

Manufacturers Cup Series

Sponsorships are the life blood of Motorsport. What are the challenges to getting and keeping a sponsor for a track championship series? It seems like a good idea to go out and “get” a sponsor to rake in the cash to support the race, bracket, class or car that you want to take to the starting line. Sounds good, but this is not 1985 and the “rules” of sales and marketing are different today. Getting a big sponsor to cover the costs is a huge to near impossible challenge and you had better have a lot to offer, in other words damn good value for his money because if you can't give it to him, some other “advertising opportunity” will.

It would be unusual for a complex problem to have a simple solution. Since this is the situation at hand, it is suggested that to provide better value (cheaper costs + more market penetration) it is a reasonable idea, probably more work, but that may be what it takes to get the advertisers business. It must be noted that no idea works unless the money works.

It needs to be pointed out up front the suggested “Cup” series in no way replaces the standard “Champ” series, it is in addition to. The name “Manufactures Cup” was created to differentiate it from the Championship Series. The name is not locked in stone should an acceptable alternative be suggested.

Challenge Number 1

Getting sponsors to come forward to support a series is a challenge. No one knows this more than someone that has tried to “sell” the series to a sponsor. But, as a former series sponsor myself, I can say that it is often hard (try impossible) to justify the cash expense of the sponsorship. The cost to the sponsor to get two stickers on each car in an Eliminator Group at the racetrack Championship Series is a lot of money and often, frequently, usually, with dubious returns. When I sponsored Modified at Willowbank for five straight years, with my annual cost for the program was about \$12,000 per year. I did not get \$12,000 worth of business from the advertising, so guess what – I stopped advertising that way. For racers and the race track, asking one sponsor to support an Eliminator is like putting all your eggs in one basket. It is OK if someone is willing to do this but if no one is willing to participate then there is no series sponsor. Putting all your “eggs” in one basket is never a good idea. The other negative fact of the current program only pays to the top position and does nothing to encourage the back of the group to return to race. This is not good for the racer or the race track as it does not encourage participation. Shall we call those racers that keep coming to race, “repeat customers”?

Solution to Challenge Number 1

Create a format that allows many sponsors to enjoy the advertising benefits, by allowing as many possible sponsors to participate each with their own sticker and only paying a fraction of the price they would pay for an exclusive program like the Championship series. As a former sponsor myself, I have spoken to many sponsors who would be willing to participate at a more modest cost level and all are very willing to share sticker space with anyone else on the race car.

Challenge Number 2

In order to make a series attractive to participants, and keep all of them coming back, race after race, they must feel like they are competing for something substantial and that they have a chance at a reward, regardless if that reward is financial or emotional, the racer must have a feeling that they can achieve this. Only rewarding the top position does not do this, it only keeps the top two or three returning consistently, this is because they feel like they have a chance at taking the top spot. If you lose 50% of your entry field

because they have little motivation to return, then you lose 50% of the entry income and 50% of the show for the spectators. A diminishing show for the spectators reduces the value of the ticket at the gate.

Solution to Challenge Number 2

A paid points program does that when it pays back to 20th spot. That needs to be said again....

Paid back to 20th Spot

See payout information near end of this presentation.

Challenge Number 3

All potential sponsors are not in a position to pay cash, some sponsors will be more inclined to participate if they can participate with vouchers instead of cash.

Solution to Challenge Number 3

Create a second tier of compensation to the racers other than cash. If the Manufacturers Cup sales person cannot close the sale to the sponsor with a straight cash program, provide a Voucher program for the sponsor to participate in. For more information see the Voucher Program section.

It needs to be pointed out that here for the first time a position of Sponsor Sales Position has been mentioned. Every successful business has a sales staff because if the organization has no sales staff all they are doing is opening the doors and hoping business walks in the door. Some will, but a lot more will if it is pursued by someone with sales training and background.

Questions and Answers

Question - How many sponsors can you have per Eliminator Group?

Answer - How many decals can you put on a race car?

Question – Why would racers want to put stickers on their race cars?

Answer – Because each one of them will generate income for the racer. Because each sticker will represent real income for the racer it elevates their personal value in what they are doing. Some racers may not wish to participate because they don't like the "look" of the stickers on their pretty car, that is fine if they choose not to participate, but most will.

Question – How do you keep the racers coming back and how do you encourage new racers to participate?

Answer - Top heavy compensation (only paying the top position) does not create the environment that assures repeated participation by the racers. Ask yourself, why should number 12 in the points bother to load up to come to the race track if they are assured they will get nothing?

The Manufacturers Cup Series with the 20 position payout will encourage everyone to return insuring more income for the race track and a better show for the spectators. The big fight will be at the 20th position all trying to get in the money bracket.

Question – How do you get more participants to attend the annual awards banquet?

Answer – Give them a reason to show up. The fact that they must attend the banquet to receive their payout money will insure their attendance. How many racers attend a banquet if they are not going to receive an award or compensation – not too many. Few racers attend the current awards banquets now because they have little reason to.

