

UNITED STATES OLYMPIC COMMITTEE  
CORPORATE PARTICIPATION ■ COLORADO SPRINGS, CO

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DATE: April 1, 2008

TO: Dr. Harvey Schiller, Executive Director of the U.S. Olympic Committee

COPY: Director of Marketing, U.S. Olympic Committee

FROM: Mike Bott (Email: [mbott@nd.edu](mailto:mbott@nd.edu); Phone: 574-631-0557)  
Manager of Corporate Participation, U.S. Olympic Committee

SUBJECT: **CORPORATE SPONSORSHIP RECOMMENDATION – AOL LLC**

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AOL has long been a market leader in United States internet and email adoption and usage. With their recent strategic shift to an advertising model, they have launched a number of innovative concepts that would benefit from association with the USOC. This partnership should both result in a financial gain for the USOC through advertising revenue sharing as well as a strategic victory regarding our initiative to expand the U.S. Olympic presence on the internet and in new media.

## **BACKGROUND**

### *Corporate Sponsorship Strategy*

For each potential sponsorship, the USOC approaches the partnership from a *value added* perspective. In order to obtain sponsorship, the partner must see how their sponsorship of Olympic athletes will result in greater sales and increased corporate revenues. Generally, the approach is as follows:

- Demonstrate how association with the Olympics has helped drive revenues for other firms.
- Once historical profitability is understood, the USOC helps the partner develop a marketing plan that effectively utilizes the trademarks, logos and associations available to them.
- Promotions and appearances by Olympic athletes are often part of the corporate sponsorship package.
- After corporate sponsorship has been secured, the USOC works hard to ensure the use of trademarks, logos and athletes are appropriate and true to the spirit of the Olympic movement.

### *AOL LLC*

- AOL LLC (formerly America Online) is a significant player in the online connectivity, media, entertainment, news and communication arena. Depending on the metric, the company is generally in the top three or four in all major Internet Service Provider, electronic communication and content categories.
- AOL LLC is a majority owned (95%) subsidiary of Time Warner, Inc. In 2007, the company changed its strategic focus from a subscription based revenue model to advertising based revenue model.

## CORPORATE SPONSORSHIP RECOMMENDATION – AOL LLC

April 1, 2008

Page 2 of 3

- AOL has a history of sponsorships in the corporate sponsorship market, including sponsoring the NFL and NBA.
- In late 2006, Randy Falco was named AOL's Chairman and CEO after years working for NBC. His responsibilities at NBC included serving as COO for their coverage of the Barcelona, Sydney, Atlanta and Salt Lake City Olympic games. Mr. Falco is passionate about the Olympic mission, and the USOC has an extremely favorable relationship with him. He is no stranger to the strategic value of an Olympic partnership and has already leveraged other existing relationships from his NBC days in his new role at AOL.
- AOL's advertising based revenue model is based largely on customer usage and page views. The more people and the more pages read on AOL properties, the more money AOL makes. Content and innovative products are the two primary ways in which usage and page views are increased.

### DISCUSSION

AOL will serve as a strong addition to the USOC portfolio of corporate sponsors. In addition to sharing in advertising profits, a partnership with AOL will help one of our strategic goals of expanding U.S. Olympic presence into the online arena. AOL has been open to similar partnerships in the past, as is evident through their deals with the NFL and NBA, and has strong ties to perhaps our most strategic partner, NBC. This existing relationship should allow for cross promotion benefitting the USOC, NBC and AOL. Providing exclusive Olympic content should be received positively by AOL, and a revenue sharing model is a zero to low risk commitment from their perspective. Additionally, our familiarity and strong relationship with former NBC executive and current AOL Chairman and CEO Randy Falco should lend itself to an expedient partnership formation process.

### RECOMMENDATIONS

1. **Sign the attached letter to AOL's CEO Randy Falco.** The attached letter opens the discussion on a partnership between the USOC and AOL. It outlines benefits briefly and addresses a 'next step'. (Action: Schiller; Completion Date: April 10, 2008)

2. **Begin preliminary sponsorship package creation.** As is standard with any potential partnership, preliminary package creation will help the corporate executive see many of the value-add possibilities and opportunities for additional revenue. Initial ideas (referenced in the attached letter) include:

- **Olympic coverage content area.** Content area shall include exclusive coverage and stories.
- **Live8-like Event Video Streaming.** Utilize successes of AOL's Live8 event coverage and production.
- **Create US Olympic affinity domain.** AOL email offers email accounts with partnership themed domain names. A possible suggestion could be: @usolympicgold.com.
- **Athlete blog creation and hosting.** Blogs by US Olympic athletes providing insight into the Olympic experience.

(Action: Manager of Corporate Participation, Director of USOC Marketing; CD: April 12, 2008)

**CORPORATE SPONSORSHIP RECOMMENDATION – AOL LLC**

April 1, 2008

Page 3 of 3

3. **Contact NBC about potential arrangement to promote olympics.aol.com.** Engage in preliminary discussion about AOL and NBC cross promotion. (Action: Manager of Corporate Participation, NBC account liaison; Completion Date: April 12, 2008)

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