

Sustainable Sponsorship

We look at a new wave
of sponsorship

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Sustainable Sponsorship

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Last month, low-carbon and innovative energy technologies received a major boost from E.ON UK's sponsorship of the world's first centre for kick-starting sustainable energy businesses.

E.ON UK will become a Foundation Partner of the pioneering energy centre, LIFE, and its incubator programme, to help companies develop and commercialise new energy sources to combat climate change. LIFE offers fledgling companies technical and commercial support and access to funding to get ideas off the drawing board and into people's homes and businesses; it has already helped transform a number of new energy technology businesses from start-up companies to multi-million-pound concerns. Companies benefiting from LIFE's advice will see their innovative low-carbon energy technologies turned into marketable products. It is planned that the LIFE incubator will be housed in a very radical carbon-neutral building, and this will provide further focus and visibility for E.ON and other Foundation Partners.

E.ON's support of LIFE is part of its commitment to deliver low-carbon energy solutions and gain a better understanding of current and future technology options throughout the energy chain.

E.ON is better known for its sports sponsorship and this August became sponsor of the FA Cup, the FA Women's Cup and the FA Youth Cup. It is also the FA's Schools Football Development Partner. The company also has renewed its sponsorship of Ipswich Town Football Club and is a sponsor of cycling's Tour of Britain.

Energy plays an essential role in ensuring the quality of life for people everywhere, for us today and for future generations. As the future of energy sources and tackling the challenge of climate change moves ever upwards in the news agenda, TWSM believes this type of sponsorship will become more common, and so this month we talked to both partners in this deal to see how they view sponsorship as part of their business and how it fits with the wider field of concern for the environment.

The sponsorship, although very new, has already been activated

with E.ON UK and LIFE working together through an initiative entitled EnergyLab launched by the energy supplier's retail brand, Powergen. The winner of the EnergyLab Challenge (www.powergenenergylab.co.uk) – which invites 'garden shed' inventors to come up with energy-saving concepts – will receive up to £50,000 worth of support and advice from LIFE to help put their invention into production.



TWSM first talked to LIFE's Chief Executive, Philip Johnson

Tell us what LIFE does

We promote energy technology innovation in low-carbon industries and provide a proven system to guide fledgling concerns towards producing marketable products. The companies with which we are already working

intend to develop fuel cells, utilise wind, wave and solar power, and exploit a whole range of energy sources for the future. We think it is unique, certainly in Europe.

Do you think companies are becoming more interested in energy and global warming?

A number of factors have combined in the last few years to produce tremendous threats and tremendous opportunities, so companies are concerned as never before. We have daily evidence of global warming, security worries with energy supply, soaring energy prices, deregulation of the energy business, and recently engineering science progress means that suddenly there are cost-efficient solutions that can produce very significant returns for investors.

What does E.ON's sponsorship do for you and for E.ON?

E.ON UK's partnership greatly boosts our ability to turn the key that will help these products become successful businesses. This is a significant development for the LIFE incubator as well as being the first sponsorship of its kind in this sector. From E.ON's point of view it benefits from having first sight of, and access to, a range of valuable low-carbon businesses. It is a real partnership and that is formally recognised as E.ON has a seat on one of our Boards.

This is quite a sizeable sponsorship for the business incubation sector. Why did you decide to go the sponsorship route?

As far as I'm aware sponsorship is not yet common in my sector.



The sponsorship by E.ON is an order of magnitude larger than in general business incubation. It seemed to us when we planned our sponsorship programme that our sponsors would want to be seen as ethical and support their own values by contributing to solving a huge problem. Above that you can offer the concrete benefit of contributing to the

“(IT SEEMED)... THAT OUR SPONSORS WOULD WANT TO BE SEEN AS ETHICAL AND SUPPORT THEIR OWN VALUES BY SOLVING A HUGE PROBLEM.”

output and content of a high-growth business with no need for management distraction. Finally we will be housed in an amazing new building in Yorkshire that hope to be one of Europe's biggest environmental events when it opens.

What will be so special about this building from the sponsor point of view?

It has been planned as be an ultra high quality, low carbon footprint building which is genuinely revolutionary. It will truly be the building of tomorrow but built today. It will supply the majority of its energy needs from hydrogen stored and collected from the wind and sun. It's an exemplar of what we and our partners are trying to promote and will attract a lot of attention and many thousands of visitors and seminars from schools, universities, product launches, recruitment fairs, etc., over the next few years. The irony is that the site is very symbolic as this paragon of clean energy will sit on top of one of Europe's largest coal fields. It was also the scene of the 'Battle of Orgreave' in the summer of 1984 – a confrontation between striking miners and police at what was then the Orgreave coking plant. This feeling of regeneration of a deprived industrial region is very important and we are grateful

for the support we have from regional development agencies such as Objective One in South Yorkshire, Renaissance South Yorkshire, Sheffield First for Investment and Yorkshire Forward.

