

Toy Industry Newsletter



November 2010 Edition

I. Business Opportunities

LOOKING TO ACQUIRE SMALL COMPANIES:

The Executive Search Group is currently looking for companies under \$2MM in gross sales who would like to sell their company. We currently have cash buyers who may be interested in your business. Please [contact David via email](#) if you are interested or know of someone who may be.

LOOKING FOR COMPANIES WHO WANT TO JOIN A CO-OP:

As reported in our last Newsletter we are looking to bring together small companies in an effort to achieve cost-saving synergies. We are facilitating the establishment of a Toy Co-Op. We are excited to report that numerous companies reached out to us and "*signed themselves up*". To make it work we do require more companies to join. There is no cost – rather, there should be expected cost savings in selected areas. If you are interested in joining a toy Co-Op please [contact David via email](#).

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II. Jobs Available

Engineering Manager – Chief of Fun – Virginia - \$90,000 + bonus

Located in the "South's #1 City To Live In" at the apex of the fish-superhighway (for you fishermen) is a land with unspoiled beaches and great golf. If you aren't into golf (and I hate it with a passion) you can hike, kayak or enjoy yoga on the beach at sunrise. The client is a segment-leader, stable and profitable and looking for someone to transform ideas into reality. Ideal candidate will have a ME or ID educational background and experience with CAD.

VIPP (Very Important Product Person) – CT - \$85,000 (or whatever you are worth).

Only the best and brightest need apply. Industry leader and "google-esque" (read as best) client is looking for smart Product Manager's who want to take their career to the next level, opportunity and salary-wise. Game-changing candidates only need apply.

Toy Product Inspector – QC Guru – Cranbury, NJ – \$60,000

If you want to make the world a better (safer for children) place, are extremely detail-orientated, passionate and able to & interested in working under your own supervision and managing your own schedule then this position is for you. Prior QC experience is preferred although not essential.

[Please email David](#) if you or someone you know might be appropriate for any position.



III. Does your Job Title Get the Job Done by Bill Taylor



Nobody does a better job than *The Economist* at skewering the excesses and absurdities of organizational life. In a recent issue, the magazine's Schumpeter columnist [took aim at the rampant inflation of job titles](#) in companies and governments around the world.

The winner, by a mile, was North Korean dictator Kim Jong Il, who, according to *The Economist*, has 1,200 official titles, "including roughly translated, guardian deity of the planet, ever-victorious general, and lodestar of the 21st century." Memo to President Obama: "Leader of the Free World" seems downright lame compared with "supreme commander at the forefront of the struggle against imperialism and the United States" — not to mention my personal favorite, "greatest man who ever lived."

Kim Jong Il can add King of Job-Title Inflation to his ever-increasing list of titles, but, according to *The Economist*, he's just a world-class master of a worldwide phenomenon. **CB Richard Ellis**, the real-estate giant, has not one but four different CEOs. The c-suite in general is getting bigger and bigger, as Chief Information Officers welcome in Chief Knowledge Officers and (at **Kodak**) a Chief Listening Officer as well as (at **SAP**) a Chief Sustainability Officer. Even lower-ranking employees are getting loftier-sounding titles, from "sandwich artists" at **Subway** to cleaning companies who employ "sanitation consultants." **Ernst & Young**, the accounting giant, employed a 20-something consultant in the role of Minister of Comedy. His job was to prepare videos and presentations for big client meetings that made the firm's dry-as-dust work easier to swallow. One fast-growing telecom company chose to call the receptionist at headquarters its Director of First Impressions, to reinforce how seriously this tech-driven outfit was about the quality of its emotional and psychological to customers, suppliers. One videogame developer looked to its Chief Acceleration Officer to search for ways to slash development times and turn the organization into a, well, faster company.

It's easy to make fun of these titles, but when we talked to the people who held them, you could feel their sense of ownership of, engagement with, and excitement about their jobs — and the offbeat titles that described their jobs. Their work truly mattered to them, and how their work got described to the world mattered as well.

A few years back, I spent a lot time at a fabulous company called **Cranium**, which designed and sold some of the most popular board games in history. This outfit was obsessed with how it designed its products and how its creative vocabulary and its values-based culture connected with customers. The acronym behind everything it did was CHIFF: Clever, High Quality, Innovative, Friendly, Fun. So it made sense that one of the most important leaders at the company held the title CHIFF Champion — her job was to make sure that every element of the product-design process embraced the CHIFF sensibility. Another critical title at the company was that of "Keeper of the Flame" — an executive who looked after the strategy and the culture to make sure that as Cranium grew, it remained true to the values on which its success was built.

