

## Smart Seconds

For Madison, girls and their dolls means more than child's play.

By Denis Collins and Lisa Goldthorpe

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William McDonough and Michael Braungart's influential environmental management book *Cradle to Cradle* challenges businesses to design a product life cycle framework wherein one company's discards become part of another organization's supply chain.

Mattel's American Girl division, formerly the Pleasant Company, has done just that in partnership with Madison Children's Museum, creating a win-win opportunity for the company, the environment, nonprofit organizations, and children.

Pleasant Rowland began her career as a creative elementary school teacher, and then served as publisher of a children's magazine for an educational research company. A trip to colonial Williamsburg, and a desire to offer young girls an alternative to the disproportionately buxom Barbie doll, shifted her life's work again.

In 1986, the entrepreneurial Rowland formed the Pleasant Company, and began producing historical dolls and companion books that dramatize how the girls courageously responded to their life situations.

The American Girl doll collection was an immediate success, earning \$1.8 million the first year. However, damaged returns started piling up in the company's warehouse near the capitol. Rowland did not want damaged product on the market, but she also didn't want to just throw the discarded materials into a landfill. She discussed the problem with her friend Heidi Bollinger, who, at the time, served on the board of the Madison Children's Museum. Established in 1980, the museum was then operating out of a basement downtown.

After a little brainstorming, including input from Rowland's husband Jerry Frautschi, a creative solution emerged--Bollinger would organize volunteers to fix the American Girl dolls and accessories, and then sell the items at a garage sale at twenty-five to fifty percent discounts. Net proceeds would be donated to the Madison Children's Museum.

Bollinger's 1988 garage sale raised more than forty thousand dollars. The fundraiser quickly outgrew Bollinger's garage, and she asked her friend Marshall Erdman for warehouse space for the event, a favor easily granted. Every year the benefit sale exceeded the previous year's number of volunteers, amount of products sold, and amount of funds raised. In 1998, a program was developed to donate damaged doll products that did not meet Rowland's high quality standards to abuse shelters, prisons, and family service organizations.

During the mid-1990s, Rowland and the Madison Children's Museum executives pursued a strategy to both formalize the benefit sale agreement terms and broaden its financial support base, limiting sale proceeds to no more than fifty percent of net revenue and thirty-five percent of the museum's total income. The remaining proceeds from the sale

are donated to the American Girl's Fund for Children, a company foundation that supports a variety of Dane County organizations. The benefit sale remains dependent on volunteers, who work year-round to repair damaged products and organize the two-day event.

Last July, the sale raised \$1.3 million. More than 6,400 shoppers purchased 8,740 discounted dolls refurbished by a close-knit group of 550 inspired volunteers working for a good cause. The fundraiser continues to benefit a wide range of stakeholders.

Mattel benefits when new customers purchase their first American Girl dolls at the discounted price, or when previous customers buy them as gifts for others or enhance their current collections.

The local community benefits from the net proceeds donated to Dane County organizations. The annual event has raised more than fourteen million dollars since Bollinger's 1988 garage sale, solidifying American Girl's reputation as a model corporate citizen. Dolls continue to be donated to prisons, abuse and homeless shelters, and family service organizations. Books are sent to dentists' and doctors' offices.

As for the environment, more than ninety-nine percent of all merchandise and packaging the annual benefit sale receives is given new life, rather than buried in landfills. The dolls and other merchandise are given new homes. The remaining products are disassembled and creatively repackaged as arts and crafts materials, and the cardboard and styrofoam packaging are recycled locally.

The sale's environmental spirit has also become a core value at the Madison Children's Museum. Since the late 1990s, all museum exhibits are built with sustainable design practices. The museum's award-winning website ([greenexhibits.org](http://greenexhibits.org)) on how to design and build environmentally friendly exhibits is a resource for other museums.

How can your company create economic value out of its product returns and waste?

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