

## TAKE THE MEETING!

Not long ago I was on the phone with a client talking about - what else - the licensing business. We were talking about all the problems, the opportunities, and how the industry has evolved over the past few years...the big getting bigger, the retail fight, and the struggle just to get licensed product in front of consumers who still seem to like licensed product when given a choice.

One of the big challenges we discussed was simply getting to a conversation with a decision maker or even (sometimes) a coordinator. Here are some observations from a couple of minutes of that conversation...

So many of the licensors have adopted a less is more philosophy to their licensee base that the fringe manufacturer is less likely to get to the table. With the evolution of text and emails there is a seemingly glaring goal of many to avoid personal confrontation, account executives are too busy to meet and they send a nice email saying "that the category is not available" and when pressed fall back on the "I don't want to waste anyone's time" - which is funny when you think about the amount of time requested.

Perhaps it is an age thing, maybe a power thing, I am not sure, but it would seem that as a licensing manager or director - especially if a president of a company, even a small company wants to meet it would be a good thing, networking wise- but to compare and contrast the attitude and results here is a scenario that my client laid out as having happened to him on more than one occasion in his career...

In the past, the licensor would take the meeting, and the manufacturer would come in and make a credentials presentation, talk about the category dynamics, and then outline how he/she sees a particular license fitting in to that company's product line...Maybe the application is good but off strategy, maybe the rights are not clearly open, or maybe "after further review" the partnership isn't right, but the story does not end there. You have a new contact, a new acquaintance, and a new resource-all reasonable ROI results for an introductory meeting. Then more often than not, somewhere down the road, maybe soon or maybe later, a project crosses the licensors desk that fits with the manufacturer he/she remembers. Sometimes the licensee acquires a new technology or develops a new product line that makes the fit much better the second time around. Business grows that way. All these dividends don't happen if the initial meeting doesn't take place.

In today's economy, with staffs short and getting shorter, it is understandable that time is short, we all are working a little tighter. At the same time in this economy, with staffs short and getting shorter one might want to expand their universe of contacts, and build as many new bridges as you can. I get calls every week from folks networking, some asking for help while forgetting they never had time for me when a client needed an hour.

Funny how that works.



## Client Spotlight: PETMATE

No longer considered just animals, pets have become part of our families. Petmate understands this and covers the spectrum of pet needs and wants, offering the widest array of creature comforts to make every day enjoyable for pets and their parents. As a leading hard goods manufacturer in the pet industry for over 40 years, Petmate has been at the forefront in creating and marketing innovative pet product solutions.

Being the first company to provide a safe and comfortable alternative to the wooden crates that were historically used to transport pets, Petmate has gone on to introduce smart solutions for every stage of pet life. They are now one of the leading national pet brands and offer products in various categories including kennels, bedding, collars & leashes, litter products, feeding and watering, toys and more. With a SKU count totaling over 5000, they have positioned themselves as a one-stop-shop vendor to mass and pet specialty retailers nationwide.

In an industry that has seen rapid expansion in the last decade, a company must have the right strategy to compete with the fast-paced evolution of national brands, specialty vendors and in-house



brands. Petmate has claimed distinction in the marketplace by holding firm to the ideal that they will offer retailers solutions to increase their revenue and pet parents the products they need. Additionally, they have positioned themselves as category leaders to many retail buyers providing product and consumer intel, strong sales initiatives and a commitment to marketing the right brand to the right audience.

