

Split of the Deal

WHO CAN TELL

We live in a strange world. This licensing environment seems to get wackier every day. Most licensors like call their programs “brands”, but hardly treat them as such. Add to that, the way we get so caught up in every tiny nuance of a particular property so as to be able to break them apart into market segments – To make my point here is a pop quiz:

How many Strawberry Shortcakes are there? Not dolls, but simply how many Strawberry Shortcake “brands” are there? _____. How Many Dragonball Z’s are there? _____.

How many Transformers?_____ – Bratz? _____ – Speed Racers? ____ Batman’s? ____ Superman’s? ____ Spiderman’s? _____ You get my point.

Outside of a few product managers there is no real way for consumers to tell the difference either, and buyers really don’t care. Buyers may want the movie version of Speed Racer this May, but not at a buck more a dozen! Licensors who split their programs may make more money in the macro sense; but over time erode the equity of the program and the support of their licensee “partners.”

I may be wrong, but to my knowledge there is only one Spongebob – a fact that has kept it alive and well way beyond anyone’s most optimistic expectation. ... Sesame Street, only one. Star Wars, only one. Buckaroo Banzai, only one. (Just to see if you are paying attention!)

How many Converse’s are there or Jeep’s or Cokes or Bubblicious? Brands have a singular equity that they themselves use or overuse in their efforts to segment and extend, but from a licensee’s perspective, no one is kidding you with a “Junior” version, or an “Toddler graphic” that end up in a competitors line and forces a buyer to make a choice that they shouldn’t have to make.

How many Speed Racer versions does a retailer need to feel covered? Will an apparel buyer really know or care about the difference between Classic, Movie or Animated Transformers? Seriously. Give me a Break – Now was that the animated Ed Grimley or the *Saturday Night Live* Ed Grimley?

Licensees have it tough out here in the real world, and cannibalistic licensors who crave a new deal more than the support of an existing licensee makes our business ever harder than it already is. I know it is not a one way street, but get a grip, do your homework – and pick “good” licensees in the first place, not the kind who are into hit and run programs or are trying to slice off a piece.

Now back to reality, do I want a real Oreo or a Double Stuff Oreo, mmmmm that new Vanilla one looks good too?

See you on the floor at Javits!

CLIENT SPOTLIGHT: MTC MARKETING

A new player in the licensed outerwear category, MTC marketing is looking to make a splash at retail with a wide ranging licensed product portfolio. Deep in the heart of Texas, MTC Marketing got its start as a distributor and manufacturer for other product lines primarily in the men’s specialty business. After studying the market conditions, MTC decided that with their design, production, and broader distribution strengths, that they should be manufacturing and distributing product for themselves instead of for other companies.

In 2008, MTC will roll out their licensed line led by Classic Speed Racer. “We are excited about having Speed Racer anchor our 2008 licensed product line. Our product line consists of jackets and hoodies that fit nicely within the street wear and outerwear markets.” MTC caters to all demographics – toddler, youth, tween, juniors and young men. Also

signed on for 2008 introduction are - McDonald’s, Strawberry Shortcake, Pink Panther, and candy brands that include Sour Patch, and Bubblicious. The company strives to build a varied portfolio of licenses for all demographics for 2009 and beyond.

Look for licensed products to begin shipping later this year. Things are sure to heat up for this new player in the licensed apparel arena - MTC Marketing.



Moral of the Story.....

A wealthy old gentleman decides to go on a hunting safari in Africa, taking his faithful, elderly Jack Russell named Killer, along for the company.

One day the old Jack Russell starts chasing rabbits and before long, discovers that he's lost. Wandering about, he notices a leopard heading rapidly in his direction with the intention of having lunch.

The old Jack Russell thinks, "Oh, oh! I'm in deep doo-doo now!" Noticing some bones on the ground close by, he immediately settles down to chew on the bones with his back to the approaching cat. Just as the leopard is about to leap, the old Jack Russell exclaims loudly, "boy, that one delicious leopard! I wonder if there are any more around here?"

Hearing this, the young leopard halts his attack in mid-strike, a look of terror comes over him and he slinks away into the trees. "Whew!" says the leopard, "That was close! That old Jack Russell nearly had me!"

