# Audio file

[Spin MasterPAW Patrol Ronnen Harary.mp3](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

# [Transcript](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:00 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hey really quick before we start the show, a lot of you have lots of questions about how I built this, like how do you pick guests or where do you record the show or how can I get in?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Touch with Howard Schultz. Spoiler.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:12 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Alert on that one. We can't help you, but we can try and answer any questions you might have about the show at work, or even me if you'd like to submit a question, please.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Is it guy raz.com and fill out the form and we'll answer some of your questions right here on the show in the coming weeks. Again, that's GUYR az.com.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:35 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You've basically been profitable every single year and you've been growing every single year and then all of a sudden you're not only unprofitable, you're losing a lot of money. Were you worried about whether you guys would?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:45 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Make it. I actually personally myself I rise in a crisis. That being said, I mean, the relationships definitely frayed.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:53 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Ethan among the founders.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:00:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, amongst the founders came out some inefficiencies in the business the way we're organized. This is why older people have Gray hair. You know, when people say they have Gray hair from something like, this was our seminal Gray hair event.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:01:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. And you have some Gray hair.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:01:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I have a lot of great.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:01:15 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[From NPR, its how I built this show about innovators, entrepreneurs, idealists and stories behind the movements. They don't.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:01:29 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I'm Guy Raz, and on the show today how Ronen Harari started out making novelty gifts from pantyhose and sawdust and spent 25 years building a toy company that launched the multibillion dollar children's franchise Paw Patrol.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:01:48 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Let me start out by saying I love this episode and I love it. Not only because the toy category is a joyful one, but because this story hits just about every single lesson you could possibly think of when it comes to building a business, product, market fit and failure.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:02:07 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Intuition versus research pattern spotting. Solving a problem you have that others have smart bets and spectacular.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:02:16 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Crashes. I could go on and on, but I don't need to because you'll hear it for yourself. So let me just mention how hard it is to build an enduring generational brand. It's really hard, especially when it comes to toys. There are just a handful and you probably know them. Lego.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:02:37 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Barbie, Hot Wheels monopoly. Mr. Potato head.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:02:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Etch A sketch super soakers.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:02:42 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And not many others.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:02:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Kids are among the most fickle customers on Earth. A hot toy is likely to be hot for a very short period of time. Remember pogs or koosh balls, or the Steve Urkel doll? Enough said. But here's the great insight that Ronen Harari and his Co founders of Spin Master had back in the late 1990s.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:03:05 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And they were just starting out. The specific toys kids like may change, but their patterns of play don't. Since the beginning of recorded history, kids around the world have played with balls, dolls, puzzles and their imagination.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:03:23 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The key to figuring out what works is to find something that fits into those play patterns. Since founding their upstart company in the mid 1990s, Renen and his Co founders, Anton Robbie and Ben Verity, were relying on their own intuition to figure out what makes it toy great. So they tried stuff, stuff they thought they'd want to play with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:03:45 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[As kids.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:03:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And it meant that it would take them many, many years of trial and error before they built a company that produced a truly intergenerational brand.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:03:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[If you were a kid or have known a kid over the past 20 years, then you know some of the iconic toys that these guys put out into the world. Bakugan Air, hogs flicks, tricks and most iconic of all paw patrol. It's not an understatement to call Paw Patrol one of the most successful.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:04:17 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Kids brands in the past 20 years.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:04:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And the remarkable thing about PAW Patrol is that spin master built it very intentionally. Is a 360° brand from the beginning, first as an animated cartoon, then as action figures and now as a brand that is on everything from pajamas to lunch boxes to stuffed animals.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:04:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Warden Harare was born in South Africa, but his parents moved the family to Toronto when he was around 5 years old. His dad ran a carpet business in the city and Renan grew up working at the shop. He remembers being an average student in part because of a learning disability.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:04:58 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's a learning disability.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:05:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[This graphia, so it's the the inability for your hand to keep up with your writing. And then my handwriting is not very legible. And then I gotta go back and I gotta correct the what I wrote. And then when you go back and you correct what you wrote, you know you lose your stream of consciousness.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:05:15 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You're thinking and then you gotta stop and then it's like rebooting. You have to reboot a bunch of times. So for me to like, write an essay, it would take me twice as long, right? But the nice thing was, I actually, I call it learning gifts. And the reason why I call it learning gift is because your brain is wired slightly differently. And as a result of that, you get some.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:05:35 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Extra benefits.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:05:37 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[My my attention to visual detail is is very high, like when we were developing and toys or engineering. I could see like little changes when we were debugging the toys and people would use rulers and I could just see it with my eyes. So I think that's the wonderful thing about having a learning gift. It's just the challenge is that the school systems are is set up for the majority of people.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:05:57 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[This is not set up for individual.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:05:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And that's what makes it difficult.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:01 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know, it's interesting cause you say you're an average student, but you went to the University of Western Ontario and from what I gathered, it's a pretty good university, right? It's not, not super easy to get into, am I?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:10 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Right about that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:11 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I think it's it's in the middle, it's in the middle. No, it's definitely a good school. Listen, I don't get me wrong. I mean, I worked hard and my my grades were decent, but I I didn't get many as I can't remember any A's in my in my days. It was mostly B's and some C's. Yeah, but I actually knew from a very young age that I wanted to go into business.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:13 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[OK.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:29 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Why did why did you know that?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:31 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Well, I was average at sports and academically I was average. So I figured that business was the right path for me.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I saw it as something that had endless potential and not a lot of constraints.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And and I guess while you were in college, you actually launched a business, right? It was, it was with a friend of yours from childhood, a guy named Anton. Robbie. And I think it was like a like a poster company. Is that?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Like tell me about it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:06:57 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. Well, well, first, after our first year of university.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Anton, I actually sold fertilizer door to door because both of us had to pay for part of our education.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Or you you work for like a fertilizer company.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:10 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Exactly. We worked for fertilized Auburn and then we started this poster business.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:14 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So the business was actually taking pictures of kids during Frosh week and then creating a collage of all the pictures.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:22 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[First week is the 1st.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:23 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Week for freshmen, presumably right. Exactly. Exactly. OK.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:26 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So we take pictures of the kids during Frosh.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Week, OK and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:29 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Then we cut all pictures out. We create a collage and then around the perimeter of the collage we would sell advertising and then we printed up 9000 posters and then gave it to the students.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[For free. Wow.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:39 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That was a business that was a business.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:40 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That was it. That was busy.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. And then we ended up doing it in five universities across Ontario by the time we graduated. I think we we grossed about $100,000.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:50 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then what happened when you?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Graduated is.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:52 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. What? What actually happened was so I graduated after three years. Anton was in a four year.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:58 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Program and then.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:07:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just before Anton graduated, my mom was reading the Yediot, or not, which is the largest Israeli newspaper, and in there there was an article about all these six different Israelis that were manufacturing this.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:08:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[This product, called the Grass head, the small little potato head, made out of grass seeds, nylon sawdust and had a little happy face on it. And you put it in water and grow.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:08:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Ask for hair so similar to like a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:08:23 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Chia pet? It's like a, I guess, like a little ball. Imagine like a little like nylon. Like pantyhose. Nylon ball stuffed with sawdust or whatever. And and seeds grass seeds. And you would look like drop water on it with a dropper and eventually grow hair.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:08:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You, you you would fully immerse it in water.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:08:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You immerse it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:08:41 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You'd immerse the whole thing and then just let it sit and like, because the sawdust held the water, seeds were able to germinate kind of. So she read about it. She translated the article for me. And in the article it said that there is all these six different people in Israel that were selling them and that literally every person in Israel bought 1. And it was just like the biggest, the biggest craze in the country.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And two weeks later, my late grandmother came to Canada for a visit and she brought me and my sisters one as a gift. And so I looked at and I was like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No one's manufacturing and selling them here.