

## Le Train Q

Many of you know that when I am not in the office I am on my bike; most days it is what keeps me sane. I guess it is because of my attachment to (some say obsession with) the sport that I have become a fan of Lance Armstrong and the USPS Team.

Beyond the thrills of watching Armstrong and "Le Train Bleu" (as his team of six riders is known) win the last five Tour de France races, their experience has provided me with literally hours of management training. Lance knows that without the support of every member of his team, he would not be looking at possibly winning an unprecedented sixth consecutive Tour next summer.

While Lance has Le Train Bleu, I find I have "Le Train Q" – a team no less spectacular than the USPS squad. Licensing is, as I learn repeatedly, a team sport. The product is champion, and everyone on a good team works to keep the product in the lead position.

Contrast that with a bad team. On a bad team, people get selfish and petty, often forgetting the common goal. Without selfless teamwork, one cannot achieve the level of professionalism needed to win.

But on a great team, ahhh...that is where the true payoff is. On a great team, everyone not only works for the common goal, everyone likes and respects each other and shares a feeling of family that goes far beyond the goal at hand.

Last year at Licensing Show, our team had more than 130 meetings in a span of three days. As in bike racing, it was a divide and conquer approach that had some BQ team members at meetings in our booth, some at meetings away from our booth and some chasing opportunities down on the show floor.

Gary Schneider, Terry Hess, Michelle Brown and I are a team. We each have specific duties along the route. We keep the product goal in mind because, frankly, it doesn't matter if we win or lose individually, as long as the client and the product are winners.

In cycling lingo, Gary is the domestique; he works every day to control the pace, corral break-aways and do the hard work necessary to win. Terry is our "strong man" – the guy who can ride in front and stifle attacks, set pace and protect. Michelle is the seigneur, preparing everyone for big efforts. This leaves me to shine in the mountains. When the road goes up to the sky, my job is to lead our clients, protect them to my limits, set a pace the competition cannot follow and then watch as our own clients win.

Our team does not get the glory. That goes to the product and to the client – as it should. They are the ones who truly make it happen. We're just along for the ride – and what a great ride it is.

## ODM

What began as a one-man shop in 1993 has now, 10 years later, grown into the most innovative and edgiest T-shirt manufacturer in the industry – ODM. Founded in 1993 by Anthony (Tony) Olaes, a graphic designer by trade, Tony began the company by printing his original designs on T-shirts.

Tony has built the company on the mantra "It's all about the art," which continues to be the driving force of the business today. From 1994 to 1999, the company enjoyed a tremendous amount of success with house brands catering to the Latino market. Its first hit in 1994 – Rolling Hard -- experienced 50% sell through in 300 stores in the first week. In the late 1990's Tony's thoughts turned towards licensing. In 1997 ODM secured its first major license – DragonBall Z -- from Funimation Productions. ODM's artwork for Dragonball Z was so impressive that the team at Funimation used many of their designs in the initial Dragonball Z style guide. In addition, other licensees were referred to Tony and his design team for guidance on design for the property.

In 2001, as the company looked to further grow the business, Tony sought the expertise of the Building Q team. The relationship between ODM and Building Q got off to a very fast start, as ODM's management inherently understood the value of licensing. The relationship was a hit from the very first day, as we immediately saw that Tony and his staff at ODM "got it" in regards to how the licensing business works. ODM's licensing strategy

was to identify niche "single and double" opportunities with breakout potential, to focus on licensors that understand great designs, and one with long term vision, not a hit and run licensor. For instance,



ODM has kept Funimation's Dragonball Z in the marketplace for over seven years.

"The strengths of our two companies, between what we offer on the art, design and production sides, and what Building Q brought to the table with their relationships and knowledge of the industry, are extremely synergistic," said Tony. "Building Q understood our needs and objectives almost immediately, which helped to make our program very successful from the start."

After signing some niche deals for properties such as Fear Factor, Alf, Bob Ross, and the Man Show, the real breakthrough came in January 2003. Identifying a trend across the country, Terry Hess raised the idea of acquiring a fairly new license, Orange County Choppers. Motorcycle accessories and apparel sales are extremely popular today, and Tony knew there was built-in market for motorcycle-themed T-shirts in the retail marketplace. Working with the guidance of Building Q, Tony decided to take a chance on what was a relatively unknown property at the time.

"ODM understood the Orange County Chopper mystique from the start and created artwork that not only reflected, but paid homage to OCC's success," said Jim Bell, President of Bell Licensing, who represents Orange County Choppers. "The OCC shirts immediately began pulling market share from other motorcycle licensed apparel and the line continues to grow because ODM's dedication to the OCC image in unwavering."

As the company continues its tremendous strides in the industry, whether it is in the T-Shirt division, or the new hat sector of the company - Tony will ensure to keep to the original theme by which he started the business: "ODM – It's all About the Art!"