No one attends these functions alone and if you multiply the number of payout positions (20) times 3 or 4 (people they bring with them) you get 80-100 people per Eliminator for the banquet. This makes banquets of 400-500 people. This is a great social event as well as a terrific money generator for the race track. If the race track can profit \$20.00 a head times 500 at the banquet this is a profit of \$10,000 just from the banquet alone.

Question – Why should racers be encouraged to return?

Answer – The racers are what the spectators come to see, and as well, the racers themselves create part of the cash flow with their entries. It is this participation that is necessary to create the cash flow to support the series at the race track and generate income for the track. Generating income for the race track is the single most important work any of us can do because if the race track does not make money it will close eventually and then everyone loses.

Question - What are the points programs supposed to do?

Answer – Reward the winners for, well, winning.

And the Champ series does that but is there a missing opportunity here?

Should a points program encourage racers to return over and over again? Much like the rewards cards at most large stores, even frequent flyer points. Every time you buy a sack of groceries they ask you “Do you have fly bys’?” Right now Drag Racing does not have this. The Manufacturers Cup Series will do this, and much, much more.

Question – Which Eliminator bracket will the Cup series work in?

Answer – All of them, but it is directed to the DYO format Eliminators.

Financial distribution - Sponsorship Cash Program

The formula for the distribution of cash funds is that all the money collected for the sponsorship program 90% of it goes to the racers with 10% of it being an administration charge for the racetrack and the program sales team. 100% of the Voucher Program goes to the participants (racers).

Sponsorship Voucher Program

The Voucher Program is supplemental to the Cash program. Voucher program allows the MCS (Manufacturers Cup Series) sales person to be allowed to offer a program to sponsors that do not wish to contribute cash. More details available on this later, suffice it to say, it means more value to the racer.

Racers Compensation Package

Examples of compensation packages below are based on 20 sponsors per Eliminator Category. If more sponsors can be located then the package will be worth more. If fewer sponsors sign up the package will be less than shown. This does not include the Voucher distribution values.

Racers Points Structure

- 10 bonus points to sign up to race - Manufacturer Cup Series commitment to race - If you sign up to compete in the series before the season starts competitor gets 10 bonus points. Second season competitor must sign up at the awards banquet.
- Prepaid entry for all races for the season before the season starts = 10 points (no refund for non attendance)

- Round win is worth 1 point
- Winning the event gets you a round point plus 2 bonus points
- Runner up the event and you don't get the round point but you get 1 bonus point
- Entering and participating in racing at the race is worth 5 points
- Quickest 10 in "time trials" in each category all get 1 bonus point
- Participation in all events gets 10 bonus points at the end of the season.
- Any tied points to determine 20th position for payout will be awarded to racer who signed up first and participated in all the races.
- Any compensation not collected at the banquet rolls over into the fund for the following year.

This program is heavily laden towards participation. This promises a better cash stream for the racetrack and more presentation for the sponsor's stickers. This is good for all racers, sponsors and Willowbank. Pre season commitments from the competitors assist in the promotion of the series to the Sponsors.

Payouts

Add up the points from the top twenty, divide into the available funds for disbursement and each point is worth a certain value. Multiply that value times the number of points and that is the pay out.

Example of typical racers annual points score

Maximum points - example (10 races)

This racer signed up at banquet, pre-entered and attended all races, earned "Quick" points and won 5 rounds at each race and won the race.

- Manufacturer Cup Series commitment to race - If you sign up to compete in the series before the season starts competitor gets 10 bonus points. Second season competitor must sign up at the awards banquet. **+ 10 bonus points (*note01)**
- Prepaid entry for all races for the season before the season starts = **+ 10 point (*note 02)**
- Round win is worth 1 point x 5 rounds each race x 10 races = **+ 50 points**
- Winning the event gets you a round point plus 2 bonus points x 10 races = **+ 20 points**
- Runner up the event and you don't get the round point but you get 1 bonus point (if you won the race you would not get the runner up points)
- Entering and participating at the race is worth 5 points x 10 races = **+50 points**
- Quickest 10 in "time trials" in each category all get 1 bonus point
1 point per race x 10 races = **+10 points**
- Participation in all events gets 10 bonus points at the end of the season.
Participation bonus points + **10 points**

Maximum possible points for 10 races and going 5 rounds for each race = 160 points resulting in a payout of almost \$1700.00

Minimum points - example (10 races)

Example of heavy participation - this racer signed up at banquet, pre-entered and attended all races did not earn "Quick" points and never won a round.