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:14 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In Canada, why don't we, why don't we do it?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:16 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And so I spoke to Anton and I was like, why don't we sell these, these Earth buddies? We called it Earth buddies.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And he looked at me. He thought that I was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:24 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Literally crazy. Yeah, I mean, it does sound crazy, because why would you think that?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:29](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I mean the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:29 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The first thing is why would your mom read that article? Go. Hey, I need to translate this article like out of all the articles like not the one on the peace process or I don't know, some like I want to tell you guys about these grass and things.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:42 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Something about that she thought was interesting, and I'm just trying to figure out why. Like, how did you see that and say, hey, this could be something?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:50 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So my mom's credit, she's very entrepreneurial, and she's she's very much a doer. She's like, well, something's happening. So I said to Anton, I was like, why don't we do it? And we literally went to K.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:09:55 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Art and we bought pantyhose and we bought sawdust and grass seeds and everything. We started prototyping the products and we had a solarium in my house and we were growing everything and in the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:13 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Solarium and it kind of looked like like natures troll dolls a little bit.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, that's pretty good guy. Yeah, it's great description.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[3rd 3rd description right.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:22 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All right. So you convinced Anton to join you on this journey to make the Earth buddy, and presumably you didn't need to license it, right? This was not like a patented technology you were.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:33 Speaker 3](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:34 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Making what was out there, am I?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Right. Yeah, that's correct. You know, in the in the article, it said the original inventor or the product came from somewhere in Turkey and no one really knew who it was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So you and Anton start to just stuff these little buddies and and this is 1994 and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:53 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What was the plan? What the plan was to?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:10:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To make tons of them and then just sell them. I don't know. At a craft fair. Like, what would you what was?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:01 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The next step?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:03 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, basically, we said, let's make 5000 pieces for Mother's Day and go from there. And that was the plan. And so we got my sister and my brother-in-law involved. My sister designed the packaging. My brother-in-law ex brother-in-law, who's an incredible engineer. He designed the contraptions so we can manufacture these things at.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At some sort of scale.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:25 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Ah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:25 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What was the contraption like? A feed tube?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, it was like a plumbing tube. You could take the nylons and wrap it around the tube and then on the side there was a feeder where you can dump the seeds in the sawdust. And there was a way for you to tie it off. It was. It was actually really clever. We found an A small factory space warehouse space.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:43 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And and did you finance this with the money that you had from your poster company?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Pretty much we started with $10,000.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But but before you started to when you guys said let's make 5000 of these for Mother's Day, presumably you're thinking we're we're going to sell these. So where were?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:11:59 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You going to sell them?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Well, we we sold.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[On the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Street.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:02 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We set up tables.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:03 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At 8 different corners all around Toronto and we sold basically 800.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Out of the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[5000 and we came into the office Monday morning and we're like, OK, well, we got to figure out some other distribution and then we found a gift distributor who took on the product and started selling it to the gift channels.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then again, through my mom, she had a contact of a company that sold toys called Samco sales and showed them the product. And I said to them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:33 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Would you guys be interested in distributing the product for us? And they said sure no problem. And two weeks later they called us with an order for 26,000 pieces from.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:43 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Where from Walmart Canada? Amazing. Yeah, but but now you guys are renting a warehouse space to make these.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:52 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And I guess at this point, you bring in your third?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:12:57 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Founder, this guy Ben Verratti? Yep. And where did he know about like manufacturing and, you know, was he an expert in in, like Pandora factory?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[He actually had no manufacturing experience. He came to our office and we literally made a deal within 45 minutes and then he went down and started running the factory. You know, Ben was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[He's a smart guy, you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Know he went to Business School and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just figured it out, but then would tell you that he wouldn't have gotten through the manufacturing if it wasn't for this gentleman by the name of Bob Wakeham. So Bob, actually when we started the 1st place, we actually went to look for people to work in the factory was we went to a homeless shelter. It was just people that needed work. So that's where we went.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:40 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But there was two individuals. There was Bob and this other gentleman, Grenville, who ran shipping and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:45 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Both of them were homeless. They were living in.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:47 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[A homeless shelter. Correct. And so Bob walked into Bens office one day and said no Ben like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I used to run a factory. Will you let me help?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:13:57 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And Ben said yes. And literally within two days he had all these, like, Gantt charts up and this. And he started like balancing out the lines between the workers and the raw materials.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And all this.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Type of stuff.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:07 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So you get this order. This order for 26,000 Earth buddies from Walmart Canada, which is pretty great. And how did?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:15 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They do great. They started selling like crazy, all right.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:20 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You would eventually get a massive order from Kmart, which would prove to be transformational. How did you even get on their radar?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know the universe works in funny ways.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:31 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Anton was backpacking in Europe a couple summers before, and he met this guy who came from a very well connected family, and when we wanted to break into the United States, Anton called them and he said, do you have any he kept in touch with them? Well, that's one of the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:47 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In touch with this guy.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:50 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Things Anton does extremely well, he's he keeps in touch with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:53 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Everybody.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:14:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And so he called me. He said, do you have any relationships that came apart? And they said they did. So I don't know why, but I was the one that actually took the meeting. And so I drove down. It was in Troy, MI.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I pitched the buyer do like a 30 minute pitch. I had a full box of birth buddies. Looks fun and after 30 minutes the buyer said to me he goes. Thank you very much for coming, but I'm not the buyer and I'm like and I'm like this can't.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Be true, I'm like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:18 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Who?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Who are you? Well, why am I talking to you?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, like. And then I'm like, OK, well, could you mind doing me a favor? Can you find out who the buyer is? Because I drove all the way from Toronto. So he comes back with this name written on a piece of paper and said, Adrian. Zach.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:34 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Thanks. So I said thank you very much and I took my box of Earth buddies and I started walking around the office of the Kmart looking for this buyer. She was sitting at her desk when I found her and she said OK, I'll see you at 3:30. And then the guys that we came with, they're like, let's go for lunch. Da, da, da. And I said, I'm not going to go anywhere.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Because, like, maybe she'll call me earlier or something like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:57 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Or maybe they won't leave back.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:58 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In the building or maybe?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:15:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They won't, like. I just. Yeah, that's true. So.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:03 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I waited there.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Till 330 and the craziest thing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:07 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Is as I walked into her office.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[On the left hand side of this counter, she had about eight other birth buddies there.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:17 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The eight other products that were pretty similar.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Exactly the same under different names. No, no, no, they were they were other manufacturers.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Were they the these products from Israel?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:26 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So you're thinking I'm never going to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:28 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Make this this is crazy.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What went through my mind was we were going to charge $2.65.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:34 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[US and I dropped the price to 165 in my mind right then.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:38 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And there, because you knew that if you could get it, if you could offer the most competitive price, then she wouldn't go with the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:44 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Others I knew we could still make money, especially because of the the Canadian dollar was low at the time. I didn't want price to be a factor, and I figured she's got so many options here so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We better give her a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:55 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Compelling reason to go with us?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:57 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And so I pitched her. I showed her.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:16:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Exactly what we're.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Doing and she gave me this big book, which was the vendor agreement, she said. OK, well, I'll give you an order for 48,000 pieces and if it goes well, I'll give you an order for.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:10 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Half a million pieces. Wow.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:12 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. All right. So she does 48,000 orders correct for $1.65.