

Why You May Be Better Off Without a Sponsorship Broker

By Kim Skildum-Reid



Every week, my various inboxes overflow with questions from around the world, and the two things I'm asked most are whether I will sell sponsorship on their behalf (broker), and whether I can recommend a sponsorship broker.

For the record, the answers are: No, I'm not a sponsorship broker; and you might find someone on the sponsorship broker registry on my website.

As for wanting a sponsorship broker in the first place, I understand the appeal; I really do. They can be fantastic. But I want you to understand that brokers are not the solve-all-problems, automatic revenue panacea that many rightsholders think they are.

Here are some of the big reasons you might be better off without a broker.

Good Brokers Are Hard to Come By

There aren't that many really good sponsorship brokers out there, and those good ones are in hot demand. Because of that demand, they are able to cherry-pick the biggest, most established, easiest-to-sell properties for their portfolios.

If your property fits that bill, a broker could be a good option. If not, you're very unlikely to get a good broker. That doesn't mean your property doesn't have commercial value. It simply means you're going to be on your own to sell it.

And There are Plenty of Bad Ones

If your property doesn't fit what good brokers are looking for, don't worry, there are plenty of bad brokers out there who will gladly scam you!

Seriously, most brokers are decent, ethical people, but there are also some crooks who employ very unscrupulous tricks to con smaller, less established, and/or naïve rightsholders. It's enough of a problem that I wrote a blog about it: [How to Spot a Sponsorship Broker Scam \(and One Broker You Should Avoid\)](#). You should definitely read that blog before committing to any broker, if only so you can know the red flags, if you see them.

You Could be Wasting the End of Your Sales Window

The plain truth is that most rightsholders that want a sponsorship broker aren't successful in securing one. Worse, they often burn a lot of lead time trying to secure a broker, leaving not enough time to sell it themselves.

If you're six months out from launch, you're quickly getting toward the end of the sales window. Yet, this is right around the timeframe many organisations hit the panic button, realising that they're way behind on sponsorship, and they don't have the time or impetus to do it themselves. They then burn 2-3 months trying to find a broker, getting knocked back repeatedly, at least in part because of the lack of lead time. By the time the rightsholder realises it's not going to happen, the sales window has closed.

Your Property is Your #1 Priority

While you can – and should – contract a broker for a dedicated number of hours per month, the truth is that most good brokers will be in the market with several or more properties simultaneously. They can work their guts out for you over those dedicated hours, but you have the ability to dedicate more hours, and more flexible hours, than a broker does. You can also be more responsive to potential sponsors, if a question or tricky situation comes up, as there isn't that extra layer of communication.

So, while a broker may have more expertise and/or more existing sponsor contacts, you care more. You have more skin in the game. It's your property that sinks or swims. And this can counterbalance a lot of what a broker brings to the effort.

You Know the Fans

Sponsors don't want to connect with your organisation or property. They want to connect with the fans, and you know those fans better than anyone.

You know why they care, what has meaning, how they engage (in person, remotely), who they influence, and so much more that is important to a sponsor. That kind of information tells the sponsors whether these are their people, and critically, how to align and add value to the fan experience.

A good broker will take all of that on board, and use it in their offers, but they won't be able to readily provide the kind of granular information about your segments, their passions, and their priorities, that you can.

Brokers Take a Substantial Cut

While the exact percentages, retainers, and terms vary a lot from one broker to another, and one contract to another, you're still committing a substantial portion of revenue to an outside seller. They *need* a substantial portion of a substantial amount of revenue raised, or it's just not worth their while.

If your property is newer, smaller, or less established, and a broker does consider taking you on as a client, their retainer and cut will likely be even higher.

Direct Communication Between You and the Potential Sponsor is a Big Plus

Sponsors want to know who they'll be working with. They want to know that everything negotiated is understood by both parties. They want to be able to ask questions and get accurate and timely answers. This is all easier with no third party in the middle.

It needs saying that a good broker will never deliberately sell something you don't have or don't understand, and that they'd never mislead a sponsor, but details can still be lost in translation. And good brokers will definitely want you involved in final negotiations, because sponsors know that's smart. They don't want to end up with a signed contract, then find out in the first meeting that there are requirements or terms that aren't understood.

There's No Guarantee They'll Be Successful

There's no guarantee that *any* sponsorship sales effort – by a broker or your team – will be successful. There are lots of things you can do, and a broker can do, to shorten those odds, but there is never a guarantee.

If your team is doing the selling, you'll know every single day how the effort is progressing. Good brokers will absolutely keep you apprised with periodic reports and meetings, but you won't get that information in real time, and it's unlikely to include the kind of gut-level feeling you get when your offers just aren't working, and need to be reinvented.

Plus, if a broker isn't successful, you'll still have paid the retainer, which can be a significant chunk of money to often cash-strapped rightsholders.

And a Word on Sponsor Matching Services

This side note is about online sponsorship matching services. Most of these services suck. They take a fee from you and promise you're going to get your offer in front of lots of sponsors, who will come to the site to browse opportunities. Except sponsors really don't do that. They're

already snowed under with proposals.

There are a couple of these services that have been around for a while, but I've had several dozen software companies – who know zero about sponsorship – come to me, wanting to demonstrate their ground-breaking new approach to sponsor matching. Newsflash, it's never ground-breaking, and virtually all of them have shut down within a few months.

That's my take, but you need to make your own decisions. Definitely do a deep dive with customers and reviews, ask around on social, and if you think it's a worthwhile investment – it's not usually a huge amount of money – go ahead and do it.

What you *shouldn't* do is think this is some kind of broker-esque, revenue-generator that will have enquiries and money flowing to you from the moment you sign up. If you get any return at all, it's likely going to require some patience.

The Upshot

I'm not for a second saying that a good broker isn't worth having on your team, and there are some great ones around. What I'm saying is that you may not be able to secure a broker, and that it's not the end of the world. And if you're on the fence about it, you need to know that there are some upsides to keeping this process in-house.

If your primary concern is that you lack sponsorship skills, here are some resources that will help:

- Getting to "Yes" – This is my comprehensive, online course for rightsholders. It's packed with advice, angles, ideas, and super-practical how-to.
- The [Sponsorship Seeker's Toolkit 4th Edition](#) – The whole process, step-by-step, supported with tools and templates.

Kim Skildum-Reid is one of the sponsorship industry's most influential thought leaders. She has a blue-chip list of consulting and training clients spanning six continents, is author of global industry bestsellers, *The Sponsorship Seeker's Toolkit* and *The Corporate Sponsorship Toolkit*, and commentates to major business media around the world. She is the brains behind industry hub, [PowerSponsorship.com](#), and offers sponsorship consulting, training, speaking, and coaching. Kim can be reached at: Email: admin@powersponsorship.com | Phone AU: +61 2 9559 6444 | Phone US: +1 612 326 5265 or for more information, go to: powersponsorship.com/.