



## **Enhanced Licensee Program and Associated Pilot FAQs May 2007**

*This purpose of this document is to answer questions about the Enhanced Licensee Program being piloted this summer by FLA-affiliated universities and licensees. This document builds on presentations made at the UAC meeting held on March 25, 2007, and incorporates answers to questions received during the Q&A session at the meeting and during a follow-up conference call on April 30.*

*This document is organized into two sections:*

- A. Category C Licensees and the Enhanced Licensee Program*
- B. The Enhanced Licensee Program Pilot*

*For a full description of the Enhanced Licensee Program or a timeline for program roll-out, please refer to the Enhanced Licensee Program Summary or the Program Timeline.*

### **A. Category C Licensees and the Enhanced Licensee Program**

#### **1. Who are Category C licensees?**

The FLA's Category C licensees are companies with total annual gross revenues of \$5 - \$50 million or those with revenues under \$5 million that source overseas. This revenue range incorporates a Board-mandated upward change in the lower revenue limit for the category from \$1 million to \$5 million for companies not manufacturing overseas. An online re-registration process has been underway for Category Cs since the end of February to reconfirm proper licensee categories based on this new lower limit, and to obtain current contact information from licensees.

For a complete description of the FLA's Licensee program, including detailed information on categories, please visit our Web site at: <http://www.fairlabor.org/all/licensees/about.html>.

#### **2. What is the Enhanced Licensee Program?**

The Enhanced Licensee program consists of a set of online and offline tools and systems that will be made available to all licensees, with an initial focus on Category C licensees, to ensure that they fulfill their FLA and university code of conduct requirements. Another objective of the Enhanced Program is to enable the FLA to provide support to companies and universities through licensee and licensor training sessions and capacity building visits. Through the licensee online self-assessments and capacity building visits, the FLA will assess and help improve the current capacity of licensees to enforce labor standards in the factories that supply their products.

#### **3. What is the role of universities (licensors) in the implementation of the Enhanced Licensee Program?**

The role of the universities and colleges is to encourage their licensees to fulfill their code of conduct obligations and participate in the Enhanced Program, starting with completion of the licensee online self-assessment. The self-assessment will help licensees arrive at an understanding of their current compliance status, and provide help in building a compliance implementation plan to improve on deficient areas. Licensors are encouraged to attend training workshops specifically designed for them as well as to encourage licensees to attend the appropriate training sessions.

#### 4. What does the FLA hope to achieve from this program?

With respect to licensees, the FLA intends to enhance their awareness, build or strengthen existing compliance programs, and expand FLA oversight and review of licensee compliance efforts.

With respect to licensors (universities), the FLA hopes to improve their understanding of the FLA and its work, the tools available as part of the Enhanced Licensee Program, and labor compliance issues in general.

#### 5. Why is there a need for an Enhanced Licensee Program?

At the outset, the FLA focused its efforts on integrating licensees into the FLA system, starting with Category A and followed by Category B licensees. During that time, some visits, interviews and conversations were conducted with Category C licensees to better understand the diversity, resources and compliance awareness of this group, and to examine how the FLA needed to modify its internal structure and systems to support the compliance efforts of this large and diverse group. Accordingly, the FLA developed its internal structure and enhanced the systems required to support the Category C licensees and integrate them into the FLA program.

#### 6. What is the expected roll-out date for the Enhanced Licensee Program?

We expect to roll out a pilot of the Enhanced Program in **September 2007**. Before that date, the FLA will begin testing the online self-assessment tool and conducting a series of training workshops for licensees and licensors as well as relationship building and awareness raising visits.

#### 7. When can universities and licensees expect to see results from the implementation of the program?

Beginning **Fall 2007**, licensors will be able to access information on how their licensees place on a compliance spectrum (and areas in which further work needs to be done). This information will be generated through the licensees' self-assessment.

#### 8. Does the online portal have the capacity to handle a large number of participants?

Yes. It is being designed with capacity to handle all licensees. It will also be used for other FLA programs and tools such as those associated with FLA 3.0.

#### 9. What is the advisory committee and what is the deadline to sign up?

An **advisory committee** of licensors and licensees will be established to discuss ongoing questions relating to the implementation of the Enhanced Program and other issues pertinent to University and Licensee affiliates. Please let the FLA know if you are interested in being part of this committee.

Licensors and licensees should indicate their interest in joining the pilot and/or advisory committee to the FLA (see contact information at the end of this document) by **Thursday, May 31, 2007**.

