

A Fabled LEGO® Brick History

The LEGO Group's decision to hand off the development of LEGO® Star Wars™: The Video Game to an outside group in the early 2000s was both difficult to make and not well-informed, said Jørgen Vig Knudstorp, who was the CEO of the LEGO Group at the time and is now the executive chairman of LEGO Brand Group.

"It was a very difficult decision," he said. "And I think also a decision that unfortunately, was biased by having a management team – not least including myself and the board of directors – that actually knew relatively little about this massive market of video gaming."

In retrospect, Knudstorp said, the LEGO Group should have probably struck a deal similar to the one made about LEGOLAND, which included the LEGO Group maintaining an ownership stake.



Kristiansen recreating, in 2008, an image of he and his sister playing with a LEGO set in 1958.

Instead, Giant Interactive maintained not just full ownership of the 2005 game, but – for a time – had full global rights to all LEGO video games.

Knudstorp said that ultimately the company learned a lot of important lessons through that deal.

"I think from the beginning we should have taken an equity stake to be able to co-invest and co-influence and be part of that journey, while recognizing that we might not be the best operators of that company."

Importantly, he added, it wasn't about the money, but rather the LEGO Group's ability to better help shape the direction of the studio by being more directly involved.

"I think for all the brilliant things TT Games did, they did have some weaknesses like we all do," he said. "And some of the weaknesses that emerged over time, of course, were that they did not as successfully shift from console gaming to mobile gaming, and perhaps also they were not so successful in establishing online games with a lot of players. And finally, their market reach was really mainly in the Western world. They didn't really penetrate markets that were strategically important to us, including Japan, South Korea, and China."

Knudstorp also noted that the fact that a number of LEGO Group employees had to leave the company and form Giant Interactive to make such a successful game, changed how he thought about the company as a whole at the time.

"It was kind of scary to think about some of the very key people behind the game, who were actually former LEGO Group staff, were liberated by being in a different context," he said. "I learned so much from that."

He said that realization deeply influenced his thinking about a wide range of things, including his relationship with the creative team behind LEGOLAND and working with the creators of The LEGO Movie.

"It was mind-blowing to me that it's not about individual capability," he said. "It's about the culture and the system that that individual is a part of. And so, I think also, the huge success of the physical brick over the past almost 20 years now, is really bringing the innovation around the physical brick into the right culture that's befitting to a physical product – which by the way, is totally different from the innovation, culture, and environment that's required for digital play."

The reflective moment was part of a deep conversation with Knudstorp on the Bits N' Bricks podcast about the 25-year history of LEGO video games and digital play.

Knudstorp, who ran the company as its CEO from 2004 to 2016, also spoke about how the company was suffering from a glut of innovation and dysfunctional core empowered by a split identity when he started as CEO.

Over his tenure, the company first reduced its broad-ranging efforts in everything from clothing and watches, to amusement parks and video games and then doubled down on its core, he said. Once the LEGO Group recovered from its brush with bankruptcy in 2003, the company refocused its efforts on expansive innovation, but with a firmer handle on how those efforts traced back to the physical brick.

Kjeld Kirk Kristiansen also chatted with the podcast, reflecting on a life spent playing with and working for the LEGO Group. Kristiansen, whose grandfather founded the company,

became the president and CEO of the LEGO Group in 1979. Under his leadership, the company introduced play themes, the minifigure, LEGO.com, LEGO MINDSTORMS®, and licensed properties.

Kristiansen reflected on how his meeting with famed mathematician, computer scientist, and professor of education Seymour Papert led to a deep and lasting partnership with the Media Lab at MIT. That, in turn, led to the creation of – among other things – LEGO MINDSTORMS.

It was his own love of programming, Kristiansen said, that guided his interest in all forms of technology.

"I love programming because I think it is so much similar to building with LEGO bricks," he said. "You start programming because you have an idea about what something should be like or what you want to achieve. And you know that it can be done. It's just a question of you finding the way. And that, to me, reminds me of LEGO play, where you really ought to sit there and imagine what you can build, and then you start building. You change it on the way, and you get the result and, normally, you are happy with the results."

He said that the rise of the internet in the '90s also inspired in him a fascination with how fans of the LEGO brick could one day share their creations with one another online.

It was from those early ideas of creating a digital version of the LEGO brick that the company's video games first sprung. And today, video games and the LEGO Group's many other forms of digital play are an important part of the company's efforts both now and over the next 25 years.

"It is very, very important," he said. "We are, as a company, also very open to new developments. We see that in our product assortment, we see that also in the video games that are developed, and I think it really is inspiring to see what is happening in the digital world."

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In order of appearance

[The LEGO Story](#) — YouTube

[The LEGO Story: Outtake](#) — YouTube

[LEGO Star Wars™: The Video Game](#) — Wikipedia

[LEGO Brand Group](#) — New structure for active family ownership of the LEGO® brand

[Jørgen Vig Knudstorp](#) — Wikipedia

[Kjeld Kirk Kristiansen](#) — Wikipedia

[LEGOLAND](#) — Official website

[SPU Darwin](#) — Inside the LEGO Group's Secretive Strategic Product Unit Darwin

[LEGO Island](#) — LEGO Island: Birth of a LEGO Video Game

[History of LEGO Video Games](#) — Official website

[TT Games](#) — How Harry Potter and an amazing demo led to LEGO Star Wars™: The Video Game

[Seymour Papert](#) — Wikipedia

[Seymour Papert on Talking Turtles](#) — YouTube

[Minecraft](#) — Official website

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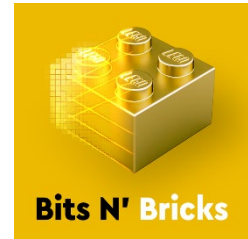
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Transcript

Bits N' Bricks Season 1 Episode 18: A Fabled History

April 7, 2021 · 1:01:13



Bits N' Bricks: Introduction – 00:00

(Child's voice announcing Bits N' Bricks)

Ethan Vincent

Welcome to Bits N' Bricks, a podcast about all things LEGO Games. I'm Ethan Vincent—

Brian Crecente

—and I'm Brian Crecente. Together, we look back at the rich 25-year history of LEGO games, chat with early developers and seasoned studios who have all tackled the creation of video games for one of the most popular and respected toy companies in the world – the LEGO Group.

