Corporate Sponsorship:  
The New Direction in Fundraising

By Leonard Kniffel

LIKE ALA'S NEW FUND FOR AMERICA'S LIBRARIES, NONPROFITS OF EVERY VARIETY ARE LEARNING NEW WAYS TO FORAGE FOR MARKETING DOLLARS

"Sponsorship is not a new thing," says Christopher T. Dunworth, president and CEO of the New World Symphony in Miami Beach. "Partnerships with corporations go back 50 to 100 years with some symphonies."

For libraries, they go back most notably to the 35-year period beginning in 1889 when 1,679 public library buildings were constructed through the philanthropy of industrialist Andrew Carnegie.

American Libraries recently talked about fundraising to Dunworth and other development experts representing a variety of nonprofit organizations, including libraries, across the country. They all agreed that philanthropy has entered a new era in which "sponsorship" and "cause-related marketing" are the new names for an old game. The central fact that successful nonprofit organizations have to recognize is, as Dunworth put it, "Philanthropic pockets are not as deep as marketing pockets."

Nonprofit/corporate partnerships 1990s-style are still defining themselves, and the entry of ALA into the main arena prompted some members of the Association to question the ethos of sponsorship (AL, July/Aug., p. 657). When Ameritech Library Services sponsored the ALA Annual Conference opening session this year after contributing an undisclosed six-figure sum to the Fund for America's Libraries (see sidebar), the program became the Ameritech Opening General Session and Ameritech CEO Richard Notebaert got five minutes at the podium.

Libraries need private funding

Some members of ALA Council objected to what they saw as the "secrecy" and "commercialism" of the Ameritech deal, despite the explanations of ALA Executive Director Elizabeth Martinez that the Association—and many libraries—have been involved in de facto sponsorship for years, but often on the short end of the stick.

Asked how she would advise skeptical librarians, Sherilyn Thomas, executive director of the Library Foundation of San Francisco, where she managed a $30-million cam-

Robert Prazmark is managing sponsorship sales, television production, and broadcast representation for the client behind him—the Smithsonian Institution, on the occasion of its 130th anniversary in 1996.
“Companies are going to be knocking at your door,” Thomas advises, “and you’re either going to be driven by the program or you’re going to drive the program, and libraries need to address that in a very concerted way in the next year.”

“There are lines we won’t cross,” Thomas says. “We won’t put banners in the children’s center endorsing a product, for instance. Sponsors don’t get everything they want, but you have to realize they are trying to market a product and you’re not going to get the money if you don’t give them some marketing benefit. Will we give out coupons in the children’s center or products at a special event? Yes we will.”

The dollar value of a reputation

“Libraries have to understand that their good name, their good reputation in the community, is worth money,” says Maria-Eugenia Cossio-Ameduri, who retired last month as executive director of the San Antonio Public Library Foundation. The foundation’s Enrichment Campaign contributed $10 million to the enhancement of the new Central Library (AL, July/Aug., p. 635) by capitalizing on that good name.

“Corporations approach libraries because it is going to be beneficial to them to be associated with a good cause,” says Cossio-Ameduri, “but it’s up to the library to make it a good cause.” Never, for any reason, should a library compromise its good name or its mission, she advices.

David Evanchic, manager of donor marketing for the American Red Cross, points out that endorsement works both ways. “A willingness on the part of the sponsor to enter into a visible relationship with the recipient” will not exist “if the sponsor doesn’t endorse the organization and its work,” he says. “There’s joint benefit and there’s joint agreement that the sponsorship is going to be a visible relationship. That also says that the recipient organization is comfortable with a visible public affiliation with the company or product that is sponsoring.”

Asked whether or not they would comply with a donor’s request that a contribution amount not be publicized, all the fundraising officers agreed with Evanchic’s assessment: “Whether or not the donor wants a gift publicly acknowledged is 100% the donor or sponsor’s decision.”

Robert Prazmark observed, “For a corporation, everything is confidential if it could give a marketing edge to the competition.” Prazmark is founder of 21 Marketing, an “event marketing and sponsorship company” whose clients include the Olympics, Delta Air Lines, and the World Wildlife Fund.

