Lego had to reinvent their winning formula to endure the test of time among generations to come of creative boys and girls of all ages.

Stretching Too Far Into Non-Adjacent Products & Services
From its founding in 1932 until 1998, Lego had never posted a loss. By 2003 it was in big trouble. Sales were down 30% year-on-year and it was $800m in debt. An internal report revealed it hadn’t added anything of value to its portfolio for a decade. Lego followed bad advisement and branched out into areas where the company had no prior experience – such as LEGOLAND themed parks and Lego themed video games - pushing the company further into the burning fire.

Dedicated and Disciplined Course-Correction
Lego’s revival has been called the greatest turnaround in corporate history. Lego ditched ventures where the company had no deep expertise and diluted their stake on under-performing LEGOLAND themed parks. Instead, Lego doubled-down in making hit toys again. Focusing back on classic Lego lines like City and Space, Lego launched the ninja-themed Ninjago line and Mindstorms, kits that allow you to build programmable Lego robots. Grown-up kids got Lego Architecture, which included replicas of the Guggenheim and Burj Khalifa. What’s made them successful over the past 5 years is their ability to create new entities, movies, TV shows, by partnering with brilliant people.

Lego’s Future in Emerging Technologies
Lego has moved into a digital and virtual environment to complement its ever-so-popular brick toys. When The Lego Movie came out in 2014, Rotten Tomatoes awarded it a 96% approval rating. The following year, The Lego Batman Movie outperformed the DC Batman version of Batman v Superman: Dawn of Justice. Lego is increasingly concentrating on bridging the physical and the virtual. This year, Lego rolled out Lego Life, a social network for kids too young for Instagram to share their creations. They also launched Nexo Knights, a video game where powers are unlocked by scanning Lego pieces. The company is also actively investing in VR and AR technologies.
Sources

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