Chapter 1: A Fabled History – 00:33

Ethan Vincent

It all started with a little bit of extra wood, a love of toys and an unbreakable will to succeed. Ole Kirk Kristiansen founded his little toy company in 1932, coming up with its name by combining the first two letters from the Danish words play, "leg," and well, "godt." Initially, Ole, a master carpenter focused on creating wooden toys. There's, of course, the signature wouldn't duck that you could pull by a string, but also other toys like piggy banks, trucks and yo yos. In 1947, he decided to start experimenting with plastic toys, including a truck that could be taken apart and reassembled. But it wasn't until 1949 that he and his son Godtfred started selling automatic binding bricks.

(Music)

Brian Crecente

Yeah, you know, if you're interested in the LEGO Group's wonderful history, you should check out [The LEGO Story: How It All Started](#), which is this animated film that was created by the LEGO Group back in 2012 to celebrate the company's 80th anniversary.

(Excerpt from The LEGO Story)

Ole Kirk Kristiansen (actor)

"LEGO!"

Narrator

"As you can see, Ole himself ended up finding a very suitable name. But what he didn't know was that in Latin, the word LEGO means 'I put together.' The name LEGO was well received."

Brian Crecente

There's also [this great outtakes video](#). You can see both on [the LEGO Group's official YouTube channel](#).

(Excerpt from The LEGO Story)

Godtfred Kirk Christiansen (actor)

"System? Hmm, there isn't any system!"

Ole Kirk Kristiansen (actor)

"What in the world are you doing, Godtfred?"

Godtfred Kirk Christiansen (actor)

"There isn't any system. The toys need an idea and a system built around it. I want to put system into play. Children have only been offered ready-made solutions. They need something different that will strengthen their imagination and creativity."

Ole Kirk Kristiansen (actor)

"So you're trying to put LEGO into a system? Interesting."

Brian Crecente

Both videos include Ole and Godtfred, as well as Godtfred's son, Kjeld Kirk Kristiansen, who would go on to run the LEGO Group after his father. It was under Kjeld's leadership that the LEGO Group introduced the idea of themes, created the minifigure, and started their lucrative licensing property business that has included the likes of *Star Wars*TM, Marvel and Disney. But perhaps most importantly, at least for our podcast, it was Kjeld, who so enthusiastically embraced emerging technology and pushed innovation at the company into the digital age. During his tenure, the company launched LEGO.com, MINDSTORMS[®] and [SPU Darwin](#), which we had a whole episode about. The first video games also launched under Kjeld's leadership.

Ethan Vincent

That's right. He had a deep impact on the current face of the LEGO Group, which is why we're so happy to have him on this episode of the podcast. We'll also be chatting with Jørgen Vig Knudstorp, former CEO of the LEGO Group, who currently serves as the executive chairman of the LEGO Brand Group. So in this episode of Bits N' Bricks, we'll be focusing on the company's history with digital play and video games. And in [our previous episode](#), we focused more on the here, now, and the future, including interviews with the company's current CEO, the chief product and marketing officer, and the head of LEGO Games. So make sure you give that a listen, too.

(Music)

Chapter 2: Conversation with Jørgen Vig Knudstorp – 03:39

Brian Crecente

Jørgen Vig Knudstorp has an interesting perspective on the company, both through his time running the LEGO Group as its CEO from 2004 to 2016, but also now as the executive chairman of LEGO Brand Group, where he focuses on the truly long-term strategic direction of the brand, and supports the owner-family in their active and engaged ownership of the LEGO Brand.

Ethan Vincent

So, Jørgen Vig, thank you very much for taking the time to talk to us. I wanted to ask you straight out of the gate here, how did you view the LEGO Group when you joined the company? And how did that compare to the state of the company when you stepped away as CEO?

Jørgen Vig Knudstorp

Yeah, so it was an amazing company to join. It was, of course, also my childhood passion. And I had a very unstructured and unusual interview process, and that's how everything continued. It was a very informal, very happy company. It was clearly struggling, but the passion was high and energy was really good. So it was very surprising in that way. And then of course, I was just completely fascinated being surrounded by my childhood passion, and I spent a lot of time just exploring that. I was lucky that I was put into a position that sort of took me 360 degrees around the full spectrum of the company, but I would say, if I were to sort of say, what critical observations emerged through dialogues with many great people, I would say there're sort of three things that struck me and that I think changed over the years during the time that I was part of the leadership. And that was, the company had an identity split. There were those who were very passionate about the purpose and the LEGO idea, and then there were the so called realists who were very focused on the commercials and making the company successful in traditional terms. Then

another split was that the company – there was really very little understanding of how to optimize operations, and in particular, how it links into product development and marketing. So it was disjointed even to a degree, I would say, a dysfunctional organization and company. And finally, it was a company that was trying to do way too much. So often, people will say a company runs out of cash, and it dies in a way from starvation, but this company was dying from indigestion: It had taken on too much. And for me, the epiphany was, I was on a plane from Boston to Amsterdam, and I was lucky to sit next to a person called Chris Zook, who has written books on this subject, one of them is actually called *Profit from the Core*, so he was very much focused on what is the core of a business and a company, including its core purpose. And we spoke the whole night on that plane from Boston to Amsterdam, and he has a notion in his book that says, a company can do something new once every five years if it's really going to be successful doing that. And when we sort of went off the plane in Amsterdam early in the morning he said to me, "I know what you did. You read my book upside down. You did five new things once every year. You know, those things may actually be great ideas, but you probably did too many at the same time." So, I think what hopefully was a little bit different 10, 15 years later, was that the company was much better aligned between the production of products, and the marketing and selling and development of products, and I think the company was much more purpose and being disciplined on commercials and operational success, not that identity split – its self-identity was a lot clearer – and then it had decided that the company couldn't really be the world's best at a ton of different things, so it no longer ran theme parks, it no longer produced movies and content itself, and it, importantly for this conversation, had stopped in a major way attempting to be a major, let's say, producer of video games, and I'm sure we'll explore that a lot more in this conversation.

Ethan Vincent

Yes, that kind of leads straight into my next question. What role did you see digital play and video games having inside the company when you started with the LEGO Group, and how did that evolve over your tenure as CEO?

