

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob: Hello everyone, welcome to another episode of the Future of Work podcast, very very excited for this one, because my guest is Loren Shuster, the chief people officer at the Lego Group. Loren, thank you for joining me.

Loren: Thank you Jacob, it's wonderful to be here.

Jacob: So I am willing to bet that probably almost everybody listening to this, and you might have the actual numbers on this, but chances are everybody's got like something from Lego in their house. I mean if you have kids, you have a Lego product somewhere. So everybody knows the brand, everybody knows the company, I mean you guys are probably one of the most iconic companies that's out there. But for the few people listening that don't know Lego, who are you guys?

Loren: Okay, well, I think you're right. I think a lot of people do know Lego, and one of the privileges of my role is when you're at immigration and those grumpy immigration officers are asking you what are you doing in their particular country, and you mention that you work for Lego, at least four out five times you get a smile, and at least three out of five times you get a story, which is a wonderful part of being associated with such a magical brand.

Loren: But to answer your question directly, the Lego Group has been around for 86 years, so there's not that many organizations that have survived as long as we have. We are a privately-held enterprise, still held and owned by the Christiansen family, and we're on to the fourth generation owner.

Loren: What we do is we bring joy to children around the world by creating playful learning experiences that are not only fun, kids have an amazing time that toys are cool and they love to play with, but also develop important skills, and ultimately deliver that playful learning experience.

Jacob: I remember I used to be very obsessed with Lego, and you guys used to have a Lego pirate ship. This was probably like 20+ years ago, maybe even longer. And I remember the Northridge earthquake that we had in Los Angeles destroyed my Lego ship. I was very-

Loren: Oh no.

Jacob: ... Yeah, it fell off like the cabinet, and fell into a million pieces, and I can never rebuild it back. Now I have a two-year-old who's just gonna started playing with Legos, I'm very very excited.

Loren: Oh beautiful. Well, if you wanna see the original pirate ship, then if you come to Billund in Denmark, our headquarters, I'm sure we have it in our vault.

Jacob: Ah, very cool. Well, why don't we ask to get a little bit of background information about you? So as the chief people officer at the Lego Group, what do you do? What does a typical day look like, and how did you get involved with becoming the chief people officer at the Lego Group?

Loren: Got it. Well, a few questions in there, maybe I'll start by how I became the chief people officer. Actually, interestingly enough, I've been in this role for one year, and this is actually my first human resource role in my career. So I spent my career working for a number of different technology companies in my recent past, Nokia, 10.5 years, and Google. I've always been in commercial, and marketing, business development roles. But I've had a passion and an interest, and a curiosity around people development, team development, organization development dynamics. And through that exploration, that led me into coaching, and mindfulness, and bringing those practices into the workplace.

Loren: And I was fortunate enough, I joined Lego four years ago as the chief commercial officer. So I was running all the commercial and go-market activities globally as well as our Lego retail stores, which we have over 130 around the world, which are wonderful places for kids and shoppers to experience our product. And I was given the opportunity a year ago to step into the chief people officer role and take all of my energy and interest and curiosity around people, and apply it at the total organization or end-to-end organization level. So it's a real privilege to be the chief people officer of such a wonderful and iconic brand and company with such a unique culture.

Loren: So that's how I got into the role, and then maybe to answer your other question, what does it entail or what does a typical day look like. Well, a typical day for me would be I'm an early riser, I am up at 5:30 in the morning, and I'll start my day pretty much four out of five days a week with a mindfulness practice, just to get integrated and grounded, and then as I was telling you before, I hit the record button. Then I'll do some exercise and spend a good hour, hour and a half doing exercise where I've been really enjoying your podcast, and even helping me as I-

Jacob: I don't know how the podcast is helping you work out harder, it's not like maybe I need to add some loud rock music to the background-

Loren: Yeah, maybe some techno music in the background. It's stimulating. So it's helping me learn or exercise my brain as I'm exercising my body. And then I'll start my day, which could literally be anywhere in the world. I spend a lot of time in the headquarters in Denmark in Billund. And the days are really different depending on what's unfolding in the organization. But my general responsibilities are focused on everything from talent acquisition to talent development. We're spending a lot of effort now in building our

capabilities in terms of people analytics and insights. And we're doing a lot around leadership and culture. So that will take a lot of my time in the functional domain, but I can't give up, the business is running in my blood, and commercial and marketing activities runs in my blood. So I spend a lot of time with the teams on the ground sensing into how the business is doing, how the teams are doing, what kind of support they need from either a capability building perspective or a capacity perspective.

Loren: So it's really a lot of different and very diverse and interesting activities.

