

Module 3. Corporate Partnerships and Data



☰ Commercial Strategy Solutions

☰ Sponsorship Package Creation and Reporting

☰ Activities

Commercial Strategy Solutions

Partnership prospecting

When prospecting for partners, it's essential to understand both our product and the audience we're targeting. Every competition and team is unique. Knowing our value proposition and context allows us to identify the right target, leading to more efficient prospecting.

The first step is to define the ideal client profile. In the context of partnerships, these clients are companies interested in sponsorship or business deals with the sports entity. It's crucial for them to understand our added value.

Here's an example of a potential prospect profile:

- Ideal category
 - Focus on market categories that align with our entity and sport.

- Target categories not already covered or where contracts are nearing expiration.
- Conduct market benchmarks at this stage to understand how competitors or similar markets operate and build from there.
- Ideal companies
 - After defining the broad industries to target, focus on specific companies within those sectors.
 - Various tools can help generate a list of companies based on predefined parameters.
 - Key company data to consider includes:
 - target markets;
 - revenue levels;
 - marketing or sponsorship budgets;
 - company size;
 - and other relevant details.
- Research the internal structure
 - Once we've identified companies to approach, the next step is understanding which department to engage with for maximum impact.
 - It's essential to know who the key decision-makers are.

- Since company structures vary, thorough research is needed to identify the Gatekeepers. Gatekeepers are those individuals who control access and without whom we can't move forward with a proposal.
- Finding "champions"
 - "Champions" are company insiders who can act as advocates to help us reach the decision-makers.
 - These champions can be identified through:
 - shared connections;
 - *networking*;
 - *fans*;
 - existing contacts within the pipeline;
 - or individuals showing interest in working with the property.
 - and other relevant details.
- Business needs
 - The key to success is finding a win-win for both the company and the sports entity. The goal is to identify the client's needs and how the sports entity can help meet their goals.

- The focus should be on building long-term partnerships rather than pursuing one-off deals. Understanding a client's needs is essential to establishing long-term, sustainable business.
- Identifying the right fit
 - After completing the process, identify the companies that are genuinely aligned with our entity to ensure both sides benefit from the relationship.

When doing the partner prospecting, it's important to...

understand our product and who we target.

What tools can be useful at each stage?

Various tools can support each step of prospecting, depending on the sports entity's available budget.

- Ideal categories and companies
 - The first step is always understanding the sports entity's needs and identifying where the business opportunities lie. Once this is clear, we can take action.
 - External tools:

- There are many tools available to assist at this early stage, depending on budget and requirements. Some examples include:
 - General tools that provide company data by category and market, often segmented by investment or revenue levels.
 - Example: Crunchbase, PitchBook.
 - Industry-specific tools that provide insights on companies already involved in sports sponsorships.
 - Example: GlobalData, SponsorUnited.
 - Internal tools:
 - Conduct ad hoc research using various media to gather the information needed for the sports property and use a database to store it. After gathering data, create internal reports to analyze and understand the information.
- Researching internal structures
 - There are tools that have the potential to gather information about the structure of companies, platforms like AlphaSense, and even those mentioned in the previous point.
 - Internally, ad hoc research can extract relevant information directly from company sources.

- Finding "champions"
 - In the sports world, connections are key to expanding networks. Platforms like LinkedIn and their premium versions are highly valuable for obtaining client information and contacting them.
 - Creating a CRM to track all leads from companies and individuals we've identified and contacted is essential. This ensures the information is stored for future use and analysis.
- Business needs and identifying the fit
 - These last two stages are driven by direct interactions with potential clients and analyzing the feedback we receive. Based on client responses, we can prioritize the business's direction.

