



“The stability provided by family ownership and the focus on the long-term strategic goals has been an asset for our development.”

Kjeld Kirk Kristiansen,
Deputy Chairman of the Board of LEGO A/S and Chairman of the LEGO Foundation

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Kjeld Kirk Kristiansen

The LEGO Group

For the past decade, the LEGO Group has experienced tremendous growth and succeeded in bringing the LEGO® play experience to more and more children around the world. The Danish firm’s headquarters are still in Billund, where the business was founded over 80 years ago. It now sells its products in 140 countries, and innovations such as THE LEGO® MOVIE™ demonstrate that the third and fourth generations of the Kirk Kristiansen family, which still owns the business, show no signs of complacency.

If you want to understand just how ubiquitous the LEGO Group has become, and how fast it is growing, you only need to look at the figures in its latest annual report. In 2014, the Danish firm estimated that 85 million children around the world played with its products. A vast amount of LEGO® bricks now exists. As an indication, there are over 4 billion LEGO minifigures. Last year,

failing is accepted and recognized – and where we focus on what we learnt and what it means for our future approach,” says Kjeld.

Entrepreneurship is central to the LEGO Group’s culture, and it always has been. “All generations of the Kirk Kristiansen family have been open to new ideas and challenges – all with the aim



“Generation play”: Kjeld building with LEGO bricks (left picture); together with Ole and Godtfred Kirk Christiansen (middle); joined by young Thomas (right).

revenues increased by 15%, and investment in property, plant and equipment rose by 18%. The firm is flourishing like never before in its 83-year history.

The LEGO Group’s success is testament to the determination of the founding Kirk Kristiansen family to keep reinventing their business, and to their faith in entrepreneurial spirit. We believe that we can only foster entrepreneurship if employees constantly try out new ideas, dare to fail and learn from their mistakes and failures,” says Kjeld Kirk Kristiansen, the grandson of the LEGO Group’s founder, Ole Kirk Kristiansen.

Fittingly, given the nature of their products, the constant cycle of “try, fail and try again” is part of the LEGO culture, and the family strives “to create a culture where making mistakes and

of further developing the LEGO Group,” says Kjeld. Among its first products, when the firm began in 1932, were wooden toys. But in 1947, Ole Kirk Kristiansen invested in plastic molding machines. And in 1955, Godtfred Kirk Christiansen, from the business’ second generation, created the “LEGO® System of Play” concept – the revolutionary idea that all LEGO products could be used together rather than being one-off toys: The more bricks you have, the more you can build.

Three years later, the LEGO Group launched the iconic plastic brick with a new coupling principle – the LEGO brick that we know today. In 1978 came the minifigure, which introduced role play to the LEGO play experience and laid the foundation for the new play themes, which came to play an important role for the further development of the LEGO Group. During the 1980s,

Kjeld Kirk Kristiansen put focus on how children experience LEGO® products and learn through play – a focus, which today is fundamental for the LEGO Group. Innovations have continued unabated until the present day. The decision in 2004 to bring in the company’s first non-family CEO, Jorgen Vig Knudstorp, ushered in the present period of massive growth.

Caring for employees

Being a family enterprise gives the business the stability necessary to innovate in this way, says Kjeld, because it allows the company to “continue to apply a long-term way of thinking.” He goes on: “Being a purpose-driven company, the LEGO Group always has its focus on the achievement of longer-term sustainable goals. This allows the company to align the deployment of resources with the strategic objectives and overall aspiration of the company.”

The aim of the company, says Kjeld, is “to be the best, rather than the biggest.” This means “offering the best play experience to children.” A large element of this is “creating a workplace where we care for our employees and offer employees development opportunities.” Another aspect is engaging with the local community. The company estimates that, in 2014, more than 2,000 of its employees took part in community activities, which reached 50,000 children.