Jacob: Yeah, it sounds like it. I mean it sounds like you're doing quite a few things over there. And you mentioned people analytics, leadership and culture, which I will definitely ask you about in a couple minutes. But as I was doing a little bit of research for this, I found that there's not a lot of stuff about the Lego talent practices or workplace practices, or even what it's like to be inside of Lego. So I'm really curious what is it like to be an employee at Lego? I mean is it like being at Google, free food, unlimited perks, and massages on the campus, or what is it like to be an employee there?

Loren: Well, I think first and foremost it's a hell of a lot of fun, which I think is not hard to imagine. I think what's really unique about living and working within the Lego context is that we are such a purpose and values-driven organization. So with a mission and a purpose to inspire and develop the builders of tomorrow, and to create a play experience so children can develop the necessary skills to help build the future, it is something that I think any human being with a beating heart would connect with. So I think that is very close to the surface of each and every Lego employee, and I think that makes it a very energized creative place to work.

Loren: Then we have a very deep set of values in the organization. And of course every organization would have its own culture and values, but I think what's unique and special is that being a family-owned enterprise and the same family for four generations means those values of imagination, creativity, fun, learning, caring, and quality, are so deeply ingrained that we really try and live that.

Loren: And of course we're work with ... I mean who doesn't like to be surrounded by Lego, it's so colorful, and creative, and we've got models, and bricks, literally all over the offices, and the meeting rooms, and that just stimulates an environment of deep creativity and I think quite a lot of imagination and innovation.

Jacob: Which of course is important and something that every organization is trying to instill more of. But I wanna dive a little bit deeper into maybe some of the practices or some of the things that you think makes Lego unique. So let's say for example I just show up to a Lego office right now, maybe you can walk us through even just the layout. Is it cubicles or is it open space? Do you have a lot of autonomy? Oh man, I can't even speak, autonomy and flexibility in how you work, what does it feel like to be an employee there?

Loren: So let's say you walk into our London hub office, which is one of our global offices where we have cross-functional and global teams as well as local teams. What you would find

is a very colorful and bright setting. It's all open office format, so we don't have any offices. We also don't have any fixed seating, so each day different, depending on ... You need to think about what type of work you would be doing on that particular day, what type of meetings you would be having, what kind of projects you'd be involved with, and then you would pick which part of the office that would be most suitable for that type of work.

Loren: Then there is literally, as I mentioned, Lego all over the place. So it's not unusual to find people building and teams or individuals would build a set over a period of time. So if you wanna just take a break from work and continue building where other people have left off, that would not be unusual.

Loren: We have open areas for collaboration. We work a lot with visual factories. I don't know how common that is in other organizations, but it's become more prevalent with Agile and standup meetings, but actually it was something that has been institutionalized in Lego for a while. Which means that we're still using the power of the pen, despite all the technology out there, and teams are writing on white boards what's happening in their respective areas, and updating each other, and different project owners need to get up there in front of a cross-functional teams and get status updates. So you would see various visual boards laid out.

Loren: And then at the same time, of course with so much of activities being digitally orientated, especially when you look at our marketing and social media teams, then we would have big screens, which are tracking all kinds of metrics associated with consumer and shopper engagement.

Loren: So it's a pretty dynamic environment to find yourself in.

Jacob: Yeah, I mean it sounds actually pretty fun, I love the Legos everywhere, I think I would have a lot of fun with that.

Jacob: Are there any particular practices, or policies, or things that you think Lego does that is specifically unique to Lego that maybe other companies out there are not doing?

Loren: Yeah, well, I think maybe one beautiful example in terms of really living the brand promise, which is about playful learning, is we have something called play agents. And play agents, we've trained about 4000 of our employees, we have 17000 employees around the world, about 7000 of them are white collar, the rest are working in our production facilities. These play agents are trained in facilitating play experiences for other employees, also for activities that we do as part of our community engagement. They get trained in different type of exercises that help all of us build the so-called skills for wholistic development, cognitive, social, emotional, physical, and creative. And that's something that you would often experience at the beginning of a team meeting that you would actually undergo some exercises as a team, and literally play, have some fun, but also cultivate some of these important skills that are required regardless of what type of work you're doing.

Loren: So I think that's pretty unique to Lego. I think another way that we experience the essence of the brand promise is on an annual basis, we run a play day. And this was something that actually the owner family four years ago wanted to give as a gift to the organization, and it's a day off every year, the same day around the world, all 18000 Lego employees experience the joy of playing. And we orchestrate all kinds of activities based on the skill sets that I shared before. And just have a lot of fun engaging with each other, engaging with the product, and really just trying to live what's really at the essence and the core of our unique offering.

Jacob: Very cool, I love those. Encouraging play, I think we could all use a little bit more of that in our lives. What about as far as like perks and benefits? So do you believe in kind of extravagant lavish perks? Do you think that it's necessary for organizations like Lego to really go all in into things like free food. I mean you know all the perks that you keep hearing about at Google and Facebook. Do you subscribe to that same kind of approach, or do you look at these things a little bit differently?

