

flowhaven

The LRM Buyer's Guide

EVERYTHING YOU EVER WANTED TO
KNOW ABOUT LICENSING
RELATIONSHIP MANAGEMENT

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Intro

At [Flowhaven](#), we believe that good licensing relationships are like gas in a car. Without it, you won't get very far.

Licensing Relationship Management (LRM)—a business philosophy and strategy—is centered around building better relationships between licensing partners. It requires a commitment to maintaining strong, healthy relationships; ensuring that licensing professionals achieve higher revenue and faster growth.

Whatever your goals, we've created this book to help you get friendly with LRM. If we did our job correctly, you might even love it by the time you've finished reading.

This year we've introduced a series of product lessons on our blog. This eBook connects those posts and offers you a clear blueprint on everything from picking the right LRM for your team to getting your whole team excited to put it to use. Before we take off, here are a few things to know about LRM.

Today, licensing teams are focused on protecting their businesses from economic instability. The "80/20 rule" tells us that 80% of a business' profits come from roughly 20% of its partners. It's important to know who that 20% are and maximize the value of those relationships while still paying attention to economically sensible customer acquisitions.

According to Forrester's research, midsize and enterprise organizations need to adjust to the "new age of the customer" if they want to fulfill their business needs.

"The only source of competitive advantage is the one that can survive technology-fueled disruption—an obsession with understanding, delighting, connecting with, and serving customers.

Effectively managing your company's relationships with those who buy and use your company's products and services has never been more important."

Simply put, your partners want smart tools that make working with you easy. They also want to feel like you're hyper-obsessed with meeting your goals.

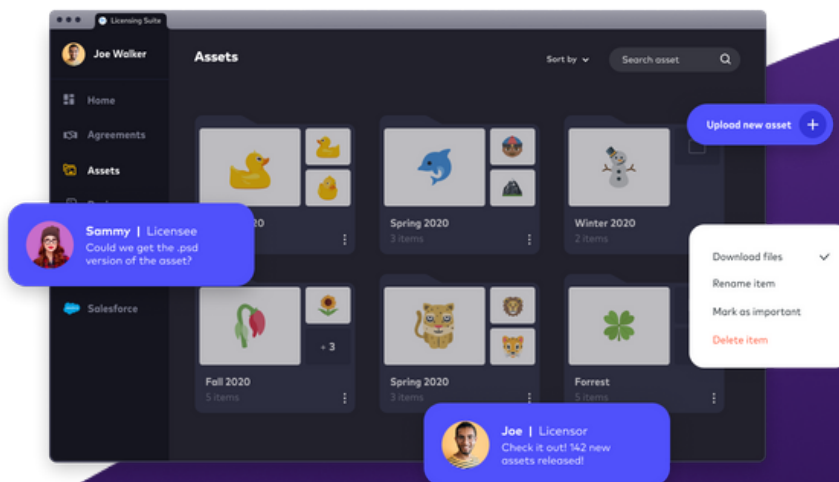
Establishing good licensing relationships requires more than just hard work. Companies need to use modern technologies and tools to get the most out of their relationships.

Smart LRM systems offer a single application where you, your team, and your partners can spend time every day performing work. They also give you a place to manage and analyze your interactions with past, current, and potential licensing partners to make better-informed decisions about the future. In the Flowhaven office, we like to think of it as a super-cool magic ball.

LRM systems like ours, help businesses create and nurture those relationships quickly. The system is designed to focus on executing licensing program strategies, collaborating across teams, and ultimately driving licensing revenue growth. You know your licensing program is successful if you've been able to craft and execute a strategy, manage a team, and deliver licensed products to retail according to set timeframes and quotas.

In the following chapters, we'll show you how LRM steers you toward success. Including some of the best practices to help you decide if your business is ready for an LRM system, how it will help you attain your business goals, and, ultimately, find the best LRM system for your needs.

Buckle up. Here we go!



What is Licensing Relationship Management?

Let's start at the beginning. Are you a licensor? A licensee? An agent? Whatever your job, you probably have to for relationships with other people to achieve success.

Licensing Relationship Management (LRM) is a company-wide business strategy designed for everyone. It can help multinational brands and mom and pop manufacturers alike, improve licensing sales, royalty revenue, and partner services to reduce costs and keep licensing partners loyal. Best of all (and our favorite feature of all), it can help you look at every interaction and transaction through your partner's eyes. Seriously. Every. Single. One.

LRM is usually broken down into four sub-categories to address the wide range of licensing business requirements. **These include:**

- Customer Relationship Management (CRM)
- Digital asset management (DAM)
- Product and design approvals
- Royalty and financial management software

A good LRM brings together information from different teams and departments to offer a holistic view of each partner in real-time. With spreadsheets and emails, this process usually takes a few days. With Flowhaven, a couple of seconds.

Warning: Your partners will be shocked at how quickly LRM makes you move.

Seeing everything at once gives customer-facing employees who work in sales, account management, product approvals, and royalty management superpowers. Okay, so they may not be able to move things with their mind. But they will be able to make quick and informed decisions on everything from identifying new opportunities to improving the quality of communication and responsiveness. After all, not all licensing partnerships are created equal. LRM helps businesses prioritize and better understand each partner's unique needs (and wants) to improve service.

Here are three examples to put things in perspective:

Ex.1

You're a character brand owner (licensor). You want to identify new open categories worldwide-quickly. Your LRM system can help you find all available licensed rights in an organized format. You can then sort out the partners that can fill those gaps and reach out to them about a new partnership.

The result? Everybody wins: you filled the category gap, while the partner feels like they were lucky that you got in touch.

Ex.2

You're a licensing agency (agent) with multiple brands under your belt. Three of your licensors just released new style guides for upcoming video game and film releases. Using your LRM system, you could easily find existing licensees and let them know about the newly released content.

The result? Win-win-win: you, the licensors, and licensees activated new sales or royalty streams.

