

 **Imperial College Union Finance & Risk Committee**

**5 February 2020**

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| **AGENDA ITEM NO.** |  |
| **TITLE** | Sales & Sponsorship Update |
| **AUTHOR** | Keriann Lee Head of Student Voice & Communications |
| **EXECUTIVE SUMMARY** | *Sales & Sponsorship* is performing against both strategy and annual targets, with no revision downwards in the reforecasting exercise. The pipeline remains promising for both this year and next, with annual relationships accounting for at least a third of receipts, and with an eye on increasing their value in 2020-21. However, Q4 remains an area of risk – with an additional 20k added to the budget for this period without strong assumptions. The risk of only one staff member remains constant, however there are no specific concerns regarding retention.  |
| **PURPOSE** | To update the Finance & Risk Committee on the budget, strategy, and risks in the area of sales and sponsorship.  |
| **DECISION/ACTION REQUIRED** | For report and discussion. |

**Summary:**

* **Annual Target:** £139,550
* **Budget to Q2:** £105,550
* **Sales Invoices to date (end of Jan):** £95,126.50
* **Revised target for Q3** – £19, 000 (£9K target + 10K shortfall)
* **Annual projection** – no reforecast
* **Risk** – Q4 (25K)

**Introduction**

*Sales & Sponsorship* continues to perform against both annual targets and strategy, with sales invoices to date (end of January) accounting for approximately 70 per cent of the annual budget for this area. The strategy continues to be effective and this report will focus on its main points, which are:

* Prioritising long-term partnerships and rebuilding relationships
* Shifting to quarterly targets to allow space for the development of a pipeline
* Reviewing our pricing strategy
* Maximising spaces/ channels and exploring new products

**Long Term Partnerships**

In keeping with the strategy, we continue to prioritise long term relationships that benefit the student experience:

* Endsleigh (student insurance) - £3, 600
* Papa John’s Pizza (special Imperial code for students) - £15, 000
* Proprep (stem learning platform) – £10, 000
* Redbus Media Advertising (student marketing screen providers) – £5, 100
* Image Scotland (preferred supplier advertising arrangement for CSPs) – £3, 000

**Pipeline for Long Term Partnerships:**

 **Ola Cabs – 15K**

We have agreed a draft annual contract with Ola Cabs, which recently received the licence to operate in London, but the service has yet to launch and the deal has not been activated. It is not yet clear if Ola Cabs still intends to launch this year, but the lines of communication have been kept open for a relationship, potentially in 2020-21.

**National Express – 2K**

We are negotiating a media package with National Express valued at £2,000 for the remainder of the academic year –sign off expected early February. With most of our students from outside London, these relationships continue to redound to the benefit of students and will form part of our term 3 strategy along with other companies who are useful to students at the close of their year.

**Pipeline for 2020-21:**

**Red Bus Review**

We have requested a review of our exclusive contract with Red Bus Media currently valued at £5,100 per annum. Red Bus supplies portrait advertising screens for the Union with the right to advertise. However, with other London universities holding similar contracts at a much higher value, we have requested a review. Red Bus has agreed to look at how much they’re willing to pay for the remaining 2 years of the contract in the interest of goodwill. We are hoping to increase the value to least £8,000-£10,000 per year for the 2020/21 and 2021/22 academic years

**Papa John’s and Proprep renegotiations**

We will be renegotiating our contracts in the coming months with Papa John’s and Proprep with a view to establishing 3-year contracts. The aim is to maintain the Papa John’s contract at £15,000, but raise Proprep to £15, 000 per annum. Proprep is a STEM learning platform, so Imperial students are their target market and they have reported a huge boost to their platform since our partnership began.

**Rebuilding Relationships:**

**Welcome Back Fair**

We continue to re-engage partners with whom relationships had deteriorated during capacity gaps. As part of this, we held a successful Welcome Back Fair on 22 January. With previous events failing to realise adequate footfall, the priority was rebuilding its reputation and ensuring commercial stallholders had high footfall, engagement, and customer service. Approximately 50 CSPs participated and more College spaces were involved than previously. The success of the event this year has put us in a very strong position going forward and puts the event back on the College radar which should make it easier to negotiate use of spaces and other costs, whilst securing the participation of partners. This event realised income of £4, 000 with the potential for more in future.

**Marketing Agencies**

We have potential activations from Coca Cola (£1,000), a sports brand (£1,000), and a recruiter (£1,000). These are currently in the planning stages however they have come through relationships with agencies with whom we have rebuilt relationships over the past six months.

**Pricing Review:**

We have begun to review our pricing structure for the 2020/21 academic year, particularly as it pertains to the Welcome period. The S&S Manager attributes the 10K shortfall so far to the comparatively low price-points for Welcome, in particular. A standard stall at Welcome Fair costs £600+VAT, compared to £750 at Kings, £900 at UCL, £1,200 at Manchester SU, £1,100 at Bristol SU, and £900 at Sheffield SU. With stall holders extremely pleased with the outturn at this year’s event and the consistency of our outreach, there may be some elasticity possible.

**Q4 Risk**

We continue to explore new revenue channels, and these will form part of the strategy to realise the income for the fourth quarter which was aspirational, due to lack of precedent and untested assumptions. This moved the annual budget for this area from 120K in previous years to £139, 550. We have not reforecast downwards and remain aspirational with the intention to:

* Explore new graduation activities
* Continue discussions with Uber Eats regarding Summer Ball
* Explore prize/event sponsors for the new Student Choice Awards
* Accommodation Fair activity

**Staffing**

The Sales & Sponsorship Manager continues to perform well in this role, and unlike immediate past postholders, is solely focussed on this area, allowing us to see what a full year of activity looks like and allowing for more informed budgeting in successive years.

With only one postholder engaged in this activity in the Union, retention is always a risk, but there are no specific concerns.