

RICHARD GOTTLIEB'S
WHAT'S NEXT

TOPLINE SOLUTIONS TO YOUR BOTTOM LINE CHALLENGES



Richard
Gottlieb
& Associates

www.usatoyexpert.com
richard@usatoyexpert.com

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Richard Gottlieb & Associates, LLC

provides business development services to the consumer products industry. Contact Richard today to learn more about his out of the box thinking and services, such as:

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Richard Gottlieb & Associates
richard@usatoyexpert.com
646-344-1864
www.usatoyexpert.com

What's Next in 2008

For those of you who have been reading my blogs, you know that I see three issues as pivotal for how the toy industry fares in 2008: Time, Cost and Mood.

Timing could be a major factor in 2008. Chinese manufacturers and US toy companies are going to be taking extra care to make sure that everything is safe. This means extra time. On top of this, the United States (it's an election year) and Chinese (it's an Olympic year) governments are going to feel compelled to take some conspicuous action. Finally, there are fewer toy manufacturers in China to do the work. The Chinese government has been shutting down factories, so this means fewer factories trying to turn out the same amount of work that was accomplished last year.

Fewer factories taking more time to do the work could mean lots of products trying to make it into the US at the same time. This could mean that some products won't get made and those that do, may not make it to market in time. So, this year, the message may be that the earlier you can go into production the better.

Costing could be a factor because between inflation and the floating of the Yuan against a weak dollar means those prices are going up. The decrease in factories could also be a factor because the fewer the number of competitors to do the work the less the competition; the less the competition the higher the prices.

Mood is a concern because, as John Maynard Keynes said, "animal spirits" play a vital role in the success of any economy. "Animal spirits" are the sense of excitement that people get when they think they have a great product or that business is going to be good. If "animal spirits" are in play, more money is invested, new technologies are tried, and new fads take off. Toy companies and retailers are coming off of a trying year. A decision to cut back on plans for 2008 could create the self-fulfilling prophecy of another weak year. Reps are the canaries in the toy industry coal mine, so take time to ask them what they are hearing. They can give us all an early read on what kind of year it could be.

I will be tracking these developments and will keep you posted on what I see and hear over the coming months.

Free Brainstorming Session

I am available to do five, free, half hour brainstorming sessions during Toy Fair in New York. If you would like to meet with me for one of these sessions, please email me at: Richard@usatoyexpert.com

"Out of the Toy Box" Blog

As you may already know, my new blog debuted on Playthings website last month. "Out of the Toy Box" offers a unique and sometimes humorous, look at the toy industry. Click on the links below to see posts or visit www.playthings.com.

- [Hong Kong: Day 4](#)
- [Hong Kong: Day 3](#)
- [Hong Kong: Day 2](#)
- [Hong Kong Day 1](#)
- ["When everybody knows that something is so, it means that nobody knows nothin"](#)
- [Things to watch for in 2008](#)
- [What really happened in 2007!](#)
- [2008: Big Challenges](#)
- [The Gift Card Conundrum](#)

Richard In the News

Below are links to some stories that you may find interesting.

Tenacious about Toys Kits & Kaboodle founder back at it with Mass Ave store

*By Michael Dabney, Indianapolis
Business Journal*

[[Click here to read full article](#)]

<http://cms.ibj.com/ASPXPages/6iframes/FrontEndArticlesDetailPage.aspx?ArticleID=08264&NoFrame=1>

INDIANAPOLIS
BUSINESS JOURNAL

Chinese toy backlash may boom to United States

*By Michael Lauzon, Plastics & Rubber
Weekly*

[[Click here to read full article](#)]

http://www.prw.com/homePBP_NADetail_UP.aspx?ID_Site=818&ID_Article=24082&mode=1&curpage=0

PRW.com



A Note from Richard

If for any reason, you do not wish to be emailed a bulletin in the future, please email us back and we will take you off the mailing list (richard@usatoyexpert.com).

Those of you who do welcome this information are invited to share your responses with me. Also, please let me know any areas that you would like to see explored in the future.

All the best,
Richard Gottlieb