



NEWS & NOTES:

TERRY HESS

Building Q alum and good friend Terry Hess has had some challenges lately with his health. Kidney dialysis is keeping him close to home, but anyone who has taken a meeting with the T-Man knows what a fun guy he is and how much he enjoys keeping in touch. Drop him a line – Terry's e-mail is Tman35@aol.co.

FUN RUN VEGAS

For the 13th Year we will hold the **Building Q FUN RUN** – We'll meet Tuesday morning @7AM at the FRONT entrance of Mandalay Bay Hotel, (near the check in desk) and we'll go for an easy run North on Las Vegas Blvd. – stopping for a quick photo opp at the "Welcome to Las Vegas" sign. For info call 856-912-7787 or just show up with your shoes tied!

BUILDING Q, 10 MORE YEARS

Some things make you think about the future more than others... the Building Q "trademark" was renewed for another 10 years. That covers us through 2022, our 30th anniversary year!

TRADESHOW SCHEDULE:

COMIC CON...
JULY 11-15, SAN DIEGO, CALIFORNIA

MAGIC...
AUGUST 20-23, LAS VEGAS, NEVADA

FALL TOY PREVIEW...
OCTOBER 2-4, DALLAS, TEXAS

HALL OF FAME:

"The Force is strong with this one" for sure – Congratulations to our long time friend, Howard Roffman at Lucas Licensing for being named the newest member – and first Jedi – of the Murray Altchuler Licensing Hall of Fame. Howard has been an incredible leader and brand builder, helping to mold the Star Wars Brand into the tremendous icon it has become. I personally feel more secure with a Jedi in the Hall.

Way to go, Howard!



Celebrating 20 Years of Licensing Excellence

For two decades Woody Browne, founder and managing partner of Building Q, has made a career of recognizing the potential for longevity of licenses as diverse as *SpongeBob Square Pants*, *STAR WARS*, *Care Bears*, *Orange County Choppers* and *Power Rangers* (among many others) and their ability to transform products and product lines. Since 1992, Building Q has been the go-to firm for clients looking to leverage – or become – classic properties.

What he didn't expect is that two decades into the journey, his own brand would become a "classic" in its own right. This year, as Browne celebrates his company's 20th anniversary, he reflected on how the industry has dramatically changed

"When I started the firm in 1992, licensing was seen as prognostication – we were hired to predict what licenses might be 'hot' and obtain them for our clients," said Browne. "But over the years we have evolved to a place where our clients understand that the true significance of licensing is in the strategy – really understanding how to build a portfolio of licenses that consistently delivers value and making each agreement equally beneficial for the licensee and the licensor."

Long-time client *Comic Images* is an example of this shift. The company, which joined the Building Q roster in 2001, started off looking for a license that would expand its trading card business. In time they added banks, bobble pens and other accessories, leveraging licensing to grow their offerings. Today *Comic Images* has expanded its licensing program to include dozens of SKUs that feature *Marvel*, *Star Wars*, *Super Heroes*, *Universal Monsters* and more. This year the company will introduce a *Moshi Monsters* Plush line.

"Woody has been far more than a licensing consultant to us, because he understands you can't recommend licenses if you don't know every aspect of the client's company," said Alan Gordon, president of *Comic Images*. "He has worked very hard to learn our business, our industry, and the particulars of our retail market and he gives us real intelligence on merchandising, licensing, sales and operations. Building Q has been intrinsic to our long-term success."

Strategy is crucial to creating a long-term plan that generates ongoing revenue. According to former client *Neil Werde*, president of *Quaker Pet Group*, "Success in licensing is about seeing three different dimensions at once. You must take into account what is happening in your business now, what will be happening in the industry in 18 months, and whether or not you think a property will have traction in three years. Building Q's all about making sure clients have all three perspectives – and access to properties that can go the distance."

That ability to see "3D" has paid off for clients of all sizes. Seven Building Q clients have been nominated for the *LIMA Excellence Awards* – no small feat for a specialty consulting firm – and two

have won: *Modern Publishing* in 2005 for its *Care Bears* program and *Briefly Stated* in 2002 for its *SPONGE BOB* sleepwear line.

"I got lucky and cut my teeth on *Thermos* lunchboxes and then *Tonka Toys*, two companies that taught me the value of household names," said Browne. "Then I moved to *Tyco Toys* in the mid-80s and was exposed to a broader view of brand management. I could really see the opportunity for licensing to transform a company when deployed correctly."

Browne could also see that the industry was ready for a more strategic approach to licensing. Long the provenance of toy companies and t-shirt manufacturers, Browne brought licensing to less traditional industries, such as candy (*Frankford Candy*; *Hilco*), pet products (*Happy Dog*, *Pet MATE*) and later even funeral urns and caskets (*Eternal Image*) to name a few.

Over the years other industry leaders such as *Bakery Crafts*, *Basic Fun*, *Bio World*, *Franco Manufacturing*, *Gemmy Industries*, *ODM* and *Unique* have been clients.

"The licensing industry has changed greatly in the last 20 years," said *Maura Regan*, Senior Vice President/General Manager, *Sesame Workshop*. "And in all that time, Building Q has been at the forefront of developing new revenue streams for companies, and a leader in driving new and innovative partnerships. *Sesame Workshop* and *Building Q* have a long relationship and we really value the partnerships they have brought to the table."

