



## Stanford eCorner

### Rebuilding Trust Block by Block

Debbie Sterling, *GoldieBlox*

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Video URL: <http://ecorner.stanford.edu/videos/5261/Rebuilding-Trust-Block-by-Block>

GoldieBlox Founder and CEO Debbie Sterling recounts the difficulty of addressing defects resulting from the rapid ramp-up in production as demand exploded for the toy. She explains how she turned the setback into an opportunity to increase customer loyalty by publicly apologizing for the flaw and sending out a million new blocks along with personalized letters to every child.



#### Transcript

that our team didn't have time to quality check everything as well as we wanted. And so, going into year three Goldieblox is on top of the world. Meanwhile, we have a problem with our blocks. Which leads us to kinda the next lesson learned which is how do you turn failure into an opportunity? So my biggest fear in starting Goldieblox was what if the girl construction toy wasn't well engineered? What if we gave a construction toy out and little girls got frustrated and the opposite effect happened? Where, instead of getting them interested in engineering, they got frustrated. It was literally my worst nightmare and I was living it. So, in 2014, Super Bowl commercial, Toysrus nationwide we're shipping tens of thousands of units from something that had less than a year before been a prototype in my living room. Anyone who has a hardware company knows this is very common you're gonna have problems, but this, this was just a whole level of something I was completely unprepared for. We started getting complaints in that the blocks were not fitting right, a little bit too loose and I was just so upset I could barely handle it. So, we thought, okay what would we do, what would an engineer do when you have this big hairy problem let's break it down into simple and manageable steps right. So what do we need to do? So first we need to fix the block hole.

Okay, can we do that? Great, we know how to fix it, now we've been able to manufacture better blocks, the problem's solved. But now, how do we go back and tell all those people, like hey everybody, we've fixed the problem and you should trust Goldieblox again. Let's try building again and so I made a pretty major executive decision and we were a small startup at the time without a lot of resources but I thought there's no better way to deploy our resources than going back to all of those customers telling them that we fixed our blocks and giving them new ones. And so we did a huge campaign where we talked to everybody to tell them about our new blocks. Filmed a video myself kind of being vulnerable and talking about the mistake that we made but what we were doing to fix it. And we also actually wrote a letter from Goldie to each kid which we had personalized with their name talking about how engineers don't always get it right the first time, but that doesn't mean that you give up. It means that you keep going, you keep iterating and you make it better. And we actually drew a picture of the engineering solution that got the block to fit better and we sent it out to every kid. We actually went and replaced a million blocks which was an enormous investment and worth every single penny. So we turned that failure into an opportunity and every person that we touched fell in love with our brand even more.