

## Chapter Four

### *The Toy Biz*

Once again, nothing especially qualified me for this job except now I could claim to be a veteran of the agency business. (It only takes a couple of years to become a veteran in advertising. You can face almost every basic situation in that time and determine for yourself if you're any good at it or not.) Now, I realized that the account hardly mattered in most cases. The skills required: be able to think, be objective, be strategic, be organized, keep projects moving along as painlessly as possible, and be smart enough to learn about the category, competition, and nuances of the client's business.

I was a natural. I was like Tom Hanks in the movie *BIG*. By this time my own kids were old enough (young enough) for me to have a built-in test lab in my own household. But the best thing about it was that I had a real affinity for new products and new product development. (I should say I liked it. That doesn't mean I was any better than anyone else at picking winners over losers.)

The account was divided into core business and new products. This isn't too unusual for a toy company. The Toy industry is constantly on a quest for the next big deal. Success stories like Teenage Mutant Ninja Turtles, Cabbage Patch Kids, Trivial Pursuit, Rubik's Cube and a hand full of other blockbuster products are fairly rare when stacked against marginal and losing toy product introductions. Toy companies, are obsessed with finding the next gem. It was your "core" dependable sales that generally financed this quest. In the case of Matchbox, it was diecast miniature vehicles (cars and trucks) that paid the way for the new product research and development.

The "core" business at Matchbox was a brisk and healthy business. The diecast miniature vehicles are a basic staple product and usually sold for about a buck each at retail. The problem was Mattel's Hot Wheels had been stealing market

share of the diecast miniature segment since the 70's. Others, notably Lewis Galoob Toys were gaining with an even smaller scaled product called Micro Machines. Matchbox felt they needed to use the profits to fund other new products.

Licensing “intellectual property” from TV, Movies, books, comic books and other sources had become a popular hedge against product failure. By using “borrowed interest” in characters and story lines, Toy companies could capture the imaginations of their audience faster. Licensing is one way toy-makers seek to reduce the risk of tooling-up and creating a line of toys. But this is still a guessing game. Matchbox was involved in a number of Licensing agreements and negotiating dozens more. In addition to licensing, the R&D people at Matchbox explored relationships with dozens of toy designers and inventors. They also had an in-house staff of specialists in manufacturing and buying overseas in places like Macao on main-land China.

They treated me as an extension of their marketing department because they were short-handed. (They intended to stay that way until they could manufacture a few hit products.) It was a pressure filled situation for all involved. People in the toy business thrive on the stress just like people in advertising agencies thrive on the anxiety associated with coming up with the next breakthrough advertising campaign. I was loving it. And I was, in relative terms, successfully leading a high profile account.

### **Show Room Pitch (Media flowchart vs. The Buy)**

I became a part of the annual ritual known as The International Toy Fair in New York. This extravaganza takes place in New York every February. It has since the early 1900's and is something of a tradition for toy companies. The idea is to impress retail chain buyers with new products (often presented in prototype form) and dazzle 'em with advertising and marketing plans. The agency was intimately involved in the assembly of props and visual aids including giant flow charts of media plans. (This media would only run if the buyers from

Toys R Us, Walmart, K-Mart and other retailers show enough confidence in the line to place advance orders.) The tradition continues today but the number of toy companies is shrinking. The Toy industry is consolidating. (Matchbox has since been acquired by Tyco Toys which was later acquired by Mattel.)

This was fast-paced, fun, and challenging. I was just 30 years old and I managed to get promoted to Account Supervisor on a great account. It was a great account because it was all about fun, all about creativity. The title of Account Supervisor was more recognition of my contribution to the business than any real improvement in ability, status or salary. I always considered this promotion to be a “battlefield” promotion. I had ridden a difficult, demanding, high profile account and lead it successfully. I was having lots of fun the whole time. I was promoted with some fanfare at the famous New York Steakhouse, Smith and Wollensky’s (affectionately known to some of us at the agency as Smith and Expense-sky’s.)

I was proud to have earned the promotion. I was especially proud of how I earned it. It wasn’t a condition of employment. It wasn’t a token bone thrown to a loyal employee. It was recognition of 1.) Saving the business at least once and 2.) being the “go to” guy on a difficult account. All was going well now. I was on top of the world in the land of Toys.

As I mentioned earlier, “The only constant is change.” Sawdon & Bess was owned by a big agency known as Ted Bates, a giant packaged goods agency known for some of the world’s most inane memorable advertising. Ted Bates was sold to Saatchi & Saatchi, a growing colossus of a holding company for advertising agencies. Saatchi & Saatchi had just found the key to making the agency business profitable. Going public in a big way, they’d buy agencies from people who had ownership by virtue of sweat-equity and turn it into the kind of equity you can buy and sell in the form of Saatchi & Saatchi stock.

Suddenly Sawdon & Bess was caught up in this paper chase and became a pawn in the agency shuffle to show attractive quarterly earnings. Some genius bean-counters at Saatchi &

Saatchi decided that Sawdon & Bess could merge with other agencies they controlled. So Sawdon & Bess became a part of a larger entity known as AC&R/DHB & Bess. (It really rolls off the tongue doesn't it? How would you like to be the telephone receptionist at this place?)

I moved into the offices with the newly merged agency at East 32nd Street. The culture of three unique agency environments forced to live together and the unfortunate consequence of Matchbox becoming a less important account in the newly merged concern, led to my inevitable exit.

A headhunter's call with news of an opening at the front lines of the cola wars was too intriguing to pass up, especially since it seemed to me seemed like a fine agency and a cool assignment. AC&R/DHB & Bess was going to mess it up without me, thanks. (My battlefield promotion was yesterday's news. Just another chapter in the roller-coaster business of advertising.)