Jørgen Vig Knudstorp

Yes, so I joined of course in September 2001, and so I was very aware of LEGO Island and it was still on the market and it was great game, and more thoroughly, I was very aware of MINDSTORMS, which was a quite new offering at the time and was probably not living up to our expectations, but was still an extraordinary product. And I remember having many conversations with Kjeld about that programming – making algorithms and coding, something I have done since my early youth. It's really also like building with LEGO bricks. There's a systematic system in which you can be endlessly creative. So we actually said, making algorithms, coding algorithms is just like building with LEGO bricks. It's a language. And so we felt that MINDSTORMS and coding was the closest you came to actually playing digitally with LEGO bricks, and that of course led to discussions that then you don't need studs on tubes, but what then do you need to actually really live the LEGO idea digitally? And I still think that's true, but I think it also led us onto a path whereby it became a little

bit sometimes esoteric from the point of view of the end user, because in some sense, stacking simple, one-by-one blocks as you do in Minecraft is also, in a way, coding and programming behaviors, but it's incredibly simple even compared to something like Scratch, which we have been very close to all the years in its development, and it's a great example of building code. But I think that's where we were and then, of course, we were also in 2003 and 2004, very focused on the broken core, because due to this set of issues I described earlier that I think plagued the company when I joined it, the core was actually super dysfunctional and highly unsuccessful and unprofitable also, and very inconsistent in its performance. So we completely doubled down on saving the very essence of the company – which, of course, is the LEGO brick and the building system – and everything else, which was an adjacency, whether it was producing movies, or books, or other lifestyle products, or video games, or theme parks, went on sale or to be licensed out, and hopefully find a home with somebody who would be among the world's best doing that, and have a relationship with us. And that led to the decision to spin off LEGO media or LEGO video games, which eventually, as you of course are fully aware, became TT, and now since many years Warner Brothers. And I think there was a consequence of that very rigorous focus on what can we be the best at doing, and what should somebody else do? It was a very difficult decision. And I think also a decision that unfortunately was biased by having a management team, not least, including myself, and a board of directors that actually knew relatively little about this massive market of video gaming. And, you know, it's interesting to contrast how we handled the LEGOLAND situation versus the LEGO video games, where with LEGOLAND we had – and this was very much also driven by Kjeld as a family owner – we took an ownership stake, so we had equity in the new company that went on to run LEGOLAND, and we had a strong license agreement. With what became TT, I think we, from the beginning, should have equally taken an equity stake to be able to co-invest and co-influence and be part of that journey, while recognizing that we might not be the best operators of that company.

Ethan Vincent

Well, let's jump right into some of these games. Obviously, you hinted at the success of *LEGO Star Wars™: The Video Game*. How has that impacted the LEGO Group's relationship with video games and the company in general?

Jørgen Vig Knudstorp

So I think before the launch of *LEGO Star Wars™*, what became TT Games was really a licensed partner. We thought it important to still have some titles out there, but it was not something we spoke a lot about. It was just another licensing relationship. The *LEGO Star Wars™* video game, I think, completely transformed that. And that was because it was just, I mean, you watch the trailer, you do the first kind of – it was just amazing. And I think it almost introduced a new genre within the video console, video games segment. And that, of course, really opened our eyes, but of course, also in our commercial organization, people sort of really sort of started looking at the revenues and said, "Wait a minute, this is actually reaching a very, very significant audience." And so I think for me, personally, it was

kind of scary to think about some of the very key people behind the game were actually former LEGO staff. So they were liberated by being in a different context. But it was not that the person couldn't be employed by the company. I thought that was deeply fascinating and something I've kept reflecting on in my 20 years here across a number of other segments of our business, which we can perhaps come back to, but eventually reaching some 7 million consumers. We did some research, I remember, and I think it was in Scandinavia, which obviously is a home market to the LEGO brand. And we learned that a 4-year-old child's first introduction to LEGO play was through the video game, not the physical bricks. When that data point landed on my table, everything changed with regards to our view on TT Games and the importance of that relationship. And of course, as you know, we went on a roll with some amazing games – Harry Potter, Indy, Marvel. And for me, personally, I was lucky, I know you in early episode have talked about your children's gameplay. I am the father of four kids. There's six years between the four of them – two girls, two boys. And back in 2005, my oldest was four years old, and the youngest wasn't even born, so they grew up on this and we have spent endless hours playing all of these games. And so it, of course, also at a personal level, just really opened my eyes. And also, I have some kids who are deep LEGO builders to this very day where they're sort of in their late teens, but some of them weren't so much into physical LEGO play, but then they were deeply into LEGO video play.

Ethan Vincent

I find that moment really interesting you talked about. Do you kind of remember when that was that you got that data in and it changed the way you thought about video games on a real corporate level?

Jørgen Vig Knudstorp

Yes, I think that was late 2006, so it took a while before we sort of really understood the deeper impact, and that was an interesting moment also because, as you know, LEGO Universe really started in '05 which was great, because we were in the midst of a survival crisis, but there were still a few people who had energy to think about LEGO Universe. But what happened by the end of 2006 was that a new management team was formed including Lisbeth Valther, and she and her colleague, Mads Nipper, sort of together owned, I think what we call seven growth drivers. So this was like a highly secret effort to be ready the day the company had fully come out of its transformation to be a much more healthy business. We projected that to be 2009. By 2008, we couldn't hold back the wild horses and we started growing again, but we spent four years sort of getting into shape before we unleashed organic growth again, and during that time they worked on things that became themes like LEGO Power Miners, and eventually Ninjago, LEGO Friends, The LEGO Movie, the expansion of LEGO brand retail, the reconfiguration of our relationship with LEGOLAND, betting on LEGO education, and then also LEGO Universe, and all of those things were therefore in the pipeline over a three-to-four-year horizon and only sort of really hit the public in the next decade after 2010.

Ethan Vincent

I'm going to dive right into asking you about LEGO Universe, and for me, maybe the first question here is, how significant an effort was LEGO Universe to the LEGO Group as a whole, and why did the company invest so much into a single video game project at that time?