Loren: Yeah, I think we look at it a little bit differently. And having worked at Google, I experienced it first hand, and I think there is great value in it within that context. But I think every organization needs to find what is authentically its unique employee value proposition. So Lego, we definitely don't believe in anything lavish, because we like to have an owners mindset. And again, because we're privately held, it's not just a philosophy or a statement to say we wanna have an owners' mindset, but we all feel an affinity to the owners, and are aware of their value system.

Loren: And I think also being a company that has originated and originates from northern Europe, we tend to also ... and a part of northern Europe and Denmark that the culture is one that values, really values humility, and to some extent understatement versus let's say Silicon Valley, which is a very different orientation, and one is not better or worse, but again it's about being your authentic self.

Loren: So I think in terms of the value proposition that we offer, we believe that at the core, the single most important thing that we offer employees is the opportunity to develop themselves in an organization that has such a deep and meaningful purpose. And you hear a lot about purpose, and you speak about it with many of the people you interview. But as I mentioned before, it's so easy for people to relate to Lego's purpose of inspiring and developing the builders of tomorrow. And that's so potent and powerful.

Loren: And then our values, I mean a lot of companies talk about caring. It's so deeply ingrained, and I think we have an inspired caring that again comes from the family. The family owners are so interested in the well-being of employees and creating an environment where people can grow and be their authentic selves. So we offer a really nice and benign and supportive environment to work in, which is a big part of our value proposition as well.

Loren: And then we also have a very balanced view of what's success and sustainable success looks like. So not being a publicly traded company, we're not slaves to quarterly results and to the market, we take a very long-term view of what success looks like. The family

is literally looking at the next generation. And we have our so-called four promises that one is the play promise that we offer to children, the joy of building, the pride of creation. We have a partner promise which is around mutual value creation with our customers and our suppliers. We have a planet promise, where we wanna have a positive impact and we're doing a lot of things around sustainable materials as an example.

Loren: And then of course we have our people promise around a culture that is truly collaborative and that is built around succeeding together. And actually our reward system looks at each of those promises pretty much in an equal manner, so one is not more important than the other. And we believe that if we focused on these four promises, then the economic value will be created versus economic value being the end goal in itself.

Loren: So I think it's that philosophy and set of beliefs that ultimately with the values that I mentioned before, form ultimately what the employee value proposition and why so many people are high-tenured at Lego and really value being at Lego.

Loren: And on top of that of course we pay competitively and have various extrinsic levers as well or offerings as well.

Jacob: It seems like the storytelling aspect is really important because a lot of what you're saying seems to connect back to kind of a story of Lego. And I remember reading a little while ago the book, what was it called? Brick by Brick, I think?

Loren: Yeah, that's right.

Jacob: And I don't know if you guys are still doing this or not, but I seem to remember a story in the book about how when Lego was first created, the first factory that was created burned down, and then another factory was created, and that one was also burned down, and so it had to be rebuilt, I think, two or three times.

Jacob: And to this day, do you still show that location of where the original factory was to employees that come to work at Lego?

Loren: We do. I mean if you come to Billund, so you could go see the original house that Ole Kirk, the original founder, where his original workshop was, where he was building wooden toys at the time.

Loren: And then what has recently opened, a year ago, is Lego House, which is also in Billund, which is an amazing facility, interactive for both parents and children, which not only gives people the opportunity to learn about ... and employees, new employees, we will often take them there, to walk them through the history and the amazing legacy that we're inheriting as employees to bring forward. But also has a wide variety of interactive experiences, it has some of the largest Lego models ever built.

Loren: And that creates obviously an incredible affinity to the history, and the legacy, and also paints a picture of the huge potential for the Lego brand in the future. Because at the core, the core idea of the system in play and putting bricks together and pretty much that any child could create whatever they want in infinite different directions. That just creates an incredible amount of energy around the possibilities for the brand in the future. Which is something that our employees are so motivated by.

Jacob: How important is the storytelling aspect? Because I feel like most employees who work for organizations ... When you first start working there, you're rarely told the story of the company. I don't wanna mention any companies by name, but people listening to this, think about when you first started working at your company, were you ever told the story of how the company started, and then kind of the trials and tribulations, and what the company has become now? Most people are never told that. You just kind of show up and they say, "Welcome, it's your first day, here's where you're gonna be sitting, here's your computer, here's what you're gonna be working on. Like good luck."

Jacob: So what role does storytelling play? And why is it so important for Lego? And have you seen it help connect that sense of purpose for your employees?

Loren: Absolutely. I think the storytelling starts already in the recruitment process. I think hopefully you hear from me at a level of enthusiasm and engagement and energy that I get from talking about the brand, and the history, and the potential moving forward.