- Manufacturer Cup Series commitment to race - If you sign up to compete in the series before the season starts competitor gets 10 bonus points. Second season competitor must sign up at the awards banquet. **+ 10 bonus points**
- Prepaid entry for all races for the season before the season starts = **+ 10 point**
- Round win is worth 1 point x never wins a round = + 0 points
- Winning the event gets you a round point plus 2 bonus points x 0 races = + 0 points
- Runner up the event and you don't get the round point but you get 1 bonus point (if you won the race you would not get the runner up points 0 points as they never got to the finals.)
- Entering and participating at the race is worth 5 points x 10 races = **+ 50 points**
- Quickest 10 in "time trials" in each category all get 1 bonus point race x 0 races = +0 points
- Participation in all events gets 10 bonus points at the end of the season.
Participation bonus points + **10 points**

This racer pre-entered the season, attended all races but never won a round and were not the quickest ever. Minimum possible points for 10 races participation with pre entry = 80 points. This racer in the possible payout structures shown would have finished in the 13 place area and would have received a nice payout, as shown on next page of \$849.60

Pay on Points

20 pay positions

10 sponsors

Payout table s based on 1905 total accrued points for top 20 racers.
\$22,500 total cash sponsorships less 10% (for the track) = \$20,250.00
divided by 1905 (points) =
\$10.62 per point

This example is a program based on top 20 pay out with 10 sponsors. More sponsors will be more money, less will be less money. This does not include any mid-season new sponsors nor does it include compensation from the Voucher Program.

Note: If you wanted to reward the top racers (at the expense of the bottom racers) you can increase the round points from 1 point per round to two points, but this is not a recommended course of action.

Position	Points	Payout based on \$ 10.62/point
1	160	\$1699.20
2	150	\$1593.00
3	140	\$1486.80
4	130	\$1380.60
5	120	\$1274.40
6	110	\$1168.20
7	110	\$1168.20
8	100	\$1062.00
9	95	\$1008.90
10	95	\$1008.90
11	90	\$ 955.80
12	85	\$ 902.70
13	80	\$ 849.60
14	80	\$ 849.60
15	75	\$ 796.50
16	70	\$ 743.40
17	65	\$ 690.30
18	50	\$ 531.00
19	50	\$ 531.00
20	50	\$ 531.00
Total Points	1905	\$20,250.00 Total Payout

Entry fees are always a point of contention. The race track needs the money to operate and like a lot of situations the customer (racer) complains about the cost. In fact what he is complaining about is not the cost but the perceived value. If you offer a bigger value then the cost is accepted. Here we structure a Friday night test session with a three race Saturday for only \$180.00 this is good value. It is the racers choice to use the Friday night session or not, but the three race Saturday is still good value. To get all this in racing must start at 9am, racing, not qualifying, you pick a dial in and start racing, if you go you go out you have two get out of jail cards (buy backs) available to you for only \$20.00.

Suggested Race Structure

- 10 Races for the Year - First weekend each month. Except June and January \$180.00 ticket gets you Friday night testing, and all three races on Saturday or only enter the events you wish to participate in
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 - **Friday night – test and tune** - gates open at 4pm testing from 5pm to 9pm lane one gets to race the rest just test.(if it gets too big then lane 1 and 2)
Set up for Saturday race.
Entry Fee \$40.00 if you only want to race on Friday night
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- **Saturday – (3 Race Saturday)**
 - Cup series race begins at 9am (pays Cup points and money for Cup Series Racers ONLY)
Pick your dial in and go to the starting line.
2 buybacks allowed except in Final (\$20.00 each) Low ET gets lane choice
\$100.00 entry fee
(Outlaws, Modified, Super Sedan, Super Street, Street, Mod Bike, Junior)
 - Champ Series race begins at 12:00 noon (pays Champ points and money)
Use Cup series info for dial in choice.
No buy backs – Low ET gets lane choice
\$100.00 entry fee
(Outlaws, Modified, Super Sedan, Super Street, Street, Mod Bike, Junior)
 - Last Man Standing Race – DYO format begins at 5pm or whenever Champ Series finishes
3 buybacks allowed except in Final (\$20.00 each) First one out of the lanes gets lane choice
\$500.00 to win / \$300.00RU
\$100.00 entry fee
16 Minimum participants each category
Group AA (All cars 0-11.99)
Group A (All cars 12.00-20.00)
Group B (All Bikes)

This presentation is an overview of the Cup series. The operational details of the position of Sales and Liaison positions have been created and structured, but are not relevant to this presentation.

There is little doubt that some will consider this a good idea but a complicated one and try to make it simple and only do part of the program. Sadly, if simple was the answer, simple would have worked a long time ago and we would not be in the position we are today.

I spent a lot of my time, which is money, working on this. I did this because I hate to see something broken that I know I can fix, it is in my nature. I have raced since 1963 and have done so at 90 different race tracks and many race organisations. I have been on both sides of the fence, both as a racer and as an organizer. I

have ran the Pro III Comp Circuit and Top Gas East, back in the 70's and assisted the Dragster Division of UDRA in the 80's. The "Cup" series will work in conjunction with the "Champ" series and the rewards for both the race track and for the racer are huge, but it does take some work by the position of Sales and Liaison position at the race track. If the track manager is charged with that responsibility then it is his job, but the benefits for the race track and by default the racers are huge. The alternative is either doing nothing, or doing the same old stuff that we have been doing, and that is working well, isn't it?