Our Conversation with Melissa Bernstein

If you walk into any American household with young children, there's a good chance you will see toys made by Melissa & Doug. DukeGEN interviewed Melissa Bernstein '87, Co-founder and Co-Owner of Melissa & Doug. As described on their website "From puzzles to puppets, plush to play food, magnetic activities, music and more, Melissa & Doug is one of the leading designers and manufacturers of educational toys and children's products. Started in 1988 in their garage, Melissa & Doug has something for everyone, with nearly 2000 unique and exciting products for children of all ages!"

Duke I&E: Today, Melissa & Doug is so successful, that it seems like it was destined for success. Tell us a little bit about how it got started.

MB: We were FAR from destined for success. In fact, we always joke that if we had been insistent on following the path by which we started, we would have been called Lights, Camera, Interaction (our original name) and making children’s videotapes (our first products), and have been long out of business!!! Twenty-two years later, we are now Melissa & Doug and making every toy OTHER than children’s videotapes!!! Seriously, though, there were a couple of guiding principles that have been our beacons from the beginning. The biggest key is that we NEVER set out to make money. In fact, we never even thought about making lots of money as even a side benefit! That was not a goal or of any importance to us, as we were driven solely out of our desire to engage in a meaningful venture. Our only mission was to make incredible products that enriched the lives of children, and to treat our customers like part of our family and the same way we wanted to be treated ourselves. This mission has been a crucial part of our model and success. Because we have never made decisions or been lead down paths based on what made sense financially, but only on what was best for the products and our customers. Our decisions were never made for the short-term, but always for the long term success of our company and building a positive reputation. That philosophy is also illustrated by the fact that we also chose to enter an industry that we were incredibly passionate about, but that had no reputation for “making folks rich”. We wanted to “play” in an arena where we would feel that we were creating value for society, and we both knew that we wanted to be focusing on children who were the future of our society. Furthermore, we also never paid lip-service to the fact but TRULY BELIEVED that our customers would show us the way. Meaning, that we really always listened to each and every tidbit our customers would tell us, and continually made changes based on their feedback. In fact, we BEGGED them for their opinions and insight!!! And because THEY were truly on the ground floor listening to parents and hearing exactly what they wanted, they really DID know the answers!!! And throughout the years we continued to solicit and listen to their feedback, and change our business to better fit their needs and give them the products they really wanted! That has also been one of the keys to our business—to stay as close as possible to our customer and respond to their needs! And lastly, Doug and I are really two of the most competitive people around, and REFUSE TO LOSE AT ANY COST!!! I am the type that of course hides it, but is devastated if my own child beats me at
Monopoly! Yes, even in a game of luck I cannot stand to lose!!! We would not, under any circumstance, have ever allowed our business to fail. We are just too focused on plowing through the many, many challenges we have faced and finding our way to success.

**Duke I&E: Had you always been entrepreneurial, or was this something new for you?**

**MB:** I think for creative people, being creative is just a part of who they are and makes up their entire being. It is as natural to them as breathing! And I was always one of those types. Throughout my childhood I always knew I was different although I desperately tried to hide it, because while everyone else was outside riding their bikes and playing on their swing sets, I was writing stories and creating music, or writing poetry or designing fashions for my dolls. I am very fortunate that my business and what I do for it is truly an extension of who I am in EVERY sense. Many talk about one’s life goal as searching to find your true reason for being. To hone in on the skill or passion that is your essence and makes you special, and pursue that with every ounce of your being because only then will you find true happiness and thus success. I firmly believe in that goal, and know that for me to find happiness would have to involve creating. I could probably find happiness in pursuing many different creative venues, but designing toys has certainly been a rewarding one and largely fulfilled my creative urge!!! And interestingly, I have realized through the years that creative people are actually at their core entrepreneurs! Just by the definition of being creative, one is being entrepreneurial. Because in creativity, one is always “forming something from nothing,” which is analogous to starting new business ventures!!! I therefore strangely never had the fear of starting with a blank piece of paper, or more aptly in business, with no sales or in a entirely new direction. In fact, for me that was the intoxicating challenge and the best part of being a designer/entrepreneur! It was the gamble! There is nothing much more satisfying than creating something out of complete nothing that has the potential to impact a child’s development and last for generations. Yes, it also has the potential to be a complete failure (and we have had lots of those), but the potential for success is what spurs me on!!!

