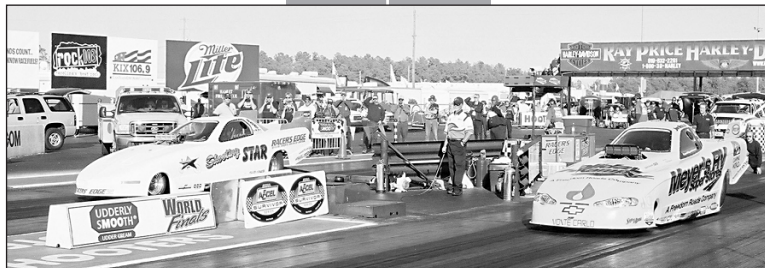


# [ ■ ] TECH STOP

## SECURING SPONSORS

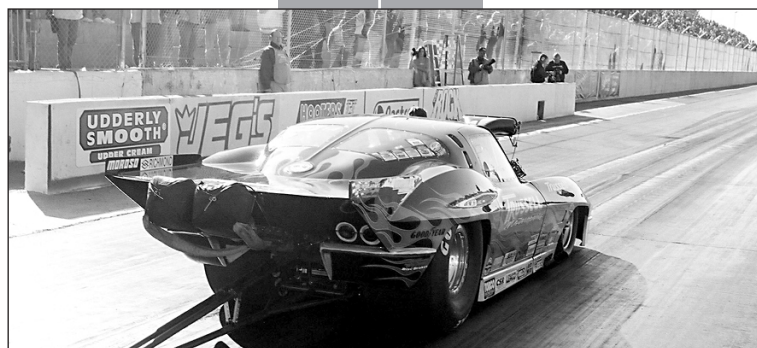
by Robert Szabo



**Simple portfolio photo to highlight sponsors such as Racer's Edge on Bill Naves' Funny Car in background and Meyer's RV on Jim Sickles' Funny Car in foreground. Note Harley-Davidson banner. Motorcycles and RV's need tires. Approach a local tire store for sponsorship for your racecar. Your racecar can provide the publicity to motorcycle & RV owners and buyers. Note the Miller Lite beer sponsor on track banner for example. With that info, the local taverns or delicatessens that distribute beer could be approached for sponsorship for your racecar. Customers must be there. Big named sponsors are already there looking for them.**



**Effective portfolio photo showing Chris Dakin's Warrior Top Fueler (in A-Fueler trim) in front of large crowd with crew person wearing theme shirt. Car and crew with sponsor named uniforms in high audience exposure. Photos like this will stir the enthusiasm of a potential sponsor.**



**Trussell Motorsports race car in front of thousands. A good portfolio photo to any sponsor.**



**A lot of excitement on this promo photo showing the racecar of Bobby Lagana, Jr. Sal, Don, Jay, Terry, and Al are in his crew. All work hard around this car. Portfolio photo can demonstrate this level of dedication in front of a crowd.**

Many of us are on the lookout for other people's money to go racing. Through the years, we have been entertained by many racers who compete at a high expense level. Most at that level of racing were paid by money from other people such as sponsors, partners, or supporting businesses. The major sponsorship, for example, can provide spectacular resources for racing: first class racing equipment, the big rig, the shop, travel expenses and perks for crew. Some world racing classes have sponsor budgets reported to exceed the cost of racing. Sixty million dollars per team is a typical number for Formula One for example. Drag racing is not yet that developed. A drag racing Top Fuel budget is a few million. Top Alcohol Funny Car, Pro Mod, Pro Stock and others are less, but still a fortune. The reported range is a couple hundred thousand to a million.

With the average income per family in the USA of less than \$40,000 per year, a big gap exists between the amount of race money available from the majority of drag race junkies (such as me) and the money it costs to race.

You can look at a sponsor as an investor in your business, your racing business. A business investor determines the value of a business to invest in by looking at (a) the asset value (b) the income producing value and (c) often, an intangible value (with many definitions). The asset value of a racing operation is usually the wholesale value of all of the racing equipment and resources. Those \$8,000 heads you exploded and repaired may only be worth \$1,500 now. The sponsor as a business partner may not put much value on the racecar assets.

