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## Relationships

The licensing industry is always talking about how this is a relationship business, when in fact every industry is. As Building Q approaches its 10th anniversary, it seems I have been giving a lot of thought to relationships.

We have tremendous client relationships. Modern Publishing has been around since almost the day we began. Polyconcept has been with us for 9 years. We also have more great business relationships with licensors than I can list.

What makes for a great client relationship?

When I think about the long-term business partners we have, I think of successes we shared, but I also remember bitter battles waged, differing opinions, and sometimes even shouting. But always there is an honesty and mutual respect... and it is respect that separates the great relationships from those not so great.

The great clients respect the fact that it is not the value of one phone call about an upcoming trend or property, but the 20 years of experience and knowledge that is where real value is.

Our clients are very successful – many achieved success without Building Q. The companies were

created and developed, and then licensing became a strategic issue. We always respect that our clients were successful without us, and it is our constant challenge to enable them to be more successful with us – to build on their success!

If you think about it, within the jousting between licensor and licensee even the most successful relationships are built on mutual respect. How many times do these "partnerships" dissolve into a tug of war because of egos, inexperience, and, finally, lack of mutual respect.

I've often felt that if we can win a licensors respect for our client (and vice versa sometimes), we will carry the day, regardless of the other deal points. But like most equities, respect has to be earned, and developed over time. So maybe we can't win respect for them, but we do polish their armor, fit the horse, and point them in the right direction.

To Ed, Rick and Rich, Harry, James and Joseph, David, Alan, Alan, Brad, Howard, Barrie, Paul & Lynn, Russell & Jack and to every person who enabled us to get to our tenth year, I thank you... And more important, I respect you.

## The Place For Kids

According to Nielsen, Nickelodeon is the #1 Cable network among kids over the last 5 years. As kids continue watching Nick, 2002 promises to be another strong year for the Consumer Properties division.

We are excited that many Building Q clients are Nickelodeon licensees and look forward to their success throughout the year. THE FRANKFORD CANDY COMPANY introduces character shaped Jelly Pops featuring Spongebob, Rugrats, and the gang from Rocket Power. They also continue on their seasonal confection and tin programs featuring all your favorite Nickelodeon friends. BRIEFLY STATED refreshes their line of sleepwear and loungewear featuring Spongebob Squarepants throughout 2002. The sales team at Briefly Stated reports that the



loungewear is a big hit among the adults too! BASIC FUN takes their innovative functional keychains

to properties like Rocket Power, Spongebob, and Jimmy Neutron. Collect the entire Basic Fun/Nickelodeon collection to show on your backpack. In the second half of 2002, GEMMY INDUSTRIES will introduce their line of Spongebob animatronics. These fun and creative items bring Spongebob to life right in your own home.

Be sure to also look for SHOWER FLOWER and products from HAPPY DOG TOYS later in 2002.



## Client Spotlight - Modern Publishing

As Building Q approaches its 10th anniversary in 2002, we have been blessed to work with many clients who have become more than simply business associates; they have become friends, partners, and family. MODERN PUBLISHING was one of our very first clients – and maybe the first to really understand our business philosophy – and we can truly say that we would not be where we are today without them. Already successful when we began working for them in late 1992, their strategy was to look for modest hits that would add sales to their basic line, while providing the potential upside for which licensing is known. In late 1993, Building Q, Modern and a few of our other clients, were in the right place at the right time, pursuing a little-known property called "Power Rangers" from Saban.

At Christmas 1993, Ed and Woody were hustling to put the PR program to bed. It was a gamble that paid off: toys began flying off the shelf and by the time Toy Fair 1994 opened, Modern was among the first licensee shipping product in to hungry marketplace.

Together, Modern and Building Q made history, launching a great and long-term partnership with Saban for Modern. In turn, Modern has earned a reputation in the licensing world because of the tremendous job it did

with design, manufacturing, and shipping of Power Ranger products. Since then, MODERN and Building Q have continued to grow and nurture Modern's product line by developing a broad licensed program that today includes Barbie, Fisher Price, Clifford, Hot Wheels, Hasbro Games, and more.

In 10 years, Modern and Building Q has developed an easy and efficient working relationship and earned each other's respect. Woody notes that "Ed has an amazing win-win attitude about licensing. Even when we disagree on a recommendation or the value of a property, we can always step back, look at it fresh, and usually come up with a winning strategy.

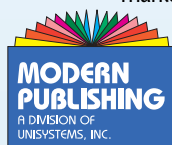
"It is an amazing partnership," he continued. "Working with a company that understands the risks – yet wants to compete and develop a program of winners – is a joy. We could not ask for more!"

