

# Generating Commercial Revenue

Being able to secure and generate funding and revenue through sources other than registration fees is critical to the health and long term survival of a club and remains one of the most challenging aspects for club administrators and volunteers.

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This guide provides some basic advice to support clubs to develop and improve their commercial sponsorship capabilities.

## Foundation

Before seeking to generate commercial revenue, it is important for clubs to ensure they first have in place a solid foundation, including a clear understanding of why they exist and what they want to achieve.

### Step 1: Purpose Statement

There is a basic and common reason for existence shared by all sporting clubs. Each club however, has its own distinct reason for being, and own specific goals for its version of success.

Having a clearly defined purpose enhances decision making and shapes your club's identity. It articulates why you matter to people and why you do what you do.

Your purpose statement should be simple, concise and clear and central to your strategic planning and decision-making.

The first step in developing your commercial capabilities is ensuring you have in place a clear purpose statement; understanding this will form an important part of your value proposition.

### Step 2: Value Statement

Values are the core beliefs of your club. They encapsulate what is important to your club and guide the actions and behaviours of your members, all of which will form part of your value proposition.

Being a value-based club is important. It builds and defines a culture that shines through to any potential partner considering a formal commercial partnership.

Before continuing, ensure that your club has in place a value statement that captures what is most important to your club.

### Step 3: Aligned Commercial and Strategic Objectives

Having in place effective structures, systems and behaviours that support good leadership and decision-making are critical to generating commercial revenue.

Clubs lacking a defined approach towards their commercial sustainability are unable to deliver consistent value propositions.

It is important therefore that you include as part of your strategic planning, clear commercial objectives and initiatives.

See the **Strategic Planning Fact Sheet** for further information on developing and aligning your commercial objectives to your strategic plan.



**Checklist:**

1. *Do we have a clearly defined purpose articulated in our strategic plan, and do we reflect upon it when making strategic decisions?*
2. *Do we have clearly outlined values and refer to them when making important decisions?*
3. *Do we have a clearly defined commercial objectives and initiatives in our strategic plan?*

**Value Proposition**

Your value proposition is what you can offer to a potential commercial partner that is unique to your club.

Your value proposition is a mixture of your sport's profile and perceptions both within and outside of your community. This culminates as your unique value proposition and tells a story about who you are, what you stand for and what your story is. This is what makes you, you.

Understanding your value proposition will change the language around seeking commercial partnerships. When you realise your true value the balance changes, you can then seek meaningful, sustainable partnerships.

**Checklist:**

1. *Do we understand and communicate our value proposition effectively when speaking with potential partners or exploring commercial opportunities?*
2. *When talking about our club, can we clearly articulate our story, who we are and what we stand for?*

**Evaluate before you innovate**

The sporting landscape is rapidly evolving and clubs must constantly evaluate their position within the market to ensure they too continue to innovate and evolve and remain sustainable.

Understanding and sourcing new commercial opportunities within the market can be shaped by four key questions:

- Why have we been successful/unsuccessful in our previous approaches?
- How can we improve on what we are already doing?
- Where are we looking to focus our effort, time and resources?
- Who are we looking to target?

Clubs that constantly evaluate these questions place themselves in the best position to be innovative and progressive and break away from the status-quo or improve upon their existing commercial capabilities.



# Sponsorship: Securing and Retaining Commercial Partners

## Step 1: Identifying potential partners

With your foundation in mind, start identifying companies to approach as potential partners. Ensure you understand the positive elements of your value proposition which will provide benefit to their brand.

## Step 2: Targeting potential partners

Once potential partners have been identified, invest time into researching and understanding their business goals, objectives and values. This information is usually available publicly, and should form their organisation's foundation.

## Step 3: Engaging the right person

Once you understand the business as well as possible from the outside, it's vital to find the right person within the business to engage with.

When engaging with the right people, use their 'language'. Focus on what kind of key words do they use, what are their goals, what is their mission?

The best place to access this information is in the organisation's values or in their latest branding/advertising material.

This process demonstrates to a potential partner that you take them seriously, that you are professional, and that you have a strong understanding about what they are all about.

## Step 4: Tailor your proposal

Develop a proposal that clearly outlines a value exchange between your club and the potential partner.

It is important that your proposal does not focus solely on the value to your club. Instead, consider leading with the value that a partnership with your club can provide to them. Consider what might be some of the challenges they are currently facing and the solutions you can provide or the ways in which you can help them achieve their goals.

## Step 5: Servicing

To get the most value from a partnership, invest in building a strong relationship with your sponsor. Invite the sponsor into your club community and make them feel part of the family. Educate everyone in your club on the partnership, recognising their support and creating advocates for the sponsor.

### Checklist:

1. *Do we target partners based on alignment to our value proposition?*
2. *Have we researched the business goals, objectives and values of the potential partner?*
3. *Have we thought about the many different ways our club can help them achieve their business goals?*
4. *Have we identified the right person within the business to speak to?*
5. *Do we use their language when engaging with them?*
6. *Can we tailor a proposal to meet their business goals and present this to the right person within the organisation?*