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:17 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Piece it's almost.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:18 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[$80,000 order, which is pretty great.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You go back to Toronto. Were you guys able to scale up to 48,000 pieces quickly in your little facility in Toronto?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We have to move again to another facility every time we got more orders, we would move into a bigger factory and build more machines and we just hired more workers and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:39 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[How did you finance that? Do you remember? Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Like the product was selling very well, so we had money coming in from the other sales and I mean.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:48 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In our peak.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We were producing 17,500 piece.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of the day, and by the end of that year, I think.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:17:55 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Earth buddy, your sails. From what I understand, hit Ohh $1.8 million. That's pretty great for a company that you started earlier that year. But at what point? Sort of did the three of you say? You know, we should focus on toys. Was it already in 1994? After Earth buddy took off or not? Not quite.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:14 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yet no, it was only in 95.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:16 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[When we started selling a product called Devil Sticks, OK, that product did really well. And so it was after that, after the devil sticks.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:23 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[OK, so devil sticks is your next product.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:25 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Because you know, as we know, the life cycle of novelty items is can be shortened, right? And you probably saw that at that point you you probably knew that you needed to go to the next thing. This earth buddy wasn't going to. You couldn't build a sustainable company based on that product alone. I'm.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:41 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Assuming 100% it was novelty, it's going to run its course and and what?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:45 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Else, are we going to have?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:18:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So the next thing that you come across are these things called devil sticks, and they're like these batons. You can. It's like a baton. And you can juggle this other baton in between them and do tricks. And I remember this. This was like the mid 90s. I'm in college.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:01 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And you had those kids who played hacky sack and devil sticks, am I right? That's right. The the. That's the demo, right?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That's.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:05 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, no, you got.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:07 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Correct. Grateful Dead shows exactly.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So this was a product that existed would tell me this started you, you you kind of renamed them Devil Sticks. How did you come across them?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know, I actually, I played with them when I was in high school for some reason in 94, we started noticing that a lot of kids in the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:24 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Schools we're actually playing with the devil sticks.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So maybe there's a little bit of a trend going on. We had our factory, so we said well, why don't we figure out how to mass produce the double sticks and and we'll we'll sell them. So it was just based on this trend that we saw as we designed this packaging and the same distributor that got us the sale at Walmart.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:40](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hmm.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:46 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They introduced us to their partner in the United States, called Uniworld, and so suddenly we found ourselves at Toy fair in 1990.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:54 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Five and toy fair was in in new.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[York in New York.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:19:57 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yes, and this is a convention where you go and you show your products. But so let me understand what the devil the devil sticks are these batons and you know that you juggle and this there was no patent.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:06 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Anybody can make them. You basically created a brand called Devil Sticks you. You gave it that name, got it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No 66 is the generic term and so we called ours a spin master devil sticks. So that's that's actually that's the origin of the company name is from the devil sticks.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:22 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At that toy fair, did you?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:26 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Who was doing the demo? Were you doing?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:27 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The demo.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I I did the devil myself.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:30 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You did a demo so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:31 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know how to juggle the devil sticks.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, I told you. I played with him in high school.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:34 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So I did.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:34 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The demo OK and and as I understand it, pretty soon after that toy fair, you managed to get those devil sticks into like like two of the biggest toy retailers in North America at the time, Toys-R-Us and KB Toys, which is huge.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I mean, there was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:20:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[One thing that was working in our favor, which was there was something in the zeitgeist at the time that made devil sticks appealing to young kids. It was like 7 year olds, 8 year Olds, 9 year olds.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Year olds and it was like it was like and now just like the yo-yo. So we did the marketing, but I don't think I think the marketing helped, but there was something in the zeitgeist that actually made.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The product pull.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:11 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[There's a documentary that spin master made, I think on the anniversary of 20 years, and I watched it and at that time you said we weren't sleeping a lot.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:20 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We were definitely stepping on each other's toes and there were a lot of disagreements in fighting, which I think is very normal when you've got three strong partners in the company. Were you stressed out about the disagreements between the three of you at the?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:34 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I don't know if it's stressed out, but I think that we would just fight and so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:39 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[About like strategy, about product, about who to work with, about where to spend money, all those things.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:46 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I think it was everything but the one nice thing is that through the fighting and it wasn't like when I say fighting, it wasn't like you're angry at the person.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It was just advocating for your opinion.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:21:57 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But you know, we were young guys and and very excited everybody really wanted to win and everybody.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:03 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Wanted the success.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:05 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So maybe we were a little eager.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:07 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Was it I mean?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And it's a question that's come up in a lot of episodes of the show with with cofounders. Which is.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:14 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Everybody has a different perspective. How did you resolve disputes?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:20 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We've always shot for unanimous consent and we would keep on debating till we actually got the consent and then there was one other thing, which was if we stepped over the line, everybody.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Was able to say sorry, which I think is a huge which is a huge thing. Sometimes if you weren't, if you didn't say sorry you asked for the sorry and you always got the sorry.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:22:43 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's actually my favorite word in Canadian. Yeah, that's a great Canadian word at that time. Right. OK. So you got two hits now under your belt. You've got earth, buddy, devil sticks. You know, you're probably doing 4 or $5,000,000 in revenue by year 2. How big were your ambitions were with the three of you already?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In Year 2 of your business saying we're going to be a huge toy company, was that the ambition or was it just like?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Let's just get.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:10 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[This thing sell this and we'll figure out the next thing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:13 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It was. Let's just keep on going. Let's find some other products to sell. We did make a couple of strategic like macro decisions which were we didn't want to after earthquakes and devil sticks, which were both, you know, call it public domain products. Yeah, we said we want to design, develop our own products and we want to sell them globally around the world and we don't want to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:33 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just be a Canadian distributor.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:35 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then we said, we're open to ideas wherever they come from and let's go search for for these ideas. So in 96, we started meeting with toy inventors. And so Ben was living with this girl by the name of Jen Irwin from the Irwin Toys Family, which is a famous Canadian toy company and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:53 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That's great. Wow, that was. That was who you're.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Living with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, very coincidental. So between her and Austin's company called Canada Games, which was run by the outlook family, they told us that there's whole network of toy inventors globally around the world that come up with ideas. But they don't commercialize them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:23:58 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And so Ben started going around with our wares and meeting all these toy inventors and trying to solicit ideas from.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:18 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Them and, by the way, was that hard to do because you were so small at that time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:24 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know they.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:25 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Weren't put it to us where they they were not showing us their.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Best products?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:29 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And they were.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Basically dusting off the stuff in the back.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:31 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of the closet that, like Hasbro and Mattel, wouldn't even wouldn't even look at? Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:35 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Correct. But they were showing us stuff and we're getting to look at stuff and we're developing relationships and contacts.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And so in 96, we actually came across this invention, which was an airplane that you pumped up and would fly for about 45 seconds and it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:52 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Came from these.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:24:52 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Two British inventors, John Dixon and Peter Manning, they actually came to Toronto, came to visit us, and we flew this airplane and it was probably one of the most magical.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:02 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Experience of seeing this was plane.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Fly. Describe what it was. It was like a airplane. With what Styrofoam airplane that you pumped Aaron into it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:10](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:10 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. So it's it's basically it's.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:11 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[A plastic bottle foam wings on top foam fuselage and they had developed this pneumatic engine.