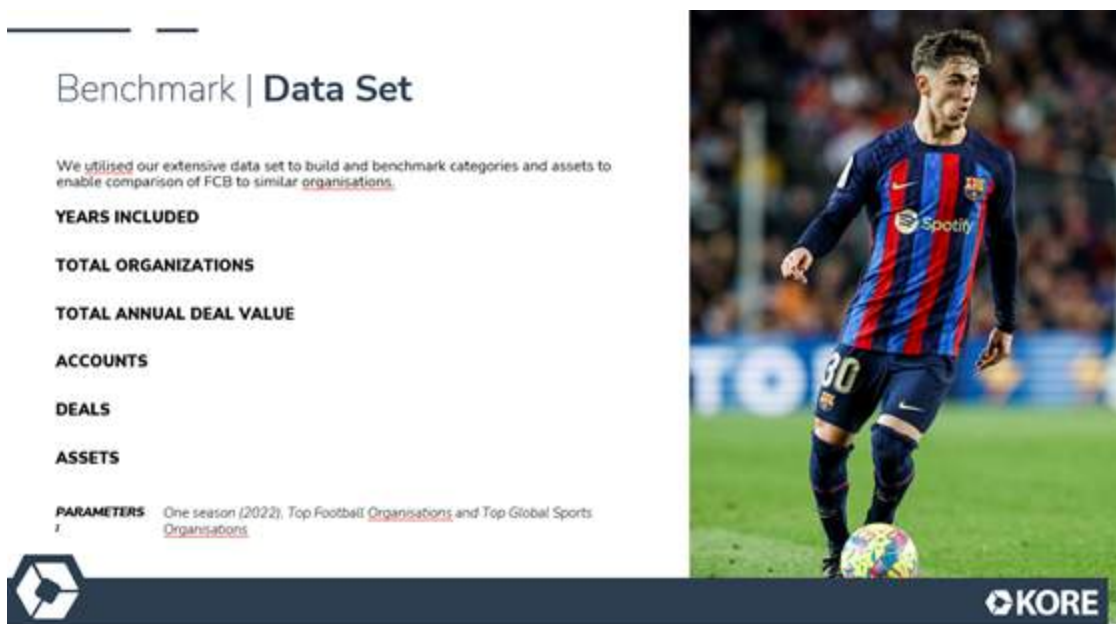
At the club, we use various platforms to gather the most effective data. We process this data internally, generating reports tailored to the needs of each department.

As mentioned in module 1, in data management, it's crucial to gather the right data for actionable insights without overloading on irrelevant information.

Examples of tools we use:

- KORE
 - Here's an example of an ad hoc study we conducted to assess market categories and ensure no existing agreements conflicted with the club's interests.

Figure 1: Benchmark Data Set

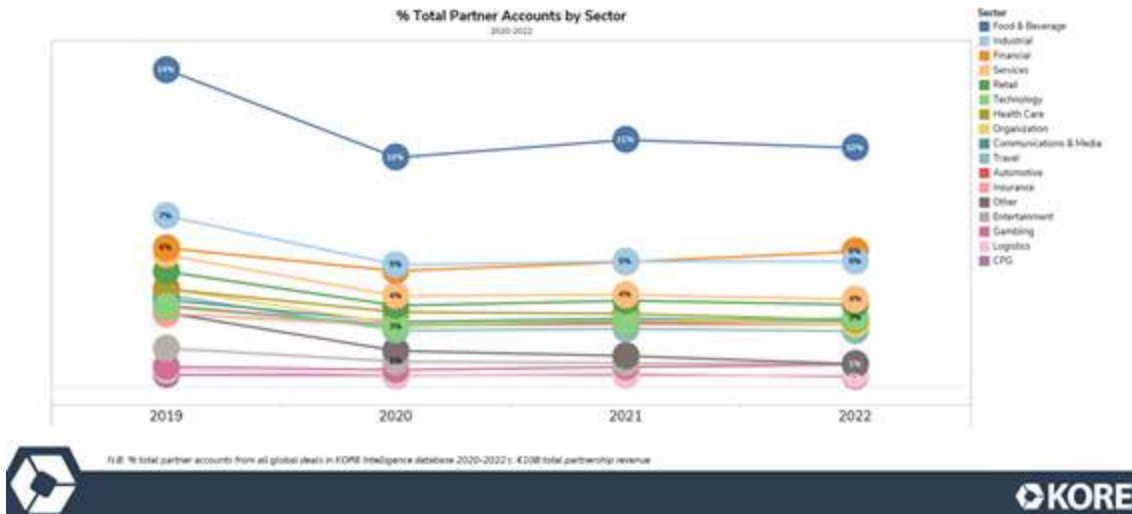


Source: compiled using KORE software.

We carried out an ad hoc study across several sports organizations to analyze the most utilized sponsorship assets and the value of their packages.