Meanwhile, a monkey who had been watching the whole scene from a nearby tree, figures he can put this knowledge to good use and trade it for protection from the leopard. So off he goes, but the old Jack Russell sees him heading after the leopard with great speed, and figures that something must be up.

The monkey soon catches up with the leopard, spills the beans and strikes a deal for himself with the leopard.

The young leopard is furious at being made a fool of and says, "Here, monkey, hop on my back and see what's going to happen to that conniving canine!"

Now, the old Jack Russell sees the leopard coming with the monkey on his back and thinks, "What am I going to do now?" but instead of running, the dog sits down with his back to his attackers, pretending he hasn't seen them yet, and just when they get close enough to hear, the old Jack Russell says.....

"Where's that damn monkey? I send him off an hour ago to bring me another leopard!"

MORAL OF THIS STORY.....

Don't mess with old dogs...

age and skill will always overcome youth and treachery! BS and brilliance only come with age and experience.



NEWS AND NOTES

LICENSING SHOW

Come visit our new booth (Number 1820) as the Licensing Show celebrates the last show in New York City. Our new location is in the front of the show floor – Come see licensed products from all of our clients!

ONE FINAL RUN

Join Woody and friends for one last run through Central Park as the Building Q Annual "Fun Run" says goodbye to NYC. This year's annual Fun Run will be on Thursday June 12 at 6:30 AM at Columbus Circle. Come out for one last dash through Central Park.

ON THE SPEAKERS' CIRCUIT

Over the course of the recent past, Woody has fulfilled various requests as a speaker/presenter regarding a variety of issues in our industry.

For the past 3 years, Woody has served as an "instructor" for LIMA's Certificate of Licensing Studies program by teaching the 'Evaluating Licensed Properties' segment. This is done online, and is a required core class to complete the program. The on line teaching experience is unique - "There is no visual feedback," says Woody, "It is hard to tell when you are boring the class, so you just have to assume the whole thing is boring."

Additionally, recently, Woody served as a co-moderator on a panel called "The Top 10 Issues Facing Licensees and Licensors." Woody and Steve Herman from Archie Comics outlined potential pitfalls, stumbling blocks and solutions for both licensee and licensor. Even though it was an on line "webinar" Woody and Steve got together in the same office – "It was a LOT easier doing the webinar as a team – at least we could laugh at each other!" said Steve.

At this year's Licensing Show, Woody will preside over the popular Introduction To Licensing for the True Novice - part of the Licensing University Seminar series. This is a pre 101 course intended to cover the most basic licensing concepts for those who are "truly" new to the business.

Woody the "grey beard" has also been invited by licensors to speak with their "young" staff about the history of the licensing business, and the evolution of industry, and to serve as a resource for them. Woody gives a unique perspective of the industry. "The younger AE's really appreciate it, and developing their own historic resources can only help their career."

UPCOMING TRADE SHOW SCHEDULE

- BOOK EXPO AMERICA LA May 29–June 1
- LICENSING SHOW New York City June 10-12
- COMIC CON San Diego July 24-27
- INTERNATIONAL GIFT FAIR New York August 16-21
- MAGIC Las Vegas August 25-27
- FALL TOY FAIR Dallas October 14-17