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That literally the air would actually drive the piston up and down, spin the propeller and flat plane.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:26 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[A hundred 100 yards.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Right. Yeah. It's a hundred with five, 4550 seconds and fly in a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:31 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Circle. Have they demoed this for other toy companies?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:35 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yes, we we didn't realize after we signed the product, we didn't realize that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:39 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Every toy company had turned it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Down. Wow. So you see it and you're like, this is amazing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:44 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, it's incredible.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And but but ever but. But they had not had any success getting anybody to bite.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Correct. I think they were trying to sell it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:51 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[For five years.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:52 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All right, so you guys.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:53 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That, and what did you do? You you basically bought the license from them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:25:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, the way it works in the toy industry is you license the product in perpetuity and you pay a 5% royalty on your.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:00](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[MHM.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Sales got it. So you get the idea, but really what you're then doing is building a brand around it, because I'm assuming it was a kind of crude, right? It wasn't like a fully developed toy. It was a a plastic bottle.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:17 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In in, in a body of of an airplane with Styrofoam right, there was no branding or logos or shape to it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:24 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, exactly. The difficult thing with with the air hogs, which is what we called it, was how do you?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:29 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Produce it? We ended up finding this company called K Development and they did all the design work in terms of how the engine is going to actually function and work. And and we actually didn't have a lot of money to pay them at the time. So we they agreed to do a a back end royalty deal and literally we spent.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Now, a year and a half, two years building the prototype, rebuilding the prototype, tested and see if it's flying and see if it was reliable and durable and all that type stuff got all the engineering done and then we went to China, down to factory, which was called Kensington. And so we sent all the plans there and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:26:58 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[OK.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They started actually building out the product for us.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:11 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But when you found that factory in China to make them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:14 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You were making a big commitment. You were putting a lot of eggs in this basket. Did you have orders already for?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:20 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The air hog.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know, we did everything in parallel. I would say this. When we signed the product, we basically put all the money.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:26 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We've made to date.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Into the design and development, the design and development was very, very expensive.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:33 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[$1,000,000 more or.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:34 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Less I I remember was it was pretty much all the profits.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:37 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That we had. Yeah, that you had, yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:39 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Everything was going into this product. Everything is done in parallel, so you know we had no.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Orders.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:44 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At the beginning, but as we started designing, developing it then you start the sales process and we were going to the toy fair and at the toy fair we were starting to sell it and so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:53 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Before we actually got into production, we did have.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:55 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Orders.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:27:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So here here's a question. This is a big commitment in money, and it was a two year process right from 1996 when you got this license to when it actually debuted. I think 2 years later.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[How did you?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:10 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Know that it was going to work, I mean.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:14 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Did you do market research? Did you test it on kids? Did you? What kind of research did you do, if any?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[He did no research, nothing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:27 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You did no market research. You went to no kids. You went to no schools, nothing. You were just like, yeah, we love. This is cool. Let's do it. Yeah. So it could have been 100% wrong. Correct. And that would have been a disaster. You're correct. You just thought it was super cool, which it was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:41 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yep, loved it. It was just.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So much fun to fly.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:28:45 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[When we come back in just a moment, how the team at spin master began to realize that succeeding in the toy business means never staying still. If you have one hit idea, you'd better start thinking about your next one and the one after that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:29:00 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Stay with us. I'm Guy Raz, and you're listening to how I built this from NPR.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:29:13 Speaker 3](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[This message comes from NPR sponsor Givewell donating money to help people can be a wonderful and selfless act, but are your donations improving or saving lives? The most effectively give all recommends only a few of the highest impact. Evidence backed charities. If you've never donated to a, give well recommended.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:29:32 Speaker 3](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Charity before your donation can be matched up to $250 before the end of the year, or as long as matching funds.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:29:39 Speaker 3](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Last, go to givewell.org Pick podcast, then enter how I built this at checkout.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:29:55 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hey, welcome back to how I built this. I'm Guy Raz. So 1098 and spin Master starts selling the air hog at toy stores. And unlike the Earth buddies or the devil sticks, the air hog is much more complex and requires a lot of engineering.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:13 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We took so much care and that's why it took so long. It was like how to make the propeller safe, put a foam nose coat on it. Super light.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The wings would.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Pop off so they wouldn't break and you know, one of the biggest things was usually.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Got stuck in a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Tree so people.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:29 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. And that's it. You're done. You buy another one. So here's here's the thing. So you you make this product, right? You get this Chinese company to make them. And do you remember what? How many did you initially intend to make like a million?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:31 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Well, or you climb the tree.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Or buy another one.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Half a million.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:45 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know, I could just tell you that by the end of 1998, so we started marketing in.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:50 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Year we had.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:51 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Gross $35 million in sales.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:54 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Wow.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I think we've sold.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:30:55 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Over a million, a million and a half piece or something like that. And I think our wholesale was about $20.00 at the time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:02 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And it cost you probably $10 to make.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:04 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:05 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, it costs about 5:50.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:07 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[How did I mean, aside from the fact that it's super cool, I remember air hogs and there's.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:11 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Go around. But how did you how did you market it? Did it, did you have to do anything at all to market it or was it just?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[A product that sold itself? No, we did a lot of we we did the TV commercial. We bought media against it. We found distributors around the world. We came up with these really creative point of sale displays where you could actually pump up.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:31 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The air hog and flip the propeller and here are the the magical sound that came from the motor.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And I think we have them at like Walmart and Kmart at a lot of places. So that was definitely in.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The marketing budget. All right, so this this comes out. And by the way is had you guys raised any money for the company? Are you entirely self financed?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:31:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Entirely self funded, financed other than the bank would actually let us borrow against our inventory and receivables. So we're able to use those monies which weren't our monies, but at least they were up against the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The orders that we're going to come and again apply that to actually purchasing the goods and doing marketing and all that other type.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of stuff.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So this product blows up. So you're you guys are growing really fast. Do you remember thinking to yourself this is different? This is next level?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:20 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Oh yeah, I mean, I mean the engineering development it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just a priceless education, designing and developing and marketing that product was priceless. It was so difficult. It was so we. We taught ourselves everything we we hadn't done anything close to that. It's not really even a toy. It's a mechanical flying object. So we really stretched ourselves to actually get that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Market, but the Nice part was all the inventors that we were visiting, they were like, wow, these guys can actually design, develop and manufacture something and. And so that really opened up the doors to future products.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[For us, here's.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:55 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Here's what I wonder, I mean.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:32:57 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The air hogs take off in 1998 at that. Can you just focus on that product and really build that out for the next few years or already do you have to start thinking about the next thing that's going to come out after?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:11 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That you do.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Both.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:13 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And is that because kids are fickle and they just the life cycle of a toy is?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:17 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Short.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The toy business is.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All about fresh and new, even if you have a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:20 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Brand.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Within the brand, you still need to bring fresh and new, so we knew.