Figure 2: Chart

Overall, the distribution of partner sectors has not changed over the past 4 years. Only Finance has seen a meaningful increase with a broader range of financial brands continuing to invest in sponsorship.



Source: compiled using KORE software.

We also explored different business categories to understand their involvement in sponsorship. It's important to recognize which categories are more active and which are less so in the industry.

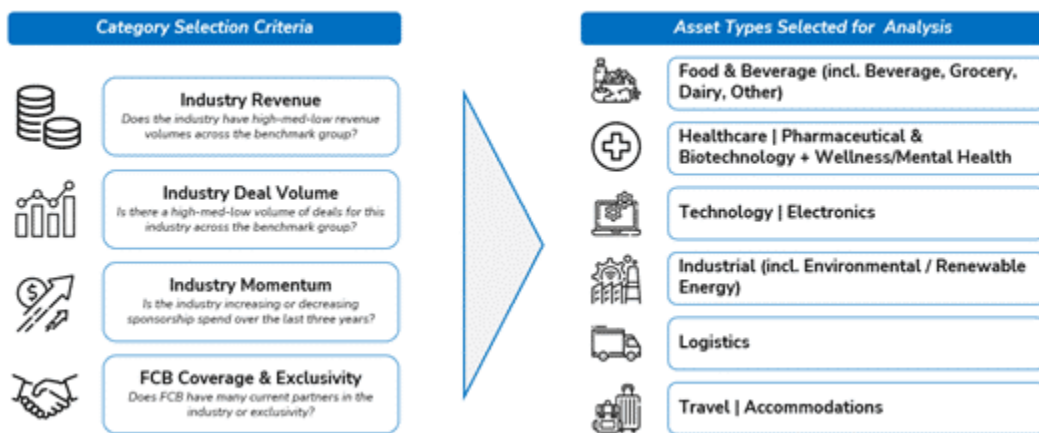
Figure 3: Industry Sector Benchmark



Source: compiled using KORE software.

Additionally, we conducted a benchmark of properties, categorizing them into similar groups and assessing which attracted more or fewer sponsors from various categories.

Figure 4: Property Benchmark



Source: compiled using KORE software.

After identifying potential categories for the sports property, we analyze each one based on various criteria. This allows us to provide the best possible report to the commercial team.

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Sponsorship Package Creation and Reporting

When designing sponsorship packages, it's vital to understand what the client expects from the partnership. A sports property has multiple assets available that it can use, but not all of them are of interest to the partners, and it is essential to understand what fits best with the business relationship, ensuring a positive return on investment for both parties.

What are the types of assets?

Assets refer to the products a sports entity offers, typically divided into two main categories:

- Tangible
 - Physical or digital assets that can be quantified and tracked in a traditional inventory.
 - Examples:
 - U-shaped TV perimeter boards around the football field.

- Team jerseys.
- Social media posts.
- Intangible
 - Non-physical elements that align with a brand's values.
 - Examples:
 - Associating the brand with the sports entity.
 - Using the sports entity's logo as part of co-branding efforts with sponsors.

Sports properties categorize their assets in different ways, but typically they fall into these categories:

- Brand assets
 - Using the brand's image, also known as IP Rights.
- Venue assets
 - Physical products available in the sports entity's facilities.
- Player-related assets
 - Products tied to the players' image and activities with the sports entity.

- Digital assets
 - Products offered on the entity's own media channels, like its website or social networks.
- Others
 - Each property may have its unique way of grouping other assets. For instance, our club has a special category for former legends, treating them as assets.

Keeping assets properly inventoried is key to ensuring they are offered accurately and tracked effectively. Using a CRM platform to organize and track assets is ideal.

At our club, we use a platform that records all our assets and assigns them to respective partners or prospects. In the visualization module, you will see how we display this information internally to the team.

Value Creation

One of the Business Intelligence Department's tasks is to manage the sports property's current sponsorship inventory and to continuously look for new assets that could generate revenue. It's essential to identify new opportunities that can translate into revenue growth for the entity. To do this, we need to conduct market benchmarks to

identify elements we can replicate. The focus should always be on the property's objectives and requirements, not just comparing with others in the same industry, to ensure relevance.

For example, the provided benchmark assesses the current position of the property in the market.

