

“Growing the Pie”

A Guide for Revenue Share Opportunities Between Special Olympics Pennsylvania State Office and Local Programs

About this Guide:

This document is a guide to be used when a revenue sharing opportunity arises between the Special Olympics Pennsylvania state office and local programs. Local programs and the state office will only share revenue when it is beneficial to both parties – this is for events where partnership makes sense (like a Polar Plunge or a corporate partner whose footprint extends into multiple jurisdictions). This guide is intended to be just that, a guide, and not a set of mandates or rigid restrictions. The model splits shown below will serve as a starting point when examining any new opportunity.

Key principles that will guide us:

- We do better by working together than by “going it alone”
- Working together maximizes resources for all of SOPA (state office and local programs combined)
- We should all benefit or “grow the pie” when collaborating. We will always work to ensure all parties “remain whole” (i.e. nobody “loses” by bringing forward an opportunity for the greater good).

Applicability:

These guidelines are not intended to apply to all revenue. Rather, the intent is to encourage everyone to think strategically about those situations where we can do better together or bring added value/revenue when working together. Examples of the types of activities where it may make sense to share revenue include special events and corporate partnerships.

Revenue Sharing Factors:

Four factors will influence how revenue splits are determined:

1. Effort & Value: Who is doing the work for the associated fundraising event or activity? What value does each party provide (such as ongoing stewardship or providing sponsor benefits to the donor)? One way to evaluate this is to consider what would be different if either party were not involved (what would be missing?).
2. Cost/Risk: Who bears the risk and expense (if applicable)?
3. Relationship/Originator: Who created or brought forth the opportunity or relationship?
4. Donor’s Intent: Nothing in these guidelines is intended to contravene any restriction imposed by a donor.

Revenue Sharing Models:

Three basic models are defined based on the factors described above. The parties will determine in advance whether the model will be applied to gross or net revenues. If and where appropriate, in-kind support can also be considered as part of a revenue share.

Model Splits	Used When
75% to local program(s)/25% to state office	Value, execution, origination and implementation is largely from the local program(s)
50% to local program(s)/50% to state office	Value, execution, origination and implementation from the local program(s) and state office is roughly the same
25% to local program(s)/75% to state office	Value, execution, origination and implementation is largely from the state office

Originator Incentive:

To encourage programs to help grow local relationships into broader partnerships benefiting the whole, a local program that originates a new partnership will receive 10% of net revenues generated from outside its territory for playing a lead role in coming forward with the relationship. This applies during the first year of the relationship and during any subsequent year as long as the originator program continues to serve as the lead liaison with the partner.

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Case Studies

Example 1: TD Bank

For the past two years, a fundraising campaign has been conducted with TD Bank in every state where they operate (1,100+ branches up and down the East Coast). Special Olympics New Jersey (SONJ) initiated this relationship, and it has been a shared revenue activity that has included Special Olympics International (SOI) and multiple state programs. Here in PA, the campaign has involved the state office and several local programs in the greater Philadelphia area (TD’s market area in PA). **For this campaign, the revenue received by Pennsylvania has been split 75% to SOPA State Office and 25% to SOPA local programs.** The state office has administered the overall campaign here in PA by coordinating with SOI and SONJ and other state Special Olympics programs, supported TD bank with marketing materials for the campaign, and served as the main point of contact with TD Bank for the state. Most importantly, the state office has recognized TD Bank as a significant sponsor and provided them associated benefits as the presenting sponsor at Fall Fest (stewarding the donor and meeting their desire for recognition at a significant statewide competition event). In turn, SOPA local programs have supported the campaign by conducting athlete and volunteer visits with TD branches in their respective territories. These visits have brought a personal connection and personal touch directly to the branch level where the bulk of the fundraising is taking place between customers and employees in the stores. Working together, this entire campaign is more successful, more personal and more manageable.

Key Questions: Are there corporate relationships like this in your local program area that could be cultivated to grow into something even bigger that ultimately would benefit your program as well as the state office and other programs beyond your borders? Are there any barriers preventing you from bringing those relationships forward for the benefit of all?

Example 2: Polar Plunge

We are building a state-wide network of Polar Plunges. **Plunges are a 50%-50% revenue share (on dollars raised by all plungers using a code to signify they are plunging on behalf of a local program).** For example, the first Pittsburgh Polar Plunge will be held on December 4th. The state office is overseeing all the coordination, logistics, risk/safety needs, promotion and details (via a Law Enforcement Torch Run Plunge Committee). Local programs are being invited and encouraged to participate by recruiting plungers from schools, businesses and other organizations in their communities. They will receive half of anything raised by plungers they recruit to participate in the event. While local program representation on the planning committee is encouraged, nothing beyond simply recruiting plungers to participate in the event is actually required.

Key Question: How can we work together even more on events like these to encourage wider participation and ultimately more revenue for all?