I did not, however, just immediately find my perfect path. That would have been much too easy, and I am one who firmly believes that anything that is too easy is not really deserved or earned!!! In fact, I always submerged my creative side; only using it as a necessary outlet for the tremendous stress I felt in my everyday life (I am a Type A+++++++++!!!) As a teenager I almost always created out of pain, not out of joy. At Duke I was a Public Policy major and became fluent in Japanese, and my goal was to go to law school and pursue a career in international law. And yet I always had a nagging feeling that it was somehow not the correct path for me, and that I just wouldn’t be happy pursuing such a structured career. I spent much time studying in the Law School while at Duke, and many students told me about their classes and how grueling law school actually was. I really started to question whether or not law school was where I wanted to plant myself for the next three years! On the day of the LSAT, I was a complete emotional mess, feeling no joy in what I was about to do. I went into the test questioning why I was even there and what my future held. After staring at the test for over an hour and not filling in even one blank, I stood up, threw my booklet into the trash, and walked out of the building. My body had made the decision for me… I was not going to law
school! And yet still I did not think about going in a creative direction. Because of some of my wonderful experiences while at Duke, I ended up being heavily recruited by investment banks, finally accepting a coveted Financial Analyst position with Morgan Stanley. The experience was truly incomparable, but I was a fish out of water from day one. I felt completely out of my element, and incapable of succeeding and thriving in that environment. Every day was pure torture for me. I felt like I was literally carrying a two ton weight on my back. My shoulders ached, my heart palpitated, I couldn’t sleep, and I was beyond miserable. I had no idea what I was doing and why I was doing it. I was just wasting away. And I knew that I couldn’t continue like this much longer, or like a flower without water, I would just shrivel up and die. And so I left Morgan Stanley. Yes, I left what most believed at the time to be the quickest ticket to riches and success. Thank goodness my boyfriend Doug, although in a completely different industry, felt entirely the same way. So the stars were aligned for us to take the plunge and embark on our own adventure!!!

Duke I&E: For ten years Melissa & Doug focused on puzzles. How did you decide to start to create other toys? How many different kinds of toys do you sell now?

MB: After the videotape beginning, for ten years our company focused solely on puzzles. We had the philosophy that we were going to truly own the wooden puzzle category. And honestly, it took us that long to truly be able to say that. We took a category that only had maybe 10-20 items in it in total before we entered, and never would have been mentioned as a meaningful category in a children’s store. And we turned it into a viable category that spanned as much as 20 linear feet in some stores and was one of the “major” sales drivers in a store. That was both a good and a bad thing. Because after that ten years, we were clearly thought of as ONLY a puzzle company. That would have been fine if we wanted to stay at a small size. BUT WE DIDN’T!!!! We wanted to take our success in puzzles and translate that to ever other evergreen, classic category where we could inject pizzazz and bring them back to life! And so we systematically began to do just that…to slowly but surely expand into wooden toys, then arts & crafts, and now nearly every category of children’s playthings. Today we have blossomed into a children’s company with nearly 2,000 different toys, and come out with over 200 new items each year!

Duke I&E: Are you still involved in creating new toys? Where do you find inspiration for new ideas?

MB: Although I have a lot of help in EXECUTING the ideas once conceived, I still conceptualize nearly every product idea at our company. It is the aspect of my job that I love most, and something I cannot imagine ever not doing!! We have also recently begun actively acquiring other children’s companies, and I also love discovering wonderful products that may lack the capital to get started or need assistance in commercialization. So I am also now constantly on the search for those gems! I am a sponge—and my inspiration literally comes from being out in the world’s marketplace and experiencing life each day. This means keeping ultra aware of what is going on around me and understanding the children’s toy market specifically, keeping apprised of everything and anything going on in the children’s arena in general, watching children play and understanding what they truly love to engage in, and speaking with and listening to our customers. The greatest thing about my job is that it is never really accomplished by
sitting at a desk. It is 24/7, and I never really know when or where the next idea or inspiration may come from!!! That is why I always try to keep myself RECEPTIVE to anything and everything!

**Duke I&E:** When looking for a startup idea, a lot of student entrepreneurs think they need to create a high-tech invention. Or they think they have to aim high and try to be the next Google, Facebook, or Medtronic. Do you have advice for them on where to look?

