

# 2010

## Manufacturers Cup Series



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# Manufacturers Cup Series

**Willowbank Raceway has a long history of leading with new ideas for Drag Racing in Australia. Wild Bunch became Top Door, Pro Comp became Supercharged Outlaws and many other innovations all took root at Willowbank. I would ask that this be read completely and carefully to realize the real power the Manufacturers Cup Series would have for Willowbank and Drag Racing across Australia.**

**Sponsorships are the life blood of Motorsport. What are the challenges to getting and keeping a sponsor for a track championship series?**

## 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 with dubious returns. When I sponsored Modified at 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. 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. I have spoken to several 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.

## Solution to Challenge Number 2

A paid points program does that when it pays back to 20<sup>th</sup> spot. See payout information on page 9-10.

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## 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.

## 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 represents real income for the racer it elevates their personal value in what they are doing.

### 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.

### 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 attend 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.

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## **Question - What are the points programs supposed to do?**

Answer - Contrary to popular belief, race track points programs are not there to reward the winners. They are there to get the racers to come back to the race track and participate, thus increasing race track cash flow and income. If the program does not do that, then that program don't work very well. The Manufacturers Cup Series will do this, and much, much more.

This program is heavily laden towards participation but still has substantial rewards for performance. This promises a better cash stream for the race track and more presentation for the sponsor's stickers. Pre season commitments from the competitors assist in the promotion of the series to the Sponsors. If a program rewards the bottom of the pack, the top takes care of itself. The top of the field will keep coming back to race; it is the back of the pack you must inspire to continue to race.

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

Answer – All of them, especially the DYO format Eliminators.

## **Question - How would it work?**

Answer- below is a step by step process.....

**Step 1** – Once the Manufacturers Cup Series is accepted by the racetrack, decide what Eliminator categories that will be offered to the sponsors and how many races the Manufacturers Cup Series will be hosted.

**Step 2** Create the Sponsor Agreement and the Voucher document.

**Step 3** Create the Racer Agreement.

**Step 4** Give the responsibility to sell the program to sponsors to someone responsible.

**Step 5** Give the authority to someone to liaise with the sponsors, the race track and the racers.

**Step 6** Seek out sponsors to secure sponsorship.

**Step 7** Seek out racers to sign up to participate, collect pre entries money.

## **Sponsors Financial Participation**

Manufactures or retail outlets wishing to participate in the “Cup Series” can do so with a payment of \$250.00 per race paid in advance of the season for all races in that season, usually 10 races for a cost of \$2500.00 This is about what it would cost for the normal sponsorship program for two races. The standard sponsor package for sponsoring a single eliminator is \$250 per race but discounts are available if sponsor wants to participate in more than one eliminator category.

If a new sponsor wants to come on line mid season they only have to pay for the races that have not yet happened.

If a sponsor only wants to be represented at large events such as Winternationals or Tin Tops then a 40% surcharge will apply, providing the Cup Series is presented at those races.

Sponsor my select to participate in either the Cash or the Voucher Program of the Manufactures Cup Series.

Voucher Program contribution is \$400.00 worth of Vouchers per race.

# Manufacturers Cup Series

## Sponsors Reward for Participation

Sponsor gets two stickers on each car in competition. This, for example, in a category where there are 100 cars that is 200 stickers in the market place.

Sponsor gets promotion on the web site

Sponsor gets free passes to race track (four for each race, per bracket sponsored)

Sponsor gets discount tickets to Award Banquet

Sponsor gets discount tickets to Corporate Suites

Sponsor gets discount on advertising in Elapsed Times

Sponsors get trade stall space or display space at all MCS races.

Racers typically will not remove the stickers when participating at non Cup series events such as Championship events or even at other race tracks so the sponsor gets “free” promotion for his products or services.

## Sponsors Responsibility

Select the Cash or Voucher Program to participate in.

Pay the Cash Program in advance of the season start.

Supply the Vouchers for the Voucher Program in advance of season start.

Supply the required stickers (max 200 sq cm) for the participants (racers).

Should suppliers not provide enough stickers the points will still be awarded to the racer and the supplier is responsible to provide the cash or goods at the end of the season. Failure of a sponsor to provide the goods or services for a season will result in the sponsor being dropped from the series for good, restitution could mean reinstatement. Sponsors of the cash program must be paid up in full prior to the season start.

Sponsor may pay in four equal payments prior to the season start. Failure to have paid in full prior to season start will result in sponsor not being included in the program, with their money going towards the racers payouts.

### **Suggestions to manufacturers, sponsors.**

Provide catalogues to distribute to participants to include directions to and how to contact for supplies.

Provide sponsor stickers a minimum of two for the car but if you supply more they end up on tool boxes, trailers and tow vehicles. It is suggested to include a minimum of 6 ea or a maximum of ten each for each competitor in the category.

## Racetrack Financial Package (Income)

Entry to compete is \$80.00 for car/driver and two crew, paid two weeks prior to each race, or for a season with a 10% discount for a prepaid season. If Racetrack runs this Cup series program over all the current DY0 Eliminator with a participation of a total of 200 racers at \$800 dollars each that is an income of \$160,000.

The psychology of the preseason sign up puts a mental commitment into the participants mind. It is not a contract but a commitment showing his willingness to participate. This can also be used to generate more Sponsor participation as they will know more vehicles will carry their advertising.

## **Manufacturers Cup Series**

All of the entry money goes to the racetrack and 10% of the money from the sponsor program goes to Racetrack for administering the Manufactures Cup series and to compensate the Cup series sales and administration staff.