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:25 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The way after our first product, we were like, OK, what other innovation can we do in flying toys? So we came up with the the B wing, which was like a stealth flying plane. And then we think about other types of flying toys. So yes, you always have to be innovating within the brand. And then we also wanted to diversify as a company. So we're thinking about what other categories can we get ourselves into.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:33:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To me it just seems like my God, you guys were just playing with toys, like how joyful, like how amazing. How fun, like, but this was real serious business. You guys were heads down, like, really.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:00 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Focused or or was it?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:02 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Throwing Nerf balls around the office. I.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Don't know what what what?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:04 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Was it?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Like, no, it it wasn't that much fun and games it was. It was serious. First of all, toy business is very competitive, hyper competitive business and it's very fast-paced and you know the three of us wanted to win. So we were actually quite serious. I think we were probably too serious.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:22](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We didn't have.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The football tables we didn't have the pool tables, it was more that when we're in the office, let's do the work and then let's go enjoy our time afterwards. It's intense. The other thing about the toy industry is that you're dealing with kids. You're dealing with safety and and and you got to make sure.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Everything's you've got to manufacture something at a low cost. That's safe, that has an innovation attached to it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:45 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So 1998 really is a pivotal year for you guys because the the air hogs just takes off you, you successfully manufactured the product now overseas and now you've got a strategy you are going to really begin to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:34:58 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Assess a bunch of inventions I read.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:02 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You grew to 28 employees, you were assessing about 1000 inventions a year at that time. So we're we're people just coming to Toronto and showing you stuff or were you? Was it all happening at toy fairs or were you actively tapping into this network of inventors? Are all three of.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Those things, the majority was actually.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Ben, Verity and Ben.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:25 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[On the road.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:26 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Dermer was a was another person you hired at that time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To help out. Yeah. He helped right then with the inventor relations stuff. And so they would literally go from city to city to city and visit the inventors and go to their offices. And I'd say that was like 80% of the the work was done that way on location.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:43 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So you did 0.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Research for the air hogs but it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:35:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Really took off. Yep. Did that make you? And I'm not trying to ask this in, like, a a snarky way, but I just. I think of it. If I was in your shoes, I'd have been like, oh, my God, look at my judgments. Amazing. I can do no wrong. Like I might have become a bit arrogant at the time and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:01 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Thinking we know how to pick hits, did you guys have any of that at all?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, because we.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:07 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Had some other products that alongside of the air hogs that failed, we had a product called Don't Free Freddy and it did not do well.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:13 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What was that?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:15 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It was basically a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:16 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Little furry monster and his hands were handcuffed together, and then you press a button and he the handcuffs would pop open and his arms would flip up and he would roar at you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:26 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And we just thought it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Was funny.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:29 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But the kids didn't think it.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:30 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Was that funny? And how did you in those early days? How would you give something the green light? Did you have to have?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:35 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Total consensus.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, sometimes there's certain products that I loved and I would win bent over, but it wouldn't come very easily. But the one thing that we did find over the over the years is that when we did have universal consensus, the likelihood of success was much higher.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All right, so you have air hogs and you're like, assessing like 1000 inventions?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[A year at this time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:36:59 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And the next thing I think you come across is these little like miniature BMX bikes which are called flip tricks. And I think the guy who who pitched them to you was this inventor named Jeff Ray Kemper.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:11 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. And then the one thing you have to understand about it better is OK. And the reason why you want to go visit the inventors rather than coming to you is like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They're really the kids in the equation, OK. And when they invent something, they want to show it. They get so excited about it. So on one of my trips to Chicago, when we were developing the the Air hogs, Jeff, actually.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Showed me the little flick tricks and straight away I was like, this is so much.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:37 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Fun again, any market research taking them to kids, to sitting behind two way glass, watching them play it, anything like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:44 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That Nope. Nope, nothing like that. Nothing. I mean, the fact that kids were really into BMX.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Bikes at the time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:50](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:50 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Which you analyze like market data around that, did you have statistics?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Zero wouldn't even wouldn't even know where.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:55 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Nothing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To get them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:37:59 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So you are literally just saying, yeah, I think this is cool I play.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[With this it was so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Much fun, the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Key to being the toy business is you gotta always think and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:07 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Feel like a 7 year old. Is this common by the way, in the toy industry or am I just complete cause? Have I talked to too many McKinsey consultants?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:14 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You cannot consult yourself in the toy industry. It is one of the most intuitive, creative industries out.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[There.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:20](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hmm.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:20 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's a fuel industry, but it's also a history industry like you need to know.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:25 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[OK.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What happened in the past? What did well, what didn't do well, and then it's very iterative, like everybody's adding on an innovation from the past and everybody's looking for like, play patterns. Yeah. So it's all about the play pattern and stuff like that. And so, you know, kids played with Die Cast cars.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:41 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Sure I did. I loved them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Kids still play and collect Hot Wheels today, and so the association was well, this is kind of similar to the Hot Wheels. This die cast. There's a collectible aspect to it, you know, we went out. We.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:52 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Licensed.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:53 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All the BMX bike companies that time like Hoffman and Redline and all that type.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:57 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of stuff so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:38:58 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You can collect them. You can play with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So there was an association.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:02 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And a confidence in the play pattern.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:05 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So this is so different from some other industries. Essentially what you're saying is it's very hard to create a toy for kids in a boardroom with all the market research and looking at kids or two way glass. Like, actually that doesn't work that often.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Not really. I mean you can, you can get some false positives too. I mean, kids get excited about a lot of stuff. Yeah, you can see if kids are really.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:26 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Board.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You can probably see if they really don't like something, but then again, it's like what's valuable is is more like is it too big for their hands? Is it too small for their hands? Can they hold it? That type of stuff, more functionality? But testing the magic very difficult. The only way you can test is by.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Putting it at retail.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But this play pattern idea is really interesting I.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Mean, you know.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:39:48 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Like when I was a kid, I used to build Lincoln. These elaborate Lincoln log houses or, you know, kids who played with Lego for a long time had mechano I loved loved action figures. And So what what you're saying is elements of all those things. They've always existed through time immemorial, when humans were in Neolithic villages, they played with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They played in the same patterns kids played the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Same patterns, books with rocks or.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:11 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Whatever. Yeah. I mean, it's interesting for you to go that far back in time, but I guess I would say like in the last 100 years, like the play patterns started to solidify like there's 11 categories.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Toys. So you got plush, which is stuffed animals. Like there's a way for kids to interact with plush and then, like you say, action figures. How do you play? You know, action figures is all about, you know, fantasy and and trying to become that character.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yourself. Yeah, so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The toy companies creatively were able to create around the way kids.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Like to interact and so now it's like can you bring something new and different to the play pattern, to spark joy and the kids to get them excited. And that's what, that's what we look for all the time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:40:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So. So I guess like around 2001, you guys had had what I think was your first like large scale failure which was a product called Key charm cuties and I guess you were competing as a like a Mattel product that something that Mattel was putting out.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, against Polly pocket. Right, right, right. Polly.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:15 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Pocket. So what? What? What was the thing you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:16 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Guys were making.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It was a small fashion dolls and and you can change their clothes in a unique way and they came in these purses that you can carry them around with. And when it came to key charm cute.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[These this really we were up against Mattel and their marketing and their design and our design couldn't compete like our dolls didn't look as as Nice as theirs. Our packaging wasn't as good. Our commercial wasn't as good. We didn't have the brand. We didn't have enough money to develop a brand. So we.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:47 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That was our first lesson against the the big guys.