Ex.3

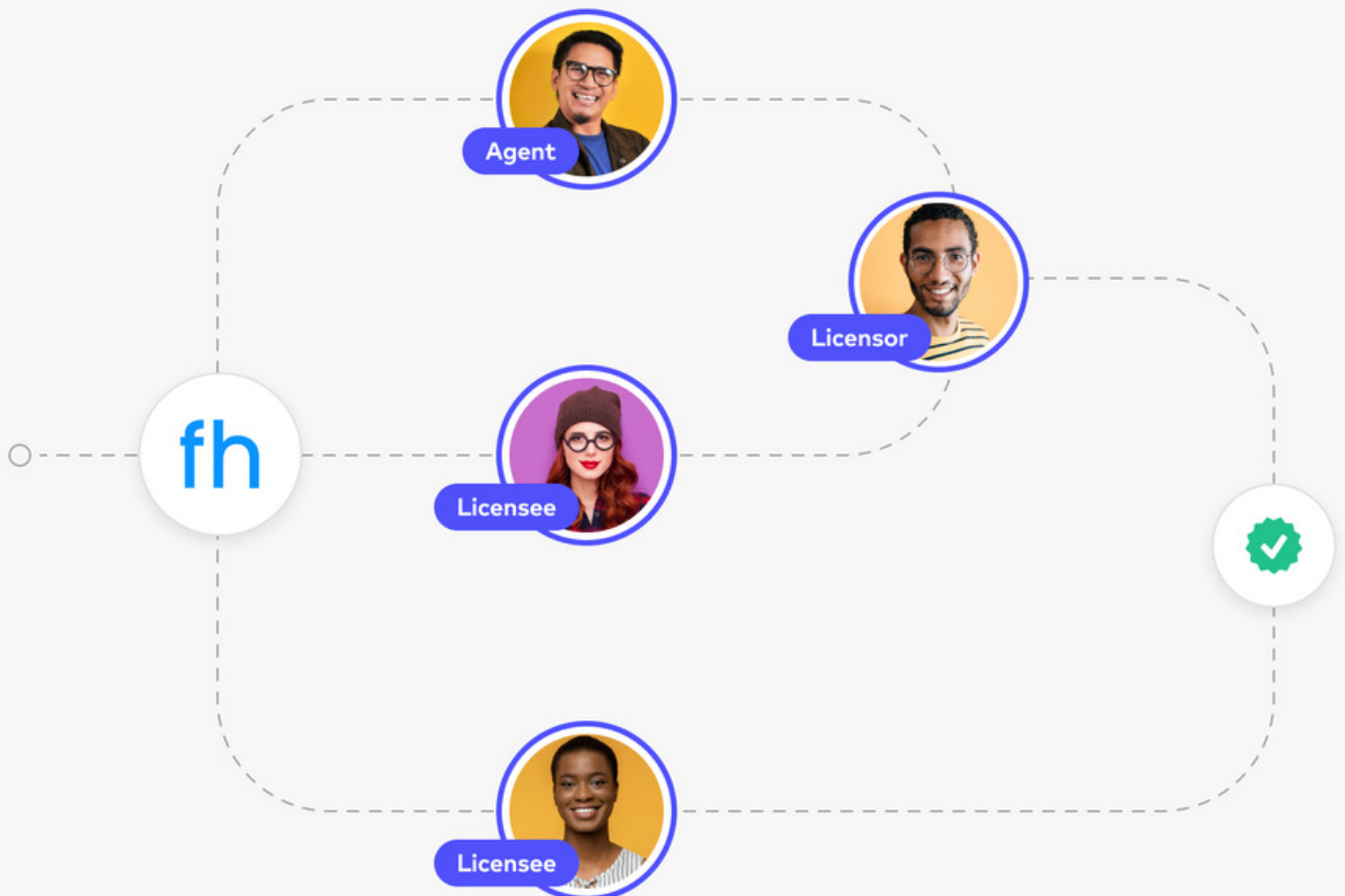
You're an apparel manufacturer (licensee). Your licensors just requested an updated business plan. With your LRM system, you can instantly find all of your past activity and revenue performance numbers, including forecasts, and send updates accordingly.

The result? High-quality service that leads to higher revenues.

What types of companies need LRM?

Hint: LRM is for everyone.

Today's systems offer a variety of technologically advanced functions and user-friendly interfaces. Costs are flexible, and maintenance and onboarding are easy. It doesn't matter if your licensing team is over 100 people or just a handful – LRM is a tool kit that will help you establish closer connections with your partners, provide professional licensing service, gain revenue and grow your business.



Why is LRM so important to business today?

Today. Tomorrow. In the year 2121. LRM is the single most important tool for licensing businesses because it helps you gain new partners and retain existing ones.

In today's environment and with so many brands and licensees to choose from, licensing teams are incredibly picky. Some people even say that partner loyalty is a thing of the past. The moment a new brand or category gains traction in the market, it takes only a few months before it suddenly becomes a commodity, meaning that partner switches have become pretty common.

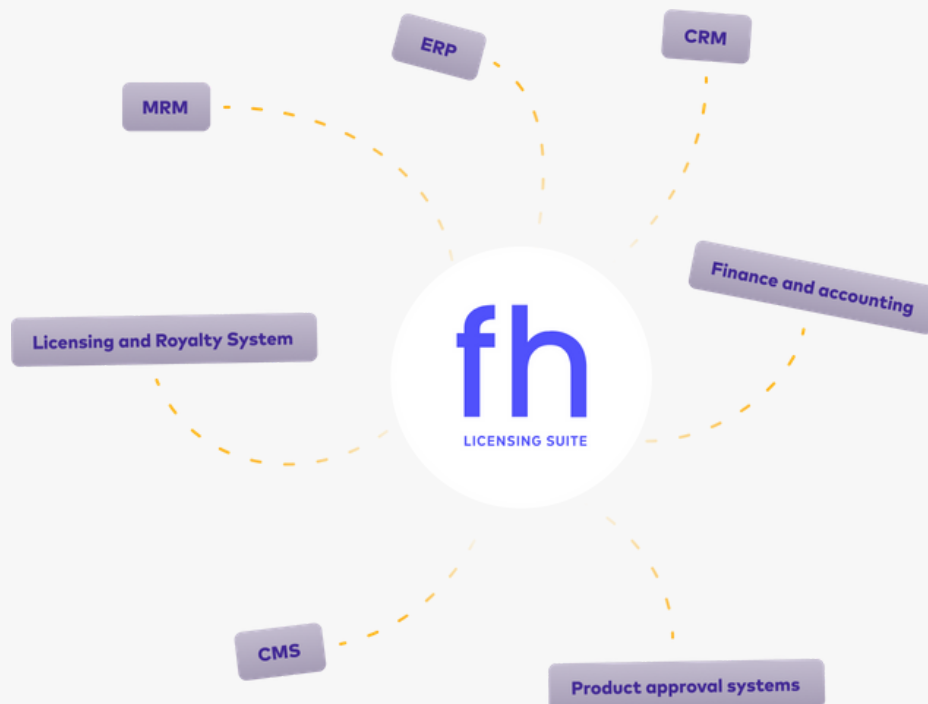
About 20 years ago, when licensing and royalty software was relatively unknown, it was typical for licensing professionals to receive information from expos and industry publications passively. You had to talk to your peers to get important information, gather market data and materials. Then you had to try to make sense of it all.

Like phones and dating, things changed with the arrival of the internet and social media. Now, you can find the information you need yourself. Today's licensing teams are not only informed. Traditional and overt tactics also turn them off.

Licensing teams want to feel like their brand or category matters to you and that you care. Everyone thinks that people stop doing business with a company because of a new hot brand or category. Or, they attribute it to killer higher minimum guarantees and sales or royalty proposals from competing vendors. That's not the case. At all.

Why licensor, agent, and licensee partnerships typically end:

- One of the parties believes you don't care about them
- One of the parties is dissatisfied with your service
- One of the parties is persuaded to go to find another partner



Chapter 3

The importance of a happy licensing partner experience

Think about the last time when you needed licensing partner support.

Did you call the company only to find they didn't have any information about you? Did they keep transferring you from one person to another? Did you have to keep repeating the same question? Or introduce yourself over and over again?

You probably felt defeated. Or even worse, that the company didn't care about you or value your business.

Every time a partner comes in contact with an organization, no matter what channel, they have the opportunity to form an opinion – be it good, bad, or indifferent. Over time, this collective set of experiences creates a picture in the partner's mind. Even if it's far away from your objectives, it will cement how they view your brand's image and values.

Companies that are serious about LRM know that offering and maintaining quality partner experiences is key. They recognize that a poor experience is a step toward partnership churn. A good experience encourages loyalty. LRM's partnership-centric strategy is based on clear goals and a vision of what a meaningful and valuable experience looks like to you and your associates.

Of course, the actual brand or category's quality is still the most important. However, the quality of the negotiations, processes, and services, and support activities received is the relationship's building blocks.

A partner-centered approach looks like:

- **Partner-focused leadership**
- **Understanding your partner**
- **Designing a unique experience**
- **Empowering the frontline**
- **Delivering metrics that matter**
- **Giving feedback to drive improvement**

A licensing program is only as valuable as the experiences that it creates. You plan the experience. LRM software will bring it to life. You'll get to know your partners, understand their needs, and respond to those needs faster and easier.

Yes, you're allowed to call it magic.

Four main contributors to partnership loyalty:

- **Brand, category, and distribution**
- **Partnership negotiations**
- **Onboarding process**
- **Service and support**

LRM centralizes your licensing partner data

Why do you love your cell phone?

Probably because it puts everything you need to live comfortably in the palm of your hands. Candy Crush too.

