

A Way to a Better Future

An Interview with Alan Hassenfeld, Hassenfeld Family Initiatives

EDITORS' NOTE Alan Hassenfeld is also the Chairman of the Executive Committee of Hasbro, Inc, where he began his career in 1970. He was appointed Vice President of Marketing and Sales in 1978, became the President of the company in 1984, and received the titles of Chairman and Chief Executive Officer in 1989. He passed on the responsibilities of CEO in May 2003 in order to fully concentrate on his position as Chairman. He is the former Chairman of the Right



Alan Hassenfeld

Now! Coalition and Admiral of Rhode Island Commodores. Hassenfeld is the recipient of Honorary Doctorates from Bryant University, Rhode Island College, Salve Regina University, Johnson & Wales University, Roger Williams University, and the Waterford Institute of Technology.

ORGANIZATION BRIEF Hassenfeld Family Initiatives is a philanthropy whose goals are to globalize safety and human rights within the area of children's products, empower women in developing countries, and undertake initiatives to improve the economy, education, and business opportunities in Rhode Island.

Are you surprised at the severity of the current economic crisis and do you feel that the right steps have been taken to move toward recovery?

To answer this today is much easier than when some of us first felt the economy slipping into a recession in the latter part of 2007. Hindsight is a wonderful leveler. In looking back, none of us had any conception of the intricacies of the investment vehicles that had been created. We live in a time where hedonism, greed, and outright fraud have become the norm. Even those of us that believed something was wrong didn't speak up loudly enough, for it seemed that whatever Wall Street was touching was turning to gold. Maybe we should have turned to what we learned in kindergarten: whatever goes up must come down.

As far as our having taken the rights steps toward recovery, the answers are yes and no. Without a doubt, all of us knew that we would need a stimulus package; yet what we ended up getting was, as usual, a stimulus plan that was not a total package. It included a great

deal of pork and the way it has been delivered has allowed a great deal of it to go to just plugging holes in state budgets. With this one-time fix, we were able to continue our drunken spending only delaying the hard decisions we will have to make in the future. The most important thing that has happened with the stimulus package is that the global cataclysmic fall that we were faced with has been stopped, and we have the tools with which to now begin to re-build, but we must understand that

it's going to take time. But if America goes back into a protectionist way of thinking, the downturn will begin all over again. Also, as we see some of the incredible profit numbers coming out of Wall Street once again along with the huge bonus pools, the whole question of perception versus reality will rear its ugly head, which will, in turn, lead to class warfare.

America has many initiatives on its plate right now regarding energy policy reform, health care reform, social security reform, and tax reform, but we cannot just continue to spend for all we are doing is mortgaging the future for the next generation. Hopefully, our government will someday come up with policies without any lobbyists or special interests being allowed in the room. The only true way to create a better future is for everybody to take on some pain.

How critical will entrepreneurship and innovation be to economic recovery?

A friend of mine, Tony Tjan, once gave me a quote from Eleanor Roosevelt and it reads, "The future belongs to those who believe in the beauty of their dreams." Innovation is a definite way to a better future. The great hindrance to innovation right now is that, in many cases, innovation does come primarily from entrepreneurs and small businesses and, still today, I constantly hear that many people are having trouble accessing lines of credit in order to make some of their dreams into reality. If you have a great concept at the right price, it will sell at any time.

How do you define an entrepreneur and what makes an innovator successful?

My friend Tony Tjan reminds me that great entrepreneurs have a couple of qualities: street smarts, guts because they are willing to go out

on a limb, a vision in their mind, a fire in their belly, and a passion, seasoned with a little bit of luck. Entrepreneurs and innovators must, most importantly, understand that innovation for the sake of innovation does not work. There must always be a strategic raison d'être for that innovation so that people will gravitate towards.

Do downturns in the economy create better opportunities for innovation and, if so, how?

As difficult as these economic times are, they present an opportunity for government, for civil societies, and for businesses, to do what I call paradigm change. In these times, one should truly put everything on the table; if ever there was a time to create change, it's now. As an example, I deal with a number of philanthropic organizations. Many of them will no longer be sustainable as stand-alone entities. Rather than just giving money to them to last another month or two, it's more important to help them fashion the future, which in many cases might be to combine with another philanthropy doing almost the same thing. It is truly a time to "seize the day."

Innovation is a key to competitiveness in the global economy. Do you feel that the U.S. is still a leader in innovation and will remain globally competitive in this regard?

Those people who are innovators at a time like this have a greater chance to be stronger, more dominant, and more global when the sun comes out again. I do believe that the U.S. is still a leader in innovation. However, we must begin to understand that there are people all over the world who are as bright as we are and as hungry as we are to be successful. America will remain a great mecca for innovation as long as we invest in a great education system and as long as we create the proper medium for people from all over the world who are educated in this country to access jobs here. We are turning away many bright graduates and sending them back to their countries where they are making their countries very competitive with the U.S. in innovation.

When you are dealing with toys and entertainment as we do at Hasbro, you are supposed to put smiles on people's faces. We are fortunate that our end users force us to innovate and have fun on a daily basis. Always keep in mind that somewhere within us all lies that little kid. Even in difficult times, it doesn't hurt to smile. ●