

DOES A COLLEGIATE LICENSE MAKE SENSE FOR YOUR COMPANY?

MAKING A GOOD BUSINESS DECISION

Most IMG College Licensing partner institutions strategically manage the use of their brands, carefully considering who they approve to use their trademarks and logos on merchandise or for commercial purposes. Each Institution is carefully analyzing every applicant's business plan, the products they submit, marketing plans, and the ability of each applicant to add unique products or new retail distribution. As such, obtaining a license for IMGCL institutions requires a significant financial and time commitment to provide a thorough application and proven results with no guarantee an institution will approve the license. Since the beginning of 2013, only 20% of the companies that begin the licensing process actually obtain a license. Many companies that do receive a license are not well prepared for the ongoing costs and commitments of sustaining a successful collegiate business. Annual statistics have repeatedly shown that more than 50% of all new collegiate licensees were no longer licensed after just 18 months. The primary factor cited by these companies was their inability to secure sufficient retail distribution, sustain a revenue stream to justify maintaining the license, or the inability to meet the reporting or other system requirements of IMGCL on behalf of collegiate institutions. It is important that you consider the significant investment that will be required in becoming a successful licensee before proceeding with your application. Collegiate licensing is a terrific opportunity for many companies to generate revenue; however, a license alone does not guarantee success, nor is it meant for all companies.

INSTITUTION SELECTION & APPROVAL CRITERIA

Each institution utilizes its own decision-making process to determine how to grant licenses. Some institutions grant licenses to many applicants, often within the same product category/distribution channel, and others are more selective in the types of companies/products they license. Typically, institutions that are among the Top 50 selling institutions are more selective than institutions with emerging licensing programs or regional retail distribution.

Important Note: Several institutions have pre-existing exclusive agreements in certain product categories and distribution channels that preclude them from considering other vendors. Also, because of existing saturation in key categories (i.e., t-shirts, headwear, jerseys, and certain non-apparel categories), applicants for some categories will receive a higher level of scrutiny from IMGCL and the institutions in the application review process. If you wish to confirm the institutions and products for which you intend to apply are not impacted by existing agreements, please email your list of institutions and products to applications@imgcollegelicensing.com. IMGCL will provide additional information on any exclusives that are currently in place based on the information provided in your request.

Typically, applicants that excel in a majority of the following criteria are more likely to be granted a license by the institutions:

- Demonstrate a commitment and ability to invest in the collegiate segment of the market.
- Provide proven production and distribution capabilities.
- Employ dedicated staff to manage the day-to-day licensing process and supply chain compliance.
- Offer a new or unique product or an incremental means of distribution.
- Show a proven track record and sales history with other collegiate/professional/entertainment licensors.
- Detail significant investments in retail, consumer, digital media and print media marketing efforts.
- Maintain well-established track record as a successful business.
- Provide established relationships with major collegiate retailers.
- Demonstrate strong brand equity or leadership status in a product category.
- Invest in internal infrastructure and systems to manage approval and royalty reporting processes.
- Demonstrate commitment to responsible sourcing and production of products throughout the supply chain.