

# Corporate Partnerships Matrix

## WHY IS DEMAND FOR SPONSORSHIP INCREASING?

Not-for-Profit (including For-Purpose and charitable) entities who are funded under fixed-value contracts, or who rely on public donations and grants for funding, often bear the full impact of rising costs when inflation and wage increases are seen in the market. This is because it's difficult to obtain increased funding from historical sources or to find new funders who themselves may be facing cost barriers. The Not-for-Profit entities are also generally unable to increase prices for goods and services to offset the increase in costs, but still need to pay the costs to ensure the operation continues to function.

To remove some of the pressure of rising costs, many Not-for-Profit organisations are turning to sponsorship from the corporate (for-profit) sector to fund projects or general costs that need to be covered to ensure the organisation continues to provide the best output for those in their communities.

On the corporate side, many are looking at the best way to give back to their communities, enhance staff wellbeing, and demonstrate the "S" in the environmental, social, and governance (ESG) space.

In theory (and in practice), sponsorship has been shown to be a good way for both Not-for-Profit organisations and corporate organisations to come together as partners with a mutual purpose that assists both parties to meet their goals.

## SPONSORSHIP CONSIDERATIONS

Care must be taken to ensure that between the parties there is an alignment of purpose, goals, and strategy for both entities so that all parties obtain a benefit from undertaking the sponsorship.

Issues or tensions can appear particularly where the transaction has the perception of being one-sided with very little mutual alignment between the partners. Undertaking a review of existing partnerships or considering some key questions when looking at new sponsorship opportunities can assist in finding the partnership that aligns most closely with organisational values and purpose.

In recent times there has also been more of a demand from investors, funders, and employees, among others, that any decision to partner is carefully considered by both corporate and Not-for-Profit entities to ensure any partnership enhances current practice rather than detracting from organisational goals or using excess resources.

## CORPORATE PARTNERSHIPS MATRIX

Based on the increasing need and want for sponsorship opportunities, we have created the Corporate Partnerships Matrix with a set of initial criteria to use to ensure sponsorship is carefully considered so that it works best for all parties involved. This can be used by both corporate and Not-for-Profit entities as both need to ask similar questions when determining if a sponsorship opportunity is right for them.

The matrix can be used to assess one opportunity or to compare multiple opportunities to determine whether the sponsorship is going to be considered further.

The following terms are used in the Corporate Partnerships Matrix:

|                                 |  |
|---------------------------------|--|
| <b>Partner / Partnership(s)</b> | The two entities being assessed by the matrix. These could be Not-for-Profit (incl For-Purpose and charitable) entities or corporate entities.                               |
| <b>Sponsorship</b>              | The resources or services being agreed and shared between the partners - this could be sponsorship / fundraising / grants / donations / pro bono work / volunteer hours etc. |

The Partner(ship) that receives the highest ranking at the end of the matrix is anticipated to be the best fit across all the criteria / considerations when assessing sponsorship opportunities. This can also be used as a guide for businesses/for-profit entities when making ethical sponsorship decisions.

# Corporate Partnerships Matrix

Note: Highest score determines best partnership

The below are generic questions that can be considered when reviewing sponsorship opportunities.

Not all of the criteria/considerations may be applicable or relevant for your organisation. When considering the highest score, consideration should be made as to whether the overall internal threshold set by the entity has been met.

If you are using the matrix to compare only one sponsorship opportunity then you may wish to set a limit on the lowest average score that would be accepted before the partnership is considered i.e. an average of less than 3 may not be considered a good partnership opportunity for the entity.

SCORE OUT OF 5 (WITH 5 STRONGLY ALIGNED AND 1 NOT ALIGNED)

## CRITERIA CONSIDERATIONS

### PURPOSE AND VALUE

Does the purpose and output of the sponsorship align strongly with our values? Consider whether the values of the partners complement each other and whether it is something that will connect the entities.

SCORE: STRONG CONNECTION 5; NO CONNECTION 1.

### REPUTATIONAL RISK

Does this sponsorship positively promote our brand? To consider: Are there any negative headlines or easily searchable situations that reflect badly on the partner e.g. employment disputes or environmental breaches?

SCORE: NO NEGATIVE HEADLINES 5; RECENT NEGATIVE HEADLINES 1.

### FINANCIAL VIABILITY

Is the sponsorship with a well established partner who would be financially sound with good policies, management, and services in place? To consider: If this is a new startup partner, is the risk higher for the sponsorship if it is found that there is inadequate management or poor service or practices in place? What comfort can be found to remove this risk?

SCORE: STRONG FINANCIAL VIABILITY AND PRACTICES IN PLACE BASED ON AVAILABLE PUBLIC OR PRIVATE INFORMATION 5; FINANCIAL VIABILITY AND PROCESS APPEAR WEAK OR CANNOT SEE ANY PRIVATE OR PUBLIC INFORMATION ON THE ENTITY 1.

### STRATEGIC ALIGNMENT

Does this sponsorship create new opportunities that work towards our strategic goals?

SCORE: STRONG ALIGNMENT 5; NO CLEAR ALIGNMENT 1.

### COMPETING INTERESTS

Does the partner already have sponsorship elsewhere and do any of these other sponsors cause a conflict or competition within the sector for us? E.g, competition between corporate entities already active in the sector (are they partnering for the right reason)? Or Not-for-Profits receiving funding from corporates and asking for more funding from a different entity who is in competition with the current partner.

SCORE: NO COMPETING INTERESTS OR CONFLICT IDENTIFIED 5; SPONSORSHIP WOULD CAUSE COMPETITION / CONFLICT WITHIN SECTOR OR EXISTING SPONSORSHIP 1.

| PARTNERSHIP A TOTAL   | PARTNERSHIP B TOTAL   | PARTNERSHIP C TOTAL   | PARTNERSHIP D TOTAL   |
|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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