Jørgen Vig Knudstorp

Yeah it was a very, very significant effort and it started around '05 and '06 and I think we had a brilliant team. They were a little bit outsiders in the innovation organization around Lisbeth Valther, Henrik [Taudorf] Lorensen and importantly, Mark Hansen. And I think they were sort of really diving deep into the world of gaming and forming a vision for the LEGO Brand, and I think very much aligned with this idea of creating community, creating coding opportunities, unfolding imagination. So they wanted to do something that added a bit more proximity to the fundamental idea of the LEGO Brand than the TT Games had done so far, and I think therefore it was a very fundamental exploration for us and, as you know, it probably also led us to have possibly too many ambitions for one single game as it evolved over the next five years.

Ethan Vincent

And that's one of the things that was apparent in those five years of development. You know, it was kept alive for less than two years, and what do you think should have been done differently in the game's creation? Or what do you think was the right decision, or was it the right decision to cancel the game? How do you look at it now kind of in hindsight?

Jørgen Vig Knudstorp

Yeah, so a couple of things on that. I mean, one of the things that I would say almost to this day plagues us a little bit in our culture is, we launch physical products. When they come out, they're perfect. We're well-known for our quality. And of course, a physical product in the hands of consumer, you can't take back and say, "Wait a minute. I'm sending you a new release of that product." It's impossible, it's gone. But we got that all wrong in digital, right? I mean, we should have launched a much less well-specced game, a much less perfect game, and then kept iterating on it because only through experimentation would we have figured out really what works. And that's, of course, also because this development, as you know much more about than I do, happened at a time where we started shifting from physical – selling boxes with games in them – to actually web-enabling and distributing online, and so on. And so there was some technology shifts that made this harder for us to realize, but with hindsight, we would have been better off launching something much simpler, that we could have learned from, and then kept iterating on – and also, quite frankly, at lower cost of development, but also lower cost of moderation and maintenance. And thereby kept evolving a fundamental idea, rather than trying to push for this perfect final idea, that would go on to live. And I think there were

issues in this what I call, being the writer of the novel on which the movie is based. I don't think we were sufficiently, and everybody did with the best intentions – and I'm the worst of all, so I'm not blaming anybody – but we should probably have stepped a few more steps away and let Scott, and the team, Ryan, and so on, to basically say, "Hey, LEGO Group, lean on us. We know how to do games. You know how to do LEGO play. We listened to you, but we're going to do this, and then we hope you like it when it comes out." And that's actually something we did for the LEGO movie. There's so many people who have asked me, "What degree of control did you have with Lord and Miller and Warner Brothers and Lin Pictures in terms of the script and storyline for the LEGO Movie?" And eventually, we had none. They took all the risk, but they spent just as much time with children and LEGO fans as NetDevil did. So they immersed themselves in the LEGO Brand. But I think my mistake in the development, and this is my mistake, in the development of LEGO Universe was, we crossed that red line, and went into having all sorts of opinions about what the game should look like. And because NetDevil was not so much an independent studio – they were a supplier on it – we paid them for their production. For us, we took charge of something that I think we weren't qualified to take charge of, which was what the game should really be designed as and looked like. We should have kept away a little bit more from that, which of course, is super difficult, but I think that was a crucial mistake in the development. Then I think, when it hit the market, there were a lot of things that made it difficult, but also, I keep hearing from people and I've sat down with the founders of Minecraft and the founders of Roblox and they both said to me, "Oh, I loved LEGO Universe." And I think many people did, and certainly my kids also, but it is true that people say LEGO Group doesn't have a lot of patience for what doesn't work. But I would also say there were really strong signals that actually this wasn't the killer product that it needed to be with the degree of investment and moderation we had put behind it. And so I continue to believe that just carrying on with an almost-unaltered product and hoping three more years, I don't think would have been the right way to spend our resources. What I think was a mistake, and this is again 100% my accountability, was shutting down NetDevil. I wish the board and the owners and management had gotten together and said, "We can easily afford this. Let's invest – it wouldn't be much more than \$50 million, maybe even less than that – and keep this alive and keep iterating on ideas because we have a long-term destiny in digital play, and NetDevil understands us as well as anybody else. The product isn't right, but then let's think about what the next product looks like." And I think we washed out a lot of hard-earned capabilities in completely closing down, and I view that as one of my biggest mistakes, accepting that that happened. And the reason why we were accepting it, was we were just incredibly busy running everything else which was on fire and highly successful. But that's not an excuse. We should have preserved this and kept investing in it and see what would come next a couple of years later.

Ethan Vincent

Well, I appreciate your honesty, again, this is to me very fascinating, this transparency and just being so open about your perception of those days. Having also visited NetDevil and seen their brick collection and talked to the group, I mean, you knew all these people very

personal as well. You talked about that dichotomy between the LEGO Group, seeing, maybe even the motto of "only the best is good enough," and having these very high standards of success and quality, and then on the other hand, letting others kind of freely reign. And I guess the trend I'm seeing is that I'm finding that a lot of external groups are grasping the LEGO DNA a lot quicker. And it has to do with the fact that, I think, they grew up playing with LEGO bricks, but also with LEGO video games, and it's inherently built into, and that is where the LEGO Group, of course, and the LEGO Brand Group did an amazing job in fusing all elements of play with that. And I feel that that is the great contribution. So my question, which is, of course, a very long question that I just did. I apologize for that. How do you see the future of the LEGO DNA and kind of the future of the LEGO language influencing digital play? And how will that relationship continue?

Jørgen Vig Knudstorp

No, I think you, I mean, thank you for that, and it was long, but it was so valid, what you said. And what I feel is that the LEGO idea has been validated in the digital world, a little bit in part to LEGO Universe and the success of TT Games, but very much by the success of Minecraft, of various coding play [experiences], and of course with that Roblox, and now even something like Fortnite Creative [Mode], I think, what we're seeing is that there is no doubt that the LEGO Brand and its idea are relevant in a digital age, and is one of those things, just like in the physical world, that will be, I think with human beings forever. I mean, I think it's a very fundamental way of playing is to make things that you can call your own, and you can unfold your creativity and imagination within a set system of tools. And so I feel strongly validated in that the brand has a role. It kind of reminds me back in '03 and '04, when the company was almost going bankrupt, or it actually probably did, but was saved. Some people said to me, "Will the LEGO brand survive?" And I said, "I have no doubt that LEGO Brand will survive. The only question on my mind is, who's in management and who owns the company?" Because I think the idea is so fundamental. And it's wonderful that I think that has been completely reaffirmed in digital play.