LRM software works similarly. It combines all sales, account management, product approvals, and royalty management information in one central database that can be accessed at any time and on any device. Having access to centralized information means fewer silos within your organization.

Here are all of the things LRM helps businesses collect:

- Company and contact details
- Interaction histories such as emails, calls, and meetings
- Partner performance and progress reports
- Digital asset usage and performance stats
- Product funnel performance and progress
- Sales and royalty reporting, validation, calculation and invoicing details and status

The software also records what you discussed, follow-up dates, and each request's status. You can use this information to manage, measure, and track each licensing team's activities. Big picture: it builds greater loyalty and creates a better experience.

Sidenote: LRM is an excellent cure for finger-pointing. For example, your Commercial team can't blame Brand Assurance for not communicating with them. Brand Assurance can't blame Commercial for not providing details, and Financial can't blame Sales for disgruntled customers. Everyone has the same access to the same partner information. Problem solved.

LRM automates the partner-facing business processes

Licensing departments and teams are split between business-facing processes and partner-facing processes. Business-facing processes make the business run more efficiently, such as HR, budgeting, and planning. Partner-facing methods include sales, account management, product approvals, and sales and royalty management. An LRM strategy focuses primarily on the partner-facing processes and fine-tunes them to meet each partner's needs.

SALES & ACCOUNT MANAGEMENT	BRAND ASSURANCE AND PRODUCT DEVELOPMENT	SALES & ROYALTY MANAGEMENT
AGREEMENT MANAGEMENT	REQUEST MANAGEMENT	SALES & ROYALTY REPORT MANAGEMENT
ACCOUNT MANAGEMENT	PRODUCT PIPELINE MANAGEMENT	INVOICE MANAGEMENT
SALES PIPELINE MANAGEMENT	PRODUCT PIPELINE MANAGEMENT	PARTNERSHIP PERFORMANCE ANALYSIS
ACTIVITY MANAGEMENT		

PARTNER-FACING ACTIVITIES INCLUDED IN EACH PROCESS

How does a partner interaction become an LRM process?

The LRM process begins as soon as you name someone you think would be a great partner. Once you create an account for them in the LRM system, the software will fast-track it to the agreement process. The LRM system is intelligent enough to remind the user to call at an agreed time. Each time you interact with the company, you will record it into the LRM system. The same applies if someone else on your team ends up talking to the same company.

Big picture: LRM keeps track of what's been said and what's been done.

At Flowhaven, we like to think about our LRM like a library of documents, phone calls, emails, meetings, actions, and messages. Whenever an interaction with a company is initiated, you get an instant, automated communication trail. Because the information is in one central place, anyone can help a given client.

How do licensing businesses benefit from the LRM system?

All businesses can benefit from LRM. LRMs perform best when implemented across companies, giving each and every department the chance to improve their workflows and, in turn, retool company-wide.

Here, eight ways LRM can benefit your business:

- 1 IMPROVED DECISION MAKING**
LRM sheds light on important information. It allows licensing executives and teams to generate detailed reports that forecast sales, measure partner service activity, and track licensing performance. Then compares it to contractual terms such as minimum guarantee recoupment.
- 2 ENHANCE PRODUCTIVITY**
Key data doesn't live at the office anymore. LRM can give team members on-the-go, instant access to centralized, real-time data. Partner performance, communication and activity histories, licensed product information, agreements, and granted rights and email history – are all accessible from any location and on any device.
- 3 MAKE USE OF ENHANCED LICENSING PRODUCTIVITY TOOLS**
Businesses can use LRM to drive shorter agreement sales cycles, improve turnaround times, and win rates. Organizations can also use the technology to create workflow rules, automate team-specific processes, and streamline legal management to avoid conflicts within deals.
- 4 IMPROVE PARTNERSHIP SERVICE**
LRM technology enables teams to assign, manage, and resolve requests quickly. And gives you the power to questions with automated routing, queuing, and escalation regarding agreements, royalties, or product approval requests.
- 5 IDENTIFY REPEAT PARTNERS**
LRM applications enable team members to automatically identify phone calls from past partners, instantly recalling the system's data. This creates an opportunity to re-engage and react to requests instantly.
- 6 ENHANCE PRODUCTIVITY**
LRM can seamlessly integrate sales, brand assurance, product development, and royalty financial functions. By storing critical business data, users can quickly access and share information, boosting overall licensing business productivity.
- 7 WIN CUSTOMER LOYALTY**
LRM allows teams to access customer data on-demand. The faster and easier it is to learn about your partners, the more likely you will develop highly personal relationships. This type of business-to-partner bonding can boost satisfaction and maximize profits.
- 8 DRIVE LICENSING STRATEGIES**
By accessing your partners' activity history, performance, and behavior, licensing teams can tailor proposals and be more tactical than ever before.

Key functions of an LRM solution

It doesn't matter if you're in sales, account management, brand assurance, or product development. An LRM system can help you automate specific licensing business processes and decide how each works together.

Each business process has to be clearly defined and efficient for a company to achieve the best results. Times may change, but building strong and loyal relationships and improving satisfaction remain the key priorities for businesses worldwide. This is LRM is at its best!

To gain CFO support, link your LRM initiative to your organization's strategic direction. Be sure to have a solid LRM business plan, complete with forecasted metrics, and matched quarterly over the LRM initiative's life.

Let's look at some of the automated processes LRM makes easier:

AGREEMENT MANAGEMENT

Quite a few steps need to take place before a company can become a licensing partner. You need to identify the company, then qualify it, and more. Only then can you call it a win.

A great lead can come from any channel – websites, expos, cold calls, events/seminars, or newsletters. With so many outlets channels, it helps to know which personal information. Verify who will run conflict and collision checks, confirm deal terms with legal, and submitting them to the approval workflow.

This gives you a clear plan of action and rules for following up. How should information be routed? How will you follow up? Without a clearly defined process (workflow), partnership opportunities can end up lost or forgotten, which results in frustration and lost productivity.

ACCOUNT MANAGEMENT

There should be clear rules for account management. These rules define the account owner, business area, and what activities are expected to be performed. Once the workflow and practices are defined, the LRM system can automate the entire flow and generate automatic tasks. It can also keep a record of company history so that teams can understand each partner better. This can then improve overall partner satisfaction.

BRAND ASSURANCE AND PRODUCT DEVELOPMENT

Once you form your partnership, there should be a straightforward, onboarding process to kickstart product development. You'll need to clarify how you'll grant access to assets and style guides.

Then create a well-defined product development funnel for product concept collaboration throughout the product approval stages and receive approval confirmation for the new SKU (stock keeping unit).

An LRM is a single channel for all activities. It provides transparency within the teams on both sides of the progress with features to upload files, apply pins to the preview images, and compare modifications to track changes.

SALES & ROYALTY MANAGEMENT

Sales and Royalty reporting and management practices are typically defined by the written agreement and set the basic rules. This includes the SKU (stock keeping unit) and sales and royalty reporting period and template. Compiling, delivering, validating, and invoicing can not have errors, and the result is an invoiceable sum. LRM automates the generation and calculation process fully and provides effective validation actions to spot errors before the invoicing process. This relieves time for licensing business and program analysis instead of spending hours manipulating spreadsheets

MINIMUM GUARANTEE AND INSTALLMENT MANAGEMENT

LRM's keep track of the entire agreement commercial details, including due dates of minimum guarantee and installment schedules.

INVOICE MANAGEMENT

In licensing, invoice management can be cumbersome without a proper LRM to track inbound and outbound invoice statuses and details. With full automation, the time previously spent manipulating spreadsheets, calculating commissions, and minimum guarantee open balances and installments sums are saved.

FORECAST MANAGEMENT

If you want to evaluate your market performance, it helps collect forecasts from partners and internal teams. With LRM, the details can be collected, shared, and matched against actuals to improve forecasting accuracy.

