

Alan Bennie and Nick Austin of Vivid Toy Group were the recipients of the 2012 BTHA Lifetime Achievement Awards.

### **Nick Austin**

Nicholas John Austin was born in the small rural village of Albrighton in Shropshire in 1957, where he spent his early years engaged in his love of sports such as football (still a Wolverhampton Wanderers fan), cricket, squash, tennis and table tennis. Today he is more likely to be found on the golf course or tennis court. Nick confesses that his early academic record was not inspiring - however he set the record straight when he went to Portsmouth Polytechnic and graduated in 1979 with a 2:1 in Business Studies.

He then set off on a summer hitch-hike around California and Canada coming back to the UK to a graduate traineeship with the British Steel Corporation in Sheffield. Nick was initially employed in the Industrial Relations Department which was unfortunate timing as there was a long running steel strike at the time he joined. After two years at British Steel, latterly working as a production supervisor in the steel rolling mill, Nick became totally disillusioned with working in a strike prone, failing nationalised industry. He joined Proctor and Gamble as a salesman in the West Midlands at the age of 24 and launched his sales and marketing career. Within 18 months he was at the beginning of his illustrious toy career, joining Palitoy in a junior sales management role.

For the next two years Nick sold Star Wars, Care Bears, Airfix Kits, Meccano and Action Man. Despite several rapid promotions he decided to leave Palitoy to join Matchbox Toys in Enfield in 1985 as a Marketing Manager. Nick joined the British Toy and Hobby Association Council in 1992 and became the youngest ever Chairman aged 39. Nick served as BTHA Chairman from 1998 to 2000. He was President from 2007 to 2011 and is the current Chairman of the Toy Trust Charity, having been a founder member 20 years ago. Now living in Haslemere, West Sussex, Nick is married to Kate with two teenage daughters - Saffron and Daisy, three dogs and three ponies.

### **Alan Bennie**

Edward Alan Bennie was born in the small town of Kilwinning, Ayrshire on Scotland's west coast in December 1955 and enjoyed an active childhood dominated by football and rugby. He also loved collecting Matchbox cars; little did he know that one day he would play such a vital role in revitalising the Matchbox name. After his Highers, Alan applied for a place on a new accountancy degree course at Glasgow College of Technology, now Glasgow Caledonian University, and enjoyed his student years immensely, managing to emerge as a fully fledged accountancy graduate.

Following graduation Alan moved south and, in September 1977, aged 21, joined Lesney Products as a graduate trainee in finance. Alan's first accommodation comprised a sleeping bag on a friend's floor in Tottenham - the first of many North London associations which unfortunately led to a lifelong addiction to Tottenham Hotspur FC. Lesney, manufacturers of the iconic Matchbox brand, were a major force in the toy industry, employing over 14,000 people in various locations around east London, Essex and Kent. This area was a hot-house for many British manufactured toy brands of the time including Airfix, Corgi, Sindy, Meccano, Hornby, Spears, Waddington's, Brittains, Tri-ang and

Scaletrix. Alan's plan was to stay in the toy industry for two years, gain some experience and move on. However, two years has turned into thirty five years and still counting. Alan made rapid progress within Lesney and at the age of 26 he was already the UK Financial Controller. Lesney found it increasingly difficult to operate successfully as a UK manufacturer and on the same day that Alan and his wife Sara were buying their first house Lesney went into administration.

Post receivership, and now under the ownership of David Yeh, Matchbox was still struggling to find a profitable business model. Despite relocating manufacturing to the Far East, it was still burdened by a heavy management and overhead structure and a failure to maximise its strong core brand. In 1985 Alan was still working for Matchbox when they recruited Nick Austin from Palitoy and the beginnings of an exceptionally successful partnership began. Alan is a long term supporter of Great Ormond Street Children's Hospital and has an active involvement in a number of its leading fundraising initiatives. Alan lives in Petworth, West Sussex, and is married to Sara with three children in their twenties – Claire, James and Tom.