Brian Crecente

You know, this has been fascinating, but I'm curious, going back to TT Games, there are a couple of things you said that really, I found interesting. One was this idea that it sounded like, from your point of view, that some of the founders of Giant Interactive, which became TT Games, were former LEGO employees. And it sounds like you felt like they were liberated by this sort of different context. Did that have any impact on how you did things moving forward? Or did you try to address it in some way?

Jørgen Vig Knudstorp

Yeah, I learned so much from that. It hugely influenced my relationship with an individual such as Nick Varney and his creative team, who runs LEGOLAND. So from that, I learned how to think about LEGOLAND as a related experience, how to think about LEGO in education, but certainly also about content. You know, as I mentioned, the development of

the LEGO movie, how we went about that relationship. And it was mind-blowing to me, that it's not about individual capability. It's about the culture, and the system that that individual is a part of. And so, I think also, the huge success of the physical brick over the past almost 20 years now, is really bringing the innovation around the physical brick into the right culture that's befitting to a physical product, which by the way, is totally different from the innovation, culture and environment that's required for digital play.

Brian Crecente

I think you talked a little bit about that, about how the LEGO Group wasn't, it sort of sounds like, completely informed when it came to the importance of video games back when that Giant Interactive decision was made. Do you feel that the LEGO Group maybe became a little bit too reliant on TT Games in terms of its digital efforts?

Jørgen Vig Knudstorp

Yeah, that's a great question. And I do think there was a tension there as time went by. And you know, that's what – I mean, first of all, I think we, and I don't feel sorry about the money, but we gave a lot of power to Giant and TT games by lending them our brand. Of course they paid a royalty, but when you do that, you should always take an equity stake in something as important a step, because this is not like just producing a T-shirt, this is actually play material. And so just like LEGOLAND it's so important that you ought to own a part of it, not just to make money from it, but actually, as you say, to one, influence, two, co-invest and make things possible. And I think for all the brilliant things TT did, they did have some weaknesses, like we all do. And some of their weaknesses that emerged over time, of course, was they did not as successfully shift from console gaming to mobile gaming. So we needed perhaps another partner in that space. They were perhaps also not so successful in general in establishing online games with a lot of players. And finally, their market reach was really mainly in the Western world. They didn't really penetrate markets that were strategically important to us, including Japan, South Korea, and China. And again, I can't blame them, this is not a criticism, it's just a fact of their footprint. So, when you give somebody a global license to your brand, you need to make sure it truly is global, and it can handle the technology shifts. Otherwise, you come to a point where you have to say, "Wait a minute. We love working with you guys, but your scope is X, Y, and Z because we need somebody else to look at something else." The balance, though, is if you want somebody to invest heavily in something related to your brand, you can't say, "Oh, and by the way, we might limit your license in some significant way." So there is that tension. And I think we got it right for quite a few years. But in the later years of the partnership, we of course had to open it up a bit because clearly, TT possibly wasn't ready to succeed in the areas that would be in addition important to us.

Ethan Vincent

I wanted to ask you (and I know you've been listening to Bits N' Bricks) we recently released an episode on the Strategic Product Unit Darwin, and I was just curious what your thoughts were on the efforts of SPU Darwin?

Jørgen Vig Knudstorp

Yeah, obviously, I only know it through Kjeld and his personal passion. And I love them, I hope you got that – his story of Dent-De-Lion knocking on his door with a suitcase. And it was amazing what they did with Silicon Graphics and so on. So I think, for me it belongs into this camp where I'm thinking as a family-owned company with no other investors, I just wish something had got started there in the 1990s, which was still here today, instead of this sort of, a little bit zigzagging in and out of being in gaming and digital play, because I think we could have built something more significant from doing that. I hope we're now finally rectifying that, but that's what it reminds me of, and of course, I think it's fascinating that Kjeld had the foresight. And he was quite a skillful programmer when I joined the company, not only programming MINDSTORMS and other things. I remember having dinner at his place one evening, and he was programming algorithms for managing something on his – you know he has a farm, and he was doing a program of how he needed to look after the horses, or something like that, and it's just, I said, "I can't believe you're doing that. You're running the LEGO Group." And he said, "No, no. I just love making small programs."

Brian Crecente

That's great.

Jørgen Vig Knudstorp

So there was something there that got started which I think we could have gained more mileage on. I think one of the things he and I could have done very differently there: We should have built a board or a group of advisers who were fantastic people in the gaming and digital space. We had amazing people in marketing and product development and global operations and supply chain who, you know, I was a very, very naive and young and inexperienced CEO in 2005, but I got so much help from the board, and without criticizing any individual I just say, I did not get much help on gaming, and I think Kjeld should have gotten that for his own benefit 10 years earlier. He should have gone out and found people in, probably in Silicon Valley or in gaming communities, and had one or two of those people come onto the board with the explicit mission of digitalizing and securing the LEGO Brand's role in gaming. There weren't any people inside management or in the board who really understood that industry.

Ethan Vincent

How are you going to celebrate 25 years yourself? 25 years of LEGO video games?

Jørgen Vig Knudstorp

I think by dusting off my collection, and we've gotten started. My kids pulled out their PlayStation 3, which had been retired a little bit, and we played some of the old games, and they're very sentimental about it in the way many parents are sentimental about pulling out their old LEGO bricks. And then, not a small part and no point intended, other than, positive appraisal – I've really enjoyed listening to this podcast series. It has opened my eyes to aspects I had never thought about, which is truly amazing, but also reminded me of things I had forgotten and told me things that I had never heard, so I think it's a wonderful way to celebrate the LEGO Brand's role in digital play to listen to this entire series.

(Soft music plays)

Brian Crecente

You know, what really sticks with me about that interview is the deep impact that video games had and have on children in terms of their exposure, not just to things like *Star Wars*™ and Indiana Jones, but to the LEGO bricks themselves.

Ethan Vincent

Yeah, it's really amazing to hear Jørgen Vig say that a child's first exposure to LEGO play at some point was through video games and not physical bricks, and how that bit of data helped to reshape the way the company approached, well, everything! Now, while Jørgen Vig remains the executive chairman of the LEGO Brand Group, his interview was really focused on his tenure as CEO, which ended in 2016, so the conversation with Jørgen was more about the recent history of the company, and the next interview is about the company's rich history.