News & Previews

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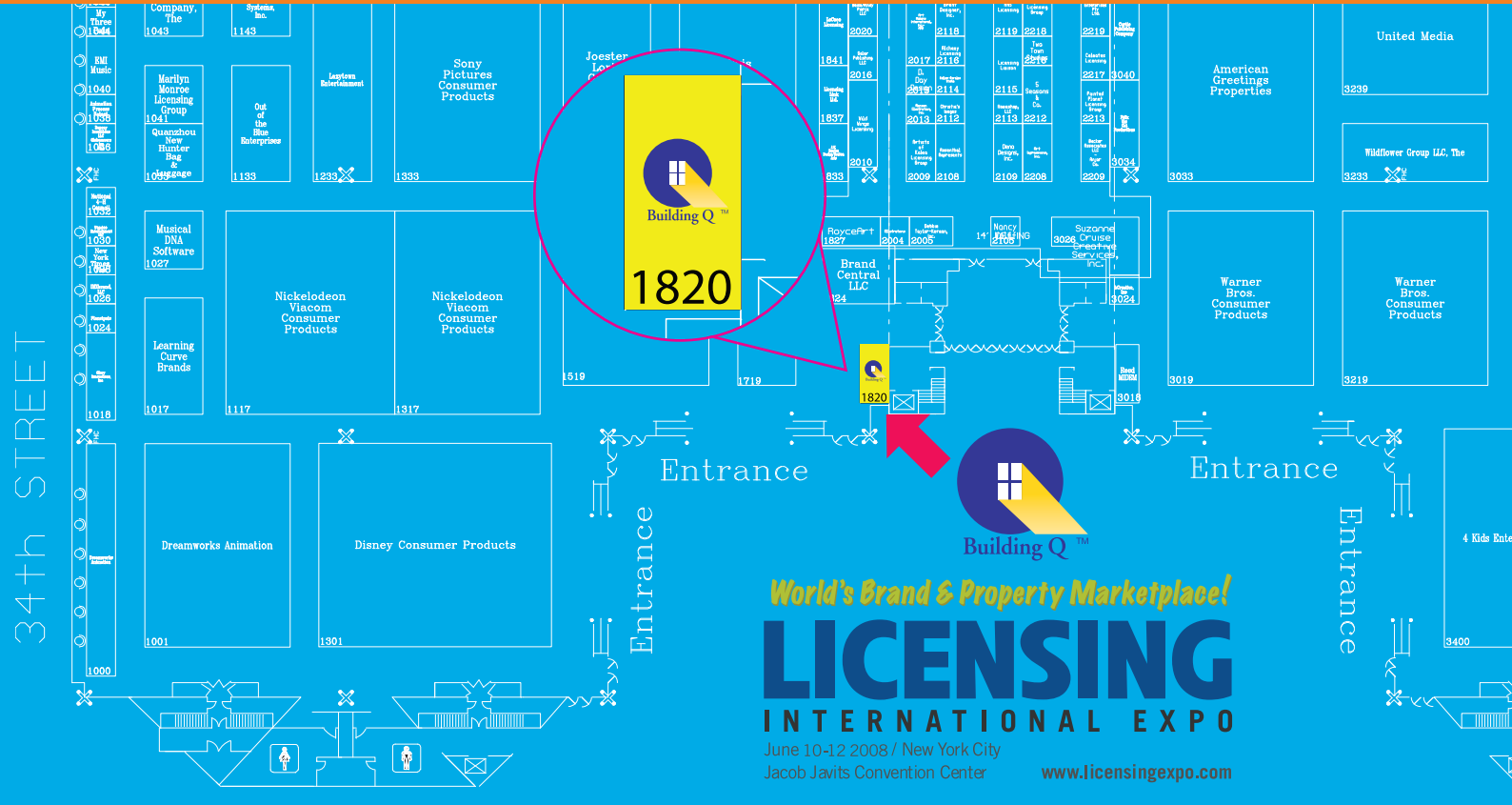
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CLIENT	DISTRIBUTION	CORE PRODUCT LINE	CURRENT LICENSES INCLUDE... (LISTED ALPHABETICALLY)
APPAREL & ACCESSORIES			
BCI	Mass, Drug, Grocery, Convenience Stores	Sunglasses, Reading Glasses, Computer Eyewear	Crayola, Hawaiian Tropic, Indianapolis Motor Speedway
MTC MARKETING, Inc.	Mid-Tier, Specialty, Department Stores, Travel Centers	Jackets, Hoodies, Flip Flops, Headwear	Strawberry Shortcake, Classic Speed Racer, Next Generation Speed Racer, Lil Bratz, Hooters Racing, McDonalds Racing, Bullseye Tattoo
COLLECTIBLES			
COMIC IMAGES	Mass, Specialty, Trend, Hobby	Deluxe Plush - Super Deformed Plush, Plush Backpacks, Golf Club Covers, Slippers, Collectible Card Games,	Clone Wars, Marvel, Stargate, Star Wars
PRODUCTWORKS, LLC.	Mass, Drug, Grocery, Specialty, Mail Order, Warehouse Clubs	Lighted Indoor / Outdoor Decorations (Seasonal and Non-Seasonal), Illuminated Wall Décor, Window Clings, Lighted Novelties Jingle Jelz	Disney, Frosty the Snowman, Hannah Montana, Happy Bunny, High School Musical, Peanuts, Rudolph the Red Nosed Reindeer, A Year without Santa Claus
CONSUMER ELECTRONICS			
CAMEO PC	Mass, Specialty, Catalog, Internet	Personal Desktop Computers and Laptops	Commodore, Major League Baseball, Jeep
FOOD			
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	Barbie, Beatrix Potter, Camp Rock, Disney's Princesses, Dora the Explorer, Go Diego Go, Hannah Montana, Hasbro, High School Musical, Hot Wheels, Nickelodeon, NBA, Spongebob Squarepants
HILCO	Mass, Drug, Grocery, Convenience Stores	Non Chocolate Dispensers, Toppers & Retentative Value Containers	Care Bears, Hot Wheels*, Magic 8 Ball, Mr. Potato Head, Rock em Sock em Robots, Strawberry Shortcake, Tonka
FUNERARY			
ETERNAL IMAGE	Funeral Homes	Caskets, Urns, Monuments and Vaults	American Kennel Club, Cat Fancier's Association, Collegiate Licenses, Major League Baseball, Precious Moments, The Vatican Library Collection, Star Trek
PARTY GOODS			
