

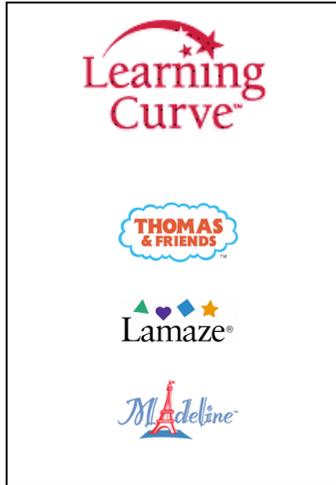
# Redesigning Corporate Strategy is More Than Child's Play

## Engagement Date

August 2000

## Client

Learning Curve International, Inc., a \$75 million (in 2000) children's educational toy company.



*"The MERIDIAN ASSOCIATES' approach was focused and action-oriented. There was no unnecessary window dressing. It resulted in a new clarity about the future direction of our firm, and buy-in from the team. The enthusiasm around here now is palpable."*

*John Lee, President  
Learning Curve International, Inc.*

## Situation

Learning Curve International, a children's educational toy company launched in the early 1990s, had grown quickly, to a revenue base in excess of \$75 million by fiscal year end 1999. By mid-year 2000, it was clear that the strategy that drove the company's early success was no longer working and that the path to future growth would be much more challenging. Of special concern was that sales growth from the company's core distribution channel — specialty toy retailers — was rapidly leveling off. As a result, Executive Management was pursuing multiple new growth opportunities.

## Challenge

Several members of the company's Executive Committee perceived that recent corporate investment decisions, intended to support new opportunities, lacked focus and that there were no clear priorities for the future. In the words of one Executive Committee member: "There have been too many knee-jerk reactions around here in the past six months; we need to step back and take a hard look at what we're doing."

## Approach

MAI established objectives and identified resulting deliverables for this client engagement. Objectives were accomplished using a uniquely-effective MAI process that included:

1. Preparation of an industry situation brief and company financial analysis by client personnel with MAI direction
2. Team completion of an MAI-designed Strategic Issues Questionnaire
3. Participation by the client Executive Committee in an Offsite Team Strategy Session, structured and led by MAI

## Results

Results included client Executive team agreement to:

- Corporate financial goals for three years (through 2003)
- A Three-Year Statement of Corporate Focus
- Three specific growth Initiatives, one of which framed the company's move into a wholly new distribution channel, the mid-tier mass market, a channel that became vitally important three years later as specialty toy chain retailers disappeared

*"The Meridian people were able to draw out the essence of what we need to accomplish as a company. The fact that they were also able to help us achieve consensus among our 10-member Executive Committee was remarkable, an added bonus."*

*Dick Rothkopf, Chairman  
Learning Curve International, Inc.*

## PostScript

In March 2003, Learning Curve International (LCI), having delivered approximately \$130 million in top-line revenue during its prior fiscal year, was acquired by Racing Champions Ertl and the combined entity was re-named RC2 Corporation.

The growth strategy partnership between LCI and MERIDIAN ASSOCIATES had begun in 1998 when LCI revenues were "stalled" at \$54 million. This MAI Success Story describes one of 16 total MAI engagements with Learning Curve International between 1998 and 2003.

## Summary

MERIDIAN ASSOCIATES INC. (MAI) worked with the full LCI Executive team to craft a new Three Year strategic direction for the organization.

Successful execution of that new direction by LCI, with assistance from MAI, was then instrumental in attracting the attention of RC2 Corporation.

To find out more, please contact MERIDIAN ASSOCIATES INC. at **312-335-8050**

Or visit us on the web at **[www.meridianAi.com](http://www.meridianAi.com)**