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Shell's hospitality agency knows how to get the job done.

The breakthrough deal

Louise Wilson got noticed in Formula One when she won the Shell hospitality contract at the end of 2002. It put her Signature Sponsorship marketing agency on the map.
By David Cushman

The signature on Shell's hospitality contract is literally Signature's. The sponsorship agency has now twice won the contract and will run the most prestigious account in Formula One to the end of 2008.

It is no secret that Shell's hospitality contract is traditionally one of the most prized in Formula One. Shell has been around longer than any other sponsor and along with Vodafone is one of the biggest spenders in Formula One.

Under its global sponsorship manager, Juan Carlos Perez, the company has set new targets in activating its sponsorship of Ferrari and promoting the link between its product and the sport. Since 2003 season the programme has been managed by a previously little-known London-based agency. But that was then and Signature Sponsorship is now one of the top agencies in the field.

When it won the contract in 2002, and again in 2005, it ruffled many feathers, not least those of Katja Heim, the incumbent. Perhaps unsurprisingly Heim was furious about the loss and at the time there were mutterings of cut-price and unprofitable tendering. However it

appeared margins had got out of control and the loss was a signal to the whole market that sponsors weren't prepared to pay any price asked and competitive organised tenders were the way of the future. Heim learned her lesson well and used the same techniques to gain some big contracts herself the following year.

Signature initially won the contract for three years, in a competitive pitch held in 2002. It went on to win a further tender in 2005, ensuring it would provide Shell with hospitality services through to the end of 2008. Nobody is saying how much the deal costs but given Shell's stature in the sport and its large number of guests annually, conservative estimates place the figure at US\$10 million over three years. Others put the figure much higher, potentially as much as US\$15 million. Either way, in hospitality terms it is a major deal and probably second in value only to Vodafone's US\$20 million-plus deal.

However, as Signature Sponsorship's managing director, Louise Wilson, explains, the company was never intended to be a hospitality manager and has evolved into the role. She says: "Signature

Sponsorship was set up in 1998 as a strategic sponsorship consultancy. As we grew the clients basically looked to us to do their activation. Once we had found them and purchased them a property they looked to us to do the activation, so that grew that side of the business."

Before Shell, Signature had been looking after the hospitality and sponsorship activation for Foster's in Formula One. Midway through 2002 Shell put the contract, previously held by KHP, out to tender. The new contract coincided with Ferrari's new five-year deal with Shell and also included the company's sponsorship of the Ducati MotoGP team. Shell drew up a shortlist of four companies, before setting up an e-auction through which each of the agencies could bid against each other. The 20-minute process, which was overseen by Shell's then European sponsorship manager Pippa Collett, resulted in Signature being awarded the contract for three years, starting in 2003.

Speaking at the time, Heim admitted she was unhappy with the result, or more specifically the system, believing that Signature was only able to win because, as the smallest agency involved, it could afford to bid cheaper. "The system is all about price and can't evaluate the quality of service. It doesn't measure like for like." Shell didn't see it that way and Wilson's experience of global sponsorship, including spells working with Coca-Cola, Proctor and Gamble, and Pepsi, came to the fore with a winning strategy.



LEFT: Shell guests enjoying the Signature hospitality in the Paddock Club during the 2006 Hungarian Grand Prix weekend.

operation.” She adds: “We have a team of six that manage the account permanently and we will flex that according to the number of guests. And we would also utilise other key members of the company if, for example, somebody had a specific requirement in languages. Everybody is able to work within the team should it be required. Everybody is totally trained so we can deliver to Shell a perfect experience for their guests.”

After five years honing the product, Signature is now running what Wilson calls a “total turnkey operation” for Shell at every Formula One race around the world. “The Shell host books with us and we operate as if we are an internal department to Shell,” she says. “We take them through the whole process from booking through to arriving. As soon as their guests touch down at whichever airport we pick them up from, from that point on we manage their whole weekend and facilitate any meetings or additional requests they might have – be it sightseeing or whatever. We obviously take them to the race. It’s total turnkey: hotels, foods, transport, requests.”