Loren: So as part of the interview process, we're also trying to tell the story, and then we're trying to also assess the extent to which prospective employees feel a connection with our purpose and the direction that we want to go in.

Loren: But equally important to the storytelling aspect of the brand, and also how we go to market is also the play experience. This is certainly unique. That is part of the interview process, and our recruitment process, and onboarding process. You have the opportunity, or you're asked to actually build with Lego bricks, and to express why you may be interested in working at Lego, or different aspects of your leadership orientations.

Loren: So we'll be asking prospective employees as well as new employees to tell their story or part of their story through expressing themselves by building Lego to represent different aspects of their story, which I think is super cool.

Jacob: That is pretty cool. It's probably a little complicated too. It's probably not super easy. But it's a good thing to give employees or to prospective employees.

Loren: Yeah, yeah, but if you ask a kid to do it, they'll do it, it's just that our schooling system has knocked that creativity out of us as an adult. Yeah, I think some people may find it difficult at the beginning, but what we see is as soon as people let go a little bit, you could just see that their creativity shines through, and that's a wonderful thing to experience in the onboarding interview process.

Jacob: Well, for people listening to this that work for organizations, I mean do you have any advice on how to bring that storytelling in? I mean let's say you work for a Wells Fargo, or IBM, or a Coca-Cola. I've talked to a lot of employees who worked at those organizations and many others, who are not familiar at all with where the company even came from, and how it was founded, and all the challenges that it went through. So let's say you were running a big global company somewhere, how would you go about bringing in this story of the company?

Loren: Yeah, well, having experienced it in such a meaningful way at Lego, I think the best place to start is really what's at the core, what is the core mission, what is the core purpose of the organization? And then the extent to which that can come alive through the history and the stories of the past, and the trials and tribulations, and how history has formed, and re-informed the core purpose, I think is what will give authenticity to it.

Loren: So I think that's what's absolutely critical. It needs to be authentic. And I think that's where a lot of or many organizations I think have a challenge, because employees today, and millennials, if you want to refer to the younger generation as millennials, they're clearly looking to be a part of something that has deeper meaning and purpose. And you can't make it up. You could try, but they'll see right through it. So I think it's important to be authentic in substantiating the purpose of the organization with its history.

Loren: But also not just to look backwards, but to also be able to tell the story and the vision of what lies ahead, and why there is still so much potential in the purpose and the mission of the organization.

Jacob: Yeah, I like the mention of history in there. I think knowing the history of your organization and where it came from is super important, and I think companies can do a much better job of sharing that story as well.

Jacob: Now, towards the beginning of our conversation, you mentioned that you're doing some interesting things around people analytics, and leadership, and culture. So I thought we could maybe spend one or two minutes on each one of those, and then I have a bunch of questions that people on LinkedIn and Facebook wanted me to ask you. So why don't we talk a little bit about the people analytics leadership and culture. Let's start with people analytics, what are you doing or experimenting with in that space?

Loren: Yeah, so I think we're still at the beginning of the journey. So I think we've recently hired a new head of the function, and we're looking at a complete renewal of our technology infrastructure to support the analytics function to deliver more value to the organization. But outside of the technology that will enable it, we're looking at driving critical insights for the business.

Loren: So starting in places like can we determine what type of capabilities, what type of talent would be most effective in particular business situations that we're in, or how to flow the right individuals to the right projects? Then we're also looking like many other organizations at the diversity inclusion and belonging agenda, and trying to first create transparency about what the current situation looks like, and then identifying where are

the biggest opportunities to deliver impact where more people can feel a deeper sense of inclusion and belonging.

Loren: And then maybe the last thing I would mention is that, and this is maybe a good bridge to the leadership piece where we've just redesigned our leadership model, looking at how can we identify the right lever to pull to deliver an environment where continuous feedback and candid engagement is encouraged.

Jacob: You mentioned you redesigned your leadership models, so now of course I'm very curious of what was it, and how have you changed it and why?

Loren: Yeah, so that's been a super exciting project. I'll share as much as I can, because we haven't launched it yet, it's about to launch in January, but what we found ourselves, at least when I took over the role, one of the tasks I took on was, as we've also redefined our kinda midterm strategy to 2022, and set a very ambitious set of targets around that, we also said, "We need to relook at our leadership model and our leadership practices that will enable us to deliver on our core set of values and promises that I went through before, and deliver on the ambitions of the midterm strategy."

Loren: So what we found, which is not that unique, I think many companies suffer from this, especially companies that have been around for a while, is that we actually had an abundance of different leadership models, competency frameworks, tools, and many of them haven't been retired. We actually found over 20 living documents, models, frameworks, that were floating around the organization. And we decided to take a fresh look and actually we decided to retire everything, and to start fresh.

