

RetailMerchandiser

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A New Alternative

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Come Together

A recent merger allowed this industry leader to become even stronger, as two companies' teams come together to capitalize on their ideas.

PROFILE



Stanley Black & Decker
Scott Bannell,
VP of brand
management
and licensing

www.stanleyblackanddecker.com
HQ New Britain, Conn.
Revenue Approximately \$8.5 billion

The history of Stanley Black & Decker can be traced back more than 166 years. Much has changed in the last century and a half, however, and the business that exists today has evolved considerably from that of yesteryear.

In fact, if you were to trace the company's evolution backward beginning with the present, you'd hit a major fork in the road before you reached the start of 2010 because one of the most significant steps in its development: a grand-scale merger that occurred just a few months back. In that respect, the business deal, which brought two industry leaders together, marks the

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Tel: 212-447-0440 Fax: 212-447-0033 Email: Fesourcenyc@aol.com

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Up to 10 Hours of run-time

beginning of Stanley Black & Decker, as it stands today.

The agreement, an approximately \$4.5 billion all-stock deal between The Stanley Works and The Black & Decker Corporation, was announced last November and completed in March. It is expected to lead to an earnings per share (EPS) accretion of roughly \$1.00 within three years time. Additionally, it is expected that an estimated \$350 million in annual cost synergies will be realized, primarily as a result of the combined operational structure.

A strong suite of brands

Scott Bannell, VP of brand management and licensing at Stanley Black & Decker, said he is excited about the licensing opportunities that lie in wait as a result of the merger. "We're working together right now to map out a plan that'll take us through the next few years. We're looking at both short- and long-term strategies, and even though we've really just begun, we're all very excited about what's to come," he said.

"Stanley began to license products 13 years ago, and we've always had a really



BACCUS GLOBAL

Baccus Global's dedication to innovation, quality, and customer service has made it a trusted industry leader and a natural fit with the Stanley Black & Decker brand. Baccus Global's innovative product offerings in the area of automotive chargers, jumpers, power converters, and lighting products have received accolades and awards from peers, competitors, and customers alike.



good brand to work with. Now, by way of the merger, we have three solid brands, as well as a stable of secondary brands, to work with," he added. Although there are a significant number of brands there, the majority of the company's licensing efforts are focused on three primary names: Stanley, Black & Decker, and Dewalt.

Bannell explained that each of the three primary brands has its own licensing manager. All of the groups' efforts are coordinated, however, to ensure the brands' products are not conflicting against one another in the market.

Because the merger happened just two months ago, each licensing group is still in the process of learning about the other two. All three teams met recently to learn and compare notes on what each brand was doing relative to their partners and product categories.



They discovered that the overlap between brands is less significant than most would assume it is. There is a little overlap in certain areas but nothing of concerning measure, and, according to Bannell, it has not been found to be an issue in the marketplace.



Working toward a common goal

A key factor that'll play a significant role in guiding the company's future success, not only in terms of licensing, but across the board as well, is teamwork. In the licensing arena, much depends on how well the teams representing Stanley, Black & Decker, and Dewalt work together. Efficient and continuous communication will likely be a priority, helping ensure all are on the same page.

"Our goal is simple. We want to do everything we can to protect and enhance our brands and make them more popular with the right end-users. If we remain focused on this, we'll strengthen our brands and increase overall revenue," Bannell said.

He explained, however, that Stanley Black & Decker's licensing efforts aren't tied as directly to revenue growth as most might assume. There are a lot of companies that become involved with licensing for the sole purpose of the direct income they could gain, but that's not true for Stanley Black & Decker.

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SPERIAN PROTECTION

The Stanley Personal Protection line combines the leading brand name in the do-it-yourself channel with the expertise from a leading worldwide manufacturer of personal protective equipment. Each Stanley safety product is engineered with the same dependability, innovation, and integrity that you have come to expect from the Stanley name. The result is a top-of-the-line product that meets the most rigorous industry standards, ensuring customer satisfaction and loyalty.

According to Bannell, the company does not generate a particularly significant amount of revenue, relative to gross annual figures, from its licensing efforts. The primary reason the organization became and remains involved with licensing is the impact it has on brand impressions and the connection with end-users.

"We have a select number of high-quality licensed products, and our brands gain a lot of exposure as a result of these efforts. We have a tremendous range of job-site products; we like to first surround the job site with our brands and then target the garage

and sometimes the home, depending on the brand. Our dream job site is one where you enter and see nothing but Stanley and Dewalt products. In the garage and home setting, we're focused on the Stanley and Black & Decker brands," Bannell explained.

"Every touch point is important, which is why we license categories ranging from ladders to gloves, footwear, socks, hats, and more. If someone is using it or wearing it everyday, they become even more familiar with it, and a connection



strengthens between them and the brand. We strongly believe that this means they're more likely to choose one of our products when they're at the store looking for a power tool or a hand tool," he concluded.

—Ashley McGown

International Licensing Expo 2010 Booth #5054.

STANLEY Personal Protection

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