Building Q™

Licensing / Marketing

# How Much Does the Right Knowledge Pay?

Charles Steinmetz (1865-1923) was a pioneering genius in harnessing electricity. After he retired, Steinmetz's former employers at General Electric occasionally relied on his brilliance.

Such was the case when an intricate set of machines broke down. In-house experts could not find the cause of this malfunction so GE leaders called Steinmetz.

After testing various parts, Steinmetz finally pinpointed the problem and marked the defective part with a piece of chalk. Steinmetz then submitted a bill for \$10,000.

Surprised at this unexpected high price, GE honchos asked Steinmetz to resubmit an itemized statement. He complied with a new invoice that listed only two items:

## INVOICE

Marking one chalk mark:	\$1.00
Knowing where to place it:	\$9,999.00

adapted from *The Little, Brown Book of Anecdotes*  
Clifton Fadiman  
Little, Brown and Co.

## The Preschool Landscape

All it took was one quick introductory meeting at last June's Licensing Show. The Building Q team was shown a presentation on a cute preschool property called THE KOALA BROTHERS. Immediately we earmarked it as one of the properties that must move to the top of our client's minds when thinking about 2005.

This January, direct from the Australian Outback, we will all meet Frank and Buster – THE KOALA BROTHERS. Debuting on Playhouse Disney as a strip starting January 26, 2004, the brothers' motto is "We're here to help". The ensemble cast features various friends from the Outback including Mitzi the possum and Ned the wombat. Children learn valuable lessons about being

concerned for others through storytelling, imagination and adventure.

A full licensing plan is underway from Big Tent Entertainment. Fisher Price will lead the way as the master toy licensee. Random House will introduce books in 2004 and Buena Vista Home Video is on board for videos. Currently, AD SUTTON and ISAAC MORRIS are part of the soft goods licensees. Look for other Building Q clients to be announced as part of the growing list of KOALA BROTHERS licensees soon.

Rich Collins, CEO of Big Tent Entertainment, states "At Big Tent, we're committed to delivering products that are every bit as great as the show. For this reason, we intend to work with licensees that are both leaders in their category and passionate about The Koala Brothers." (like AD Sutton and Isaac Morris LTD.)



# NEWS & NOTES

## BQNY GETS NEW LOOK

With a slightly larger space (better for all those samples) and new furniture, Terry Hess needs just one more thing in the BQNY office: You! If you are in town and want a place to hang your hat and put your feet up for a bit, call Terry at 917/510-0447.

## NEW BUSINESS

These companies have selected to work with Building Q to build their brand and licensing businesses.

- **BCI**, founded in 1968, offers a complete line of designer and novelty sunglasses, reading glasses, computer eyewear and other specialty optics. Based in Skokie, Illinois, the firm is working with Building Q to extend its brand offerings, which already features the successful Hawaiian Tropics line.
- **INNOVATIVE DESIGNS** is the new stationery manufacturing division of long-time client Modern Publishing. Under the experienced guidance of Doug Haber, a seasoned veteran in the school supplies and stationery business, Innovative will introduce a complete line of school supplies and stationery products.
- **ISAAC MORRIS LTD.**, a children's clothing manufacturer, has begun working with Building Q to map out an expansion of the importer's licensing strategy.

## HATS-OFF TO ODM

After an impressive climb to the top of the T-shirt business, ODM founder Tony Olaes will begin his assault on the headwear market in 2004 with the launch of a new baseball cap and hat line.

## AWARD-WINNING MOMENT

At Licensing Show 2003, the team at Building Q received the "Friend Bear Award" from American Greetings and The Joester Loria Group in recognition of Building Q's contribution to and early recognition of Care Bear's merchandising potential. Recognizing the potential of the Care Bears with nostalgic parents of young children, the award noted that Building Q was influential in linking the Care Bears license with several manufacturers, including AD Sutton (backpacks), Frankford Candy & Chocolate Company (confections), Modern Publishing (coloring books) and Briefly Stated (children's pajamas.)

## EVER WONDER WHAT HAPPENS TO SAMPLES?

BQ donates many of the samples (those our clients do not wish returned to them) to the Pediatric Ward at Virtua Hospital in Voorhees each holiday season. You should see the smiles on those kids' faces.

## UPCOMING TRADE SHOWS

Mark your calendar for the upcoming events:

- Consumer Electronics Show – January 8-11, Las Vegas
- Super Show – January 12-14, Orlando
- HIA – February 5-8, Dallas
- Toy Fair – Feb. 15-18, New York
- MAGIC – February 23-26, Las Vegas
- Housewares Show – March 20-22, Chicago
- JPMA – May 3-5, Dallas
- E3 – May 12-14, Los Angeles
- Licensing Show – June 8-10, New York
- All Candy Expo – June 8-10, Chicago

# BULLS\*%T BINGO!

2 GREAT WAYS TO PLAY! We recommend licensors playing with the words in blue, licensees should play with the words in red.

diagonally, stand up and shout, BULLS\*%T! HAVE FUN AND GOOD LUCK!

