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The Making of...a LEGO The bricks are so versatile that just six of them can be arranged in 915,103,765 ways. No wonder LEGO has been named "Toy of the Century twice

> Dig through any child's toy chest across the world and you're sure to find a few rectangular

By Joseph Pisani



LEGO bricks in the mix. The colorful bricks have retained their popularity since being introduced 48 years ago. In 2000, LEGO was named "Toy of the Century" by Fortune magazine as well as by the British Toy Retailers Assn., beating out such other classics as the teddy bear and Mattel's (MAT) Barbie.

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The LEGO Group's story begins in 1932, when Ole Kirk Christiansen began making wooden toys for children. However, the LEGO brick-as we know it today-wasn't launched until

1958. Simple, durable, and colorful, the LEGO brick design created that year was ideal for a child's toy. The plastic bricks are part of an interlocking system that has just the right amount of grip: The bricks hold together well but can be taken apart easily by a child. And consistency has been key. The bricks produced today can interlock with those produced back in 1958.

The rise in popularity of LEGO bricks can be attributed to the amount of imagination a child can use to build something with the bricks. The bricks are so versatile that the LEGO Group has calculated that just six eight-stud bricks can be arranged in 915,103,765 different ways.

Bigger Bricks for Smaller Kids

Today LEGO bricks are primarily produced in a factory at the company's headquarters in Denmark. The bricks are so

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meticulously made that the company claims that out of every 1 million elements made, just 18 will be declared defective and removed from the set. Impressive numbers, considering that the LEGO Group is producing 15 billion components a year—that's 1.7 million items an hour, or 28,500 a minute. Tire production accounts for some of that number; the factory also produces 306 million tiny rubber tires a year. In fact, going by that number, LEGO is the world's No. 1 tire manufacturer.

After the original bricks were launched Christiansen's son and heir to the LEGO Group, Godtfred Kirk Christiansen, developed LEGO DUPLO in the late 1960s for younger children who had trouble handling the original tiny LEGO bricks. The DUPLO bricks are larger in height and width than the classic bricks and are easier for young hands to handle.

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The next chapter in the LEGO Group's history was the creation of the LEGO figure in 1974. The little yellow figures added a different dimension to play, letting kids role-play and inject their personalities into their LEGO creations. To date 4 billion LEGO figures have been produced and have been outfitted in countless disguises, ranging from basketball players to *Star Wars* characters to pirates.

Video Game Tie-In

LEGO sets might seem too low-tech for kids today, but the LEGO Group continues to keep its brand in the limelight by getting involved in cutting-edge play-models and trends. In 2004 the company launched LEGOfactory.com, where anyone can download a LEGO Digital Designer and build his own LEGO model. After that, you can either save it in a gallery or buy the pieces needed and have it sent to your home to build it in real life (see BusinessWeek.com , 8/23/05, "For Lego, an Online Lifeline?").

LEGO also has a licensing deal with publisher LucasArts for creating video games, which have become tremendously popular. The most recent video game, *LEGO Star Wars II: The Original Trilogy*, has been a top-selling game since its release on Sept. 12. Developed for eight different gaming platforms, the game sold 1.1 million units in its first week of release and continues to be a bestseller. For the holiday season LEGO also launched the high-tech LEGO Mindstorms NXT (see BusinessWeek.com, 9/24/06, "Brainier Robots, Brainier Kids?") for kids over 10 allowing them to create their own motorized robots.

Whatever the future of LEGO may be, the colorful bricks will always be the hallmark of the company. To take a look at how the classic LEGO bricks are made, <u>Click here for the slide show</u>

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