COMPLIANCE AND PRODUCT INTEGRITY JOURNEYS

Licensing teams manage compliance requirements for manufacturers and products. LRM helps keep these tasks organized and statuses available throughout the teams.



PRODUCT CATEGORY AND BRAND HIERARCHIES

Product category hierarchy is granted to every partner. Still, it includes all available categories. These are continually evolving, with new categories popping up each day.

LICENSING PORTALS

Self-service has also become a critical driver of licensing partner satisfaction. Most organizations deploy partner self-service portals to make it easier for partners to do business with web teams.

Licensing portals make it easy for partners to collaborate effectively, from commercials to creative and financial sides. They even improve service while reducing the cost to serve.

THE POWER OF LRM ANALYTICS

Reporting and visual charts are important to have if you want to review or extract meaningful information from the LRM system.

Along with combining data from other systems for your company's internal use and partners, auditors, and others. Modern LRM's come with reports and dashboard building capabilities to display key information to the user. Some—like Flowhaven—even come with preloaded templates that can be modified, shared with specific users, and exported in various formats.

Choosing the right LRM for your business

If you're going to invest in an LRM, you need to stop and think about your goals. Not just what they are, but how you'll quantify them.

Are you trying to improve partner satisfaction? Raise revenue? Maybe you just want your turnaround times to be faster.

Then ask yourself where you want to be in the future. If your current LRM (or no LRM at all) isn't going to take you there, you need to start asking which LRM is right for you.

Your perfect LRM will help you stay competitive by giving you the power to:

- Keep track of your interactions with all partners
- Stay in control of your licensing efforts
- Maintain strong relationships with partners
- Identify new opportunities
- Improve communication between licensing teams
- Find and keep new partners

Choosing the right LRM system for your business isn't easy. And, since every software has its strengths and weaknesses, there is a lot to consider.

So how do you decide which LRM will help you meet your goals?

It's okay to be selfish

There are a lot of things to consider when deciding on a new LMR. Transition options, the ability to customize, cost, scalability, business value.

But the most important thing to consider is your own needs! LRM assessment is one of the few times when it's 100% okay to be selfish. When you know what you need, you can match each option to your budget. You can then decide whether you need all or only some functions that an LRM solution can offer.

But, What if I already have an LRM?

Most large organizations have an LRM system or something similar in place. If you're reading this, you've probably realized that having an LRM isn't the same as having the best LRM system for your needs.

You'll know right away that your LRM isn't a fit in some cases. In other instances, you may ask if a better option even exists and if you'd be better off sticking with your current provider. (Hint: it does and you're not)

Here are some questions to help you find clarity:

- What are we doing right now that we could be doing better?
- What are our users telling us about the current licensing system?
- What are our customers telling us that we should be doing?

What should we know about the LRM market?

There have never been more licensing solutions available than there are today. However, more is not always better. LRM buyers have to understand the market and its categories. You can then choose which vendor will offer your team the perfect solution.

Before you do anything, ask, "Why are we looking for a new LRM system?"

If you are using an outdated software system or you have outgrown your basic accounting software, you may be experiencing one or more of these difficulties:

- You and your team are always dealing with manual workarounds for simple tasks that could easily be automated
- Most of your data is stored in spreadsheets or multiple systems across the licensing team
- There are no automated workflows (including agreement approvals).
- You are not able to make changes to your existing software to fit your company's processes
- You are always facing a thorny quarter close
- Accruals, allocations, calculation, and validation revenues are an issue
- You have trouble managing multiple teams
- Low partner response rate and service
- You aren't meeting your revenue targets
- Not able to meet target timelines
- Your task assignments are disorganized

Your entire company deserves a modern solution. It'll help the whole team stay productive.

If you're a small licensing business, you can probably get by sitting down and running through the licensing or brand management process by yourself. If your business is larger, it's a good idea to involve the major stakeholders in each cycle and map out all of your needs and challenges.

After you've made changes to your licensing processes, you may find that you have to remove some steps and possibly add others. You might even need to sequence tasks and processes differently. By the time you are finished with this step, you will have documented the best processes for your business!

Determine your requirements for technology and support

Regardless of your company's size, it's worth taking a few minutes to think about the systems that you have in place today. In most cases, businesses need to integrate LRM systems with their existing software stack. For others, you may not have anything to integrate at all. Writing down the answers to these questions will go a long way in helping you set up a list of requirements when talking to an LRM vendor.

Try to answer these questions:

- Is your future LRM system going to be a one-team solution, or will it be used across an entire department?
- What other business applications do you want to integrate with an LRM system?
- Do you need support and training for your team and partners to get started?
- How good is your team at learning new technology?
- Will you need access to the LRM on your mobile and laptop when traveling?

Think about your budget

An LRM is an investment. When you sign up, you make a 7+year commitment to dedicate time and resources. In addition to looking at the cost of licensing and implementation, also look at the tangible benefits your company will receive from a new LRM system in terms of ROI:

- Greater accuracy
- Fewer person-hours
- Less fraud and waste
- Better regulatory compliance
- Better reporting with real-time data and at-a-glance dashboards

Look at what might be holding you back from getting a new LRM system. For most teams, it's the cost. While it might be tempting to stay with your existing system, consider that older software systems often lack modern LRM platforms' functionality. You might be losing out on the advanced dashboards, reporting, and usability features that can improve productivity and save money.

LRM deployment options

ON-PREMISE DEPLOYMENT

Traditionally, most teams invested in an on-premise installation. This option requires users to own and maintain their technology infrastructure: servers, storage, networking capabilities, and personnel. You have to cover the software and license costs, plus an annual maintenance fee. Sometimes you also need to pay for integration.

Companies with their own IT departments choose this option because they wish to control software security and data and full control over customization and configuration. In recent years, this option has become rare in licensing companies as it poses threats and risks to the business.

CLOUD DEPLOYMENT

With the cloud-based deployment, the service provider hosts the software, and the data from the LRM software is available as long as there is an Internet connection.

The cost is broken into a per-month subscription fee, and there may be other costs as well. Most companies prefer cloud-based LRM (SaaS) options because of the fast deployment time, cheap setup, and low maintenance fees. Besides, no IT department is required for this option. All software updates are pushed automatically.

Vendors charge monthly fees rather than large upfront investments. As a result, they are incredibly motivated to support ongoing customer success. If customers aren't successful, they can stop paying and turn the system off. The option also lowers IT budgets and maintenance and infrastructure spending because there is no hardware or software to maintain. No upgrades are required for servers or client computers.

SaaS allows businesses to focus on running their operations rather than spending their resources managing their applications. Because SaaS eliminates these cost centers, implementation is more straightforward. Cloud solutions deliver benefits beyond cost savings and speed of deployment.

Flowhaven is 100% web-based. Business users gain the flexibility to work anywhere, and executives can locate workers without any software access limitations. To properly evaluate a solution like Flowhaven you need to look beyond monthly fees. Consider including uptime guarantees, data backup and recovery obligations, storage fees, and sandboxing/development environments.

LRM pricing

It's hard to believe that less than a decade ago, companies had few choices in deciding where and how they could pay and deploy their LRM. Today's picture has changed quite a bit. Instead of the software's cost, modern LRM vendors will charge a fee for every system user.

Flowhaven offers internal user license-based pricing with unlimited guest users. We believe per-user pricing is the best option for licensing teams as the solution's cost is easy to calculate and forecast. And unlimited guest users encourage business growth for the customer.

Match your needs to what the market offers

A very common mistake that businesses make when choosing a licensing system is that they get stuck comparing the features list. We don't recommend this approach, as most licensing systems have the same basic features more or less more or less. Then, your decision would come down to paying attention to the features and functions which are rarely used, if at all.

