

Strategic Affinity Partnerships

Paper prepared by Simon Lee, BMC Commercial Partnerships Manager for discussion at BMC Area Meetings

Background

A new role of BMC Commercial Partnerships Manager was advertised in November 2016 and I started in this role in January 2017. The job description is very wide ranging with the overall purpose described as: “To promote and develop the BMC’s commercial potential, including new income streams, commercial sponsorship to support BMC activities and affinity schemes for BMC members”.

The principle driver behind the appointment was the anticipation of a substantial cut in our funding from Sport England which has in recent years comprised about 20% of our revenue. This cut has now materialised and will take effect from April 2017 and is the key factor for us forecasting a £120K loss for 2017. Furthermore the decline in Sport England funding is likely to continue (Sport England refer to this year-on-year cut as a ‘glide’!) Therefore to work towards rebalancing the books on a sustainable basis necessitates examining scaling back our activities or raising revenues. It is my personal belief that in the interests of the whole walking and climbing community that of the two options, raising more revenue is far more desirable than reducing or removing programmes and representation.

To this end one initiative I have been exploring that could significantly raise additional revenue is Strategic Affinity Partnerships. With effort, enthusiasm and commitment I believe that Strategic Affinity Partnerships could make a substantial, stable and sustainable independent new revenue stream to help support our funding requirements in the long term.

About Affinity Partnerships

Affinity Partnerships are a tried and tested way for not for profit membership and representative organisations to raise money through collaborations with commercial partners which have an affinity with your organisation. If you visit the websites of the Ramblers, British Cycling, Duke of Edinburgh or even the Scouts it is clear that they all have commercial sponsors whose products or services they endorse and promote. An Affinity Partner will help your organisation financially and in return you reciprocate by endorsing and promoting their offerings to your membership. Quid pro quo. The BMC has historically had a range of sponsorship deals to support specific events as well as retail discount offerings (As a BMC Member you can already get up to 15% discount off RRP from many retailers www.thebmc.co.uk/get-discounts-in-shops-nationwide) However, the founding principle of a Strategic Affinity Partnership is that it incorporates endorsement which takes things one step further.

Potential Partners

So who would the BMC potentially endorse as Strategic Affinity Partners? The Outdoor Industry is the obvious sector to target and previous direction from the BMC in Resolution “G15 Negotiation of Sponsorship Contracts” states that: “*Sponsors should normally (but not exclusively) have a recognisable association with the outdoor sector*”.

BMC members already use the products and services of Outdoor Industry companies and so there is a clear commercial advantage for potential Partners in the Outdoor Industry to work with us. Most already understand the BMC and a number are directly involved on smaller scale sponsorship or offer member discounts..

My initial research and conversations with decision makers in the Outdoor Industry indicated that some of the larger Outdoor Industry concerns would be interested in forming a Strategic Affinity Partnership. It is not appropriate to identify them at this point but I would like to reassure members that we would only support an organisation that we believe has a good reputation with products or services that we believed were in our member's benefit to buy. I anticipate aiming to work towards securing 3-5 year Strategic Affinity Partnerships with the following: a selected retailer, a selected clothing brand, a selected gear manufacturer and a selected mapping organisation. It maybe that further discounts for BMC members are part of an agreement.

Proceeding with Affinity Partnerships

To progress further towards a contract to set up Affinity Partnership between the BMC and an Outdoor Industry partner I needed to find out how the organisation felt about the principle of this form of commercial relationship. Therefore I held an informal commercial workshop on the evening prior to the last National Council Meeting on 10 February 2017 to explain the principle and gauge opinions.

The workshop was very much a two-way discussion and there was considerable concern expressed by attendees at the principle of endorsement in terms of how this might be received by the wider membership and also that it could be seen as favouritism meaning that other competitor businesses would be disadvantaged. In particular this could be viewed as unfair by smaller independents.

During the meeting I proposed writing an article so the issues can be disseminated to individual members for discussion at Area Meets which can then be fed back up to National Council by Area Representatives to give a clear steer on whether the BMC should progress with the principle of endorsement which is required for Strategic Affinity Partnerships.

Polling the membership

In order to get an insight from the wider membership as to how they might feel about Strategic Affinity Partnerships I worked with the BMC Marketing department to send a poll to a random sample of 6,000 members. The text of the poll was as follows:

The BMC is currently looking at new ways to extend our partnerships, and we'd value your opinion to help decide the way forward.

You might be aware that the BMC is facing a 40% cut in funding from Sport England, leading to a potential £120,000 loss this year. This will affect our ability to deliver our vital work on access, conservation, youth and development, therefore we are evaluating options to increase our revenue by establishing new affinity partnerships.

Currently we have a variety of commercial partnerships with outdoor companies who sponsor individual events, such as the Winter Lecture Series (Lowe Alpine) the Alpine Lecture Series (Berghaus) and the Climbing Masterclasses (DMM). Companies also sponsor BMC TV films, advertise in Summit magazine and support campaigns such as Mend Our Mountains. They understand and support what we do and we, in return, are

advertising their brands and products.

We are looking to build on this and significantly improve our revenue by entering into new affinity partnerships. Many not-for-profit and membership organisations already adopt this approach, raising significant money. The Ramblers Association and Duke of Edinburgh Award scheme all have affinity partnerships; even the Scout Association has been doing it for ten years.

The main difference with an affinity partnership compared to current commercial partnerships is that the BMC would recommend a company or brand as a "Partner of Choice". In return, an affinity partner supports us financially and would proactively promote the BMC, our services and our membership to their customers. It's a win-win way of working.

Naturally, we would only endorse an organisation or brand that we believe has a great reputation for its products and service, and that we believed was in our members' benefit.

However, as this is a new area for us we'd value your opinion.

Question: Are you in favour of the BMC developing affinity partnerships?

In favour ?

Neutral ?

Opposed ?

Poll results

In total we had an excellent response of 1,174 replies of which 72.15% were in favour of developing Affinity Partnerships, 23.9% were neutral and only 4.26% voted against.

Conclusion

There is a tangible financial reason at this point in the BMC's history for embarking on Strategic Commercial Partnerships which the wider membership evidently back. Consequently I hope you will support my initiative by directing your National Council representatives to support the principle of endorsement of the products and services of Affinity Partners. This principle will be included as an agenda item for debate at the next National Council meeting held on 23 April 2017 during the weekend of the BMC AGM.