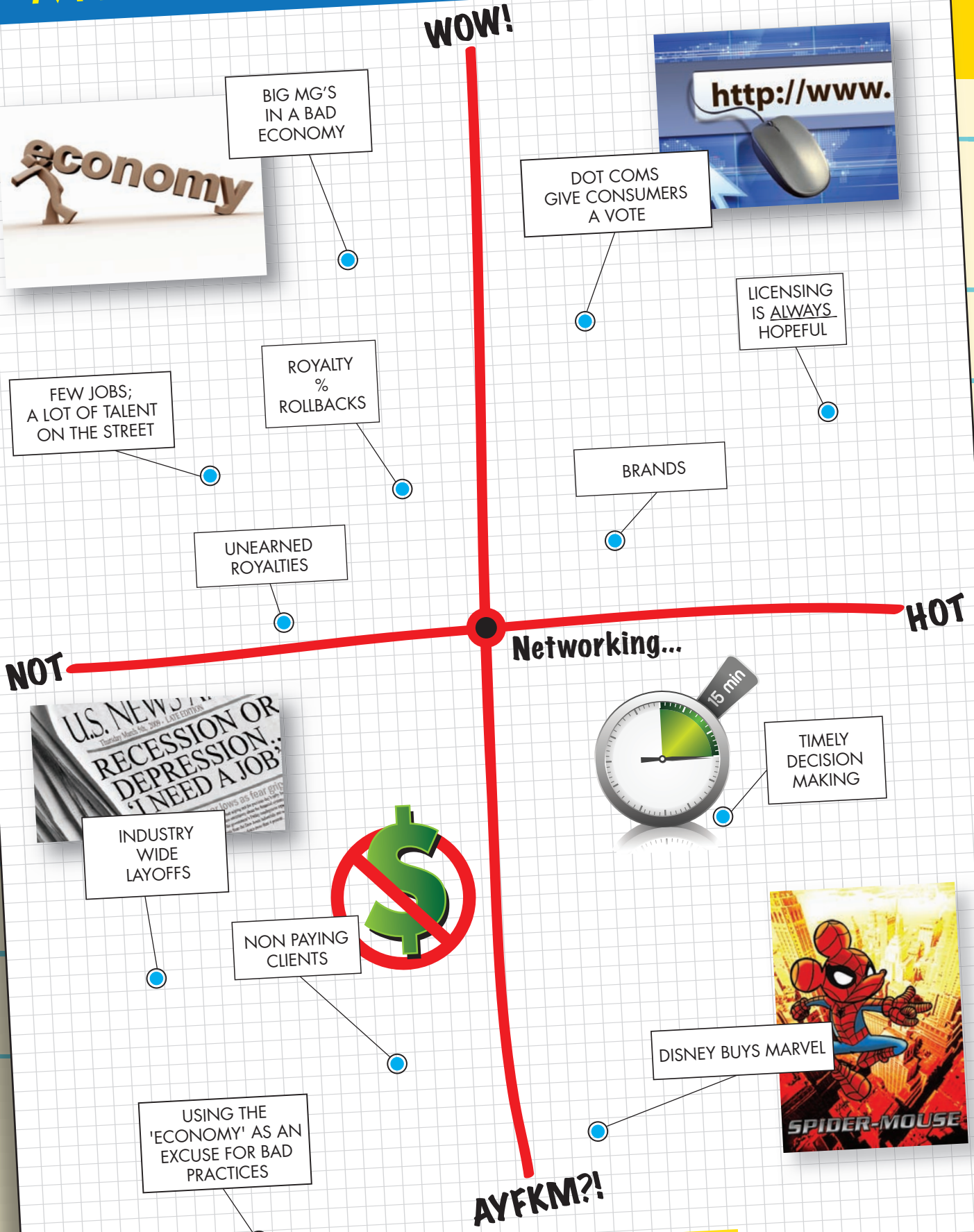
Among the many tools in their arsenal, Petmate has utilized strong licensed brands to aid in channel differentiation and to gain shelf space. Based on the opportunity for growth in a specific distribution channel, the correct license allows the company to

**“Working with Building Q allowed us to find a licensing opportunity that blended our company’s product line with a strong consumer-centric license, creating strong synergies on shelf”**

compete without pitting their customers against each other. The key component is in finding the right license for the right audience and a perfect example of this is the introduction of the American Kennel Club (AKC) license into the pet product category. “Working with Building Q allowed us to find a licensing opportunity that blended our company’s product line with a strong consumer-centric license, creating

CONTINUED ON PAGE 4

# MY SLANT ON THE INDUSTRY



WOW!

NOT

Networking...

HOT

AYFKM?!



BIG MG'S  
IN A BAD  
ECONOMY



DOT COMS  
GIVE CONSUMERS  
A VOTE

LICENSING  
IS ALWAYS  
HOPEFUL

FEW JOBS;  
A LOT OF TALENT  
ON THE STREET

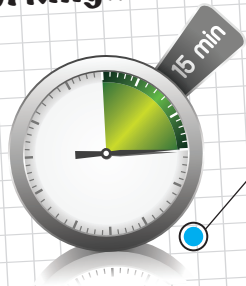
ROYALTY  
%  
ROLLBACKS

BRANDS

UNEARNED  
ROYALTIES



INDUSTRY  
WIDE  
LAYOFFS



TIMELY  
DECISION  
MAKING

NON PAYING  
CLIENTS



DISNEY BUYS MARVEL

USING THE  
'ECONOMY' AS AN  
EXCUSE FOR BAD  
PRACTICES

Add YOUR slant - send your slant on the industry to [myslant@buildingq.com](mailto:myslant@buildingq.com)