Ed and Larry have watched BQ grow from a tiny one-man office into a group of five professionals with offices now in NJ and NYC. As Ed recently observed, "It is a pleasure to see that just as for Modern, Woody has proven that hard work and dedication lead to great success. As we enter our second decade as a client, we can honestly say that we are looking forward to partnering with Building Q for many years to come."



Building Q

Licensing / Marketing



MODERN PUBLISHING  
A DIVISION OF  
UNISYSTEMS, INC.

# You're The Finest

In just 200  
years,  
your country,  
through freedom  
and hard work,  
has changed the world.  
In agriculture,  
industry,  
education,  
medicine,  
law,  
transportation,  
and on and on.  
No country can  
match America's  
record  
on religious freedom,  
civil freedom,  
human rights,  
the importance  
and dignity of the  
individual.  
We do have our differences.  
But when we join together  
in times of crisis,  
our strength is  
awesome.  
Among all the nations,  
America still  
stands out front.  
You're an American.  
You're the finest ever—  
and don't you ever,  
*ever*  
forget it.

This is a reprint of an ad published in the *Wall Street Journal*  
by United Technologies Corporation, Hartford, Connecticut 06101

## NEWS & NOTES

**BUILDING Q OPENS ON BROADWAY** – Last fall Building Q celebrated their new office opening in the heart of the fashion district on Broadway in New York City. The office is being run by the newest member of the Building Q team, licensing and fashion industry veteran, Terry Hess. Terry will use his expertise to bring our clients new licensing opportunities from the fashion and apparel industry. Terry can be reached at Building Q New York City at 917-510-0447 or via 856-782-7400 x 812. Feel free to stop by and visit him at 1412 Broadway, 19th floor.

**NEW BUSINESS** – As we move into 2002, we are proud to announce the following additions to our client roster:



**HAPPY DOG TOYS** – Manufacturer of pet products and accessories. Looking to license properties and brands for their pet toy line along with the growing pet apparel category.

**SHOWER FLOWER INC.** – A creative bath toy company marketing a new, unique product to the HBA industry. The Shower Flower is a patented, new version of the popular "pouf" products now on the market. Shower Flower Bath Toy combines the "bath pouf" with their new licensed decorative holder and suction cup.

**UPCOMING TRADE SHOWS** – The first quarter of 2002 promises to be a busy one when it comes to industry trade shows, listed below are some of the noteworthy shows coming up in early 2002. Las Vegas, Consumer Electronics Show Jan. 8-11; Hong Kong Toy & Game Fair Jan. 8-11; Chicago, Housewares Show Jan. 13-15; New York, Gift Fair Jan. 19-24; Las Vegas, The Super Show, Jan. 21-23; New York, Toy Fair Feb. 10-14; Las Vegas, MAGIC Feb. 19-22. We look forward to seeing everyone during this busy trade show season.



# IT'S ALL ABOUT PRODUCT

*A select look at some fun product over the years...*



Building Q

## KEY FOR PRODUCT PHOTO

- 1 Baby Snoopy Newborn Gift Set – AD Sutton & Sons (2001)
- 2 Crayola Keyboard – Polyconcepts USA (2000)
- 3 Tin Assortment – Frankford Candy and Chocolate Company (2000)
- 4 Nickelodeon Mouse – Brainworks (1995)
- 5 Spongebob Squarepants Sleepwear – Briefly Stated (2001)
- 6 Simpsons Board Game – Warren Industries (2001)
- 7 Working Keychain Assortment – Basic Fun (2001)
- 8 DragonBall Z backpack – AD Sutton & Sons (2000)
- 9 Fisher Price Workbook – Modern Publishing (1998)
- 10 Slinky Telephone – Polyconcepts USA (2000)
- 11 Crayola Camera – Concord Camera (1993)
- 12 M&M's Shower Radio – Polyconcepts USA (2000)
- 13 Animatronic Caddyshack Gopher – Gemmy Industries (2000)
- 14 Clifford Backpack – AD Sutton & Sons (2001)
- 15 South Park Chef Animatronic Figure – Gemmy Industries (1998)
- 16 Animated Frosty the Snowman – Gemmy Industries (1997)
- 17 Clifford Coloring and Activity Book – Modern Publishing (2001)
- 18 M&M's Character Telephone – Polyconcepts USA (1999)
- 19 Scooby Doo Animatronic Figure – Gemmy Industries (2001)
- 20 Rugrats Suitcase Candy Tin – Frankford Candy and Chocolate Company (1999)
- 21 Brittany Spears Sleepwear – Briefly Stated (2000)
- 22 Philco Radio – Polyconcepts USA (2001)
- 23 Little Bear Backpack – AD Sutton & Sons (1999)
- 24 Dilbert Calendar Software – Daybreak (1997)
- 25 Tigger Flying Toy – Fusion Toys (2001)