### **WORKING TOGETHER AT MATCHBOX**

Matchbox UK was still losing money three years after the Lesney receivership of 1981. In an attempt to change things around the management team was restructured several times in a short period of time. Newly appointed, California based CEO, Tom Kalinske, persuaded Nick to stay with the company and took a big chance on 29-year-old Nick Austin as the new Matchbox UK Managing Director, with 30-year-old Alan Bennie as the Finance and Operations Director. The close working relationship had really begun.

Nick and Alan's remit was very quickly extended to include Matchbox's other European businesses. They faced up to some major restructuring processes including the transition of loss-making operations in France and Spain into successful distributor operations. From 1987 onwards, Matchbox's European performance was transformed, become profitable in 1988 and then delivering profit and significant growth in each subsequent year until the acquisition of Matchbox by Tyco Toys in 1992.

This was the start of an unbroken run of twenty four years (to date) of consistent profitability for Matchbox and then Vivid under Nick and Alan's management...quite an achievement in such a volatile industry and over such a long period of time. Nick and Alan also quickly realised that their unique chemistry and complimentary skills was a potent combination. By now the team that would work with Nick and Alan at Vivid was being assembled through their close working relationship at Matchbox including Neil Bandtock, Nigel Holmes, Nick Thomas, Tom Beach and Mike Arenstein. All of whom would subsequently invest in the new venture of Vivid Imaginations.

As the Matchbox European business prospered, Nick and Alan were given increasing autonomy by David Yeh and Tom Kalinske. As Alan says, "In retrospect, this was a great rehearsal for running Vivid". They persuaded the Board that the relaunch of Gerry Anderson's 1960's TV series, Thunderbirds, was a toy license worth investing in. Thunderbirds was a massive hit in 1991 with the iconic toy of the 1990's, Tracy Island, becoming Toy of the Year and featuring on BBC's Blue Peter allowing children who could not get the actual toy to make their own out of cardboard, washing up bottles and sellotape.

In the summer of 1992 USA toy maker Tyco acquired Matchbox and immediately started to consolidate its business into New Jersey. Neither Nick nor Alan wanted to work in the USA and both of them were approached to take high level corporate jobs, both within and outside of the toy industry. However the desire to start up a new business and continue the entrepreneurial journey was too strong for them to accept any other offers.

## **THE VIVID STORY**

Vivid Imaginations began life on September 15th 1992 with Nick working at his kitchen table pulling together the initial product line. Alan, who was now serving his notice at Tyco, burned the midnight oil with Nick creating the business plan. These were tough times; the UK economy was in recession and the Sterling to US Dollar exchange rate was declining rapidly, placing significant strain on the new company's financial plan, which caused many sleepless nights for the pair and for Alan in particular with three young children.

Nevertheless, Nick and Alan ploughed in all their savings to put up £340,000 of equity. The Midland Bank were finally persuaded to match this with a rolling overdraft facility and in year one Vivid sales reached nearly £10 million, a staggering five times higher than the original plan ... a fantastic achievement with so little capital. Sara and Kate's plans to steer the Bennie and Austin households through a lengthy and severe austerity drive were thankfully short lived.

Within the first few weeks of Vivid's launch Nick recalls flying to Hong Kong with some badly drawn sketches of the proposed Captain Scarlet product line. He met with Matchbox ex-pats Peter Olson and Eddie Myson whose Kowloon-based company Drumwell would become Vivid's sourcing agent and engineering team for many years. Vivid's first office opened in January 1993 above a hi-fi shop in Enfield with just five team members, one fax machine and four second hand desks. The first year product line, revealed at the Earls Court Toy Fair in January 1993, included Koosh Balls from Oddzon Products in California (now run by ex- Matchbox Executive John Barbour) and the action figures and vehicles line for Captain Scarlet, which was to be re-launched on BBC2 in the autumn of 1993 and became the must-have toy line of that Christmas.

Still with only five employees after nine months, Paul Weston joined from Toys R Us as Marketing Director , to be subsequently followed by International Sales Director Jonathan Busher and Financial Controller Simon McIntosh. Vivid went from strength to strength in the next few years with Puppy in My Pocket, Take That Dolls, Pog-Maker and other hit products, taking the company to £20 million of sales and into the UK's top 20 toy companies within three years of start-up.