She adds: “The team that do that have a very large language capability, because we operate with 147 Shell markets globally, who are able to maximise the asset by attending a race.”

Wilson explains that most of Shell’s hospitality operation utilises the Paddock Club but she adds that Signature also runs bespoke grandstand programmes, or alternative hospitality if it is required. This is particularly important at a venue such as Monaco where the Paddock Club does not have prime position.

Unlike some other agencies which have criticised the Paddock Club for its clinical atmosphere and rigid methods, Wilson has nothing but praise for the facility. “It has been a positive experience. It is extremely consistent in what it delivers to the guest.”

Aside from direct hospitality at races Signature also runs other events for Shell clients. She says: “We also manage factory tours at the Ferrari factory in Modena and driving days around the track – all the events associated with their sponsorship. It’s the activation of the event aspect of the sponsorship, but the backbone of that is the 17 races.”

The close relationship with Shell means that Signature also works closely with the oil company’s partner team, Ferrari. “We have an excellent relationship with them,” Wilson confirms. “Obviously we have staff there every week doing factory tours and things. Shell also have an excellent relationship with Ferrari and they accommodate us wherever they can. If we make a request they will always do what they can to accommodate it. For example at the British Grand Prix we will have other areas aside from the Paddock Club where we have hospitality

and the drivers will come and talk at those locations as well.”

It is a year of big change for Ferrari, with Kimi Räikkönen joining the team following the retirement of Michael Schumacher, and it would appear to have reinvigorated the appetite for some guests, as Wilson says: “It’s a very exciting season from our point of view. It’s a big change in having new, younger drivers and obviously not having Michael. It’s stimulated quite a lot of interest from people in seeing something new and wanting to be a part of that.”

Away from Shell and Formula One, Signature has a growing portfolio of clients in several areas of expertise. It is active in the fields of music, art and culture but no area is growing like the sports sector. “We also work in MotoGP, World Superbikes and the Isle of Man TT races but fundamentally we’re not a motorsport agency. We’ve got a very good all-round motorsport portfolio, complemented by football, cricket, rugby, tennis, cycling and golf. We do the whole suite of sports.”

Wilson is not yet ready to comment publicly on the company’s latest sports account, believed to be a deal with the organisers of the London 2012 Olympic Games, but an insider has described the account as a “very big project, managing their sponsors”.

However the Shell deal clearly remains extremely important. Wilson says: “I think we are all delighted to be working with Shell again. It is a seamless project. We are truly in partnership hand-in-hand with them. It’s a privilege to work for them.”

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BELOW: Louise Wilson, managing director of Signature Sponsorship.



Three years later, in mid-2005 when the contract was coming to an end, Shell Brands International, the organisation’s marketing arm working out of Lausanne in Switzerland, put the contract out to tender again although this time it was a more conventional process. It prompted feverish activity amongst the top agencies, believed to include Steve Madincea’s Prism, Peter Harrison’s Global and KHP, as well as several others. But Shell’s Perez put his faith back in Signature and awarded the company a further three-year deal.

Signature is tasked with implementing Shell’s global strategy for its sponsorship. As Wilson puts it: “The thing to underline is that the whole focus for Shell is to maximise their return on investment by taking guests to experience the technology partnership with Ferrari. The technology partnership is the key phrase. This is a showcase for Shell to show what they physically do with their oils and lubricants while they’re out there. They have a track laboratory that goes to each race, for example. All the focus of everything we activate on Shell’s behalf is about showcasing that technology partnership. That’s absolutely key for them. Every guest will experience the garage tour and go and see the track lab. We ensure they have a Shell experience. It’s tailored to their sponsorship objective.”

Over a season Signature will entertain “several thousand” guests on Shell’s behalf. As Wilson says: “It’s a significant