



Sports Career Consulting – Licensing and the Licensing Process

In this lesson, you will learn:

- Define licensing (Lesson 6.2)
- Discuss the licensing process (Lesson 6.3)
- Distinguish between licensor and licensee (Lesson 6.2)
- Explain the advantages and disadvantages to a licensee (Lesson 6.3)

RESOURCES	QUESTIONS
<p>STUDENT DISCUSSION</p> <p><i>Estimated time: 5 mins</i></p> <p>1 Discuss these questions with your classmates or with a partner.</p>	<p>1. Who is the NFLPA and what do they do? <i>National Football League Player Association Represents all players in matters concerning wages, hours and working conditions and protects their rights as professional football players</i></p> <p>2. What do you think licensing is? Can you think of an example? <i>STUDENT ANSWERS WILL VARY</i></p> <p>3. Think of your favorite sports team, league, brand, athlete or entertainer. Do you think it is legal to make a t-shirt featuring their logo or likeness and sell it at school or online? Why or why not? <i>STUDENT ANSWERS WILL VARY</i></p>
<p>STUDENT LEARNING</p> <p>2</p> <p><u>Licensing and the Licensing Process PowerPoint</u></p> <p>Use the PPT Licensing and the Licensing Process to help answer the questions.</p>	<p><i>Estimated time: 40 mins</i></p> <p>1. What is licensing? <i>Refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee</i></p> <p>2. Define Licensor. Provide two examples. <i>The company or individual granting the license is the licensor. Examples could include NBA, NFL etc.</i></p> <p>3. Define Licensee. Provide two examples. <i>The company or individual paying for the rights to use the licensor's name or property. Examples could include EA Sports use of NFL players, stadiums and teams in their game</i></p> <p>4. If Hallmark makes an ornament featuring a popular NFL player, are they the licensee or licensor? <i>Licensee</i></p> <p>5. Why would a company enter a licensing arrangement with the NFLPA? <i>Ability to use player name, image & likeness could help increase product sales</i></p>

6. List the 3 P's of Licensing:
 - a. Profit
 - b. Promotion
 - c. Protection
7. Where are licensed goods available?
Online, retail, big-box, arenas, stadiums pretty much anywhere
8. List three advantages of the Licensee's position:
 - a. Positive association with the sports entity
 - b. Greater levels of brand awareness
 - c. Help to build brand equity
 - d. Receive initial distribution with retailers
 - e. Expanded and improved shelf space
 - f. May be able to charge higher prices
 - g. Potential to lower advertising and promotional costs
 - h. Increased possibility of success and profitability
 - i. Connection with an athlete, sports team, entertainer, or corporation
9. List three disadvantages of the Licensee's position:
 - a. Athlete, league, celebrity, organization or sport may fall into disfavor
 - b. Success depends on athlete/celebrity performance
 - c. Styles change quickly
 - d. Royalties and licensing fees can be expensive
 - e. Manufacturing costs and risks
 - f. Competition can drive up costs associated with licensing fees
 - g. Competition can have a negative impact on market share

COMPREHENSION CHECK

3

Estimated time: 10 mins

1. **TRUE**/FALSE. Licensed products are an extremely lucrative business.
2. **TRUE**/FALSE. Warner Brothers granting permission to Electronic Arts to use the Harry Potter character for the development of a new video game is an example of the licensor / licensee relationship.
3. **TRUE**/FALSE. The National Football League (NFL) would be considered a licensor.
4. Examples of licensees include:
 - a. Major League Baseball
 - b. NASCAR
 - c. **EA Sports**
 - d. A and B above
5. Which of the following would be considered a licensor?
 - a. **NASCAR**
 - b. Nike
 - c. Reebok
 - d. B and C above

	<p>6. List three advantages of the licensor's position.</p> <ul style="list-style-type: none"> a. Expansion into new markets b. Increase its brand equity c. Minimized risk d. Enhanced company image and publicity e. Increased profit from fees and royalties f. Increased brand awareness or recognition
<p>STUDENT ACTIVITY</p> <p>5</p> <p>SEE INDUSTRY NFLPA LICENSING ACTIVITY RUBRIC</p>	<p style="text-align: right;"><i>Estimated time: 2 hours</i></p> <p>Imagine you are an entrepreneur with an idea for a consumer product that you think might be popular with football fans. You decide that offering an officially licensed NFLPA product featuring a player name, likeness or image will provide the best opportunity to maximize sales.</p> <p>For this activity, you will create a presentation that you will submit to the bank in hopes of receiving funding for the development of your new product.</p> <p>Your presentation must include:</p> <ul style="list-style-type: none"> 1) Explanation of how the licensee / licensor relationship 2) Description of how an official NFLPA license will influence demand for your product and impact the price you charge consumers for your product 3) Description of the product and manufacturing costs associated with the development of the product <ul style="list-style-type: none"> • <i>How will player name, likeness & image be used?</i> • <i>Which player will your product feature? Why?</i> 4) Design "mockup" sketch of the product 5) Design "mockup" of product packaging / branding 6) Description of target consumer 7) Sales forecast – how many units will you sell? 8) Distribution strategy (online vs. retail, product release dates etc.) 9) Promotions plan