

A Creator's Art Marketing & Licensing Resource

Upcoming Events

Surtex and Licensing Expo Top 10 Follow-up Techniques

Date: June 10, 2009
Time: 12:00 pm - 1:00 pm PST
(3:00 pm - 4:00 pm EST)
FREE!

Ask J'net: Free Fridays - Live Q&A Session

Date: June 19, 2009
Time: 9:00 am - 10:00 am PST
(12:00 pm - 1:00 pm EST)
FREE!

Legal Ease: Simplifying Copyrights, Trademarks, & Contracts for Artists

With Elizabeth Russell, Attorney
Date: June 24, 2009
Time: 3:30 pm - 5:30 pm PST
(6:30 pm - 8:30 pm EST)

Character Licensing

Date: June 25, 2009
Time: 12:00 pm - 1:30 pm PST
(3:00 pm - 4:30 pm EST)

Professional Creators' Licensing Series: Open Doors and Close Deals

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

To Register for classes and get more information please use link on last page.

Newsletter Volume 1, Issue 4 May 22, 2009

In This Issue

- **Schedule of Events**
- **Feature Article:** Stationery is a Great Place to Start... But Should I Manufacture or License?
- **Ask J'net:** Answers your art licensing questions

Dear Readers:

Attending Surtex and the Stationery Show this year was really very fun. I saw many people that I hadn't seen in years. The highlight for me was seeing the name badges and recognizing the voices of those I have consulted with over the phone and had never met. Also to see ads and press for many of my clients and to share the excitement for those of you who wanted to find terrific agents and have...way to go!

And it was delightful to meet so many wonderful new people. I felt a great deal of appreciation for the services we offer and excitement for the new classes, workshops, consultations and Q&A sessions, and other products on the way. Stay tuned because there is much on the horizon and if the response at SURTEX is any indication, it's going to be a global explosion. Make sure you check out our new courses for June and July...several are new, such as Legal Ease and there are two new FREE events to answer your questions and hone your skills. We also have our Hot Trends class available now as an audio download with the full presentation handout.

If you didn't attend SURTEX and the Stationery Show, just let me just say that it was really inspiring to see the incredible level of talent there, both in the art licensing booths as well as in the new stationery manufacturing booths. While opportunities abound, the talent pool is growing and becoming more educated in terms of how the business works. I'm so excited to be a part of this transition!

Here's to your creative success...



Sincerely J'net

Note: For anyone planning on attending the Licensing Show, I have one more consultation space available. Please call or email me directly if this is of interest to you.

Stationery is a Great Place to Start But Should I Manufacture or License?

by: Jeanette Smith

Licensing crosses over so many industries itself, which adds to the intricacies of the business. Since you can license your creative work for a multitude of product categories, all of those products and their various industries, such as stationery, are the vertical markets intersecting the licensing industry.

SURTEX has really moved from its original purpose of selling designs for fabrics to showcasing artists and their agents for all types of product manufacturing. This year for the first time, SURTEX and the Stationery show were held not only at the same time, but on the same trade show floor, and it seemed to be really beneficial for all.

A Word About Stationery Licensing...

The stationery product category is a great category for starting your art and licensing business, for many reasons. Of course, providing your art fits the stationery product category.

- The stationery business follows many fashion trends and colors, so it's always looking for styles and patterns, icons, graphics and designs that are fresh and new. Since fashion changes quickly, the stationery business pushes to keep up. Styles may last one season, or a design doing well may last several (3-5) seasons, and that would be an extremely long and successful run at retail.
- The stationery business, which prints on paper—though not exclusively—can produce new product faster than many other categories, such as ceramics and home décor. The industry is, then capable of changing quicker than most, and utilizes this to its advantage.
- The nature of the stationery business also lends itself to diversity of product and small exclusive product runs for specialty stores and other upstairs retailers.
- The stationery business with its huge need for art and on-trend designs is used to working with artists and creators who are new to the industry, and in fact there are many manufacturers who really don't care if you have other licensing deals. They know if they like your art, and if you can agree on a deal, that's enough for them.

All of this is great news for artists entering the business, since the stationery business requires volumes of art and designs to keep up with trends and to fulfill its various audience, lifestyle, holiday and social occasion needs.

Now a Word About Manufacturers...

As the retail marketplace is being challenged, so is that of the manufacturer. If you have talked to one lately, I'm sure they told you:

- Manufacturers are pressed to reduce their costs to the retailer, so the retailer can keep prices relatively low and still make a profit.
- Manufacturers are trying to keep costs down in several different ways, such as reducing inventory, keeping overhead costs down, managing with fewer employees, using lower cost or lower quality goods. Each manufacturer must make these decisions for their brand and company.
- Many manufacturers have chosen to keep staffing lean and with that the design departments that are small to nonexistent. And while licensing is an added expense, it is also one way to keep costs down, and pay you for each product sold, rather than keeping designers on staff.

