a wide range of skills, each playing a key role in the overall success of the company. Within that core of employees, top management selects two people with the strongest potential. One of these people focuses on sales and marketing, while the other takes over management of IT, personnel, finance, and operations. Mike believes that the knowledge and skills of these key managers are an important part of what gives Sigma its edge.

One of Sigma's many strengths is the ability to understand market opportunities and to develop and continue to adapt its strategic focus. As the environment changes, Sigma gathers information from existing and potential customers to develop the most effective marketing strategy. For example, as more companies become concerned about sustainability issues, particularly renewable resources, Sigma has responded. In 2008, Sigma became a Chain-of-Custody (CoC) certified company—a designation that ensures the integrity of the paper supply chain (forest to mill) by certifying that the paper used by Sigma comes from responsibly managed forests. The company is also working on becoming certified with the Sustainable Forestry Initiative and the Program for the Endorsement of Forest Certification. Chain-of-Custody certification is a response to the demands of Sigma's customers and the company's own desires to reduce their environmental impact.

In the future, there will be new challenges, including the changing environment related to technology, communication, and methods of advertising. So far, the desktop calendar has not been replaced by potential competitors like Google or other specialty advertising methods. However, Sigma's team is aware that the industry is constantly changing, and that to survive, the company must adapt. Above all, Sigma holds a philosophy of always being prepared. In the words of Mike Sapit, "The future is bright."

Questions for Discussion

1. Discuss potential key changes in technology, communications, and competition that Sigma will face in the future. Which will have the most impact on Sigma's future marketing strategies?
2. Prepare a SWOT analysis for long-term strategic planning at Sigma Marketing.
3. Suggest some possible strategic initiatives that Sigma could pursue to continue its growth.

Sources

The facts of this case are from the personal knowledge of the author; "Chain-of-

Mattel: Overcoming Marketing and Manufacturing Challenges

CASE 7

Synopsis: *As a global leader in toy manufacturing and marketing, Mattel faces a number of potential threats to its ongoing operations. Like most firms that market products for children, Mattel is ever mindful of its social and ethical obligations and the target on its corporate back. This case summarizes many of the challenges that Mattel has faced over the past decade, including tough competition, changing consumer preferences and lifestyles, lawsuits, product liability issues, global sourcing, and declining sales. Mattel's social responsibility imperative is discussed along with the company's reactions to its challenges and its prospects for the future.*

Themes: *Environmental threats, competition, social responsibility, marketing ethics, product/branding strategy, intellectual property, global marketing, product liability, global manufacturing/sourcing, marketing control*

It all started in a California garage workshop when Ruth and Elliot Handler and Matt Matson founded Mattel in 1945. The company started out making picture frames, but the founders soon recognized the profitability of the toy industry and switched their emphasis. Mattel became a publicly owned company in 1960, with sales exceeding \$100 million by 1965. Over the next 40 years, Mattel went on to become the world's largest toy company in terms of revenue. Today, Mattel, Inc. is a world leader in the design, manufacture, and marketing of family products. Well-known for toy brands such as Barbie, Fisher-Price, Disney, Hot Wheels, Matchbox, Tyco, Cabbage Patch Kids, and board games such as Scrabble, the company boasts nearly \$6 billion in annual revenue. Headquartered in El Segundo, California, with offices in 36 countries, Mattel markets its products in more than 150 nations.

In spite of its overall success, Mattel has had its share of losses over its history.