A little while back JRA Ltd visited Skansen, in Stockholm, Sweden to carry out a short external funding workshop with management there. This was in terms of opening up avenues and ideas for major external funding, to generally inspire confidence in Skansen’s potential to secure serious external investment, to raise levels of ambition, and open up new perspectives. There was a special focus on commercial sponsorship for their children’s zoo Lill-Skansen, and a full report was produced in the aftermath

Some months later the team at Skansen reported back to me that they had achieved their first sponsorship at truly major level, nearly €4 million to rebuild Lill-Skansen!.

Tomas Andersen, Project Manager at Skansen was kind enough to give me this interview to show how they had moved forward during this period and exactly what it took to finalise the sponsorship deal.

*(If you are interested in major sponsorship for zoos, botanic gardens, aquariums, nature sites etc., you may also want to read the interview with Sir Nick Scheele. former Chair of Jaguar Motors, as to why he agreed to the $3 million sponsorship at Chester Zoo, or interviews with successful fundraising zoo directors around the world – all in the dowloads section on our website – feedback especially welcome!)*

Interview with Mr Tomas Andersson

Projektledare sponsring/Project Manager

Stiftelsen Skansen

Stockholm Sweden

Wednesday, 09 September 2010

**John Regan:**

*Good morning Tomas, and thanks for agreeing to this interview. Fantastic news that Skansen has brought home such a huge amount of external capital! Can you tell us a little bit about the size, nature and source of the sponsorship?*

**Tomas Andersson:**

Sure. At nearly €4 million this was not only Skansen’s biggest sponsorship ever ( -by a long, long way ) but it is actually the largest single sponsorship ( from one source) for any cultural organisation in Sweden.

The funds are coming from an organisation called KFS. This is a cooperative organisation representing consumers, so an institution led by social purpose rather than having purely commercial aims. KFS has some 600,000 members. They operate grocery stores all over Sweden, but this is the Stockholm based branch.

KFS will be associated with a major renovation of Lill-Skansen, our children’s zoo, which of course you saw during your visit, John…

**John Regan:**

*So why seek the sponsorship in the first place? I think I know the answer. as I could see that you badly needed to renovate Lill-Skansen, but..?*

**Tomas Andersson:**

Yes, it was very much a need driven exercise. Lill-Skansen was last renovated in 1958! It is an incredibly popular part of Skansen’s overall offer, but, as you witnessed, was in considerable need of upgrading. There have been attempts to update, but now we really need a new one, and we could never have done this with our own funds.

**John Regan:**

*So what was the case you made to draw this funding down? How did you establish a relationship with KFS?*

**Tomas Andersson:**

Well, actually, we have known KFS for a long time. We have been working together for 15 years or so on smaller projects.

**John Regan:**

*What would you say motivated them in the sponsorship?*

**Tomas Andersson:**

They wanted to bring something extra to their members. They felt that the values that Skansen represents and the huge audience that we have access to could help them do that. KFS is eager to be associated with issues such as good food, ethical animal care and children’s attitudes towards nature. They are interested in being aligned with children having a “good start in life” with positive attitudes implanted at an early age.. Skansen clearly provided an especially good arena for such a purpose.

**John Regan:**

So a socially driven organisation – but one – rather critically - which had access to substantial amounts funds to allow them to sponsor you? In return for a considerable amount of capital investment, what did they get?

**Tomas Andersson:**

We are providing free access to their members on a special family day and on two other days.

**John Regan:**

*I am guessing that what really motivated KFS was the alignment between their values and yours..? Did they feel they needed to change the organisation’s image?*

 **Tomas Andersson:**

Not so much change, but rather strengthen their position in the public mind.

KFS struggles a little with getting the public to understand what they are really all about. They know the stores of course, but don’t understand KFS as a member organisation , nor all of the other non trading activities. So they were using Skansen to make it clear why people should become members .

John Regan:

*So Skansen is to act as a ‘shop window’ for KFS ?*

**Tomas Andersson:**

Yes, and they want to also talk to our 1.4 million visitors…. to begin to understand how this audience thinks about food , about animal welfare and related subjects and begin to communicate with them on the basis of new knowledge.

They also wanted new members..

**John Regan:**

*Do they recruit members within Skansen?*

**Tomas Andersson:**

Well, the option is there for the future, but in this particular contract we are not actually allowing them to actively recruit members at Skansen

**John Regan:**

*Why is that?*

**Tomas Andersson:**

Well, we really didn’t want them involved in a direct sell to our guests.

