



**J'net Smith**  
MARKETING & LICENSING

*J'net News*

## J'net News - A Creator's Art Marketing & Licensing Resource

### Upcoming Events

#### Character Licensing

Date: Thurs, June 25, 2009  
Time: 12:00 pm - 2:00 pm PST  
(3:00 pm - 5:00 pm EST)  
REGISTER NOW!!

#### Professional Creators' Licensing Series: Open Doors and Close Deals

*Intro to Art Licensing, Licensing Presentations & Web Sites, Licensing Sales Techniques, and Licensing Negotiations & Contracts*

Dates: July 14, 15, 16, 2009  
Time: 12:00 pm - 2:00 pm PST  
(3:00 pm - 5:00 pm EST)

#### Ask J'net Free Fridays - Q & A Session

Send in your questions NOW and register to attend  
Date: Friday, July 24<sup>th</sup>  
Time: 9:00 am - 10:00 am PST  
(12 noon - 1:00 pm EST)

#### Legal Ease—Simplifying Copyrights, Trademarks & Contracts for Artists

With Attorney, Elizabeth Russell  
Date: Wed, July 29, 2009  
Time: 3:30 pm - 5:30 pm PST  
(6:30 pm - 8:30 pm EST)

**To Register for classes and get more information please use link on last page or go to [www.jnetsmith.com](http://www.jnetsmith.com) and click on "schedule"**

### Newsletter Volume 1, Issue 5 June 22, 2009

#### In This Issue

- **Schedule of Events**
- **Feature Article:** What are you looking for in a business partner?
- **Ask J'net:** Answers your art licensing questions

#### Dear Readers:

This week I hosted my first Ask J'net Free Friday. The questions came pouring in and we filled the hour with more than 25 questions and detailed answers. The response was so great, I even have questions to spare for next month. I highly recommend you take advantage of the Free Fridays. I was very impressed with how intelligent the questions were. The comments I got after the session included more "WOW's" than I've ever received. I think this participant said it best: "You answered so many questions that I never thought to ask besides my own..." So join us on July 24<sup>th</sup>! You can sign up now by emailing me at [info@jnetsmith.com](mailto:info@jnetsmith.com) with "Free Fridays" in the subject line.

Many of you have asked me about my experience in 'character licensing' and how to get in the game. Character Licensing is very different from your standard art licensing, so I've created a class to address your specific needs. It's coming up this week on Thursday, June 25, 2009. Sign up today to make sure you get in! There will be plenty of time included to answer all of your individual questions during this class.

On a final note, if we have scheduled a class that you wanted to attend at an inconvenient time, we are offering as many courses as we can as an Audio Download. You will receive the complete class handout, as well. Downloads available now are: "**Hot Trends in Art Licensing and the PR Tactics to Turn Up the Heat**" with Regina Cooper, recent Senior Editor Art/Fashion/Brands License! Global Magazine and myself, plus the "**Surtex & Licensing Show Top 10 Follow-up Techniques**" and most recent "**Ask J'net Free Fridays Q&A.**"

*Sincerely J'net*

Here's to your creative success...

# What are you looking for in a business partner?

by: Jeanette Smith

Recently I have been helping many artists find the right agent to propel their art licensing business. There are so many questions you need to ask yourself and a prospective agent before entering into a business partnership. Today's article is dedicated to the artist/agent relationship. If you have decided to represent yourself, I think you should still find this topic of great interest as it will give guidance as to what you should be doing when representing yourself.

Finding an agent is an important process so you should start by asking yourself a few questions:

- Do you have the desire or capabilities to represent yourself?
- Can you handle constant sales and marketing?
- Can you sell your art better than anyone else (*actually this is probably true since it's your passion*)?
- How much time can you dedicate to sales?
- And maybe more importantly, how much time WILL you dedicate to sales?
- Are you willing to give up a significant proportion of your revenue stream to have an agent sell for you?

If you decide to pursue an agent to help build your art licensing business, you need to research agents that focus on art licensing. The first thing you look for is an agent that seems to have artists in your style, without actually having something too close to your style.

I really like to look at how many other artists an agent has. Some creators are comfortable in bigger agencies. Others desire a more personal approach to marketing their artwork, which comes with a smaller agency. No matter which feels like a better fit for you and your art, there are many questions to clarify in the process.

Make sure you interview prospective agents, just as they interview you. While it's exciting to have an agent interested in you, don't jump on board without a thorough examination and a contract thoroughly reviewed by an objective lawyer and industry expert.

When approached by an agency, start by seeing if you like the people in the agency and by reading everything you can about them. Remember that agents who like your art will also be interested in asking you lots of questions about your history, experience and skill sets. They will want to know whether or not you have any existing licensees and how much art you have. All of this is to determine, frankly, if there is an opportunity to make some money. There is definitely competition between artists in the marketplace for great agents, so be forewarned and prepared.