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:49 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Did you conclude that it wasn't worth it to go up against a Mattel or Hasbro?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, because I mean the the flip tricks were going right up against Mattel was going up against.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:58 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hot.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:41:58 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Wheels. They had no problems competing with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Come and tell. We all always like respected them and learn from them, but we actually had no choice. If you wanted to be in the toy industry, those were those were.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The players that you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Were competing against.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All right, so from what I understand, you started to go to Japan in 2000 and I lived in Japan and a little kid from age 4 to six. My dad was there.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Oh, nice.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I still remember the toys were unbelievable, like years ahead, you started to go to Japan in two.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:28 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Doesn't, presumably because Japan, I think is still like when it comes to totally innovation, probably the center of the world, right.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's it's one of the most creative.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:37 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Places you can.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Go, but it is probably it's very seminal to the journey the company has taken. We actually went there with a, with a mission in hand, which was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To try to find products in Japan that we could bring to North America.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:42:52 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And what is it about in your view? What? What is it about Japan? Why is Japan the sort of the the Silicon Valley, let's say, of toys I?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just think that their minds are very open and they I think they just look at the world very differently and they look at things differently and what would be strange to us.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Is normal to them now. Like when you think about like the Tamagotchi, like what a unique toy to?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Come up with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. Or you look at something like upon, I don't know if you've ever seen the preschool show impmon.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's the one of the strangest.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:26 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You've ever seen in your life?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know, so it's like or like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:28 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Japanese candy, which is amazing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, I haven't eaten a lot of.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But I think they're like they just, they're just into doing different. They're good with different.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:37 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[One of the decisions you made in 2005, which I think is a pivotal decision, maybe I'm wrong, but I think it was is you moved your Director of global licensing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To Japan and you really kind of wanted to?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:43:50 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Figure out how to bring something from Japan because I think 2005 would, eventually a few years later, lead to the biggest toy of all time up to that point, which which was Bakugan.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Am I right that that story begins in 2005?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:07 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[2006.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And and can you can you explain what Pakistan was?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It was like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:13 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Marbles meets Transformers. Yeah. So they're these marbles and that you roll on the table and you're aiming towards the card.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The card, OK.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:20 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And in embedded in the card is a sheet of metal.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But as soon as the ball hits the card, the magnet inside of the ball has activates a spring and then it pops open and transforms the the character the ball into a character.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:35 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[This idea came from some like a kid, a 23 year old named Aldrich, or Aldridge Saucier, who submitted this idea.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To spin master you had. Did you have?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:47 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[An open submissions like a way to submit ideas.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:44:51 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[He no, it actually came. Aldrich invented the item so his his genius was the idea to put an action figure into marble. Yeah. And we took it in. We we did a whole bunch of development. And then what happened was we said, well, you know.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In Japan, they're so good with these like micro mechanisms.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:10 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Maybe we can partner with someone in Japan. So we did a trip over there and we took it to Sega toys and we presented it to Mr. Kobon, who doesn't speak a stitch of English.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[He's the founder of the CEO of of Sega at the time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:24 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[He's the president of Sega Toys.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:26 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Sega, like the video game company too.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:28](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Exactly. But his history was he was an incredible toy inventor and a real true blue toy guy.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So he saw the magic and he saw the potential, he said. Sure, we'll partner.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:40 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[With you guys.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And you knew?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:41 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Because of play patterns, you knew that kids like marbles cause like marbles for, right, a long time. And they like to roll things on the ground and they like transformer things. And you knew all those elements suggested that this would take off.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:45:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yes, I mean, when we licensed the product that had two elements, it had the marble and it had an action figure and a marble. So those were.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[22 play patterns with the really really cool.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:05 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Cool.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Magical sensation, like when it popped open like you got.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Excited.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:10 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then your ability.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:11 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To close, it was automatic like you just just took your two fingers and it closed. So there was like it was very fidgety in terms of opening and closing and opening, closing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So you're developing this toy, this new toy Bakugan, and I guess you decide to do something that you'd sort of learned about in in Japan, which is when you launch it, you also launch a cartoon about about the characters. Yeah. And I don't hopefully this this doesn't sound crass because it's not like this is a business.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:41 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So I think that from a business perspective, this is absolutely a brilliant strategy.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But I mean, a cartoon is essentially a 22 minute advertisement for.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:49 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[For the product.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:46:50 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Right. I would say it's it's a way to actually accentuate the magic of the toy and it enhances the toy because how are you going to know the characters of the Bakugan unless you can see them on the screen and hear them talk and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:05 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[See how they battle and how they work and all that type of.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Stuff. So. So what happened when Bakugan was released to kids? I mean, I remember through the 2000 tens seeing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:16 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Toy in the hands of every kid between the age of 5 and 1012, it became a billion dollar franchise at at.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:25 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Dollar franchise.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yes, it came billion dollar franchise. It had aired in literally 150 countries around the world. We did Four Seasons over 200 episodes. It just captured the hearts and minds of kids.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:38 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And I think around 2008, you transitioned from being a toy company to a 360 media company, which you I think is fair to describe you that that way today, right?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:48 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, that was one of our one of our goals was to have an entertainment division and buckle gun was Genesis for.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:47:55 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then after Bakugan we we launched a show called Reticuli, which was based on this really innovative card system that we created. Everybody was excited about all the retailers bought into it and it was a huge disaster like you. You could not give the product away.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:14](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hmm.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:14 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It it probably took.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:15 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The retailers like 2-3 years to actually clear out the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Products.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What happened with the recession of 2008? Nine and beyond? I mean, did does that affect toys or toys relatively, you know inelastic?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We actually had our best years in 2008, 2009 during the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:33 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Recession.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:34 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So we didn't, we didn't really feel anything. Parents are not going to cut on. They're going to cut on their kids last.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:39 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In terms of consumer expenses and stuff like that, it's quite recession proof. The flip side of toy industry is not a high growth industry, but it's just very it's just.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:47 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Very stable. All right, so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:48:50 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You got the Bakugan, I think by 2010 it was driving almost half of your sales. It was over 45% of your income came from Bakugan, which is great, but also kind of scary, right? That one product is so dominant because if it that revenue stream dries up, you're in trouble, which I think kind of started to happen.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:12 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Around that time, right?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:13 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That's exactly what happened. So basically in 2011, the sales started to go.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:17 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Down and so basically.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:20 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Our sales went from 2010. I think we peaked at about 950 million, yeah. And then by 2013, the sales were down to 500 million.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:33 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Wow, that's a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:34 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Huge decrease and that's because you put too many.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:37](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Now.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You relied too heavily on Bakugan.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It was a combination of that and all the products that we had coming up behind.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:47 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Those products didn't, they just didn't. They didn't connect with the consumer, basically the product line just wasn't robust. That was following up Bakugan. We didn't think Bakugan would would drop in sales as quickly as it did.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:49 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Work.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:49:58 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Why did it happen now? By the way, what?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:50:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Do you think happened? You know, I think it's just I think it's actually natural. Is is that those types of toys have a certain life cycle to them, and they're usually a it's a 3 or 4 year life cycle and then they actually go down. So by 2013, we weren't, we actually retired Bakugan.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:50:16 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So it went from like hundreds and hundreds of millions of dollars a year in sales to 0.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:50:24 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We come back after the break. Our spin master is airlifted out of its slump by a 10 year old boy named Rider and six search.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:50:34 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Dogs, otherwise known as Paw Patrol, stay with us. I'm Guy Raz, and you're listening to how I built this.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:50:49 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

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[00:51:11 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