So the next time you meet someone with a slightly offbeat job title, feel free to raise an eyebrow. But then take a moment to look deeper. Maybe that unique title does a good job of capturing something special about the company this person works for or the job he or she does. And think about your own title: Does it get the job done in terms of describing what you do and how you want to be known? Indeed, maybe it's time to create your own Job Title of the Future. Just don't go with "greatest man who ever lived", I'm hoping to license North American rights from Kim Jung Il.

IV. Interview with an 'Average Joe'

We make and sell toys to children so I find it informative to know what kids are thinking and doing; I guess you could consider it the most elementary form of market research. During my last flight I had the opportunity to meet an 11-year-old boy named Joe who seemed like an average kid. Being average was of course was the perfect reason to interview him. This "average kid" lives in New Jersey with his mother (she works in sourcing for a fragrance company), his father (who is a building inspector) and his 15-year-old sister.

Joe's answers shouldn't be a surprise to you. We are losing the war to electronics and Joe's love of his X-box should be a clear indication of our lack of traction with the youth of today. Joe was confident and gave careful thought to his answers. See below our questions and Joe's answers:

Our Questions	Joe's Answers
What are your favorite television shows?	Drake & Josh , Vampire Diaries
What is your favorite TV network?	Nickelodeon
What are your favorite websites?	Facebook(games)Youtube(humor)
What is your favorite activity?	Hanging with friends.
What is your favorite toy?	Xbox
What is your favorite toy (non-electronic)?	Air Soft Gun
What is your favorite movie?	Wanted
What was the best gift from your last birthday?	Nerf Gatling Gun
What is on your Christmas list?	Xbox games

I asked the pensive child "how old should a kid be when he should stop playing with toys (non-electronics)" and his answer was quick "8 years old" he said. I then asked "what toy of his was important enough in his life that he would like to pass it down to his children?" Joe gave pause and then said, "My Xbox". I asked Joe "who is his favorite celebrity?" and without pause he smiled and said, "Meghan Fox". I must admit this was the biggest surprise as Joe was wearing a WWE shirt with John Cena on it. Joe did own a cell phone and loved to text and download ringtones although he did not purchase music to listen to nor was he interested in a MP3 player.

Joe asked why I wanted to know his interests and I said so we can make better toys. Joe said, "That's good because if you made better toys me and my friends would buy them and play less video games". We're trying Joe...believe me, we're trying.



V. The most popular things in America today by David E. Fitzgibbons, CPC



Do you want to know what the most popular things in America are? Of course you do and we'll tell you. Sure we could list them, but how boring would that be? Instead we laced them into a story (see red for America's most popular "things").

Detective Conway was nursing a **Smirnoff** on the rocks at **Hartsfield-Jackson Airport** in Atlanta when he was approached by a uniformed officer; a dead body had been found and his help was requested. Concerned about any smell of alcohol Conway took a stick of **Orbit chewing gum** out of his tattered overcoat and tossed it in his mouth. He approached the body, that of a young woman, and began his investigation. He observed she was wearing **Nike athletic shoes** and had a bouquet of **red roses** nearby. An airline ticket in her pocket said she was on her way to **France for vacation** but her plans got ruined. Conway noticed she wore **Colorstay lipstick by Revlon** and smelled of **Secret deodorant**. The grizzled detective opened the young girl's purse and found she worked at **Wal-Mart** as a **Retail Sales Clerk**. She had a **Labrador Retriever** with a collar that read "**Max**". He also found a pack of **Marlboro Red Cigarettes** and a bottle of **Vicodin** for a recent **knee surgery** (sports related). He found the keys to a **Chevrolet Camaro** and picture of it on her keychain, the **car was white**. He saw that the car was insured by **State Farm** – he wondered if she was insured as life insurance money is often a likely motive in murder...if it was murder. When Detective Conway saw her ID, he knew the stakes had been raised. This girl was the great-great granddaughter of Herman Lay the potato chip king. With nearly \$1 Billion dollars per year in sales of **Lays Potato Chips** Conway knew this case was going to get lots of attention. Conway had worked the death of the niece of the second cousin to the **Honey Nut Cherrios** fortune and he knew how "delicate" a high-profile case can be. The Chief of Police stormed on to the scene and strode up to Conway, "*Well Detective...what is your theory? Was it murder?*" Conway stood up from the body and replied, "*No Chief, it was an accident. From the evidence it appears the potato chip heiress was trying to open her jar of JIF peanut butter when she dropped her banana, the top selling item at Wal-Mart where she worked, slipped on it - and died when she hit the floor.*" "*Death by peanut butter and banana...what a senseless way to die*" said the Chief. "*Absolutely*" said Conway. THE END.

[Information on "popular items" courtesy of **Business Week**; the story is all **ToyRecruiter**. Now if you think you can write a better story using America's most popular things have at it and send it to us, we just might publish it.]