Brian Crecente

Yeah, and man, is there a lot of rich history to talk about especially with this next person.

Chapter 3: Conversation with Kjeld Kirk Kristiansen – 34:46

Ethan Vincent

Totally. We're so lucky to get some time to speak with Kjeld Kirk Kristiansen, despite his busy schedule. His perspective is as insightful as it is broad, and as a child, Kjeld was inspired and tested new LEGO model concepts and building instructions. His picture is even on some of the original packaging for the LEGO bricks sets. In 1979, he became the president and CEO of the LEGO Group, and under his leadership, the company introduced play themes, the minifigure, LEGO.com, MINDSTORMS, and licensed properties. He also happens to be a big fan of technology, and much to our surprise, a coding enthusiast.

Brian Crecente

Hi, Kjeld. Thank you so much for joining us. I'd like to start by asking a little bit about some of your earlier memories, not just working, obviously, within the LEGO Group, but also what some of those memories were in terms of playing with LEGO toys. So what are your earliest memories of your interactions with those LEGO toys and LEGO bricks?

Kjeld Kirk Kristiansen

Oh that goes back. I have memories from back in the '50s where I was just a boy, and I think I built with the first brick set that were without the tubes, already from the early '50s being four, or five, six years old.

Brian Crecente

Wow! Now do you know growing up, I'm just curious, do you think that there were any important principles or lessons that you learned from your father, grandfather? And I'm also curious what you think, that they would today think of, how the LEGO Group has grown as a company.

Kjeld Kirk Kristiansen

Well I think that it would probably be hard for them to imagine how the company looks today. My father always said, for instance, "It's not a question about being the biggest. It's a question about being the best." And of course the LEGO idea has been part of the company for many, many, many years. It came about really with the focus my father had on developing the bricks into a play system already in the late '50s. So, the history goes back, and I can say that I think I learned from both my grandfather and my father also, to have a belief in the idea but also a certain persistence to say, well also in times where it didn't go that well, that we will definitely manage in the future also.

Brian Crecente

When you look today at the company, how do you think some of those guiding principles are reflected in the modern LEGO Group, and also specifically, how do you think they impact the company's approach to digital play?

Kjeld Kirk Kristiansen

For many, many years now we have really talked about playful learning or learning through play. What is so important in the LEGO idea is that children grow and develop when they use our products, when they build and create. So that has been a guiding principle and become more and more clear in our organization, also the way we talk about it so that everybody knows that this is a fundamental principle. We are here really to make as many children as possible learn through playing with our products, and that also goes for our digital play. It is important that that also really, that it lends itself to creativity, that it lends itself to children interacting and really have, mixed also, with the physical play in a good way.

Brian Crecente

Do you recall, I know in the '90s there was some concern it seemed like, and some investigation into the rise of video games, in particular how the impact that companies like Nintendo were having on how children spent their time. Do you recall when you first started thinking about video games and the perception that they were taking children away from more traditional forms of play, like construction toys?

Kjeld Kirk Kristiansen

A lot of things happened during the '90s, and of course it was something that we were concerned about. I must also say, in the late '90s we had some problems in growing the company, and that made me also really concerned that so many people in my organization would start losing faith in that we could grow with a brick. And probably, I did the mistake that I started too many other things. (chuckles) We started a media product division in London. We started making watches and children's clothing. A lot of fan products. And I thought that that was really also helping us grow, but it took away probably some focus, even more, on our basic building bricks, so it was sort of a difficult period up until – yes, it was really not until 2004 that we were sort of finding back to the real thing. (laughs)

Brian Crecente

Do you feel that things like video games, and sort of more technologically advanced toys were having an impact on that?

Kjeld Kirk Kristiansen

Yes, I believe it did have an impact also on the way that we looked at how we should move forward also in integrating more digital play. And one extremely good example of that is, I think, LEGO MINDSTORMS, which came out of this talking a lot internally also about, how can we make sure that we also have this integration between the digital play and the physical play? So we launched LEGO MINDSTORMS in 1998, and I was so happy that we could do that – and so was Seymour Papert by the way.

(Laughing)

Brian Crecente

Yeah, it's funny I was actually going to ask you about him. I'm so fascinated with that relationship. How did you first come to meet Seymour Papert, and how did that relationship with him and the MIT media labs sort of blossom out of that meeting?

Kjeld Kirk Kristiansen

Well, I happened to watch a television program called [Talking Turtle](#), which was with Seymour Papert talking about his idea of the Logo language which was very, very simple language so children could easily use that, also when they were dancing or whatever activities they had. And I was so fascinated by that that I thought, "I need to get in contact

with him." And it so happened that he also, at that point in time, already was using LEGO bricks. And so it was really from the beginning, it was in '84 we first met, and since then, we developed a close collaboration with him and Media Lab at MIT.

Brian Crecente

It's interesting in talking to people over this, sort of, examining this 25 year history of the LEGO Group of video games. A lot of people mentioned how fascinated and interested you seem to be in technology. Where did that interest come from?

Kjeld Kirk Kristiansen

Actually, in '72 during my MBA year in Lausanne, Switzerland at IMD, we were starting using – it was not a PC, basically because it was more a terminal, a Honeywell/Bull Terminal, which was connected by a satellite to a big machine in Houston, Texas. So I started – I was so fascinated already at that point in time, so in '73 I got my own installation of a Honeywell/Bull Terminal in my office in Switzerland, and I started programming a lot of things, but also things that made a lot of sense (chuckles) like the bookkeeping in our holding company. I transferred that to this Honeywell/Bull station, which I remember our auditor was not too happy with that because then we couldn't have the normal cards printed out and so on, but it was OK. But I love programming, and I love programming because I think it is so much similar to building with LEGO bricks. You start programming because you have an idea about what should this be like? What do you want to achieve? And you know that it can be done. It's just a question of you finding the way, and that to me is so much reminding me about LEGO play, where you really ought to sit there and imagine what you can build, and then you start building, you change it on the way, and you get the result, and normally you are happy with the result.