At this stage, it's important to keep in mind what problems or processes you are trying to fix and ask yourself if the available features will help you solve these problems. If the feature doesn't help you to solve your problem, then it's simply not needed

Comprehensive partner views

Your LRM solution should give you a comprehensive view of your customers Ask the following questions when evaluating your LRM needs:

- Is your licensing team armed with the business information it needs (past partner history, current status, progress, etc.) to establish partnerships effectively?
- When your licensing team engages with a company, does your team know whether that partner is satisfied?
- When your team takes calls, do they know if those partners are close to a critical renewal?
- Does your licensing team have a handle on
- How do you identify your most profitable partners?

Organizations can get a complete view of this customer information—together with dashboards that identify key trends and opportunities with partners—to drive a significant competitive advantage. It also helps to better satisfy and retain the most profitable partners.

By combining their preferences with analytics, organizations can create highly effective, targeted licensing programs tailored to individual partner desires, resulting in powerful partnerships.

To provide a comprehensive partner view, an LRM solution should offer:

- A single source for partner information that removes data redundancy and flags error
- A partner record that supports contact information and demographics, pipeline status, current agreements, activity information, sales and royalty information
- Secure role-based views that allow licensing teams to see pertinent partner data and support the best interactions
- Dashboards and analytics enable business users to slice and dice data, identify trends, key segments, and competitive strategies.

Drive the End-to-End Licensing Journey

An end-to-end licensing process doesn't start and end with sales – in fact, it often begins with brand awareness and ends with a closed and processed royalty report.

With the Flowhaven system, you can easily track and manage the complete agreement process. This is key to effectively managing the pipeline and forecasting future revenue. At the same time, it helps convert companies to partners with a closed agreement. This is true whether an individual or a team is managing the case. The tool must be smart enough to track each stage and mirror the licensing organization's process.

It doesn't end there. Once closed, advanced payments must be pushed to finance with appropriate documentation attached. To make processing, you must also share easy assets with new partners.

A seamless link ensures faster and more efficient processing time, error-free hand-off from sales to product development and finance. A smooth transition is almost always guaranteed.

Maximizing conversion through collaboration and best practices

Any solution for managing the agreement process must provide robust centralized, and accessible content management. This ensures that your licensing departments can access information, activity, and performance metrics. In addition, agreement configuration and catalog management functionality help identify and propose potential solutions and generate revenue.

Motivate and align licensing team behavior

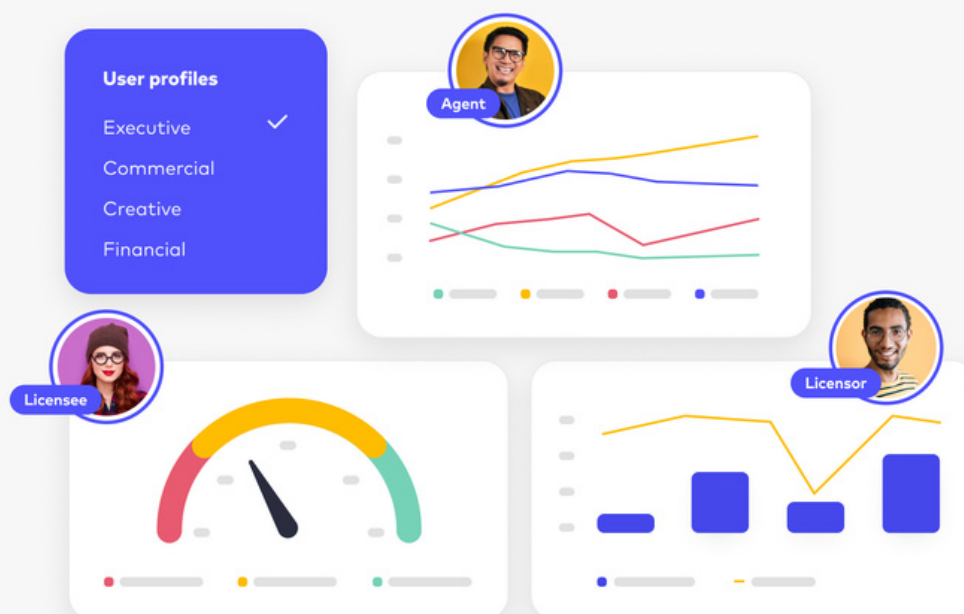
LRM initiatives often fail to keep licensing teams fully aligned with strategies while maximizing partner services. Too often, LRM initiatives focus on the record-keeping aspects of performance, such as monitoring agreement and revenue progression. They miss out on opportunities to align teams and offer more effective service.

Licensing team alignment is especially important for organizations that want to establish and service partnerships. Any company with complex brand structures or product category lines, as management need to do as much as they can to maximize their partners' value.

Performance needs to be measured tactfully. Key team members must have a comprehensive dashboard showing their up-to-date performance against targets, pipeline status, and even collaborative analytics. They'll be able to spot partner activity and product trends in their territory.

The dashboards provided to management and the executive team must have broader, strategic views. For example, the executive's dashboard should give him or her an in-depth look at the quarter and recognized revenue in a single integrated view. The company can then take corrective action at the earliest possible stage.

A chance to spot the differences between the agreement pipeline and actual revenue ensures that decisions aren't made on overly optimistic forecasts. The system should make it easy to create and share new reports to improve collaboration.



Drive licensing partner service and satisfaction

To drive partner satisfaction, organizations deploying LRM solutions need to think about their relationships in an integrated and comprehensive way. Think about your own personal relationships. Don't they work best when you can understand all sides of a person? In today's multichannel world, this is particularly important. Customer interactions take place everywhere — in sales, product development, finance, and on the web.

Beyond traditional management, companies need to see real-time, cross-channel views of all interactions to deliver superior licensing service — whether the exchange occurred just seconds ago or in person yesterday. Having a holistic view of a partner's history gives team members perspective on their interactions.

Many organizations deploy partner self-service portals to prove they're easy to use. Licensing portals enable partners to collaborate effectively in all business segments, from the commercial to the creative and financial sides. Service goes up, while costs go down.

Project management is a critical and often-forgotten component of LRM. This includes the tactical aspects of creating tasks, linking them to specific partners, tracking estimated end dates, percentage of work completed, actual end dates, and the revenue associated with each project. Project management is best for businesses with models that depend on ongoing brand launches.

The last pillar of customer satisfaction is invoicing. Invoicing errors can weaken partnerships. In many cases, billing errors can stem from manual errors in a royalty report, project management issues, or duplicated, out-of-date partner data.

Perfecting brand building

LRM has evolved from just handling agreements, product approvals, or royalty reporting to rapidly conducting licensing program strategies to ensure those projects' effectiveness. While an LRM solution must provide basic project management, real ROI comes when each licensing program project delivers. You'll also know if it worked if your licensing team is aligned, and you see positive changes in data.

This starts with partner segmentation and analytics. Licensing teams must be able to mine partner data, segment partners, and create an analysis that will resonate with everyone. Basically, an LRM solution needs to provide accurate and complete partner data. Reporting, analytics, and dashboards are a plus for segmenting partners and developing targeted plans.

After segmentation, licensing teams can use read-made templates to quickly launch and manage comprehensive programs and measure real-time response and performance. You can then spot differences in response rates and use that knowledge to design new projects. To accurately measure effectiveness, the licensing system must be tightly integrated with the system. Think of it like tying your shoes. The tighter the know, the less likely you are to fall.

Given the current economic environment and the focus on the bottom line, licensing teams have to prove that they deliver value. Dashboards can usually achieve this. They can provide visual proof of recognized-revenue-by-program, workflow performance, and a ton of other helpful data.

On a basic level, the solution should match the licensing process that your organization uses. Whether you're an apparel manufacturer or a legal lead, it should complement your unique business structure. It will also help if the platform is easy to access and use.