After five hugely successful years Nick and Alan decided to sell a majority stake in Vivid Imaginations to New York based firm Jordan Private Equity. However, in 2001 they bought the business back again with the management team (now including Emma Weber, Sheriff Dabiri and Jonny Henton) and the support of London based Phoenix Private Equity Partners. During this time they opened their own sourcing operation in Kowloon under the very experienced ex-Russ Berrie executive Henry Chan.

Vivid continued to acquire profitable toy brands for UK distribution... Teenage Mutant Ninja Turtles, Spiderman, Lord of the Rings, X-Men & WWE all helped establish a Top 5 company position within 7 years of start-up. Then in 2000 the company licensed the emergent hot doll line Bratz for UK and Ireland distribution and in two years took the brand to become the clear number one toy property

in the UK. Vivid also became the UK's number one toy company...the first and only time a British owned toy company has achieved this feat in 30 years. Vivid's entrepreneurial culture has also been recognised by a number of business awards over the years including the PWC Management Team of the Year Award in 2001 and successive Virgin – Sunday Times Fast Track awards for exceptional growth.

Securing another Toy of the Year award for the company in 2001 was robotic puppy Teksta. This achievement, coupled with massive success with Spiderman and a re-launched Teenage Mutant Ninja Turtles, ensured the company remained as one of the top three UK companies. Following Vivid's success with Bratz, MGA decided to set up their own UK operation and took back the Bratz rights in 2006. However, Vivid had recently signed a long term deal to manage marketing and distribution of the Crayola brand in the UK and Ireland and two years later opened their first subsidiary in continental Europe as Crayola distribution rights to all of Europe, Middle East and Africa were also acquired. Nick comments, "The loss of Bratz rights was a big wake-up call for Vivid. We suddenly realised that we could never build a stable business for the long term if we were over-dependent on third party distribution of fashion brands like Bratz and Spiderman. We needed to invest in our product development so that we could control our destiny and also internationalise our business. We were far too dependent on the UK market which accounts for less than 5% of global toy sales". In the next five years Vivid reinvented itself and today generates close to 40% of sales from non UK markets and moved from developing 20% of its own products in-house to nearly 70%.

The roll call of successful toy brands that have been managed by Vivid over the past 20 years make impressive reading.....Captain Scarlet, Puppy In My Pocket, Teenage Mutant Ninja Turtles, Spiderman, X-Men, Lord of the Rings, Bratz, Crayola, Cabbage Patch Kids, Sindy, Thunderbirds, Teksta, Toy Story, Monsters Inc, Tots TV, Fifi and the Flowertots, Roary the Racing Car, Pirates of the Caribbean and latterly Moshi Monsters, Animagic and Baby Jake. Additionally there have been great craze items that Vivid has successfully marketed across the world....Flat Eric, Crazy Frog, Pogmaker, Zig n Zag, Take That, JLS and One Direction.

Fittingly in 2012, Vivid's 20th year in business, the company will enjoy its biggest annual turnover to date with sales in the USA alone approaching \$40 million. Vivid is now one of the top 10 European toymakers and one of the top 20 worldwide.

#### **Nick on Alan**

"What has made working with Alan such a pleasure for the past 27 years is the knowledge that he is a great friend, totally trustworthy, dependable and shares a wacky sense of humour. Yet he also shares the competitive zeal and ambition that I have and wants to win just as badly as I do, just does it in a more understated way! At the same time he is a very compassionate and generous person as evidenced by his great support of Great Ormond Street Hospital ... his only blatant character defects as far as I can see is that he is a complete bandit on a golf course and is a Spurs supporter!"

#### **Alan on Nick**

"Nick's unique marketing brain, intuitive feel for product and relentless energy and ambition has made him a joy to work with. We survived tough times together reshaping Matchbox and realised that our shared values and unique chemistry would take us a long way together – although we had no idea that Vivid would become as successful as it has been. We have a well tuned sense of humour and have tried to create a fun environment at Vivid. Nick is also a very generous individual - the

industry is aware of his commitment to the Toy Trust but perhaps less aware of his involvement in numerous other lower profile charitable activities. We've also become lifelong friends – spending time together on the golf course, playing air guitar at Springsteen concerts or enjoying the high life eating a fish and chips takeaway prior to a Wolves v Spurs match.”