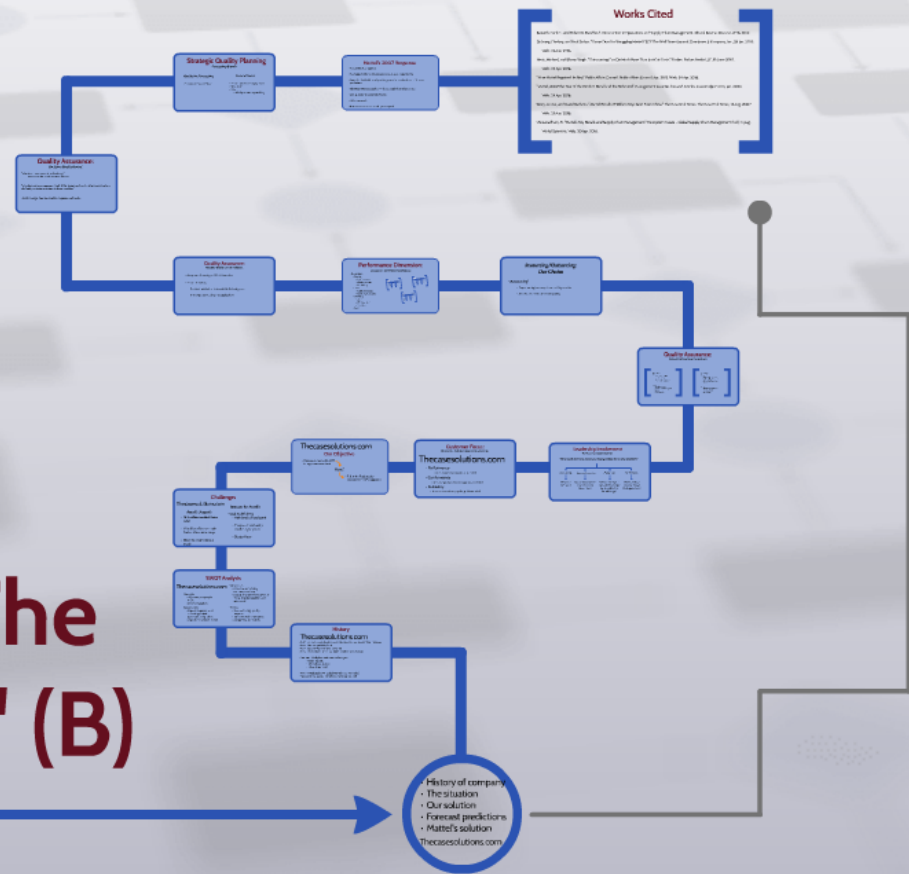



James Madison and "The Business of May Next" (B)

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- 
- History of company
 - The situation
 - Our solution
 - Forecast predictions
 - Mattel's solution

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History

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- 1945 - Mattel founded by Ruth and Elliot Handler and Harold "Matt" Matson
- 1960 - Became publicly listed
- 1965 - Became Fortune 500 company
- 1972 - Restructured into 7 subsidiaries under 1 main division

- 70s-90s - Multiple acquisitions and mergers
 - Corgi Toys Ltd.
 - International Games
 - Fisher-Price (1993)

- 1997 - Introduced GMP (Global Manufacturer Principles)
- Popular items: Barbie, Hot Wheels, American Girl doll

SWOT Analysis

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Strengths:

- Largest toy company in world
- Variety of products

Opportunities:

- Expand/Improve use of technology in both operations and products
- Expand international market

Weaknesses:

- 65% of manufacturing outsourced to China
- 200 quality control employees in Hong Kong BUT positions not permanent

Threats:

- Demand for high quality, low price
- Power of retailers over prices
- Competitors (ie. Hasbro)

Challenges

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Recalls (August):

- 18.2 million recalled items total
- 1.5 million Chinese made Fischer-Price infant toys
- More than half Chinese made

Reasons for Recalls:

- Quality deficiency
 - High levels of lead paint
 - Chance of swallowing small magnet parts
- Design flaws

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Our Objective

- Improve & ensure QUALITY
to regain customer trust

How?

- Follow the Total Quality
Management (TQM) Approach

TQM

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1. Customer Focus
2. Leadership Involvement
3. Continuous Improvement
4. Quality Assurance
5. Employee Empowerment
6. Supplier Partnerships
7. Strategic Quality Planning

Customer Focus:

Dimensions that are important to customers

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- Performance
 - Does the product operate as intended?
- Conformance
 - Does the product meet appropriate standards?
- Reliability
 - How often do failures/quality problems arise?