Whether the team member is on the road, in the office, or at home, the application must be available when needed — otherwise, no one will use it. To ensure easy access, you must give your team a 100% web-based system accessible from anywhere.

Key functional criteria to ensure licensing team adoption:

- Provide 100% web-based access
- Support mobile devices, such as iPhone, iPad, Android, and others
- Provide a personalized, role-based view

Drive licensing channel relationships

Across many industries, alliances and partnerships are the most important part of doing business. In fact, in some industries, like advanced technology, the partner channel may represent 70% or more of the business' total revenue.

In a nutshell, effective partner management isn't just nice to have. It's critical.

But, partnerships need proper nurturing and resources to be effective. Partners must have the right tools for success. Poor-performing partners must be continually re-engaged or cut so you can focus your resources on more promising leads.

A partner portal gives users incentive with a secure, partner-specific collection of licensing and communication tools and other useful information. With integrated analytics, you can help your teams identify which channels drive revenue and drill down to specific partners.

Measuring licensing operational excellence

We've covered some of the business challenges LRM was born to correct. But business processes don't improve just because you want them to. Performance needs to be monitored and measured on every level and in every department.

You must be able to spot the licensing processes that are failing and make mid-course corrections quickly. Role-based dashboards support this monitoring — just set up a team or program-specific dashboard or an integrated view of the entire licensing business.

Be sure to list all of the drivers by which you will measure performance for each department and each management tier. This will ensure that the solution you choose will meet your business demands.

Evaluating LRM vendors

Once you have identified your LRM needs, you'll be excited to find the right vendor for your business. We recommend inviting at least two vendors to the table so that you can compare their LRM offerings.

The next step is to get more specific regarding the "what." Creating a list of requirements, including the features your team won't be able to go without. You will use this list to help potential software vendors understand your needs and prepare a demonstration of their software.

It would help if you made time upfront to be as clear as possible. Get key stakeholders involved to provide a thorough answer to this question. Don't take anything for granted; this is when you look at your company with a critical eye and determine how a new LRM system can help you address your challenges and help attain your goals.

Don't just interview the product development team. Ask everyone who will be using the system—from sales to financials. Decide on the features and functions necessary, those that would be nice to have, and those you might need later on.

Best-of-breed or full-suite?

The debate between buying a best-of-breed software or a full licensing suite continues to rage on. Whatever you choose will have a profound impact on your licensing strategy — not just for your LRM strategy but finance, CRM, and ERP.

A best-of-breed licensing solution gives focused solutions for specific business areas. This kind of system won't solve all of your business process issues. It will only help you with shallow LRM needs.

You'll also need to purchase other licensing software to complete the software stack and make them work together to cover your business completely. These pricy add-ons — and the cost to combine them — will leave you with high hidden fees that you might not have considered early on.

Here is a list of areas you might want to think about when evaluating different LRM vendors:

INDUSTRY EXPERIENCE

By studying different vendors' websites, you can get a good idea of the solution capabilities and types of companies they work with. Pay attention to vendors who have worked with companies and industries similar to yours. You want a vendor who can match your specific needs today and in the future. It's an added plus if they have solid knowledge in servicing your licensing business type.

LOCAL PARTNER NETWORK

Even with advanced technology, most modern businesses want to have a local partner to provide local support during and after the LRM implementation. If this is important to you, look into the vendor's partner network.

CUSTOMIZATION AND TRAINING

An LRM solution isn't any good if it isn't configured correctly or if your teams are not trained to use the features. When you're asking for a price, make sure to ask how much it will cost to configure the solution to your needs. Then ask about organizing in-person training sessions— not just online tutorials.

An LRM system should complement your business and reflect your licensing process, strategy, and activity routines. That's why you should choose a system that can be configured easily.

Positive training experiences ensure smooth transitions.

LRM training shows how the system works and how everything is connected. As well as how each user contributes to the general licensing workflow. LRM training helps a company work together to achieve the same goal. Users can easily modify them to fit basic tasks.

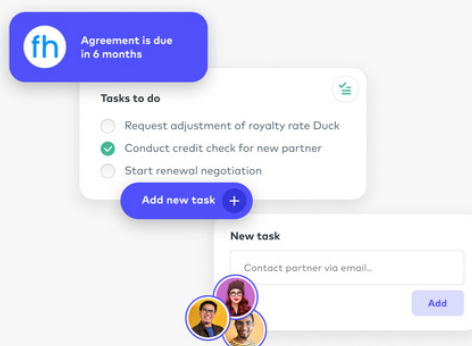
RUNNING SOFTWARE BY THE RULES OF THE LICENSING BUSINESS

Most companies focus too much on committing to full licensing process changes when they start with LRM. It's better to start small and gradually scale. With the right solution, you'll support your business in the short and long run. It's best to choose a vendor whose LRM system is flexible and able to evolve together with your business.

Beware of proprietary language and systems. You might be at the mercy of the company for support, and the talent pool for these systems is limited. Avoid niche players that specialize in specific industries. These players cannot modernize and grow as quickly as more available products.

A DEMONSTRATION AND A FREE TRIAL

Never take an LRM system at face value! It's always a good idea to test it out. Start with a live (or online) demonstration and then move onto a free trial.



Measuring the success of an LRM system

At Flowhaven, we're used to users saying, "Oh yeah, I forgot!" when asked about evaluating the success of their LRM.

Most LRM users are so excited to get started with their LRM that measuring the outcome becomes an afterthought. Unfortunately, if measurements aren't set up from the start, you will never know if your LRM initiative met your business goals.

Establishing strong goals at the start of an LRM implementation project can help you to do four things:

1. Explain why your company implemented an LRM system
2. Communicate your business goals to everyone in your company
3. Follow up on the success of LRM in your company
4. Make the future you very happy!

To determine the impact of LRM on your licensing business, you should decide on baselines and key metrics. After the baselines are established, you will need to draft some goals to work toward. These goals will help you track the LRM project's success compared to the baseline.

Why do I need a baseline?

Defining the baseline means evaluating where you are today in terms of business metrics.

If your company is interested in growing its licensing partner base, it's best to find out how many new partners your company attracted in the last 12 months. You can compare that to how partner performance has been in the last 3-5 years.

If you're more interested in retaining partners, your baseline would be the number of partners that your company lost in the past year. You could also get insight into why you lost partners over the last 3-5 years and split the numbers by partner category. This data will tell you which segment had the biggest impact.

Other areas to set baselines:

- Revenues
- Sales activities
- Product approval activities
- Number of missed launch dates
- Partner satisfaction
- Partner recoupment rating

How to create goals for your LRM project

Every company has a different vision for its LRM project. After all, business challenges look different in every company.

Every vision comes with a unique mix of goals. One company's challenge could be centralizing information and improving productivity with LRM. Another company's challenge could be strengthening partner retention and increasing overall efficiency. Each licensing process will have different goals, as well. For example, if you are in sales, your success measurements will look different from your brand assurance pals'.

Our advice is to start with realistic goals and use percentages to understand the progress better.

To help you visualize how to set up your goals/metrics, we've prepared a simple matrix. Below, a few examples for sales, product approvals, and finance:

METRIC	BASELINE YEAR	STATUS	YEARLY GOALS	2 YEAR GOALS
# OF PARTNERS				
# OF NEW PARTNERS				
LICENSING REVENUE				

**DEPARTMENT: SALES AND ACCOUNT MANAGEMENT
GOAL: INCREASE REVENUES**

METRIC	BASELINE YEAR	STATUS	YEARLY GOALS	2 YEAR GOALS
# OF SKUS				
# OF PRODUCT CONCEPTS				
AVG RESPONSE TIME				

**DEPARTMENT: BRAND ASSURANCE AND PRODUCT DEVELOPMENT
GOAL: IMPROVE CAMPAIGN RESPONSE RATES**

METRIC	BASELINE YEAR	STATUS	YEARLY GOALS	2 YEAR GOALS
# LICENSING REVENUE				
TIME PER ROYALTY REPORT				
# NUMBER OR LINE ERRORS				

**DEPARTMENT: ROYALTY MANAGEMENT
GOAL: IMPROVE CUSTOMER SATISFACTION**

The LRM adoption challenge

Before you move on to reaping your LRM project's benefits, there is one more thing you need to take care of. You need to get everyone in your organization onboard – from the coordinator to the licensing department's head!