While not quite a household name, Browne has helped transform his own industry as well as those of many of his clients. He's a three-term Past President of the *Licensing Industry Merchandisers Association (LIMA)* and past *LIMA* Board Member. He has served as a columnist with *Brand Marketing Magazine* and often speaks and writes on licensing trends and issues.

One of the questions he can always count on from prospective clients, audiences and new contacts is, "Why the name Building Q?" Browne reminisced that he had the concept for the company, the promise of work from clients and the office space. What he did not have was a name for the business.

"I went to sign the lease for our first location and realized that they wanted me to write my company name under my signature - and I had not decided on one," he recalled. "When I looked up from the paper, I realized the answer staring me in the face – I was leasing space in 'Building Q,' which sounded just forward thinking and quirky enough to fit."



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CLIENT PROFILES

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SPECIAL PROJECTS



Deluxe Designer/Novelty Plush

Comic Images has carved out a niche in the plush category with uniquely designed and stylized plush characters in the Super Deformed, Footzeez, Back Buddy and "Giftable" formats.



Focusing on a mix of Classic Licenses (including Star Wars, Marvel and Universal Monsters) and the new (Moshi Monsters, Vamplets). Comic Images distributes to a mix of mass, specialty and independent retailers worldwide.

Collectibles, Gifts & Novelties

Product Works

ProductWorks LLC, provides customers with everyday and seasonal lighted décor with full assortments of coordinated product. The company is a lighted decor manufacturer of licensed, private label, commercial and house brands using the latest technology and design treatments. ProductWorks offers new and exclusive products that are designed with our own USA-based staff. Quick development response time and organizational speed allows ProductWorks to capitalize on relevant trends and "hot" licenses.

ProductWorks' licensed roster includes Peanuts, Rudolph the Red Nosed Reindeer, The Simpson's, along with Dora the Explorer, Sponge Bob Squarepants and Precious Moments. The newest addition to the line is the classic Sesame Street!



Lighted Indoor/Outdoor Decorations, Yard Art, Jingle Jelz, Gifts, Christmas Tree Mobiles, Seasonal Novelty

Home & Room Decor

Sherpa

Fashion Pet Carriers

Sherpa the #1 brand name in soft-sided pet carriers is developing a co-branded line of Fashion Pet Carriers with specialized distribution in pet boutiques and high-end departments stores.

Nortek

Pressure Washers, Generators

Currently a major private label supplier, NORTEK is searching for an industrial rand that can add to their market growth, while not limiting their current OEM core. Strong distribution in mass and home centers is Nortek calling card.

Pet Safe

Pet Containment

Pet Safe, a division of Radio Systems, is developing a line of licensed, branded product that will add to their category leadership.

Currently open to assignments in:

Juvenile Publishing, Sportswear and/or Sleepwear, and Food and Snacks



Candy Dispensers, Toppers, Seasonal Confections



Hilco Corporation is a US company that markets candy filled toppers, dispensers, and residual value containers. The company uses ONLY North American candy product, and focuses on Seasonal programs with distribution at every mass marketer, discounter, and "big box" Drug Chains across the US.

Hilco has a strong seasonal and everyday program anchored with Warner Bros.' Scooby Doo and Batman and Mattel's Barbie and Hot Wheels program. In addition Hilco has programs with the Justice League and Superman brands.



Food & Confections



Craft & Activities, Scented Markers, Scented Bubbles

Established in 2009, WeVeel™ understands how inspiring creativity today translates into innovation tomorrow. To encourage creativity the company creates new ways for kids to experience colors, characters and scents. From stationery to outdoor toy, WeVeel™ products are designed to safely encourage exploration, promote social expression and build confidence in kid's of all ages and abilities.



WeVeel™ is the fastest growing company in children's art and stationery. Their Scentos® brand, scented stationery characters and accessories, products can be found in most mass, craft and office stores. In only two year the brand is distributed in over 60 countries and 24,000 US retail stores. Scentos® will be the must have feature item for BTS in 2012.

WeVeel's global company is based locally in Dallas, Texas. All WeVeel products are safety tested and non-toxic.



Toys & Games

"TWO, YES, TWO!" SEMINARS!

You cannot get enough "Woody" - at least that is what Licensing University seems to be saying! - Woody has been asked to be a panelist on two seminars during the 2012 Licensing Show ...

"Understanding and Navigating Royalty Rate Trends" hosted by Nell Roney from The Beanstalk Group, Tuesday @ 2:30pm. Royalty Rates are a major component of the financial requirements of any licensing agreement and vary across licensing segments, product categories, and types of licensing models. How much royalty should you pay for a property? The correct answer is: "it depends". We will discuss what royalty rates are, how they are calculated, who determines the rate, how they relate to and impact the bottom line for licensees and licensors, how retailers factor into determining the rate, and recent trends. Through benchmarking and examples, we will help you better understand how to consider and calculate the appropriate royalty rates for your business.

"Working with Licensing Agents and Consultants" hosted by Mike Slusar of Brandar Consulting... Tuesday @ 12:30pm.

Licensing agents and consultants can play a central role in the development of an effective licensing program. This seminar will aid participants in defining respective roles; key into the pertinent questions they should be asking if considering an agent or consultant and learn how the best relationships work. Panelists will include executives who work with corporate trademarks, entertainment and character properties, and literary and art properties.