# News & Previews

| CLIENT                             | DISTRIBUTION                                     | CORE PRODUCT LINE  | CURRENT LICENSES INCLUDE (LISTED ALPHABETICALLY)  |
|------------------------------------|--|--|---|
| <b>APPAREL &amp; ACCESSORIES</b>   |  |  |   |
| AD SUTTON & SONS                   | Mass, Mid-Tier, Department Store                 | Backpacks, Travel Bags, Lunch Bags, Fannie Packs, Cooler Bags                              | Clifford, Coca-Cola, Metabots*, Dragon Ball*, DragonBall Z, Jackie Chan Adventures, Little Bear, NASCAR   |
| ODM                                | Mass, Mid-Tier, Specialty, Independent Retailers | Men's, Ladies, Juniors & Kids T-Shirts and Fleece  | Budweiser, Cadillac, Chevrolet, Corona, DragonBall Z, Robotech, Zoom Speed  |
| <b>COLLECTIBLES</b>                |  |  |   |
| COMIC IMAGES                       | Mass, Drug, Convenience Stores, Hobby            | Trading Cards, Trading Card Collectible Games, Bobble Head Dolls                           | Butt Ugly Martians, DragonBall Z*, Final Fantasy, WWF   |
| COLLECTIBLE CONCEPTS GROUP         | Mass, Gift, E-Commerce                           | Wall Scrolls   | Lord of The Rings, Marvel Universe, Three Stooges   |
| <b>ELECTRONICS</b>                 |  |  |   |
| POLYCONCEPTS USA                   | Mass, Mid-Tier, Gift, Catalog, Specialty, Direct | Consumer Electronics   | Barbie*, Coca-Cola, Coleman, Crayola, Dubble Bubble, Hasbro, Lava, Magic 8 Ball, M&Ms, Nick & Nora, Nintendo, NFL, Philco, Slinky   |
| <b>FOOD</b>                        |  |  |   |
| FRANKFORD CANDY COMPANY            | Mass, Drug, Grocery                              | Character Shaped Jelly Pops, Boxed and Wrapped Confections, Retentative Value Containers   | Barbie, Beatrix Potter, Butt Ugly Martians, Hot Wheels, Peter Pan, Powerpuff Girls, Rocket Power, Rugrats, Spongebob Squarepants, The Simpsons, The Wild Thornberries   |
| <b>H B A</b>                       |  |  |   |
| KOSMAKARE                          | Mass, Drug, Grocery                              | Adhesive Bandages  | Bob The Builder, Teletubbies  |
| SHOWER FLOWER, INC.                | Mass, Drug                                       | Patented character decorated suction cup designed for bath and shower cleaning implements. | Clifford*, Nickelodeon*   |
| <b>PET PRODUCTS</b>                |  |  |   |
| HAPPY DOG TOYS, INC.               | Mass, Pet Stores, Drug, Specialty                | Dog and Cat Toys, Accessories, Aquarium, Aquarium Accessories                              | Sponge Bob Aqurium and accessories*   |
| <b>PUBLISHING</b>                  |  |  |   |
| MODERN PUBLISHING                  | Mass, Grocery, Drug                              | Coloring, Activity, and Sticker Books  | Barbie, Clifford, DragonBall Z, Fisher Price, Hasbro Games, Jay Jay the Jetplane, Hot Wheels, Noah's Park, Teletubbies  |
| <b>TOYS AND GAMES</b>              |  |  |   |
| BASIC FUN                          | Mass, Toy, Specialty                             | Functional Keychains, Windup Toys  | Barbie, Butt Ugly Martians, Clifford, Disney, Dubble Bubble, Etch A-Sketch, Fisher Price, Gravity Games, Hasbro Games, Hot Wheels, Lord of the Rings, M&M's, The Muppets, Powerpuff Girls, Simpsons, Tama & Friends, Yu-Gi-Oh |
| FUSION TOYS (formerly Fun & Funny) | Mass, Specialty, Toy                             | Tethered Flying Toys   | Butt Ugly Martians, Disney Standard Characters, Jay-Jay the Jetplane, Lilo & Stitch, Princesses, Pooh, Treasure Planet, Toy Story   |
| JARU TOYS, INC.                    | Grocery, Mass, Toy, Drug                         | Impulse Toys   | Jackie Chan Adventures*   |

**FOR MORE INFORMATION ON BUILDING Q OR OUR CLIENTS CONTACT US AT:**

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