## **Racetrack Reward Package**

Since this series will generate a larger cash flow for the racetrack from entries it is suggested that the racetrack schedule about 10 of these events a year, schedule permitting. It is recommended that some of the test and tunes be converted to Manufacturers Cup Series races, while still allowing testing at those events for those not participating in the series (silly racers)

The awards will only be handed out at the racetrack awards banquet thus insuring greater participation in the awards banquet as this series pays back 20 places x 4 categories plus family, crew and friends for each participant would easily equal 400-500 at the banquet.

## **Racetrack Responsibility**

Provide the venue for a race to occur.

Provide a person to sell the program to sponsors.

Provide a person responsible to liaise with sponsors

Provide Voucher Forms for Voucher Program Sponsors to authorize redemption of goods of services.

Provide a person to insure the sponsor stickers are being displayed

Provide space for sponsors to have trade stalls or trade display areas.

Collect the sponsor money and hold it in escrow for disbursement.

Collect the sponsor coupons

Trophies - Racetrack to supply an award with the Manufacturers Cup Logo and the year to the top 5 points earners in each category. Racetrack would supply a winner and runner up trophy for each of the series events.

Racetrack to supply each of the series sponsors with a certificate of appreciation in a frame suitable for wall hanging.

Racetrack to create a web page with a front page link for the Manufacturers Cup sponsors and competitors along with the point's listings and information about the series.

Create the appropriate documentation for the series sponsors to sign and collect the money or Voucher certificates.

# Manufacturers Cup Series

## 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.

The Voucher Program is a bonus component of the compensation package and separate from the Cash compensation packages.

Each Voucher Program Manufacturers Cup Sponsor to authorize vouchers for their products or services for the value of \$400.00 for each of the events.

Vouchers are to be in \$50.00 incremental values each.

Vouchers are to be transferable and fully negotiable and are the property of the holder.

They may be traded, swapped or sold for any value the holder decides, just like cash.

#### **Voucher Program Payout (Disbursement of Vouchers)**

Collect all vouchers.

At payout time collate vouchers in random packs for disbursement based on value.

*Insert disbursement plan here. <<<< not yet written*

Voucher holders are responsible for collection of the value of the voucher(s).

# Manufacturers Cup Series

## 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 20<sup>th</sup> 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

The first thing some racers will look at is what the payout is.

Then they will ask themselves can I win it?

The answer to the second part of the question is that everyone in the top twenty gets a slice, the better you finish the more you make.

The answer to the first part of the question is what is the payout?

**Payout proposal** - 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 payout.

# Manufacturers Cup Series

## 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**
- Prepaid entry for all races for the season before the season starts = **+ 10 point**
- 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**

# Manufacturers Cup Series

## 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.**

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	

## Racers Responsibility

1. Competitor must commit to the season to compete and agree to display all manufacturer stickers and the Manufacturers Cup sticker on each side of the car for the season. Failure to compete at 30% of the races will result in points not being awarded for those races after the default.
2. Pay the entry to compete in the Cup Series - \$80.00 for car/driver and two crew per race, pay two weeks prior to each race **OR** pay at the beginning of the season and get a 10% discount. No refunds for non attendance. **Season pre pay gives 10 bonus points toward payout later.**
3. Supply digital photos of the car in motion and a still photo of the car with the driver with a signed press release to allow the photos and names to be used for promotion by the sponsors. This must be done before the second race in the series or no points will be awarded until the items are supplied. Points cannot be awarded retroactively.
4. Participate – RACE - Enjoy
5. Attend the banquet and collect your money and prizes. Winnings and prizes only paid at the banquet. Attend the banquet and signup for the next year.

# Manufacturers Cup Series

## How to promote the Manufacturers Cup Series

Send out a promotion letter with a DVD to all potential racers and sponsors. Outlining all the advantages of the Series to all Outlaws, Modified, Super Sedan, Super Street, Sports Compact, and Nostalgia with a deadline to sign up competitors for the Manufacturers Cup. Include Manufacturers Cup Series Participation Agreement and an annual pre entry document to allow participants to pre enter for the season and collect the pre entry points and discount.

Put the information on the Willowbank web site

Put the information in a flier to be passed out at the gate.

Seek out suppliers (sponsors) willing to participate.

Step 1. Create a marketing letter with DVD, and mail it out to potential parties

Step 2. Start with the advertiser's indexes for a mail list.

Step 3. Call to verify interest and set up an appointment.

Step 4. Visit to select desired categories and get agreements signed.

When a supplier or vendor signs to commit for the season they sign the provided compensation certificates that will be given to the high points earners at the end of the season.

## Possible sponsors of the Manufacturer Cup Series.

LOWE Fuel Injection, Drag Race School, Ken Lowe Race Cars

Jack Brothers, Yella Terra, Crow Cams, Speed Pro, Star Performance, Queensland Diesel Spares,,Moroso Motorsports Connections, Newby Superchargers and Components, Odyssey Batteries, Auto Electrical Supplies, Battery World, JW Transmissions, Converter Shop, Precision Automatics, Russell Jones Engines RN Superchargers, Mendaham Engineering, Andrews Race Cars, Fabietti Race Engines, Diest Safety American Autos, COME Engines, Redland Bay Dyno Services, Frawley Engine Services, Hi Torque Starters Dragster Australia, Carpenter Ford, Holden, Toyota

## Manufacturers Cup Sales and Liaison person responsibility

1. Program is accepted by the race track
2. Sales and Liaison person is assigned the work.
3. Create the Sponsor agreements
4. Create the Participant agreements (Racer agreements)
5. Create the Voucher format ready for printing when necessary
6. Assemble a sales list to seek out sponsors for program
7. Call the sponsors for an appointment
8. Visit the sponsor
9. Sign up a Cash or Voucher Program
10. Give the sponsor the decal size information and a required delivery date for these decals
11. Visit the racers at the race track and clubs to sign them up for the season.

## Closing Statement – Why not try the MCS?