



Expression of Interest – Supporter Apparel and Accessories

1. Introduction

The Australian Football League openly invites suitably qualified and experienced Licensees, Brands and Retailers to submit an Expression of Interest to become part of the AFL Consumer Products Program for the 2023 season and beyond in the Supporter Apparel and Accessories categories.

The AFL Consumer Products Program strives to be the #1 Australian Sports Licensing Program locally, and an emerging brand globally by delivering a fan focused, accessible and exciting program to AFL and Club members, fans, supporters and partners.

The Australian Football League owns all Intellectual Property relating to the AFL and Club brands and events. AFL Player Intellectual Property can also be utilised in accordance with the Player Collective Bargaining Agreement. As the licensor, the AFL manages the commercialisation of the AFL and Club Intellectual Property through a centralised licensing and consumer products program currently generating in excess of \$170M at retail.

Revenue from the AFL Consumer Products Program, along with other income streams is equalised and returned to Clubs as a distribution and is therefore a crucial component in the marketing of the competition, and ultimately contributes to the long-term financial integrity of the AFL and the AFL and AFLW Competitions.

The AFL welcomes varied investment-level proposals, including but not limited to:

- Joint Ventures
- Strategic Multi-Category Licensing Agreements
- Direct to Retail / Vertical Licensing Agreements
- Consumer Promotion Agreements
- Brand Collaborations
- Standard Single Category Licensing Agreements
- Other Progressive Agreements

The Product Categories of focus include:

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| <ul style="list-style-type: none">• Outerwear• Sleepwear• Intimates / Underwear• Supporter Guernseys, Shorts & Socks
(Excludes any local, country, amateur or elite competition uniforms)• Workwear• Manchester• Bags, Backpacks & Luggage• Nursery | <ul style="list-style-type: none">• Accessories:<ul style="list-style-type: none">- Headwear- Scarves- Socks- Footwear- Jewellery & Watches- Heat Press Numbers/Letters- Ties & Cufflinks- Belts & Belt Buckles- Leather Goods |
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** Above Product Categories are included in current program structure*

** All categories are available across AFL and AFLW Competitions*

** All categories are available across gender, age and size demographics*

** All categories are available across all retail channels*

2. Background Information

The AFL has unrivalled levels of awareness and engagement, evidenced by the 2019 Toyota AFL Premiership season delivering records in attendance, membership and participation figures. In 2019, a total of 1.06 million members invested into their Clubs resulting in overall growth of 5% YOY. Furthermore, 1.6 million people participated in the sport over 2019, which was led once again by significant growth in female football as well as a record number of 6.95 million fans attending matches throughout the home and away season alone. This was also backed up by a 6% growth in TV audience, averaging 4.0 million viewers per round. As with most industries globally, COVID-19 impacted the AFL industry throughout 2020 and into 2021, however pleasingly key metrics including membership, TV audiences, participation and Consumer Products continue to defy trends and have bounced back strong.

The AFL Consumer Products Program generates in excess of \$170M in retail sales, spread across major categories including Supporter Apparel, Accessories, Official On Field, Hardlines, Collectibles and Memorabilia. The Softlines portfolio currently represents majority portion of revenue with 56% of the overall program revenue and underpins the wider program through strategic retail partnerships. Such relationships include with all 18 AFL Clubs, The AFL Stores network, Venue Retail, Rebel and other Sports Speciality channels, Grocery, Mass and Discount Department Stores.

The EOI process continues to be a meaningful tool utilised by the AFL Consumer Products Team, since the 2011 Booz&Co recommendations and AFL Executive endorsement. The 2021 major apparel EOI will be the second time the category has been reviewed since 2011, the first resulting in an overwhelming success across varied KPIs, including a 12% increase in revenue for the program.

The AFL has engaged Gemba, one of Australia's leading sport and entertainment consultancies, to provide independent commercial and strategic support throughout the EOI process. Gemba has strong experience in licensing and have assisted many national and global rights holders and brands with the development of licensing strategies. Gemba's role will be to assist with the review and shortlisting of candidates and provide an independent opinion on the most suitable licensing partners for the AFL's next generation of apparel licensees. They will also support the AFL in determining the most viable and sustainable licensing model moving forward in order to meet objectives.

Key Project Contacts

Contact	Role	Email
Jessica Tedge	AFL Category Manager & EOI Project Lead	Jessica.Tedge@afl.com.au
Andrew Hoffmann	Gemba Senior Manager, Commercial Consulting	andrewhoffmann@thegembagroup.com

3. Objectives

The EOI process aims to strategically review and deliver significant step-change and sustainable revenue growth to the AFL Consumer Products Program via structure, progressive licensing partnerships and retail distribution, aligning with the changing face of our game and environment. Key strategic outcomes include:

- a) Fan Focused Segmentation Strategy
- b) Retail Channel Growth and Optimisation
- c) Supply Chain Advancements
- d) Increased Brand Equity
- e) Sustainable Revenue Growth

4. Additional Information

Standard Deal Terms

The standard term for an AFL licensing agreement is between 2 and 5 years, in line with the AFL football and financial year which runs 1 November – 31 October.