LRM is a huge change for any licensing organization. To ensure smooth adoption, you need to make sure that everyone is onboard with this change. Be prepared, not all members of your team will see the benefits of LRM immediately or embrace it with open arms.

LRM adoption has a top-down approach. Without buy-in from top management, all LRM initiatives are doomed to fail. If the leaders don't make an example of using LRM daily, the rest of the team members will likely give up on it early on.

Common reasons why software onboarding fails:

- No executive leadership
- Vendors over-promised
- Cost out of control
- Software too buggy
- Vendor didn't have industry business knowledge
- Software lacks features

When dealing with an LRM adoption, companies shouldn't focus only on the project's technical side, as this leads to either failure or haphazard success. It is the people's hearts and then minds that you need to win. And since LRM user-adoption is a team effort, you will need a set of common goals and an implementation strategy, ensure top management support, launch an incentive system, demonstrate ROIs, and, above all, provide ongoing training.

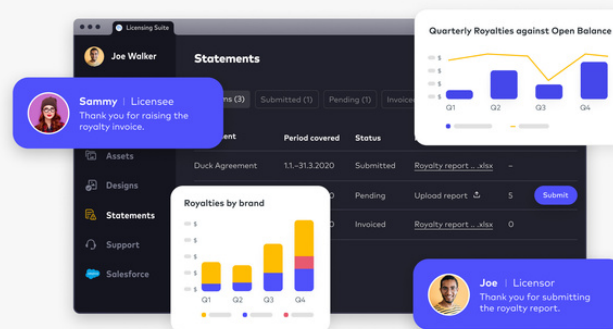
Conclusion

So, there you have it – everything that your company ever wanted to know about Licensing Relationship Management summed up in one place!

LRM is the key to creating great licensing relationships and building partner loyalty. By helping you align your licensing processes with your partners', LRM improves your partner relationships' quality and provides consistency.

LRM also helps you organize business-critical information, improve productivity, and is the glue that holds sales, account management, brand assurance, and product approvals, sales, and royalty management teams together, which, in turn, paves the way for further business growth.

Whether you're a small, medium, or large-sized company, LRM is the one crucial application to your company's success.



ABOUT FLOWHAVEN

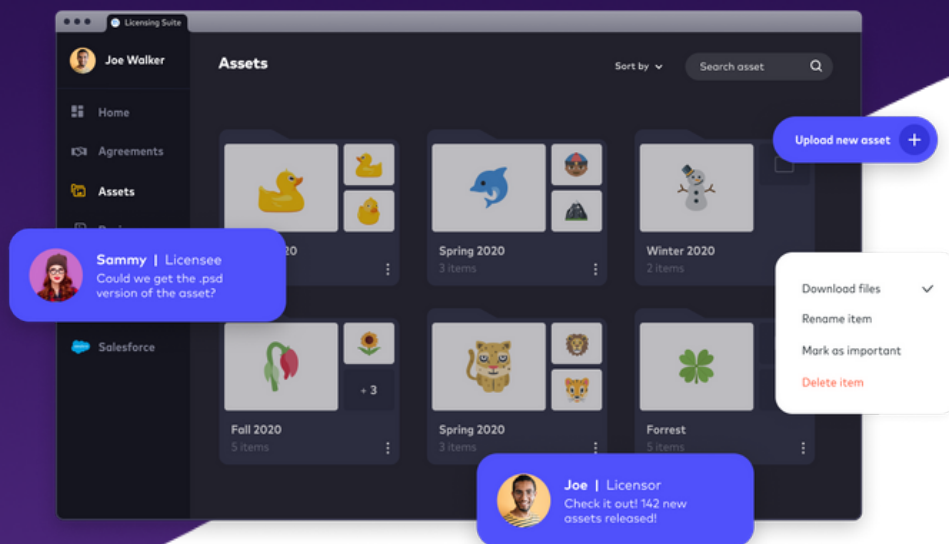
Flowhaven is the Licensing Relationship Management leader that delivers adaptable cloud and mobile technology with a unique, all-inclusive user licensing model.

Flowhaven provides a complete real-time view of your licensing business anytime, anywhere, on any device. Through our worldwide network of partners, Flowhaven provides a full suite of licensing management applications, including Agreements, Digital Asset Distribution, Product Approvals, and Royalty Management, as well as separate reports and dashboard features.

Our recommended pricing structure charges per internal user and offers unlimited guest users. This lets companies add partner users as needed and gives everyone the power to access the system.

Flowhaven is built on the Salesforce platform. All modules use the same database that means you get the highest level of security and ability to enjoy the power of #1 CRM and a world without additional costs.

Now that you've finished reading this book, it's time to take the next step. Visit Flowhaven.com or give us a call to **book a free demo.**



Ready to recharge your licensing business? [Book a demo today to see Flowhaven in action](#)



We can't wait to hear from you!

Go with the Flow.

Agreement: Duck License Agreement

Information

Licensee: Duck

Contract Term

Term start date: 1.12.2019

Term end date: 3.4.2020

Stage: Draft

Status: Deal memo

Comments:

- Joe 12 hours ago: Can you move the logo to the left side of the shirt?
- Sammy 5 hours ago: @ Joe A new version has been updated.
- Joe 3 min ago: Thank you!

Write a reply

Leave a comment

Is the logos placement ok?

Attach a file Send

Approve

Revise

Deny

Sales Reports

Agreement	Period covered	Status	Days left
	1-2020	Submitted	200
	4-2019	Pending	
	3-2019	Closed	
	2-2019	Closed	

Quarterly Royalties against Open Balance

Sum of reported Royalty Amount (Bar chart)

Agrage MG Log: Balance Before (Line chart)

Royalties by Brand

Granny Duck (Yellow)

Light Red (Green)

We understand the complexities of growing and scaling a licensing program. That's why we've built a comprehensive tool to keep you agile in every stage of the licensing lifecycle.

The #1 CRM for brand licensing

flowhaven

flowhaven

Appendix

APPENDIX EVALUATION WORKSHEET

This worksheet provides you with an evaluation framework that summarizes the key business drivers discussed in this paper, as well as the underlying functionality that a CRM/SFA system must provide to support these drivers.

BUSINESS DRIVER	FUNCTIONAL CRITERIA	RATING 0-5
COMPREHENSIVE VIEW	SINGLE INSTANCE OF CUSTOMER INFORMATION	
	CONTACT INFORMATION AND DEMOGRAPHICS, PIPELINE STATUS, CURRENT SALES OPPORTUNITIES, SALES CALL INFORMATION, FULL ORDER HISTORY,,ETC.	
	SECURE ROLE-BASED CUSTOMER VISIBILITY ACROSS SALES, SERVICE AND FINANCE	
DRIVE END-TO-END LICENSING PROCESS	DASHBOARDS AND ANALYTICS TO ENABLE BUSINESS USERS TO SLICE AND DICE CUSTOMER DATA.	
	COMPLETE MANAGEMENT OF LEAD TO OPPORTUNITY TO CLOSE TO BOOKINGS AND BILLINGS	
	INDIVIDUAL AND TEAM SELLING	
	FORECASTING AND QUOTA MANAGEMENT.	
	CENTRALIZED CONTENT MANAGEMENT, AND MANAGEMENT OF ALL CUSTOMER INTERACTIONS	
	QUOTE AND PROPOSAL MANAGEMENT	
	TEAM SELLING.	
	ORDER MANAGEMENT	
	INCENTIVE/COMMISSION MANAGEMENT	
	COMPREHENSIVE ROLE-BASED ANALYTICS FOR SALES, SALES MANAGERS AND EXECUTIVES	
MOTIVATE AND ALIGN LICENSING TEAMS	SFA SYSTEM INTEGRATES WITH AN INCENTIVE-COMPENSATION SYSTEM TO PROVIDE SINGLE, INTEGRATED DESKTOP	
	SALES-INCENTIVE MANAGEMENT TO SUPPORT UP-SELL, CROSS-SELL AND RENEWAL SALES BEHAVIORS	
	INTEGRATED PROCESS FROM OPPORTUNITY TO SALES ORDER TO SALES COMPENSATION.	