Loren: And then we started by really thinking about what does leadership look like in the future. And the future choice that we made as an executive leadership team was that it wasn't gonna be us the 11 members of the executive leadership team sitting in a room, bringing a consultant, work on it for a month or two, and then unveil, okay, this is the new leadership model for Lego, we're gonna cascade it from the top to the bottom, and it's gonna be highly prescriptive, and we expect everyone to behave in this particular way.

Loren: We actually wanted the organization to tell us how they felt they needed to be led, and what leadership means with a future lens. So we put together a team, actually a very diverse team. Each of the executive leadership team areas, we asked them to nominate one male, one female, one high tenure, one lower tenure, no more than one from headquarters.

Loren: A unique thing we asked for leaders and non-leaders, and we ended up selecting 11 people to develop the new Lego leadership model. They went off, and they really created something that went back to the roots of the ... we have something called the Lego idea paper, which is the core belief system of the family around the brand and what they want to achieve and our brand framework. And put together a model that is I would say inspirational, versus prescriptive. So many leadership models and competency frameworks are telling you okay, at this level of the organization, and this

role, in this situation, I should behave in this particular way. It's completely mechanistic, and in my opinion outdated.

Loren: And the team also came back and supported this notion of leadership is not just for people leaders. Leadership are a set of behaviors and a way of being that every single employee can and should adopt and find their potential in. Because if you think about it, look at project managers or key account managers, they may not have a direct line leadership, but they're performing some of the most difficult leadership tasks in the organization, trying to galvanize and mobilize cross-functional teams who they don't have direct line management responsibility for, but they're trying to coalesce those people to achieve something.

Loren: And in a world where all of us, and my level down to lower levels of the organization are involved in many different projects with many different people from many different functions, we think a fantastic way to unlock potential and real accountability in the organization is to define leadership as something for everyone.

Loren: So those are some of the principles and approaches that have come out of this piece of work.

Jacob: Well, I love that you mention that you had over 20 different kind of models and frameworks around leadership. And so was every team ... I mean that they're all obviously different models and frameworks, so there was no consistency, everyone was kind of doing their own leadership thing based on one of those 20 documents or frameworks.

Loren: I think they were being used in different ways. So while there is ... Some of the models are more recent, some are older. There was just a lack of coherence, and we've also gone through some leadership changes in the last few years. We had a new CEO on board and a new strategy for the mid term. So it also seemed like the right time to let go of some of the models, some of the practices that we felt were maybe no longer attuned to what's needed moving forward. And then we let the organization, as I said, tell us what they felt was most critical for them to feel that their potential can be unleashed.

Jacob: Got it. So you brought employees into this process, which I think is very important.

Loren: They owned it. They were the ones who presented it to the executive leadership team, and got huge support. They presented it to the chairman and the owners, and it's been super powerful for all of us in the so-called executive class to witness this. Because a lot of organizations, Lego included, talk about empowerment, accountability, and I think this, by empowering and holding a group of employees responsible for the developing the leadership model for the whole organization, was I think a great set of role modeling by the executive team in terms of how we want all employees to step into this new definition of leadership, so that ultimately we can make the right decisions to deliver more value to kids around the world.

Jacob: Yeah, those are a smart move. So I have tons of questions that I could ask you, but as I mentioned, a lot of people online sent in questions that they wanted me to ask you, so I wanted to transition to those. And so of these questions are gonna come from a Facebook group that I run called The Future If, and there around 2000 people in there, business leaders at companies all over the world. So these are gonna be some questions from there.

Jacob: And by the way, if people listening to this are interested in joining, you can always just go to thefutureif.com, it'll take you the Facebook group, and you can request an invite and join in some of these conversations.

Jacob: So the first question comes from Wendy Brower, and speaking of kids, she said, "I'm working to help parents understand how to become modern parents of modern learners. What might he advise schools and parents with regards to what kids need to succeed at a company like his?"

Jacob: So in order for people to succeed at Lego, what would you advise schools and parents to teach their kids to succeed at a company like Lego?

Loren: Oh, what a fantastic question. I think we have a lot of energy around relating to that question as a company, because I think the answer lies, or part of the answer lies in this notion that play is the most intuitive and powerful way for children to learn and grow, and we have a lot of research, we recently published a report called The Play Well, The Lego Play Well report, which was based on surveying over 13000 parents and children across nine markets around the world. So I would recommend that anyone interested can just look that up online, The Lego Play Well report.

Loren: But in it, in over 80% of children claimed to learn more and learn better when there are some play involved. Over 75% of parents would rank playful learning as the number one educational technique. So it's really this belief that play is essential to the overall wellbeing and happiness of children, but not only children, but parents and families.

Loren: And this is something that we are trying to advocate in the school system. We have a ... Part of our business is Lego education, and they're focused on bringing the benefits of play into the education space, as well as Lego Foundation, which is focused on building the awareness of the benefits of play for children's development, and developing skills that we believe and acknowledged by other experts, are critical for succeeding in the future, like creativity, which is the number three skill, at least according to the World Economic Forum in their Future of Jobs report, where creativity in just a few years has gone up seven points to the third most important skill for people to cultivate to be successful in the future.