Brian Crecente

That's fascinating. It's interesting because I think a lot of people today see that connection between the LEGO brick and some forms of programming, and we see it iterated on with Unity and with other programs. I'm curious, you have this, obviously, this deep understanding of technology even back in the '70s. How did that influence the decision then to sort of start working on the digital dimensions that you added to LEGO play? Was that influential on that?

Kjeld Kirk Kristiansen

Yes, it was very much influential, also because I followed what was happening there and also that the internet got started and gaining momentum in the '90s, and I was thinking that that's a fascinating possibility for our fans, in all ages, to share what they have created and talk to each other about developing even further.

Brian Crecente

It's interesting because you look at the LEGO Group's history and for a company that is probably, or at least at the time, was best known for its physical products, there were a lot of innovative steps that the company took and big bets, I think, on digital efforts. So, you had Darwin, you had Futura, MINDSTORMS, Zowie Entertainment. Why do you think the LEGO Group was making all these big bets on digital efforts?

Kjeld Kirk Kristiansen

Because it seemed so natural in order to expand the idea into the digital world, and I have always been very fascinated by trying out new things (chuckles), so I think it was a natural part of our development.

Brian Crecente

It sounds, again, like you were really into this sort of rising technology. What are your sort of personal memories and favorite memories of some of these innovations that you've personally found interesting?

Kjeld Kirk Kristiansen

Well, I'm thinking back on LEGO Island. I think that was of a very, very early video game that came about through the work of some interesting people we've worked with in London and it was fascinating to follow. So that's probably my first example, yeah.

Brian Crecente

That's a great example and I think it's a game that is, even today, fondly remembered by a lot of people who played it back when it came out. Do you think that the game had any deep impact on the company at the time when it was released?

Kjeld Kirk Kristiansen

It had the impact that this is also a viable way for us to go, and many of us thought that this was definitely going to be part of our future.

Brian Crecente

When you look at the digital efforts that the LEGO Group has gone through, do you think it has had a significant impact on the brand and the company, and I guess on the LEGO brick?

Kjeld Kirk Kristiansen

Yes I think so, both in terms of more of our products that have been where a digital play is more integrated, so that you're not only building but you are playing on your PC or on your laptop.

Brian Crecente

When you sort of look back now at all of these things that were sort of bubbling up at the same time in terms of digital efforts and innovation, is there any particular moment in time where you think that, this is exactly when we decided we needed to start pursuing digital play within the LEGO Group?

Kjeld Kirk Kristiansen

Personally, I think it came after our work with Seymour and Mitch [Resnick] at Media Lab, where it was really much about creating the intelligent brick to create, what we call also the programmable brick, so that this was sort of this interface between the physical and the digital play. The digital gaming more came into our minds probably in the later '90s, probably also inspired by our work with Dandi and Darwin.

Brian Crecente

The LEGO *Star Wars*™ video game obviously was a huge success, not only for the developers, but the LEGO Group and I think also Lucasfilm. What do you think about the game, and what sort of impact do you think it had on the company outside of video games?

Kjeld Kirk Kristiansen

It's a wonderful game and it is of course a wonderful story, the whole *Star Wars*™ is suiting so well to our universe, and so I was very happy when we launched the products in '99, I think the first wave was, but the *Star Wars*™ video game came in some years later and it was very much opening up the eyes also of, I think also of the movie people, seeing that there are possibilities really to make something fantastic that can develop the interest in *Star Wars*™ even further.

Brian Crecente

Do you have any thoughts on what would be, in your mind, the milestones of those 25 years? What are the key moments of the LEGO Group's 25 years in video games?

Kjeld Kirk Kristiansen

Well, I come back to *Star Wars*™. The *Star Wars*™ video game has definitely been opening also our eyes to what can be done, and I believe that is the biggest success we have had.

Brian Crecente

So you have, obviously, you have children and grandchildren of your own today, and when you look at the way they interact with the world and the way they play. How do you envision the future of LEGO play sort of transforming and evolving?

Kjeld Kirk Kristiansen

It is so normal for the young people these days always to walk around with their mobile and have activities, looking at some videos from YouTube or having different kinds of activities there, so it has really become such an important part of growing up for children of all ages, and this is something that we should also be inspired by and think a lot about how can we look at that and see how we can integrate that also in our idea in our world?

Brian Crecente

How do you think the LEGO idea and LEGO play will inspire future generations?

Kjeld Kirk Kristiansen

It will inspire, I hope, many future generations because it is this simple idea of being able to create whatever you can imagine – that you are really also when you build, you express yourself, you learn through playing with our bricks, and so I think that that is universal and that will never disappear. But I think of course that there will be more ways we should see that is a more and more integrated, also with both the digital world in general, but also with games.

Brian Crecente

How important do you think LEGO video games and digital play are to the next 25 years of the LEGO Group's growth and success?

Kjeld Kirk Kristiansen

It is very, very important. To put a figure on it, I think I came up with a number: It would easily become 20% of our total turnover. It was a very bold statement at that point in time. It is hard to put a specific number against it because it will, as I said, be so much integrated into our total program.

Brian Crecente

Do you recall when you kind of look back again at sort of this history of digital play, did it feel to you like it was a big bet or a dangerous path to go down to take what was a physical brick and try to expand it into digital play, and perhaps video games?

Kjeld Kirk Kristiansen

No, I didn't think of it as dangerous. I thought of it as very natural that we would take this road also.

Brian Crecente

So I'm curious, you have had an opportunity, obviously, to be a part of this amazing product and the sort of philosophy of LEGO play your whole life. Do you have a favorite set

or a favorite memory of a playset that's come out or video game or – I'm just curious what your memories are of all of this?

Kjeld Kirk Kristiansen

Oh I enjoy building. I have built every of our bigger sets. (laughs) What has been the most fun it is definitely also when there is some functionality. I love building with our LEGO Technic program, but I recently also built the biggest Ninjago set that (laughs)–

Brian Crecente

–I was about to ask you, you still build then it sounds like?

Kjeld Kirk Kristiansen

Oh, yeah, yeah, yeah, yeah. Not every day but very, very frequently. I always have some project underway.

Brian Crecente

Is there one that you're currently working on?

Kjeld Kirk Kristiansen

The one I'm currently working on is a LEGO Technic Volvo – big yellow. I don't remember what we call it (laughs) [42114 LEGO Technic 6x6 Volvo Articulated Hauler]. But that's a huge box, so that will take a little while.

