

Give yourself a licence to drive ahead

WHATEVER THE SIZE OF YOUR BUSINESS, LICENSING COULD HELP FULFIL YOUR AMBITIONS, SAYS ROGER WADE

I've just returned from exhibiting at our first licensing show, Brand Licensing Europe. When I first arrived I thought I was in the wrong place, what with all the kids' TV programmes available to license, from *High School Musical* to *Hannah Montana*. If you thought you had a tough job, try dressing as a Teenage Mutant Ninja Turtle and prancing around Olympia in London for two days.

Many people found it hard to work out why we were showing fashion brands such as Religion and Ringspun, but once they got their heads out of Hello Kitty land, it went surprisingly well.

The most important thing about licensing is that it's not just for the big guys. Brand-to-retail licensing, as seen at Debenhams with its Ted Baker and St George by Duffer deals, is the big thing, but it's not limited to the high street.

I have many smaller brands that are benefiting from licensing, including menswear label Burro and designer Zakee Shariff, both of which stopped making their own ranges to concentrate on design. Their creations have now been licensed out, in Burro's case to JD Sports, while Zakee Shariff has collaborated with Religion and X-girl in Japan.

In the above cases, smaller brands have licensed their name for clothing, but licensing comes in many forms. For instance, you can choose to license a non-core product area. When I was at Boxfresh we had a successful toiletries licence, as well as underwear, footwear and a watch licensee. We also signed licensing deals overseas.

Why bother? Because to be successful nowadays, people need to specialise and focus on their core business. If you know clothing, concentrate on this, and maybe consider licensing your non-core business to a specialist. The same is true of licensing in foreign countries; every country is specialised, they require special pricing, sizing or delivery dates. If you want to be successful outside Europe, you need to think about setting up your own operations, but if you don't have the cash, appoint a licensee to make sure you are competitive in that country.

Licensing is also not just the domain of designer brands. There have been some very successful casualwear licence relationships. For instance, JD Sports has an exclusive clothing licence with McKenzie, and this is now one of the largest brands in store.



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There are also some great examples of licensing overseas brands. One of my big regrets is not signing Carhartt's European licence when we had the chance. Carhartt Europe now turns over more than €100 million (£70m) a year.

But the king of licensing has to be Sports Direct owner Mike Ashley. He owns the licences for a hatful of iconic UK brands, including Slazenger, Dunlop, Kangol, Karrimor and Lonsdale. Employing classic switch-selling techniques, he draws customers in with the well-known brands and undercuts them by selling his own brands at lower prices, but higher margins. He has also set up his own licensing arm, licensing his brands into other product areas and countries.

So if you are a small, struggling brand and don't have the resources to compete with bigger rivals, consider licensing. Or if you are a larger brand, focus on your core competencies and think about licensing your non-core products or geographical areas to other companies.

● Roger Wade is the founder of Boxfresh and director of Brands Incorporated, a brand and licensing consultancy