Loren: So it really is about bringing more playful learning experience into the institutions that are responsible for developing our kids.

Jacob: I love it, I love it. Next question comes to you from Angela Lapray, and she says, "What is Lego's to train or re-train its workforce to help their talent keep pace with digital

transformation? What areas are they focused on regarding the training, and how do they incorporate their corporate values into their culture and ways of working?" So kind of three questions in one, I know there's a lot there. But basically training, re-training, what areas are you focusing on, and how do you incorporate your values in ways of working?

Loren: Yes, maybe the last one, which I touched on a bit, I'll just build on, but I think our values, which I called out before, imagination, creativity, fun, learning, and then you have caring and quality. But if I focus on the fun and the creativity, what I mention, training our employees to be play agents, to actually be able to conduct play sessions to explain the benefits of play, our Play Day.

Loren: We have many type of hacking-type sessions that we organize where different employees, not only our designers, develop ideas, future ideas for products and different uses of Lego. So there's a lot of bringing the benefits of play and playful learning into our day-to-day experience. So I think that's how we kinda live the product promise in the working culture.

Loren: Then in terms of how we're training and re-training our employees to be digitally, let's say orientated, or digitally ready, I think to some extent we're beyond the point where we need specific interventions in specific parts of the business.

Loren: The business has, and the teams have moved on. Just keeping up when [inaudible] target segments and technology is proliferating so quickly. We've been I think pretty attuned to reinventing how we communicate and how we engage with children, by developing Lego games and applications in a child-safe social media context called Lego Life where kids could share their creations with other kids in a safe environment. So I think there is a lot of activities that we're doing to succeed in the market and bring the value of our proposition and to remain relevant that is up-scaling our teams.

Loren: Having said all of that, we do have all kinds of training available to different teams in terms of digital marketing, ecommerce, and HR. I spoke data analytics, we're looking at that as being a critical skill for all of our HR organization and other parts of the organization. So it's a blend of programmatic learning and then having the right strategy, and then pursuing that product creation and go-to market.

Jacob: The next question I think is a really interesting one. And it comes from Yann Ginguis. Sorry Yann if I'm saying your name incorrectly, it could be Ian, I'm not sure. But he wants to know ... He is really interested in hearing about the role that HR plays in Lego's culture of co-creating and innovation. What do you envision the future of your function looking like in the next couple years, and what role does it play in the future of work?

Loren: Oh, that's a great question. That's a great question. I think we've started to think about that, but I can't pretend that we have a very systemic or I have systemic view on that just yet, but I think what Jian is pointing to, I think what Lego's done very successfully with this Lego Ideas, which he may be alluding to, where we co-create product actually

with Lego fans around the world, and we then produce those products and bring them to market. So there is a co-creation gene in our organization.

Loren: I think from an HR perspective, I think I gave one good example where [inaudible] developing a leadership model is something that HR should do, and while we helped architect it, and organize it, we actually co-created that with employees from around the organization. We're starting to use different, we call them sparing, but you could call them advisory groups, where for many of our strategic interventions, such as we're looking at new talent development architecture for emerging talent, for graduates, for executives. We're looking at the future of talent management, and succession planning, how to modernize a lot of these very traditional tools that exist.

Loren: So those, we are in many ways co-creating, because we're relying on different advisory panels internally to stress-test, and to some extent to co-create.

Loren: We also look at the millennial population and tapping into different millennial groups, to also stress-test whether what we are developing in the centers of excellence are relevant, and customized enough for the millennial group of colleagues as well.

Jacob: Very cool. Here's actually another really interesting question for you, it's from Richard Busby, and he says what engineering and tech advances does Loren expect to shape the future of hands-on toys and interactive learning? So for example augmented reality, virtual reality, AI, stuff like that, how will Lego find and develop the talent needed to leverage these advances? That's kind of an interesting but tricky question. So kind of how does technology gonna change the toys that you make, and how are you finding the right people who can master those technologies for Lego?

Loren: Yeah, no, I think that's a great question. That one, we spend a lot of time discussing and thinking about. I think maybe I'll start by saying that our research shows that kids don't see the difference between digital and physical play, they're really shifting effortlessly between the two. So we call this fluid play. So we don't see digital as a substitute or replacing the core Lego play experience, the physical bricks, and the creativity and infinite possibilities that's associated with that. But we do see all this technology, and we're looking at robotics, and AR, and VR, as ways to augment and to enrich, and to expand the core building and play experience that's offered with Lego bricks. So that's something that's being developed. I can't really say much about that, but stay tuned-

Jacob: Top secret stuff.

