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Collegiate Licensing Opportunities and Challenges ... Times Three

As the Licensing Manager at GFSI, Inc., I have the unique challenge/opportunity to manage three collegiate brands. GFSI, Inc. is home to GEAR for Sports, Champion (through a licensing agreement with Hanes Brands) and Under Armour (also through a licensing agreement). That means three times the agreements, royalty reports and artwork submissions. The opportunities for each brand differ, but they all share many of the same challenges.



Trey Ham

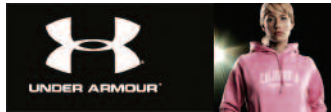


traditions of a university. By providing additional feedback on innovative or multiple location graphic approvals, the licensor will capture the opportunity for additional sales and revenue.

GEAR for Sports is the most diverse brand. Gear's product line includes items for the current student as well as alumni and parents. Gear offers polos, Big Cotton fleece, outerwear, headwear, co-ed sizes and women's items, as well as the core basics in tees and fleece. While the core items for all ages contain basic art, Gear is continually developing new art processes to put on its apparel. This has led to the development of using lasers to remove pigment from the garment as opposed to using tonal ink, cutting fleece to expose underlying fabric instead of using traditional twill, washing finished product to give the garment and artwork a look and feel as if the consumer has had the shirt forever. The biggest challenge and opportunity with Gear is that it is a growing retail brand. Gear has developed the American Classic Sportswear label in order to expand its retail presence. The main challenge is the sheer volume of art approvals for an ever-growing program and line. The label has tripled sales within one year of its introduction in fall 2008. This has been a great opportunity to expand into retail and not compete with the bookstore channel.



Under Armour is the most unique brand of the three. Under Armour is specifically performance apparel, so the entire line falls into its own product category. Under Armour contains sideline universities (under agreement with the parent company) where GFSI is responsible for the retail aspect of these agreements. Sideline items include replica jerseys, coaches' polos, outerwear and headwear for each sideline university. Under Armour also offers the most accessories and non-apparel items of the three brands: wristbands, duffle bags, backpacks, sling-bags and gloves. This involves continually keeping the recent additions to the product offering up-to-date and getting those items added to agreements. The main challenge with a specialized brand like Under Armour is getting it licensed with more institutions due to product category management limitations and exclusives. While these challenges exist, the opportunity for the licensor and us is limitless with a growing brand such as Under Armour. Collegiate sales and royalties have more than doubled within two years.



Champion is the most traditional collegiate brand of the three. Founded in 1919, Champion is the veteran collegiate brand. With its long established heritage, Champion captures the traditional college look and feel of collegiate merchandise. Champion joined GFSI in 2001 and the impact was immediate. Due to innovative artwork, product, and a commitment to service, Champion's collegiate sales and royalties have more than doubled in seven short years. The biggest challenge for a licensing manager with Champion is continually designing innovative art that feeds on long-established rivalries, extreme school pride and current trends. Being 90 years old this year, Champion also has an extensive collection of mascots for collections focusing on the history and



While each GFSI brand has its own unique opportunities to grow sales and royalty revenue, they all share one common challenge regarding licensing: they all offer custom artwork at competitive lead-times. This puts the pressure on the art department to design and produce the art, as well as the licensing department to get it approved in order to ship on time. While I am fortunate to have an excellent staff that is focused on specific universities/properties (bookstore A-M, bookstore N-Z, retail and e-commerce, NCAA/hot-market), the volume of artwork is overwhelming at times, during summer in particular. Last year our department submitted more than 33,000 artworks for approval, with approval times ranging from five minutes to five weeks. The longer approval times challenge GFSI's commitment to service and limits reorder turn rates. The opportunity for offering customized artwork is that it allows the customer and consumer to get what they want when they want it.

All of GFSI's collegiate product and art processes can be found at www.gearforsports.com.

Thanks for this article to Trey Ham, licensing manager for GFSI, Inc. and member of the ICLA Board of Directors.