

The art of making toys

Kidrobot chief must keep the firm marching forward in a difficult retail environment.

By Adrienne Pasquarelli
Published: February 11, 2009

Last year, entertainment company Wildbrain Inc. needed some extra voices for its popular kids television series Yo Gabba Gabba, airing on Nickelodeon. Diego Marchioni, then Wildbrain's chief operating officer, was happy to volunteer and voiced an animated lizard that sings about being different.

It is this willingness to take risks—Mr. Marchioni also skydives on weekends—that landed him his new position as chief executive of Kidrobot Inc., a retailer that sells collectible art toys and apparel. Founded in 2002, Kidrobot was acquired by Wildbrain three years ago and is a major growth engine for the company.

“Diego’s a serious numbers guy, but at the same time he has a real creative side,” says Wildbrain’s chief executive, Charles Rivkin.

His background combines both. After studying physics in France in the early '90s—examining the effects of stars collapsing into black holes on the space-time fabric of the universe—the native Italian moved back to his home country to study finance. Eventually, he was recruited by McKinsey & Co. in London. Following the McKinsey stint, Mr. Marchioni worked on investments for venture capital firm Syntek Capital. One of those investments turned out to be Wildbrain, so in 2004 Mr. Marchioni moved to San Francisco. His shift to Manhattan-based Kidrobot, first as chief financial officer following its acquisition by Wildbrain, was a natural progression.

Passion needed

“I found myself in love with what we were doing—I’m a passionate person, and when I love something, I just want to be with it,” he says.

In a retail environment where January same-store sales were down 1.4% across the board, according to TNS Retail Forward, and consumers simply refuse to shop, Mr. Marchioni will need that passion to keep Kidrobot marching ahead.

The firm is in better shape than most in the industry. Mr. Marchioni says revenues increased 40% last year to around \$20 million, compared with 2007, because of



increased buzz about the brand and the 2006 launch of apparel, including specially designed shirts.

Hoping to keep the momentum going, Mr. Marchioni is in the process of re-evaluating the prices of Kidrobot's apparel to fare better in the current climate.

He's also determined to expand Kidrobot's retail footprint. The art retailer already sells in more than 500 specialty boutiques worldwide, including Urban Outfitters and Bloomingdale's, and has four of its own stores, one of which is located in SoHo. But Mr. Marchioni's primary goal is to open a store in Europe. His first choice? London.

"What we bring to the market is perceived way beyond the U.S., and we need to be able to respond to that," he says, explaining that Kidrobot hosted a pop-up event inside Selfridges & Co. department store earlier this year and received rave reviews. He is currently scouting locations.

Getting into movies

The 39-year-old is also focusing on a movie deal Kidrobot secured with Paramount Pictures this past fall. While a release date has not yet been set, the film will make animated characters out of the many Kidrobot figurines and set them to a storyline. In addition to developing the Paramount deal, Mr. Marchioni plans to ramp up video shorts on the Kidrobot Web site and create a forum for customer interaction. Additional artist collaborations are also in the works, such as an upcoming partnership featuring new South African designer Krunk.

"We're giving an opportunity to a new artist," says Mr. Marchioni. "That's an integral part of what we do."

Personnel file

COMPANY: Kidrobot Inc.

TITLE: Chief executive

AGE: 39

RÉSUMÉ: Chief operating officer, Wildbrain, chief financial officer, Wildbrain and Kidrobot; investment director, Syntek Capital A.G.

OBSESSION: Has skydived almost 1,000 times.