Royalty Rate Structure

The AFL welcomes non-traditional and progressive revenue return models and joint venture proposals within the EOI process.

However, the traditional base royalty rates for Official AFL licensed product commences at:

- 15% of wholesale sales price for generic product at retail
- 18% of wholesale sales price for all product featuring player Intellectual Property

Retail Distribution Channels

Retail distribution is category specific however key strategic distribution channels for the AFL are:

- Individual AFL Club stores and respective online stores
- Venue / stadium retailers
- The AFL Stores network and online
- Rebel
- Coles

**The AFL Stores currently has vertical rights for some product categories, and therefore distribution opportunities via this channel may vary*

Other distribution channels include but are not limited to:

- Sports Specialty Stores
- Fashion Specialty Stores
- Mass Market retailers
- Department Stores
- Discount Department Stores
- Other Grocery
- Specialty third party retailers including category specific
- Newsagents
- Independents

Intellectual Property

The AFL Consumer Products Intellectual Property (IP) will be segmented by channel and category. Key IP currently utilised within the Consumer Products Program includes:

- Core Club IP (Current logos, guernsey designs, names, nicknames, mascots)
- Official AFL IP (AFL Corporate Logo, Toyota AFL Premiership Logo, NAB AFLW Logo)
- Club Heritage / Retro IP
- AFL and AFLW Premiership
- Player IP / AFL Players Association
- Brand Collaborations
- AFL Packaging

5. Conditions of Invitation

- (a) By submitting a proposal to this Expression of Interest, the entity that lodges a proposal (**Respondent**) acknowledges that:
 - (i) it has not relied on any express or implied statement, warranty or representation whether oral, written or otherwise made by or on behalf of the AFL;
 - (ii) the AFL is not required to disclose details of its evaluation or the reasons for any decision reached;
 - (iii) the success of a proposal is not solely related to the proposed financial commitment. Instead Respondents acknowledge that their proposal will be assessed on successfully meeting the Key Selection Criteria and Evaluation Criteria as listed below with specific focus on industry experience, corporate and financial positioning, retail relationships and capabilities, quality and reliability of the product offering; and
 - (iv) it has and will waive any right against the AFL to claim costs or to in any way appeal against a decision arising from this EOI process.
- (b) The AFL reserves its right:
 - (i) to accept or decline any proposal at its sole and absolute discretion;
 - (ii) to request a Respondent to re-submit its proposal on varied terms and conditions acceptable to the AFL;
 - (iii) to require additional information from a Respondent either in person or in writing;
 - (iv) to consider whatever criteria the AFL sees fit when evaluating proposals;
 - (v) to invite further proposals or expressions of interest; and
 - (vi) to accept a proposal even if the Respondent fails to comply with the terms and conditions of this document.
- (c) No person, including any unsuccessful Respondent, will be entitled to any redress against a successful Respondent or the AFL, including where the successful Respondent(s) or the AFL makes any amendments or additions to the contract documents.
- (d) The AFL has no obligation or liability to any person who has received a copy of this Expression of Interest document.
- (e) The AFL gives no warranty or undertaking, express or implied, as to the accuracy or completeness of any information provided in writing or orally in relation to this EOI process. Respondents should make their own inquiries and rely on their own information.
- (f) No representation made by or on behalf of the AFL in relation to this EOI process is binding on the AFL unless that representation is expressly incorporated in the contract documents ultimately entered into by the AFL and a successful Respondent.
- (g) All proposals become the property of the AFL.

6. Timeline of Process

The following are preliminary dates for the EOI process. Dates are subject to change by the AFL. Any change to the EOI schedule will be communicated to all invited Proposers:

EOI Process Stages	Key Dates
Release of Expression of Interest Process including Stage One Criteria	Tuesday 3 August 2021
Proposers to Express their Interest in submitting a response	Monday 9 August 2021
Stage 1 proposal deadline	Monday 16 August 2021
Stage 1 shortlist process complete	Wednesday 18 August 2021
Stage 2 criteria release	Wednesday 18 August 2021
Respondent consultation and clarification period	Wednesday 18 August to Friday 3 September 2021
Stage 2 proposal deadline	Friday 10 September 2021
Stage 2 shortlist process complete / Presentation Bookings	Friday 17 September 2021
AFL Finals block-out	Friday 17 to Wednesday 29 September 2021
Formal presentations	Monday 4 to Friday 8 October 2021
Final AFL consultation period	Monday 11 to Friday 15 October 2021
Notification of outcome	Monday 25 to Friday 29 October 2021

The AFL may in its absolute discretion reject any proposal which is lodged after the deadline for submission.

