

1. Executive Overview

The following is a general synopsis of this Inventory Asset Valuation (IAV) Report. It touches generally on the mandate, the outcomes, the observations and the recommendations. It is not intended to replace the full report which clearly is more in-depth, but also focuses on key elements of the process and understanding of sponsorship opportunities for the City of Regina.

The Partnership Group - Sponsorship Specialists® was tasked to identify sponsorship marketing assets associated to the City of Regina with a detailed scope of properties to be audited. The goal was to identify assets within each of the properties of the scope of the project as well as determine and validate your achievable sponsorship revenue.

The valuation process took a proprietary three step process using industry accepted standards and values to initially place real market value on each asset. Then those same assets and their value were benchmarked and compared to similar assets at other properties across the region and nation to ensure they are accurate from a comparable measurement standard. Then finally members of our team of consultants (all with over 20 years of industry expertise in valuations of assets) review the assets from an “experience” perspective to ensure the numbers were correct. Then finally a propriety tiering format was allocated to each asset to determine what level of investment was required to be able to include that asset in a proposal.

We have determined that the City of Regina’s sponsorship program should operate with a five (5) tier revenue level format. Those investment levels for potential partners based on the present scenario are as follows:

Tier	Spend Range per Year
1	\$185,000 +
2	\$125,000 - \$185,000
3	\$75,000 - \$125,000
4	\$35,000 - \$75,000
5	\$15,000 - \$35,000

It is important to understand that this inventory of assets is not exhaustive. It is

comprehensive, but not exhaustive.

From this process above and the aligned analytics and metrics we have used, the following is the financial potential outcome of the IAV:

1. Overall there are almost 2000 unique individual assets on the IAV spreadsheet. These in turn extrapolate to thousands of assets that could be sold.
2. The total value of all the identified assets is \$8,224,050.03 (\$8.2M which does include total assets associated with a new outdoor pool of \$100,000 and a new aquatic centre with total assets associated to the property of \$381,450). Of this about 28% is intangible goodwill (1,799,010.94 - \$1.8M) and the remaining \$6,425,039.05 (\$6.4M) in assets are tangible or physical assets such as presenting sponsor, banners or right to sample a product etc.)
3. Of the \$8.2M in total assets we estimate that the City of Regina should be generating about \$2,214,000 (about 27%) of revenue annually if they follow the suggested recommendations and meet the proposed staffing levels as well as move forward with the new outdoor pool and new aquatic centre. (Without the new aquatic centre the revenue would only decrease by about \$200,000 per year.) Should you follow the recommendations of this report we estimate that your annual revenue would be \$2.2M per year and it will take three to four years to reach that plateau.

Our overall observations from the IAV are as follows:

1. The City of Regina has tremendous opportunity for growth in revenue generation through sponsorship opportunities within the scope of this project.
2. A professional sales strategy needs to be developed. (This is included in the overall scope of this project.) From this strategy, implementation will be critical, whether that be internal or external sales and how you will approach sponsorship based on the policy associated to corporate sponsorship. Policy review and development is also part of the overall project undertaking.
3. There seems to exist across administration a strong affinity and an “across the board” support of a sponsorship culture within the city. This is extremely positive as you move forward with implementation. Many organizations require a “culture shift” towards acceptance of sponsorship which delays and sometimes impedes success. This gives a very great advantage to the City of Regina for their roll out of the project.
4. The staffing levels for a sponsorship team do not presently exist and will have to be developed and enhanced as more and more revenue is generated and the plateau is reached.

And finally, our overall recommendations from this IAV are as follows:

1. The City of Regina needs to have a sponsorship policy, naming rights policy and advertising policy developed / updated so they are integrated together and can provide council, administration and front-line staff concrete direction and written support for the sponsorship program. (This exists as part of the overall deliverables for the project.)
2. A clear strategy needs to be developed and endorsed / approved by senior administration and council with a minimum five-year mandate for the strategy.
3. Staffing levels for the sponsorship team needs to be developed (internally or externally) and followed. There were two viable approaches:
 - a) Build your own City of Regina sponsorship team from scratch. This would include initially a salesperson and part time support and balloon into a team of 2-3 salespeople and 1-3 support staff.
 - b) Outsource your sales to EVRAZ Place to deliver the revenue as they already have a sales force and are actively in the sponsorship marketplace.
4. A strong sponsorship culture of developing a holistic sponsorship program that uses discovery session format with sponsor prospects; development of programs that deliver ROI for sponsors, the City of Regina and the audiences that attend the events, facilities and properties.
5. The social and digital media from a sponsorship perspective needs to be further developed and engaged. We are looking at the need for this specifically in the sponsorship area, but it goes well beyond that across all departments and operations.

This concludes the Executive Summary. Following is the detailed report.