Of course simply through the KFS presence on our site and by being publicly associated with the relevant issues, we hope they do get new members, but it is not the primary motivation for them.

**John Regan:**

*And what about other benefits? You are giving them the three free days, the profile on site, the alignment with all the positive values that Lill-Skansen and Skansen as a whole stands for. Are there any other benefits back to KFS…?*

**Tomas Andersson:**

Not really – they get to have their name on the new building, but we are not actually renaming Lill-Skansen as such.

**John Regan:**

Okay so it is not **“*the KFS Lill-Skansen”,*** *but rather* ***“Lill-Skansen sponsored by KFS”****….*

**Tomas Andersson:**

That’s right.

**John Regan:**

*How did you make the approach? When I did the workshop with you, I stressed that getting access to the right people is very important..? You had worked with KFS for a long time, but obviously there was some jump to a higher level of partnership?*

**Tomas Andersson:**

Well, we have been working together for 15 years. Our Director John Brattmyhr knows the Vice President of KFS well, so he made the approach. At that stage we were already able to provide a good outline of what the new Lill-Skansen could look like . Originally we were looking for 4 major sponsors for the project. But when we developed the discussion with KFS and they understood the project, they said they wanted it all, they didn’t want any other sponsors involved.

**John Regan:**

*That’s very interesting and fits with my own experience in zoo sponsorship. Once you get into a dialogue at a senior enough level, the sponsor often wants to do a lot more ( and is willing to consider a much bigger budget) than you may have hoped for.*

*So it was pretty easy sell? A straightforward process*

**Tomas Andersson:**

Yes, I would say that the fact that we had this background with KFS made it easier, because they knew us as an organisation very well.

**John Regan:**

*Trust was established from the outset…?*

**Tomas Andersson:**

Exactly.

**John Regan:**

*And how was the sponsorship fee arrived at? Theoretically at least, a sponsorship fee would not be aligned to the costs of a project, but rather predicated on the value of association with the project to the sponsor – but it doesn’t always work out like that. So how did you arrive a €4 million figure..? Was it simply your estimate of what it would cost to renovate Lill-Skansen? Or did you negotiate it in a different way?*

**Tomas Andersson:**

It was basically the project cost, but we did try to match the fee to the benefits that they would get.

**John Regan:**

*And did they say straight away – Fine, €4 million – no problem!?*

**Tomas Andersson:**

Yes, in a way. We did have some negotiations, but basically they just said yes to the finance needed. And then we had to sit down, and see what benefits could match the agreement. That was hard work too. … to get that all together

**John Regan:**

*That’s interesting – why was that part such hard work?*

**Tomas Andersson:**

Two people worked hard on this for 8 or 9 months…. because it is always a compromise. We don’t want to offer them too much, but KFS want a lot for their money. So, we had to bring these two ambitions together, which took a long time and lots of effort. Also one of the biggest issues was the tax situation. Tax is not an easy thing when it comes to sponsorship in Sweden. There are no very clear rules as to how tax authorities see sponsorship.

**John Regan:**

*In the UK, if it was really sponsorship you would have to add VAT (indirect consumer tax) on top, but for a corporate gift there is no tax added. But the rules are indeed different in every country JRA has ever worked in.*

**Tomas Andersson:**

Yeah, in Sweden it is not at clear as the UK unfortunately. I wish it was. Part of the issue was that Skansen , as a non profit and cultural association, doesn’t pay tax , and KFS does. And depending on the details in our contract different levels of tax might apply. It is quite complicated!

**John Regan:**

*I can imagine.*

*So part of the essential problem was that if KFS passed the tax on to you, they could reclaim it, but you couldn’t?*

**Tomas Andersson:**

Yes, that was part of the issue

**John Regan:**

*And was everyone at Skansen happy to engage in the sponsorship? Was there any internal discussion? Anyone think that €4 million was* ***not*** *good idea?*

**Tomas Andersson:**

No, everyone was very happy. It was fantastic that we would get a new Lill-Skansen. But of course we all realised that we would have to actually deliver what we had promised according to the contract. And I don’t think everyone from the beginning realised how much work it would be.

**John Regan:**

*Sure – it seems strange to think that it can be hard work spending the money once achieved?*

**Tomas Andersson:**

Yes, it is – maybe afterwards it is not a problem as such – but we spent a lot of time discussing the question of delivery.

