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Licensing is a “quick- quick, slow-slow business”. You need to be ready to move fast, and be patient when nothing’s happening. If you’ve achieved strong licensing success you’ll recognise this timeline of hard work, blood sweat and tears, if you’re at the beginning of your licensing journey, you may want to look away now.

CLAPS: A five year plan for a successful licensing programme

Adam Bass from Golden Goose examines the key stages in a maturing licensing programme.

If you have a brand worth licensing you’re probably too busy to read this article. Having said that, if you’ve recognised that licensing is a profitable way of extending your brand’s reach to new consumers, then you may consider the 4 minutes required to browse the next 1,000 words a worthwhile investment.

Having spent many years developing licensing programmes for large corporations there are familiar patterns in licensing’s many intertwining relationships that emerge with time and hindsight. The following is a breakdown of some of the areas you might like to focus on over a five year period, if you’re looking to build a substantial licensing programme:

Year 1: Connecting

Your first stop on the licensing continuum should be with a reputable licensing agency. Preferably one that has some relevant experience with similar brands and some knowledge of the categories that you consider an obvious fit with your brand.

Having spent some time getting to know said agency, you’ll need to contract with them for a significant period of time (3 years at least) in order for them to really commit to developing a licensing programme for you.

In the first 12 months, provided you have a brand of value and a capable agency, you should be aiming to sign two or three new licensees which, depending on the quality of your brand guidelines and approvals process, will get some of your brand spanking new licensed products in front of suitable retailers and on shelf towards the end of year 1.

Year 2: Learning

So your first products are hitting the shelves and, once you’ve swallowed the initial excitement, you’ll probably find yourself looking at financial reports and scratching your head over the disparity between enthusiastic licensee’s initial projections and actual earned royalties. This second year is all about examining performance of the founding licensees, learning the lessons of what worked and why, and sharing any good news stories both with retailers and potential new licensees.

If products aren’t getting the traction you expected at retail, expect licensees to come to you for help, either for marketing support or (more likely) reductions in royalty rates or minimum guarantees. This is where your agency should be earning its crust, sifting through the excuses for legitimate complaints and gathering the arguments for internal support whilst deflecting any demands for leniency if the product is genuinely underperforming.



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Getting the founding licensed products to perform is a critical part of the licensing agency's job. This can include helping the licensee with the sell-in to retail, ensuring that all licensees have access to any usable elements of the brand's own marketing plans, and generally kicking people into doing what they're supposed to do.

If, by the end of year 2, the founding licensees are beginning to deliver on their initial forecasts, then 2 or 3 additional licensees should be joining the programme by the end of year 2.

Year 3: Action

With a full year's figures available for review and new licensees launching, the programme is beginning to gain in substance making it a talking point at the top of the organisation. It's at this point that it should be possible to leverage some additional support for the licensing programme from within. Perhaps the most successful products can be used as an incentive or promoted on the packaging of the core product. Such activity should be tested to see if it yields any results. This can then be incorporated into the offering to new licensees in harder to target categories that need that extra push to secure.

At this point in the programme you may want to consider aggregating all of the licensed products into an on-line retail channel and, potentially, developing materials for licensees to use that communicates the benefits of the full range of products rather than just their own category. It might be worthwhile co-ordinating an exhibition stand at a relevant show where licensees can share the costs to communicate the appeal of the full range of products. This will allow you to develop some retailer contacts.

Given the lifecycle of most branding campaigns, it would be no surprise if new brand guidelines came into effect at this point. This means licensed products will need to be updated to incorporate a new visual identity. At the very least those products that were successful in year 2 will need a revamp and the founding licensees should be coming back to you with suggestions for new products or product categories that they'd like to explore. Again, this is where your agency earns its corn, reviewing these proposals, ensuring that they fit the category, or sourcing new partners where appropriate.

Year 4: Partnership

With a mature licensing programme in place, processes need to be tightened up and documented. One or two founding licensees should be audited to ensure that the books are kept honestly. There may be an argument for bringing all of the licensees together once a year for an annual update where they can share war stories and best practise. Your licensees are now customers and need to be treated as a mixture of a supplier and a trading partner.

Having marketed the licensing programme to licensees and retailers, you should now consider how to further market it to consumers. Should licensing be included in your marketing mix? What additional benefits can licensing bring the business? For example, can licensed products be included in branded experiences as a retail concession? What about a pop-up shop with retail, would licensees be able to fund this? If you have a subscription arm, can licensed products be used as an incentive to join. Your agency should be bringing you suggestions for how to connect your brand and licensing strategy as part of the ongoing development of your licensing programme.



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Year 5: Share

Your biggest year to date. Now licensing is part of your overall marketing mix, a useful tool that has extended your brand into markets and to consumers that were previously unattainable. The new generation of licensed products are competing with the leading brands in the market and the revenues are now at a level that the bottom line makes licensing feel like a serious enterprise. Don't be surprised if, at this point in the programme, senior level management start asking themselves what it is the licensing agency does to earn such a significant amount of money. Expect pressure to renegotiate the agency contract from above. As long as everyone has taken a long-term view from the beginning, however, the value added by the agency in developing the programme should be recognised in the renewal of their contract. Alternatively, you may consider bringing the whole programme in house now that there's enough revenue to pay for a full-time team of employees.

A summary of the development of a programme:

Year 1: Connecting

Brand strategy to licensing strategy
Company to Agency
Company to Licensees
Licensed Products to the brand

Year 2: Learning

Understand which products have succeeded
Work with licensees and retailers to ensure sufficient distribution
Develop the outline of a licensing process

Year 3: Action

Revitalise licensed products with brand refresh
Test how to involve licensed products in core brand activity
Co-ordinate marketing of licensed product range
Secure senior level support for the licensing programme

Year 4: Partnership

Treat licensees as trading partners
Provide licensed product support package
Create annual licensee event
Reassess connection between licensing strategy and retail and brand strategy

Year 5: Sharing

Licensing appears on senior management radar
Evaluate agency performance and either bring in house or renew
Incorporate licensing into the overall brand story



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We give this the acronym **CLAPS**, because licensing is all about joining together the left and right hands to make a new noise in the market. For more about how Golden Goose can bring your licensing programme to life, please contact: Adam@goldengoose.uk.com