TOP RATED	....ANOTHER POKEMON	TARGET LOVES IT	WALMART LOVES IT	FEATURED AT HOT TOPIC
GREAT PRODUCT	FINANCIALLY SOUND	MARKET LEADER	CATEGORY LEADER	INNOVATIVE
WE HAVE OTHER PROPOSALS IN THE CATEGORY	GREAT CAST	QUICK APPROVALS	"BACK WALL PROMOTION"	"BOUTIQUE"
VALUE ADDED	STRONG DESIGN STAFF	EXCLUSIVE	YOU ARE OUR #1 PROGRAM	WE NEED
MID TIER ONLY	LONGEVITY		GONNA BE HOT	WE DON'T WANT IT TOO BE TOO HOT
NOBODY CAN DO THIS BUT US	PATENTED	DOLLARS AREN'T THE ISSUE	LINES, NOT ITEMS	
PARTNERSHIP	NON-EXCLUSIVE	WE DON'T PLAN TO DOUBLE LICENSE	AT THE END OF THE DAY	GAME PLAN
SYNERGY	STRATEGIC FIT	CORE COMPETENCIES	BOTTOM LINE	THINK OUTSIDE THE BOX
LEVERAGE	SYNERGY	STRATEGIC FIT	CORE COMPETENCIES	BOTTOM LINE
AT THE END OF THE DAY	GAME PLAN	LEVERAGE	MOVING FORWARD	FAST TRACK

block when you hear one of those words/phrases. • When you get five blocks horizontally, vertically, or diagonally, stand up and shout, BULLS\*%T! HAVE FUN AND GOOD LUCK!

HOW TO PLAY • Check off the appropriate



# News & Previews

For more information on Building Q or our clients contact us at:

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CLIENT	DISTRIBUTION	CORE PRODUCT LINE	CURRENT LICENSES INCLUDE (LISTED ALPHABETICALLY)
<b>APPAREL &amp; ACCESSORIES</b>			
<b>A.D. SUTTON &amp; SONS</b>	Mass, Mid-Tier, Specialty	Backpacks, Plush Backpacks, Travel Bags, Tote Bags, Lunch Bags, Fanny Packs, Cooler Bags, Wallets, Coin Purses, CD Cases	Blue Jean Teddy, Care Bears, Coca-Cola, The Dog, Dragonball GT, DragonBall Z, Koala Brothers*, NASCAR & Drivers, Orange County Choppers*, Strawberry Shortcake, The Wiggles, Yu-Yu Hakishu
<b>BCI</b>	Mass, Drug, Grocery, Convenience Stores	Sunglasses, Reading Glasses, Computer Eyewear	Hawaiian Tropic
<b>ISAAC MORRIS</b>	Mass, Mid-Tier, Specialty, Department Store	Newborn, Infant, Toddler, Juniors, Girls and Boys Apparel	Batman, The Dog, Koala Brothers*, Leslie Beck, Miffy, Power Rangers, Powerpuff Girls, Scooby Doo, So Girly, Superman, Supergirl
<b>ODM</b>	Mass, Mid-Tier, Specialty, Dept. Store	Men's, Young Men's, Boys (4-20), Juniors, Girls (4-16), T-Shirts in all models and fabrics including jersey and fleece, Hats and Headwear	Alf, Bob Ross, Cadillac, Chevrolet, Corona, DragonBall Z, Fear Factor, Guinness Beer, Import Tuner, Initial D, Man Show, Monster Jam, Orange County Choppers, Pontiac, Triumph the Dog, Yu-Yu Hakishu
<b>PACESETTER</b>	Mass, Mid-Tier, Specialty, Dept. Store	Bibs, Cuddle Pillows, Diaper Bags, Gift Sets,	Baby Snoopy, Blue Jean Teddy, Boyds Bears, The Dog, Dear God Kids, Hello Kitty, Kolcraft, Little Tikes, Little League Baseball, NASCAR & Drivers, Sue Dreamer
<b>SUNWISE SWIMWEAR</b>	Drug, Grocery, Mass, Mid-Tier	UV Protective Swimwear	Coppertone
<b>COLLECTIBLES</b>			
<b>COMIC IMAGES</b>	Mass, Drug, Convenience Stores, Hobby	Trading Cards, Trading Card Collectible Games, Antique Gumball Machines, Bobble Heads, Bobble Pens	24, Betty Boop, Cat in the Hat Movie, Terminator III, The Hulk, Shrek II, Spiderman, Universal Monsters*, Van Helsing*, World Wrestling Entertainment
<b>HOUSEWARES</b>			
<b>ALOHA WORLDWIDE</b>	Mass, Mid-Tier, Home Stores, Commercial/Industrial	Portable Heaters, Air Conditioners, Fans, Lighting & Lighting Systems	
<b>FOOD</b>			
<b>BAKERY CRAFTS</b>	Retail & Supermarket Bakeries, Cake & Candy Supply Shops, Ice Cream Shops	Cake Kits, Cake Toppers, Cake Ornaments, Candles	Batman, Blue Jean Teddy, Clifford, Crayola, The Dog, Fantastic Four, Harley Davidson, Hello Kitty, Koala Brothers*, Mighty Beanz*, NASCAR & Drivers, Peanuts, Pokemon, Powerpuff Girls, Power Rangers, Precious Moments, Scooby Doo, Sesame Street, Spiderman, Superman, Transformers, World Wrestling Entertainment
<b>FRANKFORD CANDY &amp; CHOCOLATE COMPANY</b>	Mass, Drug, Grocery, Specialty, Convenience Stores	Seasonal & Everyday Chocolate & Non-Chocolate Confections, Jelly Pops & Novelties, Retentative Value Food Filled Containers, Novelty Lollipops, Dispensers	Barbie, Beatrix Potter, Blues Clues, Care Bears, Dora the Explorer, Evergirl, Hello Kitty, Hot Wheels, Nickelodeon, Rugrats, Scooby Doo, Spongebob Squarepants, The Simpsons
<b>HEALTH AND BEAUTY AIDS</b>			
<b>BIOLAB INTERNATIONAL</b>	Department Stores, Mass Market, Grocery, Drug, Salons, Direct Sales, Catalog	Bath and Body Care Gift Sets	
<b>KOSMAKARE</b>	Mass, Drug, Grocery	Adhesive Bandages	Bob the Builder, Jay-Jay the Jetplane, Rescue Heroes, Strawberry Shortcake
<b>STATIONERY AND PUBLISHING</b>			
<b>INNOVATIVE DESIGNS</b>	Drug, Grocery, Mass, Specialty	Stationery and School Supplies	Care Bears, Little Bratz, Megaman*, Monster Jam, Orange County Choppers, Spiderman, Teenage Mutant Ninja Turtles
<b>MODERN PUBLISHING</b>	Mass, Grocery, Drug	Coloring, Activity, and Sticker Books, Story Books, Paint with Water, Workbooks, Board Books	Barbie, Bey Blades, Bratz, Build A Bear*, Care Bears, Caillou, Hasbro Games, Jay Jay the Jetplane, Kellogg's, Hot Wheels, Little People, Mary Englebrite Designs*, Mighty Beanz*, Rescue Heroes, Teenage Mutant Ninja Turtles, The Wiggles
<b>TOYS AND GAMES</b>			
<b>BASIC FUN</b>	Mass, Toy, Specialty, Drug, Grocery, Craft	Functional Keychains, Windup Toys, Impulse Toys	Astroboy, Barbie, Blues Clues, Bey Blades, Disney Princesses & Standard Characters, Dora the Explorer, Etch-a-Sketch, Fairly Odd Parents, Hot Wheels, Hulk, Mighty Beanz, Muppets, Peanuts, Pez, Rugrats, Simpsons, Snapple, Spiderman, Spidey & Friends, Spongebob, Spy Gear, Teenage Mutant Ninja Turtles, Transformers, Wild Thornberrys, The Wiggles, Yu-Gi-Oh
<b>CADACO</b>	Mass, Toy, Specialty	Board Games, Puzzles, Activity Sets, Chalk and Outdoors, Magic Kits	Care Bears, Lance Burton, Marshall Brodien, MLB Cooperstown Collection, MLB Players Association
<b>FIBRECRAFT</b>	Mass, Specialty, Toy, Drug, Craft	Craft & Activities	Beatrix Potter, Nickelodeon, Peanuts, Scooby Doo
<b>FUSION TOYS</b>	Mass, Toy, Specialty, Drug	Tethered Flying Toys & Outdoor Inflatables, Bath Toys	Disney Standard Characters, Disney Princesses, Harry Potter, Justice League, Pooh, Peter Pan, Shrek II, Thunderbirds*, Toy Story, Universal Monsters*
<b>JARU TOYS, INC.</b>	Grocery, Mass, Toy, Drug	Impulse Toys	Justice League*
<b>SRM ENTERTAINMENT</b>	Mass, Toy, Drug, Specialty	Light Chasers	Dora the Explorer, Fairly Odd Parents, Hello Kitty, The Hulk, Jimmy Neutron, Power Rangers, Scooby Doo, Spiderman, Spongebob Squarepants

\* - Contract Pending