The income producing value could be considered by a sponsor or partner. He or she would look at the IRS declared racing income, after expenses, over several years. If it is increasing with a reasonable explanation, it may be worth more than the income history and worth an investment or sponsorship. That was certainly the case in the 90's with stock market values. However, most of us usually spend more than we receive in this racing business. I am not aware of sponsors or investors buying into a race vehicle to share the winnings. The odds seem to be too risky.

Third is the intangible value of your racecar to attract a sponsor or partner. That is a tough one. Usually there is a big difference between that value to the owner and that value to the investor, partner or sponsor. Successful fast foods restaurants are able to develop that value often to be more than all other values combined, but it is tougher in racing to generate that value unless you have a sensational winning history with a lot of DRM and Speed Channel TV coverage.

So you have a \$6,000 used racecar with average earnings of \$567.93 for the last three years. How can you get a \$150,000 IHRA sponsor to go racing? You want to be like your buddy down the street who is sponsored by a construction company with a good race budget.

To address the responsibility to get that money, we will first examine the world of sporting events. While IHRA is many other things, it is a sporting events business. IHRA evolves and develops a commercial exposure to the sport of drag racing. Support from many different services has increased the value of IHRA sporting events and the racecars that participate. Those different services include a high quality newspaper (DRM), Speed channel TV coverage, advertising for national and local events, and sponsor / event promotions. IHRA is busy continuing to develop that

commercial value. It is a level of effort that any one team or supporting sponsor could not duplicate on its own. IHRA is an organizer of the business of drag racing, just like a government is an organizer of its military for defense and of a legal system to protect human liberties of its citizens. IHRA is a major contributor to the intangible value of a racecar operation. It provides a venue for major commercial exposure as well as a reasonable set of playing rules and precedence.

Now let's look at a reality of the big sponsorship level. With the big packages comes big responsibility. We see the big sponsored vehicles show up at the events with all of the resources; we do not see the work that goes on behind the scenes. Many sponsors respond favorably to their sponsored drivers, team owners and crew persons who make promotional appearances throughout the week. Many fans are delighted by the personal and close exposure to drag race celebrities at these events. However, they are time consuming to the celebrities. Often when you or I are watching Monday night sports, these people are prepping for an appearance, in addition to fixing broken equipment from the last race or preparing new equipment for the next one. We do not see the 16-hour days and red eye travel that accompanies most successful sponsored teams. Some have said the responsibility can outweigh the benefits. I was privileged to know one of the previous coaches from the famous 49'ers Football Team. He lived all of the time in a state of high blood pressure. It was from a level of responsibility comparable to a military officer in a conflict. I took my friend to a local drag race and it took him about three rounds of blown alcohol racing to calm down from his coaching responsibilities and enjoy the remainder of the event. A ride in an IHRA stocker or bracket car probably could have done it in about 13 seconds.

Now that you are fully convinced of the responsibilities and you still want a mega-dollar sponsor, let's examine how to get your hands on that sponsor. Three ways are common: (1) race all the time, start winning and be at the events hoping to run into a representative looking for your race vehicle to sponsor, (2) grow up with someone who becomes a leader in a business with major drag race sponsorship budget or (3) develop your own promotional campaign to seek a sponsor. You may or may not be successful at #1, the racing part. You have no choice with #2, that is "who you know, not what you know." You are either born with that destiny or not. That leaves #3 for most which is to develop your own campaign. I get a kick out of the scenario: I walk up to a race team at the racetrack. No one on the team says hi to me as a spectator. I ask some question like how big is the motor? The team driver / owner looks up at me. He needs a shave and he smells. He ignores me or says, "Know any sponsors?" That does not happen very often. However, it is an overstated example of the barrier this imaginary racer has made to himself to gain a goal. He is his own worst enemy. The appearance and behavior of the team in the pits, in staging or in public is as important as the appearance of the racing vehicle. Matching hats, shirts or uniforms are common with many teams. Unfortunately, the teams are competing in the pits and in public, as well as on the racetrack, for sponsors to discover them over other competitors.