VI. Ask Dave



Dear Dave - I read in a recent issue of **Inc.** magazine that a 23-year-old college student invented "gluten free" modeling clay called "**Soy-Yer Dough**". In the article it mentioned that **Hasbro** offered the student \$500,000 plus royalties for the innovative dough. My questions are why in the world does Hasbro even want the product? How big is the market for gluten free dough? Why such a big advance (\$500,000) against royalties? If there is a market out there why doesn't Hasbro just make "soy-doh" themselves? What am I missing in this story?

Dave Says: I read the story and was surprised myself. I spoke to unnamed sources from within Hasbro who tell me "*...this story is a myth*". There are numerous children who are sensitive to gluten and who may be negatively affected by Play-Doh as gluten is a component in wheat. [Play-Doh is primarily made up of water, salt and wheat flour].

However, the general consensus among those I spoke to was that soy too *"has similar issues with regards to allergies"*. Personally I don't think Hasbro is interested in chasing this niche market and I really doubt they offered half a million dollars to the inventor.

The inventor of Soy-Yer Dough, **Sawyer Sparks**, appeared on **ABC's Shark Tank** in 2009 where he appeared to ink a deal for \$300,000 in exchange for 51% of his company. Both the Shark Tank deal and the *"reported"* Hasbro deal were killed because both parties wanted to manufacture Soy-Yer Dough overseas – a *no no* for the young inventor. At present it appears Sawyer is making up large batches of the dough and selling it on his website. A 6 ounce container costs \$1.99 plus shipping and any applicable taxes.

Dear Dave: You told me on the phone the other day that salaries were down significantly in the toy industry but a recent article in the **Wall Street Journal** said wages in the US were only down a few percent. Who is right, you or the esteemed Wall Street Journal?

Dave says: We're both right. Nationally wages are down only a few percentage points although the **WSJ** is **not adding in bonus compensation** when they reference "wages" (i.e. "salaries"). Do you think the CEO's and brokers on Wall Street are making a few percentage points less in "total compensation" this year than last? Not a chance. C-level compensation is approaching its highest levels ever and Wall Street is so steeped in cash I heard brokers are consumed with buying large quantities of physical gold, as they themselves have little faith in the stock exchange they plunder. But I digress.

What about the toy industry? Wages are down and in some companies **wages are down significantly**. I know firsthand of incoming salaries that have been cut 50% or more and I personally know of numerous people who have accepted pay reductions as forced on them by their employer.

There are three factors that apply to the reduction in wages we are seeing. First is the market. It is clearly a "buyers market" with more available people than jobs. The second factor is the perceived importance of talent within a given industry. Most toy companies don't place a high worth on talent and feel that talent is easily replaced. That is counter to the extreme importance placed on talent at companies like **Google, Microsoft, Facebook**, etc. where they feel the employee brings a skillset so unique and powerful that s/he has intrinsic value. Last are the "values" of the company where "values" are defined as "principles". There are far too many companies that will take advantage of employees today and gladly accept the high turnover and acrimony associated with such tactics only to happily replace the lost employees on a regular basis. These companies are at the vanguard of predatory salary negotiations. Salaries are down in our industry and there are hundreds, if not thousands, of people in our industry who can verify that – ask around.

VII. ToyRecruiter.com

Visit and bookmark the most important webpage in the industry, our [CURRENT JOBS](#) page.

VIII. Feature plush Concept Available – Patent Pending

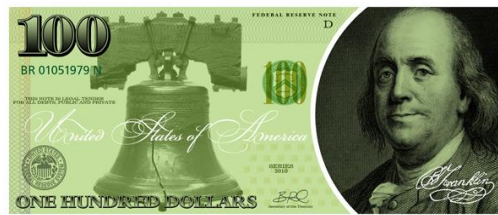
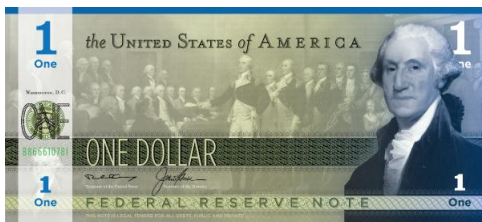
One of our inventors has created and a unique feature plush item (patent-pending). It is difficult to come up with plush items that are unique enough to captivate the market yet aren't too complicated or byzantine to manufacture. I like this item and you need to see it.



Please [email David](#) to review this unique plush item.

IX. Innovation Alert – Dollar Redesign Project

Since the government seems to like changing the look of our money on a regular basis at least they could add a little panache into the design; being such a small canvas however, that is a difficult task. Richard Smith developed a website [The Dollar Red\\$ign Project](#) where he showcases unique redesigns of our nation's currency. If you appreciate an artist's ability to create beautiful art in the form of a greenback you should review his [site](#). See below some examples from the site.



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