That said, it's still up to you to research any prospective agents to see if they are a match for you. Make sure you ask each agency exactly what services they offer. It's important to have them describe their sales process and how they work with clients. For example, do they create a licensing plan?

Also make sure you know the breath of their expertise before signing on for all of your rights. Do they have contacts with manufacturers in all product categories, or do they specialize? Not many licensing agencies have experience in the publishing arena, so you may want to hold back those rights, if you are planning to publish a book. If they are interested in worldwide rights, just make sure they have the capabilities to get you deals around the globe. Otherwise save those rights for other international agents as you grow.

Of course, ask what commission they work on and if it's negotiable. Most agencies these days are charging in the range of 40-50% of earned licensing royalties. I haven't heard of any above the 50% mark yet, but never say never. If you are going with an agency at the high end of the scale, make sure that you are getting a broad spectrum of services and ask if there are any other costs involved. Do you have to contribute to legal services, travel funds or trade show booth design? It's best to know up front, so you can plan accordingly.

And finally, you will want to ask for client references and call a few. And don't just call the references they give you, pick up the phone and call a selection of people from their web site. Even if you like each other, it's good to get the perspective of other clients. How is the day-to-day experience of working with them and, most of all, have you been satisfied with the deals they have brought to the table. Though remember, it is always different for each and every artist.

In the end, you want to feel as though you did your homework and found someone who is a personal and professional fit. After all, they are your new business partners and you are dependent on them for your revenue stream and the livelihood of your growing art licensing business..

## Ask J'net

### **Q. Can you share some of your thoughts about SURTEX and the LICENSING SHOW?**

**A.** I found the manufacturers eager to find new artists and styles. The manufacturers have held off on doing deals, in light of the bad economy, and they seemed to be ready to finalize deals that had been delayed as long as possible. Surtex was bustling and Licensing Show was a little less so, but everyone was adjusting to having it in a new city. Some liked the Las Vegas venue and others want it back in NYC as quick as possible. Overall, they were much more productive and positive than anyone had anticipated.

### **Q. When should I let a manufacturer "shop" my art to retailers?**

**A.** Ultimately the decision is up to you. Manufacturers have used the term "shop" to mean that they will show art to retailers in hopes of getting an order. They may say they want feedback, but as I said, they really want an order. It's part of being risk-adverse; they prefer to produce product that they have already sold to a customer. Yes, you're right, it's called taking orders.

Now back to the topic of shopping art... First of all, you need to feel comfortable with the manufacturer. Then you also need to put in writing exactly under what terms they will be "shopping" your art.

This will basically be a letter which states:

- what art
- whom they can show it to
- for how long
- and what will happen in each instance, if they do or don't get a sale.

Most of all, it needs to reiterate that at all times and under any circumstance, the art remains yours.

### **Q. I am getting offers for licensing deals, but rarely any advances, is that typical in our new economy?**

**A.** Yes, unfortunately, that is quite typical these days. Manufacturers are trying to keep costs down in any way they can so even licensors (artists/properties, etc.) that have brand recognition and equity have given up some of the standard licensing protocol, such as advances. I still believe that advances, even a nominal one, are very important since it clinches the deal and makes the manufacturer more likely to uphold the contract. If you are offered a deal with no advance against royalties, end of story, you will have to decide if you want the deal. There is probably little negotiation here, though I'd try before giving in. And if you do go for the "advance-less" deal, make sure you have a "market" date in the contract. The "market" date will stipulate that the product must be in the distribution channels by "x" date or you get your rights back. It just gives you an out to retrieve your rights quickly, if for some reason the manufacturer decides not to produce the product.

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# Web Resources

## Website

[www.jnetsmith.com](http://www.jnetsmith.com)

## Info

[info@jnetsmith.com](mailto:info@jnetsmith.com)

## Questions

[askjnet@jnetsmith.com](mailto:askjnet@jnetsmith.com)

## Register for classes

[www.jnetsmith.com/schedule.cfm](http://www.jnetsmith.com/schedule.cfm)

## Tweet us!

[www.twitter.com/JnetSmithInc](http://www.twitter.com/JnetSmithInc)

## Find us on Facebook!

<http://www.facebook.com/JeanetteSmith#/profile.php?id=697244034&ref=profile>

## See videos on youtube!

[www.youtube.com/thelicensingcoach](http://www.youtube.com/thelicensingcoach)

# Audio Downloads Available

## Hot Trends in Art Licensing

<http://www.jnetsmith.com/schedule.cfm?ald=7E61E414-C29B-57E0-8E30DFED83C04343>

## Surtex & Licensing Show Top 10 Follow-up Techniques

<http://www.jnetsmith.com/schedule.cfm?ald=F9CD230A-C29B-57E0-842416D8D9E203DC>

## Ask J'net Free Fridays- Q&A (June)

<http://www.jnetsmith.com/schedule.cfm?ald=0F14D202-C29B-57E0-82356C85B09747C2>