Often in an industry as in racing sports, investor or sponsor money is best acquired by running a promotional campaign. It can be a time consuming



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task that is as big or bigger than building and maintaining the race vehicle. My past experience was always time limited. I was like most people, working full time to support a household. Yet, with only a small amount of time, my sponsorship campaign experiences were reasonably successful.

First of all, when my racecar and I were brand new to the sport, I approached the closest local auto parts supplier for support. With zero credibility, I asked of him only to sell me parts and tools at his cost in return for his business name on the racecar. There was no reluctance and the owner provided all of the equipment I needed at cost. That represented a savings of 30 to 40% of the purchase price.

A friend of mine arranged a mobile tool supplier for a set of tools in exchange for his name on the racecar. My friend also arranged with a body shop for a paint job in exchange for his name on the side of the racecar. To both sponsors, I offered to bring out my race car for a publicity showing to their business site, although neither ever asked me for that service.

Another racer friend approached a retail oil distributor to display his drag race vehicle in a shopping center sidewalk sale and start up the engine. It was a cool response from the distributor for sponsorship until the race vehicle with open pipes was started and revved. After a couple hundred shoppers suddenly surrounded the race vehicle, a \$4,000 per year sponsorship deal was made.

Recently, a local track asked me to organize a group of supercharged altered drag vehicles for match racing for one of the racetrack's annual events. The track offered me some money for the competitors and in return, I was to arrange for the competitors and distribute the money from the racetrack. I arranged for the competitors and a couple extra race vehicles for contingency for breakage. Unfortunately the money worked out to be only one to two hundred per racer, depending on travel distance to the race, so I decided to look for some associate sponsors.

First I asked the track owner for loudspeaker time available for commercial announcements. He agreed to all of the time I wanted. This event attracted 10,000 to 15,000 spectators and participants. With the commercial exposure to that number of people, I approached three businesses. The first was an oil company who provided a free case of racing oil for each competitor. I approached the nearest restaurant for a \$25.00 coupon for each competitor and \$5.00 off a meal for anyone with a race entry ticket and I contacted the nearest hotel for a break on rooms for the competitors. All provided the support. In return, I offered to arrange for announcements throughout the event for each sponsor. I wrote the announcements and gave them to the announcer. I hired someone to videotape the match race, with the crowd in the background and the commercial announcements. Afterwards, I spent a few hours editing the videos and making copies and then provided copies to the racing participants and sponsors. Several of the competitors and sponsors later approached me to do this again. It was interesting to me that I only approached three sponsors but all three readily participated. It became apparent that my time was the only limit for soliciting local sponsors at local events such as this and getting good results.

Afterwards, my promotional portfolio included pictures and video of a crowd of 15,000, race vehicle pictures / video and videos of commercial announcements. I found out from this that a reasonable amount of effort in preparing an ad package to sponsors, with good follow up, would pro-

duce successful results.

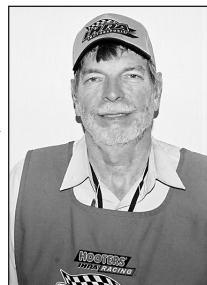
If you do your own promotional campaign, you will need to develop a press or ad kit or promotional package. You will need to solicit potential sponsors. IHRA can provide race stats and other promotional information to support you. You may get some refusals, but you are looking for the ones who can benefit from exposure to the racing crowd. They are out there. Most sponsors and racers are all looking for someone to organize promotions.

You can do things in small steps such as I did. The winter throughout much of the country provides time to seek sponsor support. Just use your head and put yourself in the shoes of the business you want to approach. While some would consider sponsor support from selling parts at cost or renting rooms for only a discount to be a token effort, they do establish a favorable relationship with the business. Once a relationship is established, increased advertising service or fees can be requested. It will become more available to you since you are a known resource. This also puts you into the #2 category, described previously as "who you know." The opportunity for more money then naturally evolves. Some racers have a relative or friend available to do this. I have seen several of those successful arrangements. This is good especially if the relative or friend is not a gear head like you or me. That person can really get into the racing activity without crawling around under the racecar.