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[00:51:25 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

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[00:51:45 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

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[00:52:03 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hey, welcome back to how I built this. I'm Guy Raz. So it's 2012. And for the first time since the companies launch, spin master is not turning a profit. In fact, it's losing millions of dollars. And Renan understands that in order to keep going, the company needs to come up.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:23 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[With another hit. But until that happens, he has to make some hard decisions.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We had to do 2 things. We had to lean into.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:33 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Developing and like really keying in on what are the right categories? What are the right products we should be launching? I think we got to the point where we had a lot.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of hubris and and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We were like whatever we're going to put out.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:45 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[There it's going to go and and because you had so many.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:48 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We had so many hits and we had so much success and everybody gets excited like so we have to become much more judicious in the product selection. And then on the flip side, we have to restructure the company.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:52:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At that point in time, I think we had about 900 employees and we had to let go 350 people in a matter of 24 months, a 1/3 of the people. And we've never done it before. It was an excruciating process and we did it four times for restructurings. Just because, you know, no one really wants to believe that the sales.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Wow.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Are going to go down.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And so when we did the restructuring, everybody was like, you know, we don't need to let go of that many people. You know the sales are going to pick up etcetera, etcetera. And it just never happened. So it was like it kept on jerking in the whole company. You know like every single time you have to go out and make an announcement and and make people feel comfortable. And the company is.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Hey, so when you do it four times, you know you lose a lot of credibility and it's hard to keep the morale.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:41 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[High. I'm sure. I mean 4 rounds of laughs. People must have been really worried and nervous about their jobs and it it it has to affect the the the atmosphere.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:52 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That was stressful. The other stuff wasn't stressful. This was stressful. But I will say that that we really it was the time where we actually.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:53:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:01 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Dug in and and we're like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We need to tighten our marketing. We need to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Reduce our skew counts. We don't need to do as many things financially we we actually had no choice because in those two years the company lost.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:15 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And substantial amounts of money S there really wasn't any any options but to write the ship.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:22 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:23 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In addition, you had to come up with a new magical product the next Bakugan the next air hogs. What did you do?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We just got really focused the one.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:31 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Thing we didn't.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Do is we didn't cut R&D budget, we kept that and we kept on spending and we kept on investing and we were like let's keep on trying, let's keep on trying with new television shows. Let's keep on trying with new toys and we'll just be a smaller company. But let's just be a profitable company.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:35 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[M.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Ronan, did you. You've basically been profitable every single year and you've been growing every single year.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:53 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And then all of a sudden, you're not only unprofitable, you're losing a lot of money. Were you worried about whether you guys were making?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:54:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, I don't think I wasn't. I wasn't nervous. I actually, personally myself, I rise in a crisis and I'm actually better in a crisis. That being said, I mean it, the relationships definitely frayed. We we have a saying, you know, I'm sure you know is like growth hides a multitude of sins and when you're not growing all the sins coming out so.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:15 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yes.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Everything came out.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Our relationships got challenged.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And test it, you know.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:24 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Either among the founders.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:25 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Ohh yeah, yeah. Amongst the Founders came out some inefficiencies in the business. The way we're organized, everything came out, but I don't think that anybody was in a panic. It was more of like, this is not easy. And This is why older people have Gray hair.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:41 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know when people say they have brown, Gray hair from something like this was our seminal Gray hair event.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:47 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, and you have.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:48 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Some Gray hair I.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:49 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Have a lot of Gray.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Alright, so you you restructure the company but but you're also trying to find the next thing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:55:57 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And from what I understand this this concept. If you knew that the concept of an animated show and and products were successful and and and what like you put like a request for proposal from from different creators you knew for for like a new kind of animated show. Tell me tell me the genesis.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:18 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of paw patrol. What? How how did it start?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:21 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So I think one of the things that dawned.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Us is like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:24 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's very hard to get success in the same.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:28 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Genre more than once, so why don't we take focus on the preschool category and we we were like, why don't we do a show for preschoolers? And we said, what if we took the magical aspects of transformation that kids loved in Bakugan and they love in Transformers and why don't we bring it to a?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Preschool audience. And by the way, a preschool audience.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:49 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Because that is, you know, is it a good demo?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:53 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[For.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:54 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I don't know for toys.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:56:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's an incredible demo for toys. Very steady demo for toys, and no one had ever done anything with that play pattern for that demographic. So we put out this brief. Can you come up with a conceit or a story around transformation for preschoolers? We sent to the five different creatives around the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:14 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Build and we got back a whole bunch.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:16 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of interesting proposals.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:18 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And the one that we liked best came from the creator of Bob. The builders name is Keith Chapman, an incredible human being. And he came up with this great idea.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:28 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What was the idea? What was his concept?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So his his idea was it was called Robbie and the rescue pups. And it was this idea of these five dogs that each had their own personality. One was a fire dog. One was another construction dog, another one was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:45 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Police dog and they go out and they solve difficult situations that happen in the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:57:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Town. So he sends you this concept and it's not going to be called Robbie and the rescue dogs, correct? Because Robbie becomes writer later on, I think. Right. Correct. When you saw this concept, did you, did you all say this is it, this is the one.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:05 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, that's that's where we landed on. And we are, like saw it as having incredible story.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Special incredible character potential. And then we said, well, how do we figure out the transformation? And we said, well, it'd be magical if we put backpacks on the pups and the backpacks transformed. And what if their dog houses transformed into vehicles? And that's how we marry it up. So we have the transformation.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Plus, great story, good character, all that stuff mixed together. And we were like, let's let's move. Let's try.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:38 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And I think I think the show Paw Patrol debuted in in 2013 is that?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:43 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Right.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[2013.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:44 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And did it take off right?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:45 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Away it took off pretty quick.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:47 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[OK. But I will say this much is that the show got developed and refined over time also.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:58:54 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And through that, that concept, right, I mean you can do I remember the the you know the action figures like.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:01 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's everything. It's it's toys. It's stuffed animals. It's pajamas, it's lunch boxes. It's. I mean, I'm just scratching the surface, right, that it's endless. What you can do with a character that sticks.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:12](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yep.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:12 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, exactly. Right. I mean, there's that's the magic is when you have a character that kids love and trust and can relate to, then they'll want to spend time with them and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[In different form factors, so it definitely helped turn.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:26 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's hard to overstate how all those elements came together into this perfect match, because I believe that PAW patrol as a franchise is one of the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:39 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Biggest.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:40 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Toy franchises since Mighty Morphin Power Rangers.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:44 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yes is it is a.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:46 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Once in a lifetime, once in a generation franchise that that has exceeded.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[00:59:53 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All expectations and it's something that that we've worked towards, you know, originally had pop for five and we had pop for 10. You know we're coming on the 10th anniversary and now we have a motto which is Paul forever our job is to just keep it fresh exciting you know we just came up with the movie came out this past August the first time we did a feature.