Figure 5: Asset Benchmark



This comparison is based on three key pillars:

- Assets
 - Average number of assets per agreement

- This comparison looks at the number of assets included in agreements in this category, allowing us to assess if we're offering the right amount in sponsorships.
- Average revenue
 - This evaluates the revenue generated by each asset. It helps us understand the value an asset brings to the property and assess whether it justifies its associated costs. This allows us to decide whether an asset should remain in the package based on its profitability or be removed if it adds unnecessary costs without contributing competitive value.
- Industries
 - This identifies which industries typically include or use this asset in their agreements. These insights help us develop more effective commercial strategies.
- Activations
 - It's also important to compare how the asset is activated across different sectors of the sports industry. Not all sports properties have the same execution capabilities, so it is always important to consider the implementation of the asset in the market to ensure that the benchmark has the clarity and depth necessary to make an informed decision. If the asset's complexity exceeds our company's capabilities or

resources, it stops being an opportunity, and we should focus on other assets.

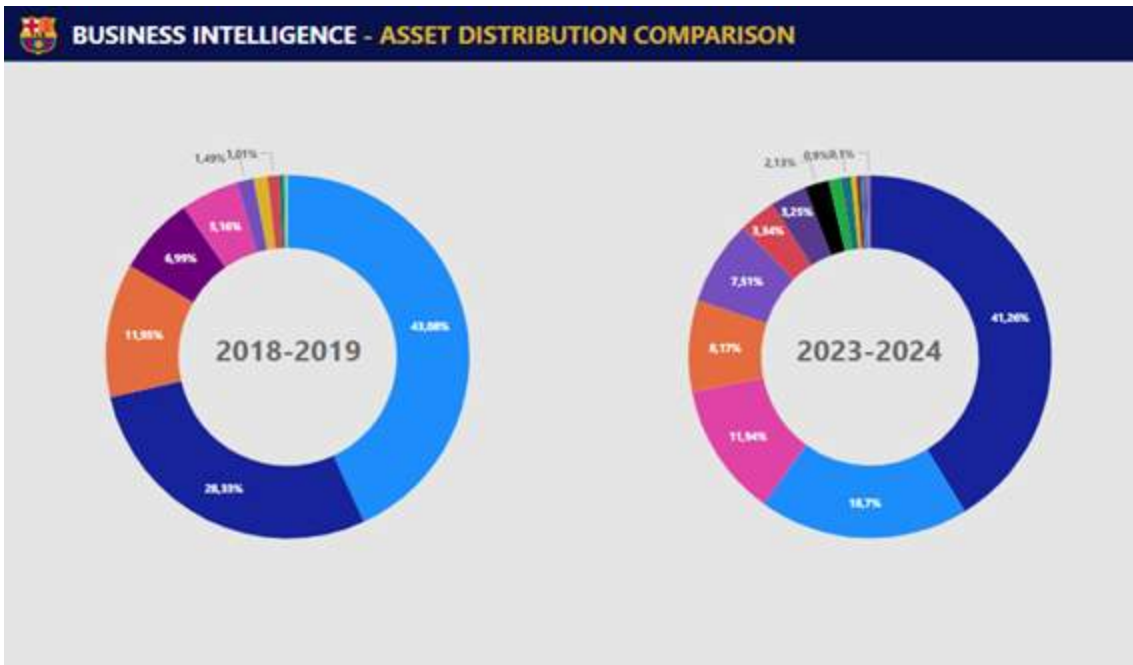
Big data in sponsorship assets

Historical data on sponsorship assets can show the business growth trajectory of a sports property. To track this, we need a CRM system that monitors both prospective clients and sponsorship agreements, along with their respective assets. This system allows us to track how the property's sponsorship sales develop over time.

Sponsorship assets have evolved, and we need to expand in line with market demands and trends. For example, before the internet, most sponsorship assets were limited to stadium advertisements aimed at event attendees. With advances in technology, digital sponsorship assets like social media have become essential. Similarly, the COVID-19 pandemic emphasized the importance of digital components in sponsorship packages due to restrictions on fan attendance. Understanding the industry context and evaluating our positioning is critical.

Below is an example of asset evaluation from a club.