**John Regan:**

*So it was a learning process for Skansen, and now you have a better appreciation of many people, how much time, how much work is involved in making good on your commitment to a sponsor?*

**Tomas Andersson:**

Yes

**John Regan:**

*Do you feel that because Skansen has gone through the process of winning and now delivering its first big sponsorship – and the biggest single sponsorship for the Swedish cultural sector – that the organisation has changed in the process..? Developed…?*

**Tomas Andersson:**

I hope that we have learned to be more flexible and see possibilities – because it means that you get a partnership that delivers a kind of PR that we could not have won on our own.

I hope that we have learned that it is a good thing to work with external organisations.

**John Regan:**

*You say you hope that the organisation has learnt this, but I almost sense in your voice that you are not sure that the process is complete…?*

**Tomas Andersson:**

No, well, only next week we will we start the process of tearing down the old Lill-Skansen – we will close it on Sunday – I think we are only in the middle of the process and that there will be issues on the way which will help us learn new things. I would be surprised if there no problems.

**John Regan:**

*Of course… technical problems..?*

**Tomas Andersson:**

Yes

**John Regan:**

*My next question, which I guess you have already sort of answered – were there any blockages in the process? But you have explained there was a pre-existing, high level relationship, trust*

**Tomas Andersson:**

The only blockage was negotiating the benefits package after the fee had already been agreed.

**John Regan:**

*Did any other unexpected difficulties arise..?*

**Tomas Andersson:**

No, I don’t think so - the most difficult thing was the tax issue – it took a lot of time – and we had to have contact with the tax authorities – checking every part of the contract. But no, it went quite smoothly

**John Regan:**

*How long did it take altogether – you said 8 months?*

**Tomas Andersson:**

Yes, from when we first tabled the proposition to when we had the signed contract, it took about 8 months.

**John Regan:**

*And the people involved in securing the deal…. Your Director John Bratmyr, yourself…?*

**Tomas Andersson:**

And Cecilia whom you met during your workshop?

**John Regan:**

*So it was a 2 person job over the 8 months to bring home the sponsorship?*

**Tomas Andersson:**

Yes

**John Regan:**

*And where do you go from here, Tomas? You have secured the biggest sponsorship in Skansen’s history – the biggest in Sweden’s history you say? And before that there was very little. So where will the organisation go now in this respect*

**Tomas Andersson:**

Oh – ( laughs) I have no idea! Really of course we have a lot of very interesting projects going on. But for me personally it was a shock – the first thing I did with Skansen in terms of sponsorship – I had been previously involved with mainstream marketing activities So, as my first involvement with sponsorship it was pretty much the dream scenario. I had problems with seeing where we might go from here. But we have lots of things that are exciting, new … and of course confidential!!

**John Regan:**

*Sure, of course*

**Tomas Andersson:**

Cannot go into detail there….

**John Regan:**

*Yes, naturally - but obviously - what I am getting at is that now that you have been so successful, you will be looking for other big sponsorships*

**Tomas Andersson:**

Oh yes, we are.

**John Regan:**

*I guess that all the museums, arts organisations in Sweden are now coming to you for advice – given it was the biggest cultural sponsorship in Sweden –which I must say surprised and impressed me – are a lot of people are knocking in your door..?*

**Tomas Andersson:**

Some organisations have indeed asked if they can have a meeting and discuss sponsorship. etc. But just to clarify … the Lill-Skansen sponsorship is the biggest single sponsorship - with funds from one single sponsor. There are many other projects in Sweden that have brought in lots more money, but divided between many sponsors. I don’t know if you have heard of the Götheborg ship?

**John Regan:**

*A little bit…*

**Tomas Andersson:**

An 18th century ship that was rebuilt – and I think they put in €50 million or something – but that involved hundred and hundreds of sponsors – this is the biggest one with a single sponsor.

**John Regan:**

*And that’s good for Skansen because you don’t have to spend as much time securing and servicing the sponsorship when you just have one sponsor..?*

**Tomas Andersson:**

Yes

**John Regan:**

*And I guess it is quite unusual for KFS as a socially orientated organisation to act a sponsor…?*

*So, without intruding on any confidential issues, for further sponsorship, are you only looking to old established partners that are socially orientated, or will you be targeting interests that are more purely commercial?*

 **Tomas Andersson:**

I would say that we going for organisations of a more commercial nature. KFS is a great partner, but there are not many of that kind in Sweden, so we have to look towards the fully commercial sector.

**John Regan:**

*Tomas, thank you for your time. JRA and the international community of nature sites are very grateful for your time and for sharing your experience*.