This philosophy is exemplified by the LEGO Group’s motto – “only the best is good enough” – what was coined by its founder. This, says Kjeld, means that the company aims to offer not only the best products, but also “be the best partner for those we do business with, be the best place to work for our employees, be the best company both globally and in the local communities and that we will always strive to do better, year after year.” Kjeld sums this up by saying that the LEGO Group aims for “high-quality products, high ethical standards and a heartfelt responsibility for the people surrounding them.”

There is an evangelical side to the LEGO mission, and all business entities have distinct ambitions that go well beyond simple



Kjeld Kirk Kristiansen building with LEGO bricks together with children at the LEGO Idea Conference, which is held every year.

business aims. The LEGO Group’s goals include “becoming the world leader in providing quality products and experiences that stimulate creativity, imagination, fun and learning,” and creating “universally appealing and timeless products.” The LEGO Group is owned by KIRKBI A/S (75 per cent ownership), which is the owner family’s investment and holding company, and the LEGO Foundation (25 per cent ownership). KIRKBI A/S secures family ownership and a sound financial foundation for the owner family’s shared, strategic assets. The LEGO Foundation aims to be “the leading authority on learning through play by showing the world the transformative power of play,” and to ensure that “the value of creativity, play and learning are demonstrated, documented, understood, embraced and acted upon.” LEGO® Education – the company’s pedagogical section – wants to take the idea of learning through play to become one of the world’s leading providers of physical and digital resources for classroom use.



The production at a LEGO® factory some decades ago ...



... and nowadays, with modern productions machines.



Kjeld Kirk Kristiansen with his wife, mother and three children at the stone-laying ceremony of the LEGO House in Billund.

“We do engage with family members from other companies on an informal basis, and discuss with them the challenges and opportunities we are facing as a family-owned business.”

Kjeld Kirk Kristiansen

Unsurprisingly, given the evident pride the family has in its business, the LEGO Group is committed to remaining family owned. Kjeld Kirk Kristiansen maintains his role as chairman of the Board of KIRKBI A/S and the LEGO Foundation while the members of the fourth generation of the Kirk Kristiansen family are actively involved in the LEGO Group, and its entities. All members of the fourth generation play important roles.

Clear roles and responsibilities

The son of Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, is the active owner who has tightened his links with the company over the last years. In addition to his formal roles as a member of the Board of LEGO A/S, Deputy Chairman of the Board of the LEGO Foundation and member of the Board of KIRKBI A/S, Thomas Kirk Kristiansen has immersed himself into the business and daily life of the LEGO Group. He has visited LEGO® factories all over the world and involved himself in specific areas, including product development, employee motivation and corporate social responsibility. The daughters, Sofie Kirk Kristiansen and Agnete Kirk Thinggaard, work in the foundations related to the family ownership, and Kjeld says that “there are clear agreements around the family members’ roles and responsibilities now and in the future.”

Is Kjeld an advocate of the family business model? Of course – but not unquestioningly. “There are, of course, pros and cons for any form of organization,” he says. “For the LEGO Group, the stability provided by family ownership and the focus on the long-term strategic goals has been an asset for our development. Whether this is the case for all family-owned businesses is hard to tell.”

Does the Kirk Kristiansen family share ideas with other business families? “We do engage with family members from other companies on an informal basis, and discuss with them the challenges and opportunities we are facing as a family-owned business,” says Kjeld.



Kjeld Kirk Kristiansen (3rd generation) and his son Thomas Kirk Kristiansen (4th generation) at the LEGO Idea conference.

And a good thing, too. Over eight decades, and four generations, the family has proved that its creative culture is second to none. Long may its toys promote the same qualities.

Kjeld Kirk Kristiansen

Deputy Chairman of the Board

Company name:	The LEGO Group
Generation(s):	3rd and 4th
Founded:	1932 in Billund, Denmark
Industries:	Toys and education
Employees (full time, 2014):	12,582
Revenue (2014):	DKK 28.6bn (€3,747m)