**MB:** I am a huge advocate of SIMPLICITY and not over-thinking ideas or needs. People at their core are fairly simple, and sometimes inventors try too hard to overcomplicate and over stimulate them! I always think people should be looking closely at their everyday lives and the world most closely around them, and thinking about ways to improve the basics in their lives. If they think there is a better way to do something, then there probably is!!! They should never have the mentality that something is “too simple” or “must have already been done.” Because to the contrary, sometimes it’s the simple ideas that get most easily overlooked!!! That was honestly the case with us!!! No one in the entire toy industry was single-mindedly focusing on creating a full range toy company based solely on the classics, and not focused on LICENSES or TV PROMOTION or GADGETS or ELECTRONICS. Everyone said that it couldn’t be done…that the whole move in children’s products due to age compression was toward high tech and AWAY from the basics. But that really was very far from the truth, and really just the superficial assessment based on limited knowledge. If anything, there has been a move from many highly educated parents to fight against that tendency and buy MORE of the classics to keep their children away from technology as long as possible!!! I am sure that is the case in other facets of life too, which means lots of opportunity elsewhere to also go back to the basics!!!

**Duke I&E:** If a student doesn’t start a company while they are still in school, what sort of skills do you suggest they nurture in their career so they’ll be better prepared to start something in the future?

**MB:** I believe people can be entrepreneurs whether they are engaging in a start-up, or a teacher, or working for other people within a company or organization. The definition of an entrepreneur to me really means that you have opened yourself up to the fact that there are ALWAYS different AND BETTER ways of doing things, and that you alone have the ability to take control and change the way things are done, if even on the SMALLEST SCALE! As a teacher you can create an entrepreneurial way of teaching, or a new method that helps children learn to read more quickly, or a class project that engages children in a way that has never been done before. Or you can come up with new processes at your company that are totally innovative and entrepreneurial. Entrepreneurship in my definition means that you have committed yourself to understanding an area or process so well that you are able to see it for what it truly is, and devise ways to make it better or improve it so it is enhanced in some way. And that can certainly be just as impactful as starting a brand-new business!!!

**Duke I&E:** Do you have suggestions for how to combine raising a happy family with being an entrepreneur?
**MB:** I believe that if your intentions are good, you are focused, and you care passionately, then it is possible to combine being a successful wife, mother and business person. I am the FIRST one to say that it is NOT EASY. And I am a long way from perfection in any of the three. But I am as focused as a laser on giving my all to the three endeavors, and doing the best that I possibly can. That means accepting that it will be difficult and I won’t be able to attain perfection in any one of them. It also means feeling GOOD about the decision to be a working wife and mother. If a woman does not feel good about this decision and is racked with guilt, then she will fail at all three because she will appear weak to her children and husband, and be miserable all the time because she will be so torn. If a woman loves what she does outside the house, and knows that it is necessary for her to feel complete as a person, then it will actually make her a better parent and wife because she will feel fulfilled, and she should feel very good about that!!! And she should convey that to her kids and husband as often as humanly possible!!! My children know that I love what I do, and they know I have a duty to my job just as I have a commitment to them. This allows them to accept my work much more easily and not become angry or bitter. I also try to include them in many aspects of my job and understand exactly what I do and its challenges, which make them feel invested.

**Duke I&E:** Is there a key takeaway you would have for students who are thinking of starting a company, but nervous about taking the plunge?

**MB:** As long as you are smart and open to CHANGING your business along the way and are not determined to die on the sword, then there is no reason whatsoever not to take the plunge. Whether or not your idea turns into your life’s work or not, the knowledge you will gain from making the decisions along the way and confidence you will build from taking the risk, will serve you well in whatever you end up doing. And if it is truly a passion that you are pursuing, then you will undoubtedly meet someone along the way or learn something that may lead to a related career if your initial one doesn’t go as planned! Then that means the endeavor was also a success! I have learned more in my life from the things I tried and failed (Morgan Stanley), than the things I have more easily succeeded in!!! Not to mention life is short, and we are here to test ourselves and try new things and experience as much as we can!!! Looking back on your life, you would never want to say that you “should have” or “could have!” It would be much more satisfying to say “I had the guts to try and failed”, rather than say that “I was too scared and weak to try!”

**Duke I&E:** Last question: Are you a Duke Basketball fan?

**MB:** I am an obsessed Duke basketball fan, and never missed a home game while at Duke!!! It was literally to the point that I would virtually be in a state of depression if Duke lost, especially if it was to Carolina! I am still a HUGE fan, and try to never miss a game, although I really should watch them alone because I am so vocal and annoying to those around me!