Again, this has provided an opportunity for artists, as the manufacturers continue to look for new art and especially artists who are skilled in product design and production to help compensate for their shrinking art and production staffs. Another benefit to the manufacturer is being able to tap into the huge pool of talented artists that bring a variety of different styles simultaneously to their product lines, thus attracting a wider audience.

A Story of Two Artists

Two women, both incredible artists with the burning desire to see their art on products and in the stores decided to take a big first step and market their artwork.

The first one decided to manufacture stationery and note cards. She bought a booth at the Stationery Show, which was quite an investment, in addition to producing all the product for sale and marketing materials. Response to her designs and product was wonderful and several independent retailers purchased product for their stores. The woman wished she could get a representative, or better yet a 'rep group' for her line—agents who would sell her product to all of the retailers. When she left the show she had more work to do than when she arrived. Whew, it's a lot to take in, and she began to wonder if she'd be better off licensing her art to manufacturers directly.

The other woman decided to license her art directly to manufacturers for stationery and other products.

She bought a booth at SURTEX, which was quite an investment, in addition to producing her marketing materials and web site. Response to her designs was wonderful and several manufacturers showed interest in a licensing deal. The woman wished she could get an agent to license her collections to all of the manufacturers. When she left the show she had more work to do than when she arrived. Whew, it's a lot to take in, and she began to wonder if she'd be better off manufacturing her art on products.

Moral of the story: No matter what you decide to do, it always looks like there is more work in your lane to get to the finish line, but it's probably just the same amount on a different path.

An Important Business Model Decision

Licensing is really just one of many marketing decisions to be made, as you build a business based on your creative talents. If you have enjoyed your creative endeavors and see them reaching a broader audience and creating larger revenue streams, then you are probably considering manufacturing your own product or licensing your art to manufacturers. Both choices are viable and have pros and cons which are based on your specific needs and goals. No one can tell you which is right for you.

So why would you choose one type of business over the other, when wanting to create product and revenue with your art. The following chart shows some of the key benefits of both licensing and manufacturing. Of course, what is the benefit for one method is the opposite, or a negative, for the other and vice versa...it all depends on your perspective.

Two Different Business Models:

Manufacturing	Licensing
Higher upfront costs & cash flow required	Lower upfront costs
Responsible for creative, production, warehousing, shipping	Responsible for developing creative
Must learn about and invest in production of products, whether paper, ceramic or other	Must learn about the licensing business
Responsible for sales, creating distribution network	Responsible for sales, licensing to manufacturers
Or finding 'rep group' to handle sales	Or finding agent to handle sales
Profits are based on sales, less manufacturing costs and overhead	Profits are royalty-based, a percentage of net wholesale costs (<50% if using an agent)
More likely to need staff quicker	More flexible; can remain lean or solo longer
Total product and distribution control	Less control over final creative and product

From a creative stand-point, there are reasons to choose manufacturing and reasons to go with licensing. I have known creative people who tried manufacturing and then chose licensing, and some who went the licensing route and switched gears to pursue manufacturing. It really depends on your skill sets, drive and how you prefer to spend your time and energy.

Ask J'net

I took this month's Q&A from the questions posed at my SURTEX, Fundamentals of Art Licensing II presentation.

Should I prepare a hard copy portfolio or digital? And how many images should I include?

You will probably need both at different times, depending on whether you are presenting in person or online. 10-30 images is a great place to start. Make sure you separate them by theme or style or by what product categories they are appropriate for. Don't put all your images on the web site, use it to get manufacturers to call you and ask to see more images. The more images you have the more marketable you are, both to manufacturers and agents.

Should I customize my art images for the product category(s) that I am interested in?

Yes. The more you can do to show the manufacturers how your art looks on their product the better. Make sure you only send designs to a manufacturer that fit their company style and products. Mock up your art on some of their products and send it as a support to the designs themselves. You will help them make the jump from concept to "here's what it can look like in your product line." And manufacturers really need that help making the leap these days.

Are jpegs adequate for presentations to manufacturers? Low res or high res images?

Jpegs are fine for portfolios. Lower res images are fine for your portfolio and presentations, and are one of the best ways to protect your art. You can add a watermark if you feel the need for an added element of protection. However, you can't stop people from stealing the concept, so the best protection is to get to know the manufacturers who you are presenting to, their reputations and track record for working with artists.

Contact Information
J'net Smith Inc.
info@jnetsmith.com
206.533.1490

© Copyright J'net Smith Inc., 2009. All rights reserved.

You have received this email newsletter from J'net Smith Inc. because you requested it. If you prefer not to receive future issues, please send an email to unsubscribe@jnetsmith.com Thank you.

Web Resources

Website

www.jnetsmith.com

Info

info@jnetsmith.com

Questions

askjnet@jnetsmith.com

Register for classes

www.jnetsmith.com/schedule.cfm

Tweet us!

www.twitter.com/JnetSmithInc

To Order Download of Hot Trends in Art Licensing

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

Find us on Facebook!

www.facebook.com

See video

www.youtube.com/thelicensingcoach