How will you make sure it is a success for E.ON?

We are clear all along that this is a partnership and not just a matter of having E.ON's logo in reception and leaving things there. First proof of this is the collaboration on EnergyLab where E.ON is helping Britain's best inventors to bring energy-efficient ideas out of the garden shed and into the market. The partnership was launched this summer with judging taking place later this year.

We invested early on in having a professional PR firm, Pure PR, and it already has a good working relationship with E.ON UK's communications department. We'll keep our eyes open to

find ways of bringing this to the widest possible audience.

Do you believe that a wider public would be interested?

Climate change is in the news every day so it's highly relevant. Our message is that business is part of the solution to climate change and global warming. This fits with what E.ON is trying to achieve and its sponsorship of LIFE is just part of its ongoing R&D programme which is looking at developing lower carbon energy technology for today and tomorrow.

Of direct importance to most of us, though, is the size of our monthly energy bills, and recent rises are making everyone think more about improving efficiency and finding better ways of saving money and possibly saving the world at the same time! Anyone with home insurance is affected,

too, as insurance business has already factored climate change into the cost of your and my policies. The insurers expect to have to pay out an extra £18 billion by 2080 as a direct result of global warming, according to the Association of British Insurers.

Who will be the remaining Foundation Partners?

We are talking now to oil and gas majors and we also believe that banks are highly relevant as it's so like a classic investment approach in providing banking services to a stream of companies, some of which will see enormous growth. I also think that the public are, perhaps wrongly, much more aware of the banks' huge profits than their commitment to problems like climate change and the costs of energy and insurance to householders.



THE SPONSOR'S VIEW:

David E. Clarke,
Strategy and Marketing
Manager - Power Technology,
E.ON UK

What is the relationship between Power Technology and E.ON?

Power Technology is at the heart of E.ON UK, operating as a centre of excellence and providing

expertise to the business and external clients around the world including governments and influential industry groups.

As the UK moves towards a lower carbon economy, Power Technology is playing a vital role in ensuring E.ON UK remains at the forefront of innovation in the industry.

We are delighted that we are able to support the work of LIFE which has a natural fit with our multi-million R&D programme.

This is a change from the FA Cup or Ipswich Town. How does sponsoring LIFE fit into E.ON's business aims?

The FA Cup and our other sports sponsorship makes perfect

business sense. The E.ON name is still relatively new in the UK and our sponsorship will help us connect with people who are involved in football and cycling at every level and help us build our brand and awareness of who we are and what we do.

The sponsorship of LIFE fits with our commitment to develop clean-energy technologies and find a balance between our environmental responsibilities and ensuring a safe and reliable supply of affordable energy to our customers.

The LIFE sponsorship also has a natural fit with our partnerships. We recently announced our £10 million joint sponsorship



Solar power is just one renewable energy source

programme with the Engineering and Physical Sciences Research Council (EPSRC). The programme will support UK university research into the next generation of low-carbon energy solutions. Our sponsorship of LIFE helps provide a bridge between the academic world, our own research and the ideas and solutions that come from the wider market.

Energy firms in general have been seen as suppliers of commodities. Do you think sponsorship has a role to play in differentiating from competitors?

Units of energy, of course, have no differentiation. The point of difference is what we represent. E.ON UK aims to be the leading power and gas company in the UK. We aim to lead the sector in everything we do – from energy research to our commitment to providing energy solutions to our most vulnerable customers

through our £100 million Powergen CaringEnergy programme.

Our sponsorship of LIFE is a demonstration of our commitment to developing new and cleaner energy technologies for today and tomorrow.

Do you think that other sponsors and other companies will enter the field of environmental or energy-based sponsorships?

Public awareness of climate change has never been higher. I've seen this even in the last year since we launched our low-carbon initiative and it can be measured in media interest. I would never have imagined a few years ago that, for example, low-carbon experts like myself would be doing interviews on the six o'clock news, but this is where we are now. Energy security and global warming are generic to the energy industry; therefore anyone responsible would behave in a similar way. The industry's big

challenge is to do more with less. It might be seen as odd to encourage people to use less of our products, but power and the environment are linked and as a business we have to meet environmental targets and strive always to do so.

Can you tell us more about EnergyLab?

EnergyLab has already had a great response and has produced some great ideas in this short time. It showcases the depth of invention around the nation and then what is required to take that entrepreneurial step between inspiration and marketing a product or growing a huge company. We have some very well known and successful judges on our panel, including Trevor Baylis, who is most renowned for his invention of the clockwork radio, and Dick Strawbridge of 'It's Not Easy Being Green' on BBC2. This venture with LIFE allows us to offer £50,000-worth of help from their experts which is an opportunity most inventors would otherwise never be able to have. It is a very good fit for all involved and to me this is how sponsorship should work. What I like most is that involvement by a big company like E.ON gives confidence and a sense of real value to these very small start-up companies and inventors.