# CLIENT ROSTER

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CLIENT	DISTRIBUTION	CORE PRODUCT LINE	CURRENT LICENSES INCLUDE... ( LISTED ALPHABETICALLY )
<b>APPAREL &amp; ACCESSORIES</b>			
AD SUTTON	Mass, Drug, Off Price & Mid-Tier	Backpacks, Travel Bags, Lunch Bags, Fannie Packs, Cooler Bags, Ladies Totes and Handbags	Coca-Cola
MTC MARKETING	Mid Tier, Specialty, Mass	Jackets, Hoodies, Flip Flops, Headwear	Betty Boop, Brooklyn Brewery, Dos Equis, Double Bubble, Fame, Felix the Cat, Ferrara Pan, General Mills, Indy 500, Lil Bratz, Pink Panther, Speed Racer, Strawberry Shortcake, Tecate
<b>AUTOMOTIVE ACCESSORIES</b>			
MOTO CYCLE CORP	Specialty	Motor Scooters, Motorcycle Helmets, & Accessories	U.S. Army
<b>COLLECTIBLES, GIFTS AND NOVELTIES</b>			
COMIC IMAGES	Mass, Drug, Convenience Stores, Hobby	Plush figures, Novelty Golf Club Covers, Novelty Slippers, Ceramic Banks, Figural Backpacks	Clone Wars, Godfather, Marvel Super Heroes, NFL, Spiderman, Star Wars, X-Men
<b>CONFECTIONS</b>			
FRANKFORD CANDY & CHOCOLATE COMPANY	Mass, Drug, Grocery, Specialty, Convenience Stores, Club Stores	Seasonal & Everyday Chocolate & Non-Chocolate Confections, Food Filled Containers and Gifts, Easter Baskets and Confectionery Gifts, Snacks	Beatrix Potter, Bubblicious, Camp Rock, Disney's Fairies; Disney's Princesses, Dora the Explorer, Go Diego Go, Hannah Montana, Harry Potter; Hasbro, High School Musical, Littlest Pet Shop, Mickey Mouse, Nickelodeon, Sour Patch, Spongebob Squarepants, Toy Story; Transformers Movie, Veggie Tales
<b>HOME AND ROOM DÉCOR</b>			
PRODUCTWORKS	Mass, Drug, Grocery, Specialty, Mail Order, Warehouse Clubs	Lighted Indoor / Outdoor Decorations (Seasonal and Non-Seasonal), Window Clings, Lighted Novelities	Disney, Elvis Presley, Hannah Montana, High School Musical, Peanuts, Rudolph Red Nosed Reindeer
<b>PARTY GOODS</b>			
BAKERY CRAFTS	Retail & Supermarket Bakeries, Cake & Candy Supply Shops, Ice Cream Shops, Bakery Distributors	Cake Kits, Cake Toppers, Cupcake Decorations and Party Kits, Wedding Ornaments, Candles, Bakery Supply Equipment, On Demand Imaging Systems with Licensed Characters and Frames, Edible Cake Decorations	Bakugan, Batman, Betty Boop, Caterpillar, Chivas Mexico, Clifford, Clone Wars, Crayola, Collegiate Licenses, Curious George, Domo, Fancy Nancy, Field & Stream, GI Joe, Harley Davidson, Hello Kitty, Jelly Belly, John Deere, Little Tikes, Looney Tunes, NASCAR, Peanuts, Pokemon, Precious Moments, Scooby Doo, Sesame Street, Smurfs, Star Wars, Superman, The Dog, Transformers, Wizard of Oz, Wow Wow Wubbzy
<b>PET PRODUCTS</b>			
PETMATE	Mass, Pet Specialty, Drug Stores	Pet Products	ASPCA, American Kennel Club, American Legacy, Cat Fanciers Association, Microban
<b>TOYS AND GAMES</b>			
WINFAT	Mass, Toy, Infant, Specialty, Catalog, On Line Retailers	Preschool Electronic Learning Aids, Preschool Laptops, Musical Instruments, and Plug and Play	Wow Wow Wubbzy
<b>SPECIAL PROJECTS:</b>			
BANDALS INTERNATIONAL	Specialty, Mid-Tier, Mass	Sandals, Footwear	Oklahoma State University
BASIC FUN	Mass, Toy, Specialty, Drug, Grocery, Craft Stores	Functional, Figural and Plush Keychains and Novelty Items, Talking Pens and Keychains. Holiday Ornaments, Take-Along Twister, Magic Washcloths and Mitts, XTS Expandable Train System, Hand-Held Electronics	Angelina Ballerina, Bakugan, Ben 10, Clone Wars, Etch-a-Sketch, Family Guy, Fisher Price, Guitar Hero, Hasbro's Games, Hello Kitty, Indiana Jones, Littlest Pet Shop, Mad Balls, Marvel Universe, Mr. Men & Little Miss, Mr. Potato Head, My Little Pony, My Name is Earl, Nintendo, Pokemon, Office Space, Paul Frank, Pokkemon, Sesame Street, Simpsons, Star Wars, Spiderman, Spongebob, South Park, SuperBad, The Office, Thomas and Friends, Tonka, Transformers, Wolverine, Yo Gabba Gabba
HILCO	Mass, Drug, Grocery, Specialty, Convenience Stores	Seasonal & Everyday Novelty Confections	Animal Planet, Barbie, Hot Wheels, Mad Balls, Magic 8 Ball, Mr. Men-Little Miss, Mr. Potato Head, Strawberry Shortcake, Tonka, Transformers Movie
CADACO	Mass, Toy, Specialty	Game Bytes Computer Games, Board Games, Crayon Paper & Creaata Clings Activity Sets, Magic Kits	Bella Sara, Buzztime Entertainment, Deadliest Catch, Hardy Boys, In My Pocket, Nancy Drew, Polly Pocket, Speed Racer