Loren: ... there'll be a lot of cool stuff coming out. And I know a lot of people are excited about what's possible when you apply robotics or AR and VR to Lego play experience.

Loren: And then in terms of the capabilities, again, I can't say too much, but we are looking at different ways of bridging that capability gap, because obviously Lego doesn't have an abundance of robotics engineers or AR engineers, we do have some, but looking at partnering, and we have deep relationship with Apple and Google as well as smaller technology players, and we're collaborating with.

- Loren: The luxury and the privilege that we have is Lego being such an iconic brand and a meaningful brand to so many engineers around the world that it's not difficult to get people excited to collaborate and we're very grateful for that.
- Loren: So it would be a combination of partnering, collaborating, as well as building internal capabilities, and ultimately what we're looking at orchestrating is an ecosystem around fluid play with the brick at the core.
- Jacob: Very cool. I'm excited to see what some of that might look like when you guys are able to announce it. So maybe one or two more questions. Here's another really interesting one, it's from Jacob Stenmansen, and he is a Dane, he is from the home country of Lego. And he asks a really interesting question which is that Lego is basically, he says, kind of like a two-fold company. One is you have the bricks, the Lego bricks, and this kind of this original idea, and the second is you have a company that's very involved in kind of the commercialization aspect, growing the brand, capitalizing on the name.
- Jacob: And he wanted to know how much of Lego today is about the original idea, like the core of how Lego started, versus the reality of today as far as being more commercial, and expanding and growing? So how much is deep-rooted in origin in the country of Denmark versus outside is basically his question.
- Loren: Yeah, I think it's an interest question. I think we're a global company, and we continue to globalize. And if you look at what we're doing in China, it's just incredibly exciting, the business is expanding very rapidly. The core Lego idea of physical play, and the pride of creation that is the benefits value proposition to the kid and the joy of building, which is the other proposition, value proposition to the kid, is equally relevant and profound in China as an example, as it is anywhere else.
- Loren: So that just points to the possibilities in terms of reaching more and more children and staying true to the core value proposition that we bring to the market with the physical play experience.
- Loren: Having said that, of course going to market, and to loop back maybe to what we were talking about before, storytelling is not only important internally from building the culture and cohesion amongst our employees, but it's equally important in terms of cutting through a very very world of opportunities for kids to spend their time, and shoppers and parents to spend on gifts. So we continue to innovate in terms of ways of reaching children and captivating their interest and their attention in the storytelling around the brand, which continues to be very critical and we sell a lot of boxes of just playing bricks, but the role playing aspect of the Lego value proposition is equally interesting. And some of our licensed products and partnerships, whether it's Harry Potter, or it's Star Wars, or others, are other ways of telling the story of what's possible with the Lego brick.
- Loren: So net-net, I think we're staying very true to the core value proposition and the brick, which is now 60 years old. The brick was launched in 1958, and the bricks from 1958 can still be used today with the bricks made just this year. So I think we stayed true, there is

a timeless aspect to it, but at the same time, we are evolving to remain relevant in a world that's changing around us.

Jacob: Perfect, I love that answer, and I like the storytelling and the role that that plays. Do you have time for maybe just one more question before we wrap up?

Loren: Sure, let's go for it.

Jacob: Okay, let's do one more. On man, how to pick? Well, let's go with this one. It's from Sheryl Lewis, and she says, "In a company whose brand stands for creative thinking and imagination, how does Lego support imagination and re-skilling within one's career development opportunities?"

Jacob: So I think what she's really interested in is kind of what you talked about at the beginning. You said that one of the things that employees care about at Lego is kind of growth and development and learning. But we never really talked in detail about what that looks like. So is there anything you can share around what it's like to grow and learn inside of Lego?

Loren: Yeah, sure, and learning we call out as one of our values of course as imagination which was also in the question. And for us, imagination is about exploring possibilities. And I think that applies and is a very real orientation that so many of our employees have in terms of what's possible within Lego, whether people are interested in working across different geographies or working across different functions, we have I think a very flexible or open approach to offering different people different opportunities where their interests lie. We also tend to attract a lot of people to the global innovation team. We have designers from 39 different countries, so there's also centers of gravity where if you're interested in a particular area like designing, then that's where you would head. But if you're interested in exploring, shifting across different functions, then that possibility exists as well.

Loren: So I think unlike some other organizations, we don't have very rigid and linear career patting. That is available of course if you're interested in ... if you're a lawyer and you wanna stay a lawyer, that's also supported. But it's really about catering to the individual and what possibilities they see within the Lego context, and then doing our best to support that.

Jacob: Perfect. Well, to wrap I wanted to just ask some fun rapid fire questions about you, if you're okay with that?

