

LEGO

THE STORY OF SUCCESS



THE STORY OF LEGO

- The little town of Billund, Denmark is known for beer, pigs, and Lego. For it was in this tiny, rural town that the Lego company first came into being. Ole Kirk Christiansen was a carpenter who supplied Billund with all its woodworking needs. Prior to the 1930s, Christiansen was known for building houses and other large projects. But when the Great Depression caused the global economy to tank, demand for large-scale projects diminished.
- Christiansen knew he needed to adapt in order to continue earning a living and supporting his family. So to save on costs and create products that consumers could actually afford, he began making smaller wooden products. From ironing boards to chairs, he experimented with different types of woodworks until he eventually decided to focus on the creation of children's toys.



- There was something about making toys that brought Christiansen great joy. His wife had recently passed away and being able to craft toys for his four boys was a great coping mechanism. He also happened to be very good at it. After recognizing what his strengths were, he abandoned all other projects and focuses solely on the manufacturing of toys, a perfect example of specialization.
- But skills aside, he still needed a good brand name if he was going to appeal to children.



- In Danish, Leg Godt means “play well.” And by taking the first two letters of each word, “Lego” was born. And even though the Great Depression had put a damper on the purchase of many consumer goods, the European toy market was thriving. Or at least it was, until World War II began.

- Since toys were commonly made of metal in those days, and metal was now needed to create tools of war, many traditional European toy companies took a hit. But since Lego toys were made of wood, and not metal, it was still able to make children smile even during such a tumultuous time. Over time, as plastic became more widely adopted, the company moved away from wooden toys and instead invented the Lego Brick that we are so familiar with today.



PERFECTION AND SPECIALIZATION

- Hanging in Ole Christiansen's original woodshop was a sign that read, “Only the best is good enough.” And this was entirely appropriate given Lego’s dedication to excellence. Even the invention of the famous Lego Brick took years of trial and error before eventually taking on the shape they still bear today.
- The first plastic Lego bricks did not have any mechanism by which to secure each brick to each other. This meant that many children were building grand designs only to have them fall over and collapse before completion. It wasn’t until 1958 that Lego added the tubing, allowing for more stable construction. And while there were other building bricks on the market at the time, Lego was the first to create a solution to the problem of “hollow” bricks not sticking to each other, a feat that took several years and many different models before finally finding something that met its perfectionist standards. In fact, this Lego Brick was so perfectly designed, there has been no need to alter it since its inception.





- The introduction of the perfected Lego Brick was so successful, the company finally abandoned its production of wooden toys altogether. Focusing on sets that let children build their own cities, the Lego Group succeeded in helping children create worlds that allowed them to be the storytellers. And it was this decision to focus on what it was good at that ultimately led Lego to global success. In fact, time and again Lego found that when it tried to branch out too far into other areas it lost money. And while risk-taking is an essential element of good entrepreneurship, Lego also learned that specialization was the key to its success.



A CHANGING WORLD

- But the world was starting to change. In the late 90s, video games were dominating the toy market, and Lego began to panic that it could not compete in this new tech-savvy world. This led to a series of disastrous new product ideas that cost the company money and reputation and ultimately led Lego to realize that the company performs best when it sticks to its strengths.
- Veering from the bricks that helped the company make a name for itself, they decided to launch a cartoon named Jack Stone, which, unfortunately, nobody watched. Then, Lego released a live action, futuristic series called Galidor: Defenders of the Outer Dimension. This show also tanked and cost the company millions. In hindsight, Lego has conceded that these projects failed because the storytelling fell short. Not only were these shows trying too hard to be modern, they also lacked a plot that was relatable to kids, especially those who had watched the show hoping to see elements of the Lego brand.



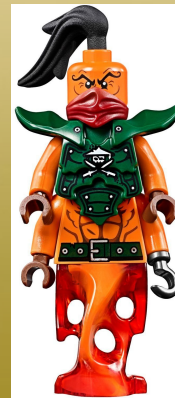
AWESOME STORYTELLING

- In the early 2000s, Lego's future was still uncertain. At this point, it had been struggling for almost ten years and was hemorrhaging money.
- Looking for an edge, the company sought help from a man with an inoperable brain tumor and limited time left on earth. Utilizing his own fight with cancer, Christian Fabor used the disease for inspiration. Lego Bionicles told the story of robots fighting off a dark presence called the Makuta, an entity modeled after his cancer. Faber used this premise to create an entire world that children could get lost in. Lego Bionicles then became the basis for a profitable children's series. And because of this ability to use storytelling to resonate with children, the company began to see positive changes in 2004. This was one of the few exceptions when branching away from the brick paid off for Lego.





- Building on this success, Lego then released “Ninjago” a show that mixed classic Lego Brick characters with a ninja theme. The kids went crazy for it, which laid the groundwork for something even bigger in 2014.
- In the years after Lego Bionicles had saved the company, Lego again returned to what it does best. Realizing how much consumers loved the classic Lego look, the company created The Lego Movie. Today’s readers do not need to be reminded of this movie’s success, as many of us recall being subjected to the “Everything is Awesome” theme song repeatedly for an entire year.
 - After the Lego Movie’s success, the company was feeling confident and once again took a shot at marketing its products to girls. This time, instead of trying to reinvent the wheel, Lego utilized its existing models to create a product for young girls, “Lego Friends,” that was as exciting as its original products.



- While it took a long time to get there, Lego Group is now officially the largest toy company in the entire world. According to Fast Company, “In the last 10 years, Lego has grown into nothing less than the Apple of toys: a profit-generating, design-driven miracle built around premium, intuitive, highly covetable hardware that fans can’t get enough of.”
- So next time you find yourself stepping on a stray Lego left on the floor, pause before getting angry, and think about the journey that little brick has gone through to get from Billund, Denmark to the floor of our American homes. By constantly striving for excellence, utilizing specialization and becoming creative storytellers, Lego has proven itself relevant in the digital