The AFL may, by notice in writing to each Respondent, amend or clarify this Expression of Interest document, at any time prior to the Stage 2 proposal deadline. Amendments or clarifications will be made by addenda issued in identical form to each Respondent.

7. Expression of Interest Process

Proposers to lodge an Expression of Interest

To notify the AFL of your interest and intention to take part in the EOI process, please complete the [online form here](#).

Notification of Intent Deadline is 11:59pm Monday 9 August 2021

Stage 1: Formal Application and Company Profile

Once an Expression of Interest has been completed, Respondents are invited to submit their Stage 1 application. Stage 1 applications must address Key Selection Criteria outlined in Annexure 1 relating to **who** their organisation is and **why** they are a good fit for the AFL. All Stage 1 applications must be submitted electronically to:

Expression of Interest Submission AFL
Consumer Products Department

Email: LicensingEOI@afl.com.au

Current AFL Licensees who have completed an Expression of Interest do not need to submit a Stage 1 application. Instead, those AFL Licensees will be advanced automatically to Stage 2.

Stage 1 Submission Deadline is 11:59pm Monday 16 August 2021

Stage 2: Written Proposal

Following a review of the Stage 1 applications received, those successfully meeting the Key Selection Criteria outlined in Annexure 1 as determined by the AFL, as well as all current AFL Licensees that have completed an Expression of Interest, will be invited to submit at Stage 2.

Stage 2 will entail a full proposal in writing submitted to the AFL outlining **how** they will execute the AFL Licence and their ability to meet the Stage 2 Evaluation Criteria as established by the AFL. The Stage 2 Evaluation Criteria will be communicated to successful Stage 1 Respondents and current AFL Licensees that have completed an Expression of Interest simultaneously.

Stage 2 Submission Deadline is 11:59pm Friday 10 September 2021

Stage 3: Invitation to formally present in person*

Following a review of the proposals received under Stage 2 by the AFL, a shortlist of Respondents will be invited to attend AFL House to make a presentation to an AFL Industry panel. This will be an opportunity to expand on the written proposal and allow the AFL to make enquiries as to the Respondent's ability to meet AFL criteria.

**The AFL will follow all appropriate government guidelines with regards to COVID-19 at the time of the proposed in person meetings and will opt for online meetings in the event of outbreaks and border restrictions.*

Stage 4: Appointment of Licensees and formal contract

Following Stage 3 presentations, the AFL will notify the successful Respondent(s) no later than 31st October 2021. The AFL and the successful Respondent(s) may then enter into a formal agreement setting out each party's obligations.

8. Publicity

Each Respondent must not make or authorise a press release or any other public statement relating to the negotiations of the Expression of Interest process unless it has the prior written approval of the AFL.

9. Costs

Each Respondent must pay its own legal costs of and incidental to the preparation of a proposal. For the avoidance of doubt, the AFL will not pay or refund costs associated with preparing a proposal or participating in any other process carried out in connection with the EOI process.

ANNEXURE 1

STAGE 1: EOI FORMAL APPLICATION AND COMPANY PROFILE

KEY SELECTION CRITERIA

Stage 1 Respondents must address and briefly demonstrate **who** their organisation is, and **why** they are a good fit for an AFL Licence, meeting the 4 Key Selection Criteria as listed below (where relevant to your business).

The Key Selection Criteria should not limit any proposal, instead set a benchmark to the level of presentation required.

1. Company Profile

An overview of who your organisation / brand is, including your organisation's strong and stable operating and financial position, for example:

- (a) most recent annual report
- (b) organisation's business objectives
- (c) organisational chart
- (d) category expertise
- (e) customer profile

2. Product and Manufacturing Capabilities

Outline your core competencies in terms of:

- (a) product development policy and procedures
- (b) market research access and ability
- (c) manufacturing capabilities including local and offshore options
- (d) production and delivery lead times
- (e) factory auditing policy and procedures
- (f) compliance with modern slavery laws

3. Retail Distribution and Relationships

Demonstrate your organisation's current retail and sales networks specifying:

- (a) number of years supplied
- (b) product range supplied
- (c) preferred supplier status where appropriate
- (d) relevant sales agents' details

4. Industry Experience

Highlight your organisation's experience within the Licensing, Sporting Code and Softlines/ Apparel environment including:

- (a) current and recent licences held (specifying relevant product categories)
- (b) sporting code product experience
- (c) softlines expertise
- (d) values alignment between your company, experience and the AFL

There is no formal format for submissions under Stage 1, however the AFL does request that submissions are in either Microsoft Word or PowerPoint/ PDF.

Stage 1 Submission Deadline is 11:59pm Monday 16th August 2021

[Submit your Stage 1 application here](#)