

The Give and Take – What are Sponsors Looking For

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1. Background on Newcourt Credit Group
2. Case study of Renoir's Portrait's with the National Gallery of Canada
3. Impact & Lessons learned

Background on Newcourt

- History
 - Spin off from Confederation Life in 1993
 - IPO in February 1994 raised \$70 million
- Size
 - Market capitalization of C\$1 billion in fall of 1996
 - By 1998 it had a market cap of C\$10 billion
 - Second largest commercial finance company in the world next to GE Capital
- Market focus – limited consumer touch
 - Non-bank lending – lend money but don't take deposits
 - Focus on commercial and corporate markets
 - Commercial finance
 - vendor financing – mainly commercial (Dell, Lucent Technologies)
 - limited consumer vendor finance (Yamaha Motors)
 - Corporate finance
 - project finance, aircraft finance, public/private partnerships (Hwy 407/Hwy 104 in NS) and advisory services
 - July 1996 appointed as financial advisors to Canada's DND for acquisition of new Search and Rescue helicopters - \$600 million acquisition using off-balance sheet financing
- Ottawa focus
 - Financial services is highly regulated (OSFI/CDIC/Bank of Canada)
 - Parliamentary focus on financial services industry
 - H of C Finance Committee & Senate Banking Committee
 - access to capital for SME's
 - Bank Act revisions
 - Bank mergers
 - **Unlike the US – Non-bank lending was an enigma to Ottawa policy makers**

Case Study: Renoir's Portrait's - Impressions of an Age

- Prior to Renoir NCT had done some limited event sponsorship
 - World cup free-style skiing in Mont Trambant
 - Primary focus was client entertainment

- **Newcourt did not have a direct consumer audience**
 - **Did not raise deposits**
 - **Did not provide direct consumer finance**
- Negotiated in the summer of 1996 through Arts & Communications Counsellors
 - ACC's mandate was to search for sponsorship opportunities that met 2 criteria
 - Appeal to Newcourt's financial and business audiences
 - Geographic focus on Toronto, Chicago, Indianapolis (anyone here from Ind)
 - Ottawa was not on the list
- Sponsorship agreement announced in October, 1996
- **The show did not start running until late June to September of the following year**
 - **Got in early to align our corporate marketing objectives with the Gallery's event marketing objectives**
- Newcourt's Objectives
 1. Raise our profile and establish our credentials with Ottawa's policy elites
 2. Raise our profile and establish our credentials with the Canadian business and financial community
 3. Provide exclusive access to a first class "hot-ticket" event at which we could host our most important clients in style
- How was the deal structured
 - Exclusive corporate sponsor
 - Newcourt logo on all promotional material
 - Identified in all news releases
 - Signage at the entrance to the exhibit
 - Opening gala dinner
 - Negotiated the invitation list with NGC
 - One additional sponsored evening
 - Participation with the NGC on other profile events
- What did it cost?
 - Started at \$250,000
 - Paid \$275,000
 - \$75,000 of which was incremental advertising
 - Why did we do this?
 - NGC's advertising focus was on a different audience – people who would attend the exhibit – mainly tourists and local residents
 - Their advertising plan focussed on Ottawa/Hull, some parts of North East US
 - Newcourt's focus was on Canada's corporate finance and senior business community
 - Our advertising buy was directed to Globe & Mail, Financial Post & En Route Magazine

Impact & Lessons Learned

Benefits for the National Gallery

- First major sponsorship by the National Gallery
- Largest corporate contribution at the time
- Established an exhibition attendance record of 340,000 visitors which still stands to this day
- Largest amount of press coverage since the building opened
- Membership increased from 5,000 before the event to 14,000 after
- Research Resolution Study
 - \$33 million direct economic benefit to Ottawa/Hull
 - another \$66 million in indirect impact on the region
- Marketing Director – Ursula Thibideau – recognized by Ottawa Carlton Tourism Board as Tourism Person of the Year in 1997
- Greatest legacy was that it embedded a marketing discipline within the corporate culture of the National Gallery

Benefits for Newcourt

- Clients still talk about the event
- Supported Newcourt's subsequent growth and acquisitions
- Meeting next day with Governor Thiessen

Lessons Learned

- 1. Actively solicit the right partner**
 - **direct or indirect**
 - **don't be limited by geography**
 - **NCT subsequently sponsored**
 - **ROM events (V&A Exhibition/Egypt Exhibit)**
 - **Strafford in New York**
- 2. Get in bed early**
 - **time to plan together – identify common interests and conflicts early**
 - **things are going to screw up**
 - **build a relationship that allow you to work through the rough spots (brochure printing)**
- 3. Understand and respect the objectives of your partner**
 - **This is not philanthropy**
 - **The art is important but we are not going to love it the way you do**
- 4. Let the marketing people collaborate and open your mind to the possibilities (Chicago Art Institute)**
- 5. Decide where promotion stops and art begins**