



# SPONSORSHIP POLICY

Effective 22 June 2011

## Policy Purpose

- State the organisations objectives for entering into sponsorship agreements,
- Set the rules for entering into sponsorship agreements,
- Ensure a uniform approach is taken to sponsorship throughout the organisation,
- State the level of accountability and responsibility required.

## Scope

- The Sponsorship Policy applies to the entire company, including Marketing, Sales, Finance, Product Supply Departments.
- The Sponsorship Policy covers all activities described as sponsorship in the definition below, regardless of whether the sponsorship is product, cash or the organisation is the sponsor or sponsee (recipient).

## Sponsorship Definition

- Sponsorship is generally recognised as the purchase of the (usually) intangible exploitable potential rights and benefits associated with an event, entrant, or organisation, which results in tangible benefits (increased awareness of brand, communication of key messages, or sales) for the sponsor, which exceeds the purchase price.
- Sponsorship does not include the following:
  - **donations** which are defined as free money or product with no benefits required, or
  - **grants** which are defined as a sum of money provided or received by the organisation to an organisation for a specific purpose.

## Sponsorship Objectives

- Assist in delivering the organisations strategies by:
  - Increasing awareness of brands or products
  - Providing a financial return on investment to the organisation through incremental sales growth
- Developing relationships with the community and community groups,
- Communicating key messages and/or facilitating change in community attitudes towards the organisation or its brands

## Limitations

- Sponsorships, which could involve the organisation in controversial issues or expose the organisation to adverse criticism, must be avoided. The following sponsorships are regarded as being inappropriate:
  - Political or religious organisations;
  - Programs that denigrate, exclude, or offend minority community groups;
  - Programs that may present a hazard to the community;
  - Programs that create environmental hazards;
  - Programs that do not reflect community standards

## **Criteria & Evaluation**

- Geography
  - Sponsorship programs undertaken must operate with Australia or New Zealand. National, regional and localised programs will be evaluated based on individual merit.
- Brand alignment & Target Audience
  - Sponsorship opportunities must align well with the positioning and target audience of the organisation and/or its brands.
- Campaign able
  - Preference will be given to programs that offer ongoing / repeating benefit rather than one off events.
- Exclusivity
  - Sponsorship programs that also involve competitive brands / organisations will not be considered. Mandatory category exclusivity is required.
- Marketing
  - Preference will be given to programs that are supported by sufficient marketing support from the recipient organisation. This is due to the work required to ensure delivery against Armored AutoGroup objectives.
- Staff
  - Sponsorship of staff is permitted provided the proposal meets all other criteria.
- Measurement
  - A mandatory requirement for all programs. Preference will be given to organisations that can measure or assist Armored AutoGroup to measure the effectiveness of the program, via market research or sales.
- Return on Investment
  - All programs will be measured against pre-set benchmarks for ROI, and compared across other investment options available to Armored AutoGroup at the time.

## **Management Process**

- Sponsorships are to be funded and managed by the relevant business group as a component of the group's business plan.
- All sponsorship properties must be able to achieve quantifiable marketing and/or communications objectives as demonstrated by a detailed sponsorship plan, which states the real cost of the sponsorship program to the organisation
- As most sponsorship programs require extensive project management to enable the benefits to be delivered, the anticipated staff costs must be detailed.
- The plan must detail who will be accountable for the overall success of the sponsorship program.
- All sponsorships must be post evaluated against planned marketing and communication objectives (a minimum of once per year).
- Goods and/or services in lieu of cash, given must be valued at cost price. The resulting benefits received from a sponsorship program must reflect the retail value of the products and services given.

## **Reporting**

- All sponsorship proposals / activity is to be reported to the General Manager prior to sourcing potential sponsorships and on entering a sponsorship agreement:
  - To avoid situations of conflict
  - To allow registering and tracking of all sponsorship activity