Figure 6: Asset Distribution Comparison



Source: Original work

As shown in the chart, the asset distribution has shifted, with the different color-coded ring segments representing various changes. The blue segment, representing a specific category of the club's assets, has grown by about 13% over the past five years, indicating a change in the club's commercial strategy.

Setting clear partnership objectives is essential. Below is an example of a sponsorship objective planning from a sponsorship CRM provider:

Figure 7: Overview of Kore Planning and Insight Solutions

Defining partner objectives, how they align to the benefits you are offering, and setting goals against them are all vital to maintaining healthy partnerships. Only through this approach can you ensure that your organization becomes an important and trusted element of your partner's marketing mix.

KPI works with rights holders, brands and agencies to deliver a unique framework which helps define partner-specific objectives, align benefits to them, set goals and evaluate their performance.



Source: compiled using KORE software.

As shown, general objectives are defined first, followed by more specific ones. The key is to set measurable goals that can be regularly monitored to ensure expectations and returns are met. The more aligned the property's objectives are with the partner's, the more successful the partnership results will be.

Defining the sponsorship package

After completing the necessary analysis, we can design a sponsorship package tailored to the client's needs. This package is based on the inventory of assets we already have or have created specifically for the proposal.

Building a package isn't an exact science, but it's not overly complex either. The challenge lies in the initial research and inventory-building phase. Once this groundwork is completed, we can clearly communicate what we intend to offer in a written text.

Each asset should be detailed, along with its implementation plan. This requires researching each asset and determining whether it's feasible to implement, always complying with the regulations of each country and competition.

Having a standardized inventory stored in a CRM system reduces preparation time and minimizes the risk of mistakes. Cataloging all assets in the system ensures team members can track which assets are sold or in the process of being sold, avoiding duplication or incorrect sales. Our club uses a system that monitors all sponsorship assets, along with detailed information about each and their assigned partners.

Partner asset division by type (Global – Regional).

Different companies have varying objectives and investment levels, so before seeking partners, the sports entity should define a sponsorship model that groups potential clients within the same segment. This can be achieved in several ways. The most common method is to classify partners as "gold, silver, and bronze." At FC Barcelona, for example, partners are divided into Main Partners,

Global Partners, and Official Partners. These categories are used to group the partners. The work involves determining the criteria that define which segment a client belongs to. These criteria can vary and include:

- Investment level
 - This is the most common factor used to classify partners based on their financial commitment to the sports entity.

- Region
 - Partners can also be grouped based on the geographic location of their sponsorship agreement.

- Type of assets
 - Scarce assets—like a space on the team's jersey—may dictate a partner's classification, as these usually correlate with higher investment levels. The rarer the asset, the higher its value, making it a reason for grouping partners.

- Others
 - Every sports entity has its unique structure and business model. Therefore, it is important for each entity to choose a format that best fits their business needs. Not every organization has the same context or capabilities. The key is

to segment and group partners to deliver tailored value to each one.

Once this segmentation is understood, the next step is to define the types of assets each partner group will receive. This involves identifying cross-cutting assets available to all partners and those that are exclusive to specific groups. This clarity ensures that sponsorship packages are created efficiently, with a clear understanding of what to include or exclude in various proposals. This method enables automation and improves the value of sponsorship proposals.

Defining segments and partner categories is critical for the Business Intelligence Department, as it shapes future sponsorship revenue levels and the organization's business outlook. This process must be continually reassessed based on market outcomes and adapted if necessary.

Asset Management

This section of the module focuses on controlling and creating assets for sponsorship proposals managed by the Business Intelligence Department.

Effective asset management is crucial for smooth negotiations with potential sponsors, ensuring no conflicts arise from offering the same

asset to multiple sponsors.

Key factors to consider

A comprehensive understanding of all assets available for commercialization is essential, as well as being aware of any opportunities or limitations. The following are the key points to consider when identifying, controlling, and creating assets:

- **Club:** within this context, there are several elements to include in sponsorship proposals.
 - **Sports:** As FC Barcelona is a multi-sport club, it is essential to be aware of the different business units that can be offered. These units include professional sports like men's and women's football, as well as indoor sports (basketball, handball, futsal, rink hockey), and amateur sports.
 - **Hospitality & Ticketing:** these assets are managed by the club and allocated as part of sponsorship packages targeting different audience segments. These assets are especially attractive to companies wishing to entertain clients, suppliers, or employees, or to network with other companies.
 - **Events and experiences:** the club has a dedicated department for creating experiences that allow fans and companies to engage with the club. One example is the Star

Pass, where fans can watch the football players arrive at the stadium as they walk from the team bus to the locker room.

