

CO-OPERATION OF NATIONAL OLYMPIC COMMITTEES

If NOC's can be encouraged to accept the logic of unity in approaches to multi-national companies, and the joint co-ordination of sponsor/supplier and licenced merchandise schemes, far greater financial return will be achieved.

To encourage the active co-operation of NOC's -- a basic requirement for successful fund-raising -- we recommend direct presentations to each NOC.

These presentations would detail:

How the Olympiad 80 Committee wishes to co-ordinate its marketing activities in conjunction with each NOC to achieve greater mutual benefit.

How joint support and activity will stimulate greater awareness and acceptance of the Games and Olympic ideal.

And, most important, how this joint activity can raise substantial income for both parties, with very little effort required by the NOC's.

Most NOC's are run by enthusiastic amateurs, so presentations need to be simple, to appeal to nationalistic attitudes, and must require very little organisation, experience or servicing by the local association.

NOC's need to be convinced that the sums paid by world-wide exclusive multi-national sponsors, coupled with the promotions that would be organised for them in each country will generate more money (at considerably less effort) for their own national associations than they could generate themselves.

For example -- a multi-national company (say Texaco Petroleum) would be willing to pay substantial sums for the exclusive right of association with the Olympiad 80... i.e. all other petroleum companies are unable to use the Olympiad as a promotional theme. If agreement with local NOC's is not reached, national associations could sell local petroleum promotional rights to competitors of Texaco. This will dilute the promotional potential to Texaco - and the other petroleum company - and therefore the financial payment to both Moscow and the local NOC will be smaller.

NOC's need to be made aware of the many benefits of having marketing expertise available, and also to be reassured that national interests will be aided by a strong link-in with the total Olympiad 80 marketing plan.

MARKETING PROGRAMME

As shown by the potential marketing income, the whole finance programme is keyed to the involvement of major companies -- this applies whether they are non-technical suppliers - sponsors - or licenced promoters. The following section goes into a little more detail as to why we believe there is a need for a specialist consultancy to approach these companies - how we will select target groups - the need to control licenced merchandise - the method of approach - promotions and their role.

THE NEED FOR A SPECIALIST CONSULTANCY

- 1) It requires a specialist knowledge of commercial and marketing practices, a familiarity with day to day operating procedures of hundreds of major corporations, and an intimate knowledge of the marketing attitudes and proclivities of further hundreds of operating arms of these major companies.

- 2) It requires an extensive action and sales team in several continents and in countries within those continents, capable of conducting the protracted negotiations which are a usual prelude to signing agreements with the major corporations and their operating companies, and of contacting and servicing companies on a day to day basis once they have signed agreements in order to ensure the protection of the Organising Committee.

TARGET GROUPS FOR LICENCED PROMOTIONS AND SPONSORSHIP

In raising funds through sponsorship and promotions our target groups will be selected on the basis of three criteria which are, in order of importance:

- 1) The need to make a sale. There is no point in approaching companies who are not qualified to contribute the type of sum we are looking for or of undertaking the sponsorship/promotion activity we are recommending.
- 2) The need for high quality. Target companies must be able to perform the best possible job in terms of quality of materials, breadth of distribution, degree of publicity and depth of consumer reach. This will have positive influence on the success of other activities (sales of publications, licenced merchandise, commemorative regalia, etc.) as well as adding to the good image of the XXII Olympiad.
- 3) The need to maximise the absolute dollar amount made available to the Organising Committee from each participating sponsor.

Given these criteria, we firmly believe that our target sponsors must be multi-national companies -- companies like Exxon in the oil and petroleum products field, the Coca Cola Company in the soft drinks product category, Proctor and Gamble in soap and detergents, and so on (See Appendix D). Multi-national companies are essential to our fund-raising efforts for the following reasons:

- 1) They are capable of dealing in the types of sums we will be asking for the rights to be associated with the XXII Olympiad.
- 2) They have an international viewpoint which means that
 - (a) they will appreciate better the opportunity of association with an event of world influence;
 - (b) we can make one deal with a multi-national company which will result in funds being raised from several countries without the need to undertake negotiations in each of those countries; this increases dramatically the efficiency of the fund-raising effort.
- 3) Multi-national companies are very concerned over their image with the general public and with certain influential groups such as consumerist and environmental lobbies. This is because there has been a great deal of negative publicity over their economic and social dominance due to their sheer size, their alleged lack of concern over environmental questions, their inability to relate to their individual consumers, and the economic dependence of many countries both developed and non-developed on the flow of funds through the operating arms of these huge bureaucracies.

Consequently, the association with a world event which commands general sympathy and enthusiasm gives them an opportunity to demonstrate their support of laudable causes. In countries where this association can be claimed to help the efforts of that country to send a competitive team to the Olympic Games, its value is further increased.

- 4) We must presume that most multi-nationals, certainly those based in the USA, have a particular interest in Russia. At its most marked, this interest will be based on the pursuit or development of a commercial link with the USSR; at the very least it will be as a result of that current attitude of mind in the U.S. which is labeled by the media 'detente'.

While it is certain that a commercial proposal built around involvement in the Olympic Games will be of great interest to these multi-national corporations, there is one key requirement of any such proposal: exclusivity. It is the nature of competitive marketing efforts in the traditional environment of the western economy and its marketplace that promotional efforts have a value only if a company can take advantage of them with no possibility of a similar or matching activity by any of its competitors in the same product field. We will expand upon this elsewhere but we cannot underline too heavily the need to offer exclusive association with the Olympic Games to a company in return for their payment of a rights fee.

The consequence of this need for exclusivity is clear. Once a company has signed an agreement via any agent for exclusive sponsorship of promotion of the XXII Olympiad, there must be no other agents at large offering similar rights or Olympic merchandise to other companies in the same product field and thus undermining this exclusivity. One agent must have responsibility for this whole area of finance -- the principal agent of the Organising Committee.

The alternative to this concerted multi-national approach is a piecemeal campaign in individual countries, an approach which we believe would be much more difficult to organise, would require the appointing of too many sub-agents, and would open up the danger of chaotic results.