# NEWS AND NOTES

## 2010 TRADE SHOW CALENDAR:

### JANUARY

- HONG KONG TOY SHOW; Hong Kong  
January 11 to January 14
- FANCY FOODS SHOW; San Francisco  
January 17 to January 19

### FEBRUARY

- TOY FAIR; New York City  
February 14 to February 17
- MAGIC; Las Vegas  
February 17 to February 19

### MARCH

- GPE (Global Pet Expo); Orlando  
March 25 to March 27

### JUNE

- ALL CANDY EXPO; Chicago  
June 8 to June 10
- THE LICENSING SHOW, Las Vegas  
June 8 to June 10
- IDDBA, (Deli & Bakery Show); Houston  
June 8 to June 10

### NEW BIZ:

ADSutton is back! A leading resource for their distribution is mid tier, mass and off-price stores. Their strong product development and sourcing team coupled with their retail relationships make them a strong contender in the category.

### PERSONAL NOTE

Thanks for all the client and friend support when my mom passed away in October. As I write this it is still surreal, and I thank all who called, prayed, or sent flowers.

### JUNE FUN RUN? VEGAS? ...

This past June was the first June Licensing Show in maybe 10 years where we did NOT put together a Thursday morning FUN RUN. In years past we would gather at Columbus Circle and run an easy 3 miles through Central Park.

We received a lot of calls asking about the June Show and what was going to happen with the Fun Run.

I am still researching a good loop in Vegas, the Strip is not the most pleasant running venue; and my beloved Red Rock Canyon is a bit far to get a group there and back on a work day, so I continue to search for a good compromise.

## Client Spotlight: PETMATE

CONTINUED FROM PAGE 1

strong synergies on shelf," stated Brad Kane, vice president of marketing.

The AKC is one of the most trusted and widely recognized brands in dog ownership circles, evoking the feeling of premium quality. By licensing this brand, Petmate brought to market kennels, bedding, bowls, collars and leashes that, although already high in quality and attractiveness, were made even more successful by the halo effect of the AKC brand. This partnership ensures success for their retail partners and value for consumers. "Petmate has respected the cachet of the AKC organization in its development and production of branded products," said Alyssa Tucker, SVP, Marketing & Licensing, 4sight licensing solutions, global licensing agent for the AKC. "This commitment to excellence and innovation in expanding its product line embodies the tenets which has distinguished the AKC for 125 years. It's a perfect partnership."

Looking forward, this industry will only continue to advance in technology, quality and competition. Shelf space will become even scarcer and in-house brands will maintain their growth. Within this environment, Petmate will look for products, brands and strategies that keep them one step ahead of the competition.

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