Nonprofit organizations should be scrupulously up-front about their audited financial statements, said Evanchich, and anyone who is curious should be able to check on specific donations. On the other hand, any effort by a sponsor to police expenses, would be, as Thomas observed, “totally inappropriate.”

Libraries, an emerging market

“I’m a big fan of intellectual sponsorship,” says Prazmark. “A lot of people think I’m out of my mind,
but when the Smithsonian project blooms in January, I'll get the ultimate satisfaction of saying 'I told you so.'

The Smithsonian Institution has embarked on a new era of sponsorship under the guidance of 21 Marketing, which is the exclusive agent for the Smithsonian's 150th anniversary in 1996. The efforts will go public beginning with the Rose Bowl Parade on New Year's Day.

On the issue of implied endorsement, Prazmark says "the public isn't fooled. They know that the sponsors allow the events to go on." Sponsorship, he says, "means that the corporate philosophy stands side by side with the organization."

**Philanthropy has entered a new era in which “sponsorship” and “cause-related marketing” are the new names for an old game.**

"I will do almost anything to expand the mission of the New World Symphony," says Dunworth, "but I will not compromise the mission or the presentation." Among the things he has done: formation of TOPS (The Orchestra PartnerShip), made up of 25 major symphony orchestras. To inspire unity, TOPS uses an innovative revenue-sharing structure that assures orchestras bringing sponsors into TOPS receive no less than 110% of what they were receiving from the sponsor before introducing it to TOPS.

Where to draw the line in negotiating a sponsorship is wide open for cultural organizations to decide. Prazmark recommends "big-time written guidelines," including a "sponsorship manual."

At the American Red Cross, written guidelines and contracts are used. These contracts contain parameters for the donor's use of the Red Cross logo and the right of approval for related messages and promotional material issued by a corporate sponsor.

Evancich, who was in the midst of launching a $40-million hurricane relief campaign when he took time to talk to American Libraries, said that sponsors want to have a role in the organization they support. This "is the future of fundraising and the way charities are going to evolve."

The most important thing is never to kill the goose that lays the golden egg: "The reason you have attracted a sponsor is because you have a reputation or position in the community and you cannot compromise that," says Dunworth. "You have to protect your franchise!"

"You have the control and you..."
should keep it,” warns Cossio-Ameduri. “It’s a business contract, but you should never give up your mission.”

Bankable strengths

American Libraries asked the nonlibrary fundraising experts to speculate on the bankable strengths of the Fund for America’s Libraries and on the “cause” of libraries in general. invariably they cited the traditional library role, suggesting that it is time for libraries to cash in on goodwill investments they have been making for decades.

Evanich replied, “You will find your strengths in the area of education, child development,” and the public’s perception that “the library is a cornerstone of the community.”

“The very fact that America has to learn to read is a great thing for libraries to take on,” said Dunworth, suggesting that libraries link together for a national profile. “It’s not dissimi-
lar to each of us sitting at our own PCs and linking up to the World Wide Web to accomplish larger goals.”

“Look at the ‘It’s cool to be smart’ theme at Microsoft,” observed Prazmark. “This is a brand new marketplace emerging.” He also suggested that the Fund for America’s Libraries’ fundraising power is “in the sum of its parts”—namely, the 116,000 libraries in the U.S.

**ASSISTANCE AVAILABLE**

THE FUND FOR AMERICA’S Libraries provides information and technical assistance on all facets of library fundraising.

The goals of the fund are to: obtain financial and material resources to support the mission of the American Library Association; be a catalyst for change within the library world, providing ideas and funding for pilot projects that put libraries at the forefront of information service; develop, fund, and implement cooperatively with the ALA Executive Board a prioritized list of projects that promote and improve library and information services; promote excellence for libraries and librarianship through scholarships, grants, and fellowships; and support ALA Goal 2000, a five-year plan to position the Association for the information age.

If your library needs technical assistance in the area of sponsorships, or if you would like to join the Sponsorship Consortium of public libraries for the exchange of information and participation in national opportunities, contact Patricia Martin, vice-president for development and sponsorship, at the Fund for America’s Libraries, c/o the American Library Association, 800-545-2433, ext 3045.