APPENDIX EVALUATION WORKSHEET PT.2

	ESTIMATED COMPENSATION	
	QUOTA AND TERRITORY MANAGEMENT.	
	UP-SELL AND CROSS-SELL RECOMMENDATIONS	
	SUMMARY AND DETAIL SALES-COMPENSATION REPORTING	
DRIVE PARTNER SATISFACTION	CENTRALIZED CUSTOMER DATA AND REPORTING OF ALL INTERACTIONS.	
	CROSS-DEPARTMENTAL CUSTOMER VISIBILITY FOR SALES; PROJECT, SERVICE AND BILLING INFORMATION	
	CUSTOMER SELF-SERVICE.	
	CASE AND TICKET MANAGEMENT.	
	PROJECT MANAGEMENT CAPABILITIES	
	INTEGRATION WITH BILLING SYSTEM	
OPTIMIZE LICENSING EFFECTIVENESS	CUSTOMER ANALYTICS—SEGMENTATION BY DEMOGRAPHICS, GEOGRAPHY, BUYING TRENDS, ETC	
	HIGH-VOLUME, MASS EMAIL CAMPAIGNS WITH PERSONALIZED EMAILS	
	ABILITY TO TRACK CAMPAIGNS IN REAL TIME AND MAKE AD-HOC CHANGES	
	TIGHT INTEGRATION WITH SFA SYSTEM TO ENSURE SMOOTH TRANSITION FROM LEAD TO OPPORTUNITY, AND MEASURE LEAD-TO-CLOSE AND LEAD-TO-REVENUE.	
	TRACK E-MAIL BLASTS, ACCORDING TO WHICH MESSAGES WERE DELIVERED, AND HOW MANY WERE READ.	
ENSURE SALES ADOPTION	100% WEB-BASED ACCESS	
	SUPPORTS MOBILE DEVICES, SUCH AS IPHONE, IPAD, ANDROID	

APPENDIX EVALUATION WORKSHEET PT.3

	INTEGRATION WITH MICROSOFT OUTLOOK.	
	PERSONALIZED ROLE-BASED VIEW.	
	ACCESS AND UPDATE RECORDS FOR LEADS, PROSPECTS, CUSTOMERS AND CONTACTS WHILE OFFLINE.	
DRIVE RELATIONSHIPS	SECURE PARTNER PORTAL.	
	ENABLE PARTNERS TO REGISTER DEALS AND QUICKLY ACCESS RELEVANT INFORMATION	
	ANALYTICS TO SHOW WHERE YOUR BUSINESS IS COMING FROM, AND IDENTIFY TOP PARTNERS	
INTEGRATE WITH OTHER PROCESSES	ABILITY TO ATTACH ALL RELEVANT ORDER DOCUMENTATION TO THE SFA SALES ORDER	
REAL TIME MEASUREMENT	AUTOMATED CONVERSION FROM SFA SALES ORDER, TO ACCOUNTS RECEIVABLE AND BILLING	
	SALES VISIBILITY TO ANSWER ANY CUSTOMER BILLING CONCERNS	
	INTEGRATE WITH SALES COMPENSATION SYSTEM.	
	SUPPORT KPIS ACROSS SALES, MARKETING, CONTACT CENTER AND EXECUTIVE TEAM.	
	DASHBOARDS CONFIGURABLE BY ROLE	
	PROVIDE ACTUAL AND GOAL MEASURES FOR MONITORING AND MEASUREMENT	
	SUPPORT REAL TIME OR NEAR REAL TIME	
	DRILL DOWN TO THE UNDERLYING DETAIL.	
	ADD YOUR OWN	

APPENDIX REFERENCE CALL QUESTIONS

When someone tells you about a great restaurant or a funny movie, what do you do first? You probably ask around or go online to see what other people think.

If it works for Chinese takeout, shouldn't it work for LRM?

Don't be afraid to ask your LRM vendor if you can speak to an existing client about their experience using the solution. A Good LRM vendor might even give you a list of clients early on in the sales process.

Talking to customers who have used the LRM gives you greater confidence that the software can successfully perform the tasks you need to be done. It will also save you hours of research.

Here is a list of helpful questions to bring up during your next LRM reference call:

ON SUCCESS CRITERIA & SELECTION

- How long have you used the system?
- Why did you go for an LRM system in the first place?
- Why did you choose your vendor?
- What are the results so far?
- Were you the decision-maker responsible for purchasing the solution?
- What made you choose the solution that you did?

ON IMPLEMENTATION & RAMP-UP

- Who helped you implement the system?
- How long did it take to implement from start to launch?
- Was your implementation on time and within budget?
- How long did it take to master the functions?
- How easy is it to use?
- How easy is it to customize the software/make changes?
- How has customer support been since your implementation?
- How much support do you need from the vendor?
- How skilled were the vendor engineers, and did they meet expectations?
- How would you rate the quality of the services delivered by the vendor?
- Did you have any escalations, and how effective was it?
- How flexible was the vendor in its processes to meet your needs?

Want to hear from the customers who love our solution? Check out [the customer cases section](#) of our blog!

APPENDIX KEY PERFORMANCE INDICATORS

What is a key performance indicator?

A key performance indicator measures how well a company meets its operational and strategic goals. KPIs can be different between businesses. They can even look different across departments.

Your KPIs will come down to your performance criteria and priorities. That said, the indicators usually follow a set of traditional industry standards.

THE BEST KPIS ARE

- Quantitative. Presented as numbers.
- Seamless. Integrate well with any processes.
- Actionable. Can it be into practical application to create change?

SALES & ACCOUNT MANAGEMENT

- Achieved vs. quota
- Sales pipeline by stage
- Percentage of net new customers vs. cross-sell and up-sell
- Direct vs. indirect sales
- Sales expense / new customer

BRAND ASSURANCE AND PRODUCT DEVELOPMENT

- Percent of calls resolved, and by first-call resolution (FCR)
- Percent of customers renewing maintenance
- Calls per day and hour, per rep
- Customer satisfaction score

ROYALTY MANAGEMENT

- Lead to close
- Number of unique website visitors
- Lead-generation form completion
- Marketing expense per new customer

EXECUTIVES

- Sales: Achieved vs. quota
- Sales: Achieved vs. forecast
- Service: Customer satisfaction score
- Marketing: Lead to cash
- Finance: Average days sales outstanding
- Finance: Booking MTD, QT, YTD

Make sure that your KPIs are role-based. This will help you configure specific dashboards based on the employee's business function. Ideally, dashboards should be real-time or near real-time. This can become particularly important at the end of a quarter or manage fast-moving operational areas such as a call center. Finally, measuring performance without uncovering the underlying cause is of limited use, especially in larger organizations. It's important to drill to the underlying detail, such as the opportunity or order detail.

KEY FUNCTIONAL CRITERIA FOR MEASURING PERFORMANCE

- Support KPIs across each licensing teams and role
- Allow dashboards to be configured by role
- Provide actual and goal measures for monitoring and measurement
- Support real-time or near real-time
- Drill down to the underlying detail.