**10. Is there anything I can do (as a licensor, licensee or licensing agent) to help with the roll-out of this program and the pilot?**

Yes! In addition to signing up for the pilot, the FLA could use your help through one or more of the following ways:

1. Joining the advisory committee
2. Hosting or co-hosting a licensee or licensor training
3. Testing the online tool this summer, before wider distribution this fall
4. Contributing to our trainings by providing a short (5-10 minutes) video clip on your experience with enhancing labor compliance (importance and benefits)
5. Spreading the word about this program to your licensees and other licensors. Some schools and licensing agents may wish to include information about the program in their licensing renewal contracts. You are free to use the information we have provided on this program (Enhanced Program Summary and FAQs document) for this purpose.

**11. If a university or licensee does not participate in the pilot program, will they become integrated into the Enhanced Program in subsequent years?**

Yes. The objective of the pilot is to ensure that implementation challenges are ironed out. At the end of the pilot, the FLA's intention is to expand the Enhanced Licensee Program to all Category C Licensees. In the meantime, C Licensees not participating in the pilot will continue to participate in our regular C Licensee program. Our Category C Licensees are a large and diverse group, and our objective is to significantly improve awareness and enhance labor compliance with this group.

**B. The Enhanced Licensee Program Pilot**

**1. What is the pilot program and what is its objective?**

The objective of the pilot is to test the Enhanced Licensee Program with a limited number of licensors and licensees, and to use the experiences derived from implementation of the pilot to fine-tune the Enhanced Licensee Program. The pilot will give all participants an opportunity to test the online tools of the Enhanced Program, including the online self-assessment, training modules and online toolkit.

A key objective of the pilot is to ensure that the Enhanced Program works for as many of our licensors and licensees as possible. Since this online-offline system of monitoring labor compliance strategies for small licensees is a new approach to labor compliance, the feedback provided by the pilot and through the advisory committee will help the FLA in making any adjustments or enhancements needed to maximize the program's effectiveness.

**2. Who can sign up for the pilot program?**

Any FLA-affiliated licensor or licensee who is interested in the program and would like to learn more about it can sign up for the pilot. Interested licensors and licensees should contact the FLA. Contact information is provided at the end of this document.

**3. How long will the pilot last?**

The pilot is expected to run for one year.

**4. Is there a minimum/maximum number of universities and licensees that can participate in the pilot?**

No. We seek broad representation from a diversity of constituents (licensors and licensees of a variety of sizes), so that this program is effective for the widest possible range of participants.

**5. Can licensees sign up for the pilot throughout the year?**

Yes. While we anticipate having a majority of licensees signed up by the start of the school year, we recognize that licensing is a fluid process and will accept licensees throughout the year.

**6. What is the role of universities (licensors) in the pilot program?**

Licensors should encourage their licensees to participate by informing them about the pilot and associated training workshops and referring them to the online tools when they become available. Licensors are encouraged to provide feedback to the FLA throughout the process both directly and via the advisory committee.

**7. When will the online self-assessment be available for licensees to complete?**

We expect to begin the initial testing of the tool in the summer of 2007, with the assistance of some licensees and licensors. The final version of the tool will be available for access in Fall 2007. We welcome any universities and licensees who would like to pre-test the tool over the summer prior to the official launch of the pilot.

At the training sessions for licensees this summer, we will help them to complete written samples of the assessment tool to enable licensees to gauge their current state of compliance and to start building programs.

**8. Where will the trainings be conducted?**

The FLA will provide 3 training sessions for licensees over the next several months in locations convenient to licensees.

Two trainings are confirmed thus far:

1. Notre Dame on **July 18-19**
2. University of Maryland on **August 22-23**

Please contact the Licensee Program Manager for more information.

We are interested in partnering with FLA-affiliated universities or licensing agents to host these trainings and welcome suggestions on possible locations. Information on licensor training will be provided soon.

**9. How will the FLA manage training for a large number of licensees?**

Three licensee trainings, specifically designed for the Enhanced Licensee Program, are scheduled to take place this summer and early fall. These trainings will also be made available online. We anticipate additional trainings throughout the year, including sessions focused on specific code elements. Over the last six months, we have increased communication with licensees and will continue to do so, in order to provide further information and answer questions that may arise.

#### 10. What is the process after a licensee signs up for the pilot?

Licensees and licensors will be informed once the online self-assessment tool becomes ready for use, which we anticipate will happen by **Fall 2007**.

**For more information:**

Universities and colleges interested in participating in the pilot or in need of more information should contact the University Liaison and Communications Associate, **Heeral Coleman**, at [hcoleman@fairlabor.org](mailto:hcoleman@fairlabor.org).

Licensees interested in signing up for the pilot or in need of more information should contact the Licensee Program Manager, **Christine Briscoe**, at [cbriscoe@fairlabor.org](mailto:cbriscoe@fairlabor.org).

For a list of universities affiliated with the FLA please visit:  
<http://www.fairlabor.org/all/colleges/list.html>

For a list of companies affiliated with the FLA please visit:  
<http://www.fairlabor.org/all/companies/index.html>

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