- **Digital:** access to all the club's digital platforms, including social media (e.g., Facebook and Instagram), the website, and newsletters managed via the club's CRM.
 - **Player access:** access to players is one of the most valuable assets, as it is extremely limited. Sponsors often use this access to create content, which is then featured in television ads or shared through both the club's and the sponsor's digital platforms.
 - **Other assets:** aside from the multi-sport nature of the club, there are further options to offer, like campaigns with the Barça Foundation, collaborations with BIHUB studies, or sponsorships of Barça Academies worldwide.
- **Competition:** as the club participates in various competitions throughout the year, it is vital to manage all related implications. The first step is to understand each competition's rules and regulations to identify opportunities and constraints. Below are some examples of current regulations that should be taken into account:
 - **UEFA Competitions:** these competitions have strict rules concerning the display of non-partner sponsors, which will be detailed in the following sections.

- **Stadium assets:** during matches played in the club's stadium, non-UEFA sponsor assets must be covered to avoid exposure, as only competition sponsors are allowed.
- **Apparel:** only two sponsor logos are permitted on match apparel—one on the front and one on the sleeve. To maintain visibility, sponsors must also appear in domestic competitions. Additionally, UEFA competitions allow displaying NGOs on the back of jerseys, while other advertising placements on apparel are prohibited. For the 23/24 season, FC Barcelona features Spotify on the front, Ambilight on the sleeve, and UNHCR on the back of the jersey. A good example of how clubs comply with these regulations is Atlético Madrid's 23/24 season, where they display Ria Money on the back of the jersey in domestic competitions and Save the Children in UEFA competitions.
- **Domestic competitions:** the club participates in three key domestic competitions: LaLiga, Copa del Rey, and the Spanish Super Cup.
 - **LaLiga:** sponsor assets are limited in this competition, and strict compliance is required to avoid financial penalties. One notable asset is the LIVE AD, which can display the club's slogan or stadium name outside the pitch at midfield. In the 22/23 season, the club sold stadium naming rights for the first time, so this asset was

implemented; in the 23/24 season, it will not be, as the club will play at the Estadi Olímpic. Here is an illustrative image.

Figure 8: LaLiga assets



Source: internal archive.

- **Copa del Rey:** during these matches, the central LED board displays the competition's main sponsor. Here is an illustrative image.

Figure 9: Copa del Rey assets



Source: internal archive.

Inventory control

Now that we've covered the factors to consider, we will focus on how to manage and track all available assets. Continuous monitoring of all assets—both sold and available—is crucial for understanding what can still be offered and what is currently being proposed to potential sponsors.

CRM platforms are used for managing these assets, enabling real-time tracking of all activities. These tools allow us to monitor and control:

- Current sponsor packages
 - Contractual assets
 - Financial terms of agreements

- Agreement duration and partner category
- Proposals offered to prospects
 - Proposed packages
 - Impact of each package on available assets
 - Progress of each offered proposal
 - Salesperson handling the conversation
- Contact networks
 - Storing a full network of contact information
- Dashboards:

CRM tools offer a variety of features, and each sports entity must adapt these tools to its specific needs. A key feature is the ability to generate quality dashboards that provide real-time insights into various teams' performance.

Below is an example of some dashboard groups created by our team.

Figure 10: Example of dashboard groups

Choose a Report to Start



Sales Activities

Commercial Pipeline

Contracted Details

Category Analysis

Executive Reporting

Inventory Analysis

Financial Details

Source: original work based on KORE software.

To create assets, it's essential to stay in constant contact with market opportunities. In the sports industry, it's necessary to keep an eye on competitors to see what they're doing differently and consider whether it can be adapted to the club's offerings. Additionally, understanding the current competition regulations is crucial, but it's also important to anticipate how changes may benefit or harm the club's commercial offering.