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:13 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Like the film animated film, and so that was a milestone for Paw Patrol. We're going to do another film in 2023. You know, we want paw patrol to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:22 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Be around for.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[For 100 years, you know it's it's our.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:25 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Mickey Mouse and what is it about a character?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:28 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That makes it enduring. And why does Mickey Mouse endure?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:32 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But not, you know, I don't know.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:35 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Garfield, who I watched when I was a kid or The Smurfs even. I mean, yeah, but The Smurfs aren't as big as they I don't think.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:41 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[There's as big as they were when I was a kid. I think a lot of it has to do with keeping them.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:45 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Relevant. You know if you look.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:46 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At let's say like franchise like Spiderman, they're always doing movies. They're and they're taking risks with.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:51 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Their movies, you look at Transformers, they did films and and.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:54 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They were really innovative with their films.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:56 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[They're so different from the cartoon that I watched as a kid.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:00:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah, so you know.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:00 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[So they're they're relevant and they're timely and I think that, you know, stuff, other franchises, they just.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:07 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Didn't keep things.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Fresh and kids, they can sense it. So it's I think that we're we're following that model.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:15 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[What do you think the value of that franchise is today, if you could put a?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:19 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Price.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:19 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[On priceless.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:23 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It's multi billion dollar franchise.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:27 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You decide to go public in 2015, so 20 years after you launch.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:33 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Imagine for a variety of reasons, one is to raise money, but two, you know to reap some of the rewards of which you you had built, is that the decision behind why you went public?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, it really wasn't the the real decision why it went public was to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:01:46 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Actually set the company up for success in the future. We felt that for the company to outlive the founders, it's best for the company to be in a public construct rather than a private company. It was like we knew we were getting a little bit older. Who knows what happens in the future and as an entity, it's not.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Reliant on three shareholders.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[At the end of the day.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:10 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You had this challenge with Bakugan, where it was accounting for 44% of your revenue and then when the sales went down, you took a hit and presumably you learned a lesson from that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:20 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But I have to assume that the PAW Patrol is still the biggest driver of revenue for the company. Is that fair to say?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[That's significant. That being said, after what happened in the downturn years, we became very conscious on diversifying our revenue. And so we went out, we bought a company called Swimways which specializes in in.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:41 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The pool we've got.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:41 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Suntory.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:43 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Floaties.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:43 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You're all floaties and it's counter seasonal. It's great and spring and summer.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:48 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You've got extra sketch, but we have a whole activity part of our business, which is etch A sketch. We also diversified into the Games business, so that's very stable recurring revenue. We bought a company called Cardinal in 2015. So we're a large manufacturer of.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:02:49 Speaker 3](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And just.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:04 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Puzzles and chess sets and poker chips and all that type.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:06 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Wow.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:08 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Of stuff.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:08 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It is and I don't mirrors upon head spinning, spin master's head spinning. To me the industry is head spinning to me. I have Vertigo.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:15 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Just things that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:16 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[All of the things that you're part of, 20,000 products, a media arm games, digital products, it seems like in this industry you just can't, you have to continue.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:28 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[To move, you cannot stop or else you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:31 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You die.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I think that's entertainment. That's the essence of the entertainment business, I mean.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I mean the way.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You describe it sounds like exhausting but but.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:39 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It does.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:41 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But I think at the same time, you know, the flip side is that it's exciting and it's exciting to work on new and fresh and to design stuff and to create stuff. And I think the creation process is, is, is where the magic is. You know, sometimes I wish we were just like A1 product company or 1, you know one idea but.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:58 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I think it would actually.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Be.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:03:59 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Boring. We just. It was just one product and and that was.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:02 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[It now that you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:05 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Decided to step down. I can't believe you.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:06 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I I'd like to I'd like to use. I like to use the word step up actually.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:10 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Step up OK.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:11 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Yeah. And I can't believe you were in the leadership position with the company for 25 years, a long time. You're still young. I mean, I think you're maybe close to 50 or just 50. That's great. You can still have a lot of time to enjoy your life. But I mean, man, I imagine that that was your thinking. You're like I'm done.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:29 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I did it, I can.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:31 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Play a different role in the company.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:35 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[No, that actually wasn't. That wasn't 100% the thing and it was the the cosio model that Anton and I had. And Ben, it traditionally is not a good model. So it's incredible that it lasted this long. And one of our biggest goals is for this business to live beyond the founders. And so this was part of.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:04:56 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The transition plan to enable that to happen, so we're very much connected to the business and and engaged and and want to guide and shepherd it into the future. We'll just guide and shepherd it differently.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:09 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Right now, when you think about this trajectory, you know you start this business with the pantyhose stuffed with sawdust.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:17 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Grass seed and turned it into a a $4 billion company.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:21 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Me.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:22 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[How much of that do you attribute to how hard the three of you worked and and and your intelligence, and how much do you think has to do with with getting lucky with with toys and products and ideas?](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:32 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I think we're lucky that we found each other. I think we're lucky the.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:35 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[People that decided to.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:36 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Join our company.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:38 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[The people that we been able to attract and partner with and people that wanted to take the the journey.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:42 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[With us, whether on Bakugan or Paw patrol and these partnerships, I think that's where the luck came in. And then you know, we put them in time.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:05:50 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[You know, have a saying. You know you don't go, you don't get. And we went out a lot. You know, Anton like, you know, he opened up all the offices in Europe. He you know he did all the sales with all the retailers managed all those relationships Ben was constantly going out meeting with the inventors going to their offices doing inventor trips.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:09 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[We did all that stuff.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:10 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[And the last thing I'd say is that we never blamed anybody for failure because it's too complex in our business. There's too many stakeholders. When you're doing creative things that you can blame one single person. So for sure, listen, the universe works in strange ways, and a lot of it is is out of our control.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:27 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[But we need to show up too at the same time, so it's it's.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:30 Speaker 2](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[A combination of both that.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:33 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Renan Harari, co-founder of Spin Master, by the way, Bakugan was discontinued in 2013. But after a major rebranding, it was brought back in 2019 with upgraded characters, a card game, and a new anime series.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:50 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Oh, and one other thing.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:06:51 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Next time you watch Paw patrol, pay close attention to 1 pup in particular Rocky. He's a mixed breed mutt with white paws and white Tufts of hair. Rocky is resourceful and handy and despises water, especially baths, and he happens to be modeled.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:07:12 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[I'm brunen harari.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:07:15 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

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[01:07:35 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[NPR and mine is at guide dot Raz. This episode was produced by Casey Herman, with music composed by Ramtin Erebuni. It was edited by Neva Grant with research help from Claire.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:07:46 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[Oshima, our production staff also includes Thera Safari, Liz Metzger, JC Howard, Julia Carney, Kerry Thompson, Elaine Coates and Harrison Vijay Choi. Our intern is Katherine Seifer. Jeff Rogers is our executive producer. I'm Guy Raz and you've been listening to how I built this.](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

[01:08:12 Speaker 1](https://1drv.ms/u/s!ACuE0Z-4JoB_gX4)

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