sponsorships in two different sponsoring organizations are compared to provide insights through contrast analysis. The first case details a large telecommunication firm's decision to serve as a Tier One partner for the Olympic Games. The second case provides an account of a Cellular Telephone Service provider in their decision to serve as lead partner and name a prominent European sports and entertainment venue.

Data was gathered in a series of interviews with the key actors driving the sponsorship selling process in both organizations. These interviews were complemented by additional interviews with key stakeholders to provide different perspectives on the events. Archived information about the sponsorship was utilized when available.

#### Results

In the case of the Olympic sponsorship, the key actor had to take a bottom-up approach to gaining support in the organization. He worked extensively with middle managers in the different business divisions, pitching the case, building out the details of the sponsorship and how it would benefit each business division. He then worked his way up the hierarchy up to the level of the Board of Directors. In the case of the naming rights partnership, the key actor had to convince

only his direct manager and the Board of Directors. Details are provided to provide a better sense of each strategy used to gain support for the proposed sponsorships.

The study reveals that a number of key dimensions were critical in determining how stakeholders were approached inside the firm – the type of sponsorship and the structure, culture and politics of the organization all had a bearing on the strategy used.

The most critical dimension driving the strategy for gaining stakeholder support was the type of sponsorship itself. An Olympic sponsorship has a great deal of visibility for the firm - it is not just a marketing decision. An Olympic sponsorship is assessed in terms of its ability to contribute to the bottom line, but also, its alignment with the values and Social Responsibility strategy of the firm. Additionally, prospective sponsors must compete in a bidding process in order to win the opportunity to sponsor the Olympics. Gaining agreement internally becomes critical for the process of securing the opportunity to sponsor the Olympics.

For the firm considering naming rights, the decision largely stays at a high level within the firm and the criteria are almost exclusively in regards to strategic bottom line contributions to be made as a result of the deal. The sponsorship is conceived as a strategic business decision, with decision authority residing exclusively in the executive suite and with the Board.

The cultures of these firms play an important role in terms of how “business is done” in these settings. At the large Telecomm firm, things move slowly, there is a history of public ownership and there is a tradition of delegating decision analysis downwards. This, coupled with the fragmentation into business units and politics regarding which of these divisions has power, informed the nuances of the bottom-up strategy taken.

At the Cellular Service Provider, the organization, its current form is relatively new, more agile and less burdened with a “way we do things around here.” There is more of a shared culture and concentration of power at the top of the organization. This informed the strategy focusing the sponsorship selling effort on the top of the hierarchy.

### Conclusion/Applications to Practice

Successful selling of sponsorships internally requires a clear understanding of the type of sponsorship one is crafting, and the creation of a strategy to approach sponsors that is informed by an understanding of the firm’s structure, politics and culture. By better understanding how successful sponsorships have been crafted within sponsoring organizations, we can increase the likelihood that these important revenue streams will continue to support sports and entertainment industries.