

# The Procurement Opportunity in Sponsorship

## Unlocking value, not just savings.

September 2025

# CONTEXT

- Sponsorship represents ~**12%** of the average marketing budget. It's second only to media.
- Only **5%** of brand owners are very confident in the efficiency of sponsorship spend.
- Measurement is the top challenge, yet only **1%** of budget goes to it.
- Procurement is often limited to contracts and payments while marketing owns decisions; yet **81%** of procurement teams (involved in sponsorship) rate it a mid-to-top sourcing priority.

**Result:** Sponsorship remains one of the least managed areas of marketing spend, and procurement is positioned to change that.

**Source**

World Federation of Advertisers (WFA) / Lumency, The Evolution of Sponsorship (2023)

# WHERE PROCUREMENT CAN ADD VALUE

- **Frameworks & comparability** → bring evidence-based decision-making to a historically intuition-led spend.
- **Governance & transparency** → establish approval thresholds, risk controls, and reputation safeguards.
- **Efficiency & effectiveness** → align rights fees, activation, and resourcing to drive maximum value.
- **ROI & accountability** → position sponsorship as a measurable brand and commercial driver.
- **Performance-linked models** → protect downside risk with compensation tied to delivery against KPIs.

# WHO WE ARE

- Lumency is a global **brand-side sponsorship consultancy** with nearly 30 years of experience.
- We work across **21+ country markets**, supporting Fortune 500 brands in CPG, retail, B2B, tech, and more.
- We specialize exclusively in sponsorship, **bringing rigor, governance and efficiency** that most organizations don't have in-house.
- Our mandate: ensuring sponsorship investments are **valued, governed, and measured** with the same discipline as other forms of marketing pressure.



# HOW WE HELP

- **Portfolio audits** → cut waste, reallocate to higher-value investments.
- **Valuation & governance frameworks** → turn subjective decisions into structured, benchmarked investment choices.
- **Performance-linked fee models** → design variable compensation structures that tie property payout to delivery against agreed KPIs, protecting downside risk.
- **Asset value-to-rights fee & activation-to-rights fee targets** → ensure budgets are structured for efficiency, not just fees.
- **Measurement dashboards** → move beyond outputs to measuring business outcomes.
- **Risk & reputation controls** → protect against governance and compliance gaps.
- **Funding formulas & approval models** → align investment decisions with corporate governance.

# LET'S TALK.

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