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	American Idol, Batman, Betty Boop, Bratz, Bratz Kids, Care Bears, Caterpillar, Chivas Mexico, Clifford, Clone Wars, Crayola, Collegiate Licenses, Curious George, Foster's Home for Imaginary Friends, Harley Davidson, Hello Kitty, John Deere, Little Tikes, LEGO, NASCAR & Drivers, Peanuts, Pokemon, Precious Moments, Scooby Doo, Speed Racer, Sesame Street, Smurfs, Star Wars, Superman, Transformers, Wizard of Oz, Wow Wow Wubbzy
PET PRODUCTS			
ASPEN PET	Mass, Pet, Drug	Pet Products	American Kennel Club, Cat Fanciers Association, American Legacy
STATIONERY AND PUBLISHING			
MODERN PUBLISHING	Mass, Drug, Specialty, Grocery, Dollar Stores, Warehouse Clubs	Coloring, Activity and Sticker Books, Story Books, Bath Books, Paint with Water, Workbooks, Cut outs, & Other Unique Formats Including: Padded Board, Block Board, Wall Flash Cards, Jumbo Floor Pads, and many novelty items	American Kennel Club, America's Next Top Model, Baby Looney Tunes, Ben 10, Camp Rock, Care Bears, Fisher Price, Fisher Price Imaginext Dinosaurs, Fisher Price Rain Forest, Fun 2 Learn, Indiana Jones, Hannah Montana, High School Musical, Hot Wheels, I Love You, Keroppi, Lil Bratz, Little People, Littlest Pet Shop, Planet Earth, Scooby Doo, Tonka, Transformers, Wall-E, Wonder Woman
TOYS AND GAMES			
BASIC FUN	Mass, Toy, Specialty, Drug, Grocery, Craft Stores	Functional, Figural and Plush Keychains Talking Pens, Keychains and Bottle Openers, Holiday Ornaments, Magic Washcloths and Mitts, Cubisto 3-D Framing System	Animal House, Bella Sara, Blues Brothers, Clone Wars, Dora the Explorer, Elvis, Etch-a-Sketch, Family Guy, Go Diego Go, Guitar Hero, Hasbro's Games, Hello Kitty, Indiana Jones, Littlest Pet Shop, Mad Balls, Mr. Potato Head, My Little Pony, My Name is Earl, Nintendo, Pokemon, Sesame Street, Simpsons, Sixteen Candles, Star Wars, Spongebob, South Park, Superbad, Speed Racer Movie, The Office, Thomas and Friends, Tonka, Transformers, Yo- Gabba Gabba
CADACO	Mass, Toy, Specialty	Board Games, Crayon Paper & Activity Sets, Magic Kits	Buzztime Entertainment, Doodlebops, Franny's Feet, Speed Racer
WINFAT	Mass, Specialty, Toy, Catalog, Online Retailers	Preschool Electronic Learning Aids, Laptops, Musical Instruments, and Plug & Play	Wow Wow Wubbzy

* - Contract Pending

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