A clear example of this occurred in the last quarter of 2023. FC Barcelona was the first team to implement domination technology during a Spanish football match. Domination technology allows the creativity of the first and second LED to be combined while the match is in progress. This became possible for two reasons. First, Supponor, the club's LED virtualization provider, had the technology to offer this service; second, LaLiga made a regulatory change to allow this technology in matches for the season.

Figure 11: LaLiga match, FC Barcelona vs Real Madrid without domination technology



Source: internal archive.

Figure 12: LaLiga match, FC Barcelona vs Atlético de Madrid with domination technology



Source: internal archive.

Asset valuation

As discussed earlier, controlling the inventory of all club assets is crucial, but it's equally important to track the value of each asset, which is why a valuation methodology is necessary. FC Barcelona developed this methodology in collaboration with Nielsen, through its sports division, Nielsen Sports.

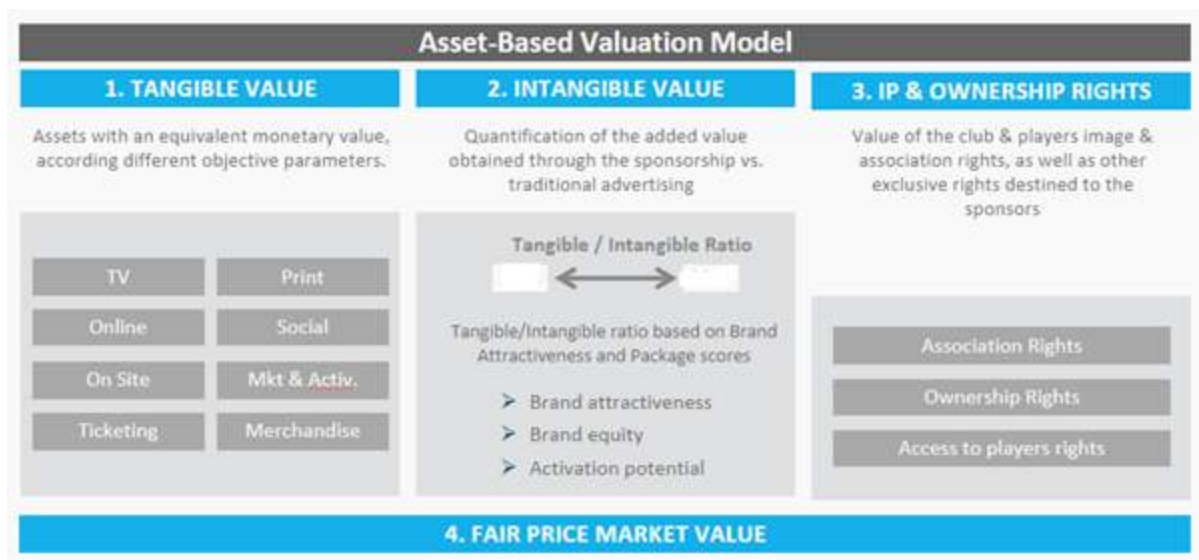
The methodology was designed by considering all the assets available at the time, which were then used to create a sponsorship package based on three key pillars:

- **Tangible value:** the direct value each asset in the sponsorship package generates.

- **Intangible value:** the added relative value of the assets, due to their association with FC Barcelona.
- **IP & ownership rights:** the value of associating with the club's various rights. This could include collective image rights of the first-team players.

These three elements help determine the value of the package offered to different brands.

Figure 13: Nielsen Sport Asset Valuation Model



Source: Original work

This valuation methodology also covers media assets, which are valued based on their media exposure. These assets deliver annual

returns, reported in the End of Season Report to all the club's sponsors. Nielsen Sports tracks their media exposure, and the club continuously receives performance updates for each asset.

Asset valuation follows a separate methodology that focuses on the brand's media presence and exposure. The four factors considered are:

- brand logo size;
- its location on the screen/news;
- the duration of exposure (in the case of TV);
- and the number of brand hits (from the brand itself or other brands).

Figure 14: Factors considered in asset valuation



Source: Original work

CONTINUE

Activities

What are the types of assets?

Tangible

Intangible

Liabilities

Mobile

SUBMIT

What are the three pillars of the club's methodology for controlling the inventory of all assets?

- Tangible value
- Intangible value
- IP & Ownership rights
- Commercial value

SUBMIT

CONTINUE