Another approach is the use of a professional consultant or promoter to do this legwork. It became more obvious to me, after my limited experience, of the amount of time and organization that is necessary. There are professionals who are often connected with the media. They are knowledgeable and can reach out to many sponsorship opportunities in a lot shorter time than for the racer. You can spend a whole day trying to reach just one business for higher dollar requests and get turned down. There can be a cost for a good consultant or promoter, but it is like anything else: 'you get what you pay for.' If you go this route, look long and carefully. Check closely on credentials, references and successes. If you find a good one, support him or her and their effort. It may be more work than the racecar, but may produce a lot more money than the race winnings.

One final subject: the contingencies. Many of you have already enjoyed the benefits of contingency sponsors if you have won or been a runner-up at any events. With the display of a suitable decal on your racecar, you become qualified for various forms of compensation from contingency sponsors. Tim Irwin is the IHRA coordinator. You should become his friend if you are not already. He and a lot of other IHRA staff members work very hard at the events to make your racing experience more affordable. Contingency sponsors have become a successful part of the sport for the sponsors, racers and spectators who see the decal on the racecars. •

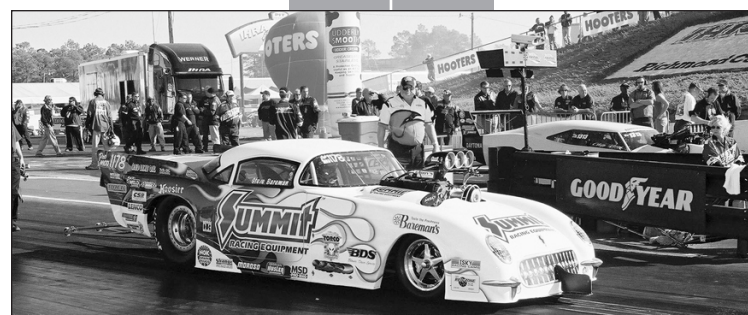
**Bob Szabo is a racecar book author. His new book "Fuel Injection Racing Secrets" is all about mechanical fuel injection that is used throughout IHRA drag racing. It is also supplier recommended. Bob is a lifetime student of technology and a drag racecar owner / driver. For book ordering information, look on the Internet at <http://www.racecarbook.com> or call (707) 446 2917.**



*Portfolio photo the morning before the World Finals Event showing hundreds of racers' big rigs. A perfect photo to show to any local services business, such as a department or food store, for sponsorship for your vehicle over the weekend. Sponsor name on your vehicle promotes that store service to this large crowd of racing spectators who have not shown up yet since they are probably shopping. You could coordinate to arrange ads for the business in DRM with a map in the ad showing the business location. You could offer to display your racecar before or after the event. These promotional services all part of a paid sponsorship package for the business name on your racecar or crew uniforms.*



*Not just another photo of racer big rigs in the background but a portfolio photo showing an entire family showing up the morning of the big event, bringing chairs, snacks, clothing, etc. An indication of the buying that will go on all weekend. An indication of the exposure of your race vehicle as a billboard for a local or national business. While obvious to most, it needs to be said in photos from a promo package to your sponsor targets. Simple photos such as this one can be used to create an image that you want to promote the sport and your racing vehicle business.*



*Steve Bareman's Summit Race Car in foreground. Chip King's Charger in background. Summit, Goodyear, Hooters, BDS, Bareman's, Hoosier and many others are now successful sponsors or IHRA racing. Remember the time when these business names were not on these vehicles or on track banners. Racers found them or these businesses looked for racers. New sponsors can be added to this list. Look for them. They are all around.*



*Decals from Mac Tools, Gary Sumek's Lenco Trans. Co., MSD Ignitions, Crane Cams, and others are proudly displayed on Mark Thomas' high quality Funnycar body for contingency sponsor rewards for competition. So clean you almost could use his engine oil for salad dressing (70 wt. corn oil) and his fuel for a chaser (ethanol).*