Brian Crecente

Did you happen to build [the Nintendo Entertainment System](#) or did you have a look at that?

Kjeld Kirk Kristiansen

Oh yes, I built. It was so fun, and it looks so exactly like the real thing (chuckles). So I have had fun in doing that, and also moving Mario across the screen there, when turning the wheel on the side.

Brian Crecente

Yeah the television – I think everything about that – one of the things that I think is so fascinating with these bigger LEGO theme sets, isn't just the amazing skill of, like, how the thing comes together, but that the people designing it have slipped in all these little sort of subtle easter eggs and little hints, and I think it's so much fun, that's what in my mind, what makes it so much fun, it's like a 3D puzzle. Is there a certain element that really attracts you to building LEGO sets?

Kjeld Kirk Kristiansen

You're so right. It is impressive how our designers also are thinking into the building. How should they present it? How should the steps be in the building instruction? And I enjoy that so much to see also, as you say, they are putting in such small tricks and gadgets also along the way, so that you really get a great experience. So I often have the wish to go right over to say hello to one of the designers that have created the box, (chuckles) and say, "You did very well."

Brian Crecente

I am sure that would make them very happy (laughs).

Kjeld Kirk Kristiansen

I'll do that whenever the possibility will come back. (chuckles)

Ethan Vincent

That's great. I had one question for you, Kjeld. I was just going to ask you, rarely have there been people who have seen the minifig come to life in 1978 as close as you have with Jens Nygaard Knudsen and kind of designing it, and then seeing it come to life in a game like Fun to Build or LEGO Island – and just seeing the reality of that digital transformation. What was that like for you when you saw the minifig come to life?

Kjeld Kirk Kristiansen

Yeah, I remember we discussed it a lot how much should it come to life? How should it move – the legs and so on. (laughs) And I think that that has developed over time – they were a little stiff to begin with. But (laughs) that's a good example of somewhere where we've really got inspired also to think into the digital world, "How should we present the brand there?"

Ethan Vincent

Yeah, I love how that happened and a lot of people just talk about the magic that they experienced seeing the minifig come to life, and I think that's kind of what happened when Dandi presented the LEGO movie. That was kind of the first CGI version of that.

Kjeld Kirk Kristiansen

Yes exactly, you are so right, and that was really what started our thinking also that: Here is really so much more to do.

Ethan Vincent

Bjarne Tveskov – great, great guy – he was actually hired, I think, by Jens Nygaard Knudsen when he was 17 to work with the LEGO Group. He talks about your father and has fond memories of him getting down, kind of on eye level, with the kids, and looking at models

on eye levels, and just being so engaged on that child level and to be able to kind of get lost in that kind of imagination aspect and become a kid again.

Kjeld Kirk Kristiansen

Yes, Exactly. Exactly.

Ethan Vincent

Tell me little bit about that and do you feel the same? Are you constantly trying to be on that child level?

Kjeld Kirk Kristiansen

Yes, I love being together with children who are absorbed by playing with our products and to see them and to talk to them also, and yeah, take my part in the play, also. (laughs)

Ethan Vincent

Yeah, they're such an important part.

Brian Crecente

You know it's funny, one of the things – you reminded me, Ethan, of this – but one of the things that some of the early outside groups mentioned to us when they talked about working with the LEGO Group, was this notion of being "LEGOized" – that they would come to the company and actually go through this process that involved going into rooms where the rooms were bigger so they were meant to feel like children. It's so fascinating, I'm just curious, is that something you were involved in, and how impactful do you think something like that was to them?

Kjeld Kirk Kristiansen

Yes I think it is important that we all bring back the inner child, and also our designers they have it already because they are – all of them have been very eager LEGO builders already from early days, so they are LEGO creators at heart.

Ethan Vincent

That's great.

Kjeld Kirk Kristiansen

And I came to think of, you mentioned Bjarne Tvsekov. Actually Bjarne was also an important member of the Darwin Group later on there. I remember him there. Bjarne was a great guy for us for many years.

Ethan Vincent

He sure was, and he has really fond memories. He has a memory of helping you set up your Amiga for a database for your horses at your house.

Kjeld Kirk Kristiansen

Oh yeah, that's true, right. That's correct.

(Laughing)

Ethan Vincent

He has many fond memories. Talk to me about the LEGO core values. I just find it so fascinating that we're in this point of time where everybody and every child kind of knows, or at least, a lot of children know about the LEGO Group and LEGO toys. How important is that to you, this awareness, but also the type of gameplay experience these children are getting?

Kjeld Kirk Kristiansen

It is for me very important that children look at it as their way of expressing themselves, be it with the physical product, or being it with games. It's for them really a play experience beyond just pastime. It is really about how can they use their imagination and their creativity? How can they have fun while they're learning also, and how can they really have a quality time together with other children, peers, or alone? So it is, for me, that's very much what it's all about. It is a wonderful experience that it gives the child.

(Gentle tune plays)

Brian Crecente

What I think is really interesting about that is that you sort of have touched upon, what I think has made games like LEGO *Star Wars*™ and the other TT games so valuable. They have created a system of play in the world of video games that allow children to experience these, what may be sometimes adult properties, with not just other children but with their parents in very meaningful ways, and it's sort of opened the door to a type of play that often felt like it wasn't really designed for children.

Kjeld Kirk Kristiansen

Yeah, (chuckles) and that's also so wonderful that we see so many adult fans with their most fantastic creations (chuckles), and I'm so happy that we have many of them exhibited in the LEGO House also.

(Gentle tune continues).

Kjeld Kirk Kristiansen

We are a company also very open to new developments, and we see that in our product assortment. We see it also with the video games that are developed, and I think that it really is inspiring to see what is happening in the digital world.

Bits N' Bricks: Credits – 01:00:15

Ethan Vincent

Bits N' Bricks is made possible by LEGO Games. Our producer is Ronny Scherer. Your hosts are Ethan Vincent and Brian Crecente. Episode producing and editing by Ethan Vincent. Writing by Brian Crecente. Mixing and sound design by Dan Carlisle. Music by Peter Priemer and Henrik Lindstrand, from the award-winning game LEGO Builder's Journey, which you can play on Apple Arcade today.

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