

## PLUSH PACKET INC. (PPI) BUSINESS STRATEGY

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Since 1993, PPI has been in the business of creating pre-school and elementary-level technology learning by using fun cartoon characters. The company's founder, Grant Strickler, has an extensive background in early childhood education and possesses a passion for technology in the classroom. The PPI philosophy, therefore, is based on solid educational principles, a commitment to overall well-being of young children, and the desire to price their products so that teachers and families can afford them.

Initially, PPI's focus was on developing educational materials for pre-school and elementary classrooms. Their educational books infused with multimedia and technology education were sold directly to schools. In order to help make the books more attractive to young children, they used cartoon animals as the main book characters. To support the use of these materials in the classroom, pre-school and elementary teachers were given exercises for students which corresponded to the books and plush toys of the story characters.

Over the next 10 years, PPI expanded to offer other titles for elementary school children, based on the same characters. Sales grew as more units were sold and the company grew to more than 25 employees.

The company decided at this time to expand into new markets, including educational DVDs, CD-ROMs, and web-based multimedia that would be sold directly to parents. They also expanded their line of plush toys, and began to sell them at retail stores.

To further their distribution capabilities both in physical stores as well as online, PPI developed a partnership with a major reseller of toys and educational media, EduCorp. The existing product lines were expanded, a television show was developed around the characters and stories, and new products were developed such as comic books and board games. These latest additions to PPI's products have been less successful and have not yet turned a profit.

Overall, PPI has continued to grow both in market share and personnel and is looking at possibilities for expanding their reach to new customers. These plans include new supplier relationships to additional external partners both inside and outside of the United States; a major technology effort within the company to improve their internal processes and outward-facing services such as a redesigned public website and online store, an inventory management system, and a customer support system; and the development of online gaming products in order to interest students in higher grade levels.