Loren: Sure, and then maybe I just give you also some ... maybe before that if I could give you some fun facts you could share over dinner, because I think they're cool, they're a great question to ask people is who's the biggest tire manufacturer in the world? And it's Lego. We produced 700 million tires per year, which I think is a pretty cool fun fact.

Loren: Another fun fact is there's over 900 million combinations with just six two by four bricks. So there's a lot of cool fun facts around Lego as well.

Jacob: That's crazy.

Jacob: Yeah, if you have some more fun facts afterwards, of course please share them. Okay, first question for you, what's your greatest business failure?

Loren: Oh, I was involved in ... When I was in Nokia, I was involved in launching some of the very early gaming products on mobile phones. That was clearly not a success. But at the same time while being a very clear and evident failure, it's probably one of the experiences where I've learned the most about what it takes to innovate and bring a product to market successfully, and to listen in an attuned way to customers and what they need.

Jacob: What's your most embarrassing moment?

Loren: Oh, oh, most embarrassing moment.

Jacob: Work moment.

Loren: Yes, thinking about that. Oh, probably getting so called cheesed at Google, when if you leave your computer open, and one of my colleagues got ahold of it and sends a very embarrassing email to some of the other colleagues about my intended plans for the weekend, which I can't really share the details of that, wouldn't be appropriate, but-

Jacob: It's pretty funny. All right, what are you're most proud of?

Loren: I think just being ... Maybe it's proud and it's being grateful for really having the opportunity to transition to do this, undertake this career transition from commercial roles to a chief people officer role. I think that's been in the works for kind of 15 years, and it's manifested itself through various choices that I've made, so I just feel proud and grateful that my intention was out there, I crafted different experiments, and then was given the opportunity to sit in this seat and shape the culture of one of what I consider to be the greatest brands, and greatest companies on earth.

Jacob: What is your favorite business or non-business book?

Loren: Oh, I think maybe it's a combination. But one of the most influential, probably the Fountainhead by Ayn Rand, which is not a direct business book, but it speaks a lot to having a vision and having a purpose, and living your own narrative, versus society's narrative. And I found that to be a very powerful message, because many people and at different times in my life, I've had to ask myself for the sake of what, whose narrative am I living, and am I making choices to build my own narrative, or am I really making choices to fulfill other people's narratives of me?

Jacob: Hmm, I'm gonna have to check that book out, it sounds interesting. And last two questions for you, who's the best mentor you've ever had?

Loren: Oh, I've had many. I've had many, and grateful for that many at Lego, but maybe I'll speak to one when I was country manager for Nokia's business in Taiwan and going through a lot of changes, and my boss at the time just continued to demonstrate faith and confidence in me, even when things were looking really really pear shape, and just sticking by me during that period of time, and being kind of my backbone was something that I'll be forever grateful for.

Jacob: Oh, well, that sounds like a good story there. And very last question for you, if you were doing a different career, what do you think you would've ended up doing?

Loren: Well, maybe what I fantasize about doing is spending 50% of my time skiing and hiking, and 50% of my time coaching and working with executives and boards on the well-being in that context. Because I think if we could support executives and boards to be more conscious and socially orientated, then I think we have a chance to make a positive impact at scale on the world, which, yeah, needs a lot of help.

Jacob: Yeah, yeah, that's a great message, I think, to leave on. Well, where can people go to learn more about you and Lego, anything that you wanna mention for people to connect with, please feel free to do so.

Loren: Thanks. Well, of course Lego.com, but I think anyone who's interested in this notion of how to support children to develop the skills necessary for the future, including creativity, then to look up the Lego Play Well report, and they could find that online, just look it up. Then I think if people are interested in some of the messages that I have delivered, then they could find me on Twitter, my handle is just @LorenShuster, and I curate a lot of content around conscious leadership, mindfulness, wellbeing, and just how to stay grounded in a crazy world. So if people are interested in that, the intersection of health, wellbeing in the corporate world, then maybe there is some content there that would be helpful to them.

Jacob: Yes, for sure. And your last name is S-H-U-S-T-E-R, so for people that are trying to find Loren on Twitter, that's how you spell his last name. Well, Loren, we went even more than what I promised we would go for. So an hour and seven minutes, so I just wanna say a big big thank you for your time and for sharing your insights and ideas. I learned a lot, and I hope everybody listening very much also enjoyed the conversation.

Loren: Well, Jacob, thank you very much. As I said, I've really benefited from your program, and it's a privilege for me to be able to share some of the insights from Lego with your listeners. So thank you very much for inviting me.

Jacob: Oh, my pleasure. Last question, are you gonna listen to this podcast while you're working out, are you gonna listen to yourself while you're exercising?

Loren: Oh, I don't know, that sounds embarrassing.

Jacob:

[inaudible 01:08:26], all right, well, everyone thanks for tuning in, my guest again has been Loren Shuster, he's the chief people officer at the Lego Group, and I will see all of you next week.