

mind when a group of employees, including a top female executive—all born-again Christians—held hands and prayed joyously for a new product's success.

Despite all the joy and glad tidings, Barad continued to hire and fire on a whim, and instructed executives under her "to be ruthless" when it came to cutting expenses.



One of the many starred items on Barad's to-do list involved two dolls that she had been dreaming about producing—collectibles of Diana, Princess of Wales, and Miss Elizabeth Taylor. As one Mattel executive involved in both projects observes, "Jill was practically obsessed with having those two icons, Di and Liz, become Mattel dolls. Jill felt it would give her and the company enormous prestige, because neither had ever given their authorization for an exclusive doll in their likeness."

For at least two years prior to 1997, Barad and her top marketing people had pushed unsuccessfully to get authorization from Diana herself, the beloved and controversial international icon, to grant Mattel permission to produce a beautiful doll in the Princess's image for the Barbie collector market. According to a knowledgeable source, "Diana had categorically refused to be associated with Barbie, or commercially exploited as a doll."

It was only when Diana tragically died in Paris on August 31, 1997, in a car accident with her lover, Dodi Al-Fayed, that Mattel considered producing an unauthorized Diana doll. However, there was swift competition when the Franklin Mint, known for hawking collectibles ranging from commemorative coins to celebrity tchotchkes, beat Mattel to the punch by rushing two unlicensed Diana dolls to the market—one made of porcelain that sold swiftly for \$245—along with a Princess Diana Tribute Plate, among other Diana items.

The Diana, Princess of Wales Memorial Fund charity, in Great Britain, unsuccessfully sued the Franklin Mint, owned by a wealthy Beverly Hills couple, Stewart and Lynda Resnick. The lawsuit charged the company with exploiting the Princess's name, "like vultures feeding on the dead."

Seeking to avoid such legal entanglements, Barad and her lieutenants began waging a major campaign to get permission from the Memorial Fund—and the late Princess's older sister, Lady Elizabeth Sarah Lavinia McCorquodale—for Mattel to produce a beautiful doll that had the Fund's approval. Mattel executives viewed the Franklin Mint's product with what was described as "annoyance and derision"—so much so that when a Mattel executive bought one to scrutinize, she was turned down for expense reimbursement by her boss because the doll was "considered too ugly to keep." She was instructed to return it and get a refund.

In late March 1997, some five months before Di died, an illustrator of doll fashions from Great Britain, Anne Zielinski-Old, had applied for a job at Mattel. Zielinski-Old had come with an interesting resume. Besides doll fashions, she had done packaging illustration work for prestigious English firms such as the famed London department store Harrods, owned by Dodi Al-Fayed's father; the food purveyor Fortnum & Mason; and Garrads, the Crown Jewellers, all of which were businesses that carried the prestigious stamp of "Royal Appointment" from Buckingham Palace.

Zielinski-Old had an enthusiastic meeting at Mattel headquarters with a few executives in the Barbie Collectible division—including Ruby Knauss, vice president of the division, and Ann Driskill, the division's director. Everyone there liked her portfolio. Because there was a hiring freeze at the time, she was given some freelance design work for Fashion Avenue Barbie. She left to return to England with high hopes that she'd eventually get a job offer from Mattel, move permanently to California, and become part of the prestigious Barbie design team. Flying home, she figured there was interest in her because, "Jill Barad wanted to English-up the products in that it was the era of Princess Diana."

At least, that's what she thought at the time.

Curiously, the full-time staff job offer didn't materialize until September 7, 1997, just a week after the Mercedes-Benz carrying Princess Diana and Al-Fayed slammed into an abutment in Paris's Pont de l'Alma road tunnel as they were being chased from Al-Fayed's father's Ritz Hotel by a pack of paparazzi.

Ruby Knauss, a sprightly Texan, then the head of Mattel's collectibles division, called Zielinski-Old at her home in the village

of Ditchling, some 50 miles from London, and gave her the good news that she was being hired as a “staff designer” at an annual salary of \$70,018, plus a \$10,000 signing bonus and full company benefits. Mattel would pay for business-class airfare for her and her husband and their daughter, and all other relocation expenses. Mattel employment papers were faxed to the country store in the village for the grateful new hire to sign. Knauss wanted Zielinski-Old to start work as soon as possible, but first she was assigned to attend as Mattel’s representative the runway shows in London, Milan, and Paris—and to make contact with the people from Gucci regarding licensing deals.

She finally arrived at Mattel’s Design Center on November 3, 1997, to begin her new career, with the understanding that it would involve designing Barbie dolls, and with at least a year to learn the complexities of the Barbie line. Two days later, after she asked what her beginning duties would be, she was hit with a shocker. She was told, “We’ve chosen you to do Princess Diana.”

Instead of Barbie, she was assigned to Jill Barad’s priority project, which had never been discussed with Zielinski-Old.

Years later she says in an interview with the author, “They had actually hired me to do *that* doll. My being there was the manifestation of Jill Barad’s greed. She wanted to do the Princess Diana doll and they thought, ‘Here’s somebody who actually works for these people who have the royal warrants—let’s get her in, let’s get the approval on the doll.’ Apparently they thought I had royal pedigree myself.”

In fact, Anne Zielinski-Old, with her very proper British accent, and very proper British education, had been born in the New York City borough of Queens, and was an American whose mother was British—all of which she found “quite amusing” when it was discovered at Mattel.

Nevertheless, she quickly found herself working with a Mattel sculptor “actually designing Diana’s face, and keeping it within looking like a Barbie product.” She also picked up negative vibes from those involved in speedily pulling together the likeness of the dead Princess.

“From the time I was given the Di project,” she says years later,

I was made aware of the general sour feeling in the Design Center about creating this doll. It had everything to do with

accelerating the project when the princess had died suddenly, and essentially exploiting her death for profit after she had said she did not want to be a Barbie doll.

Ruby Knauss acknowledges years later that “sure, there were people in my group” who were against the project for reasons of taste. “But it seemed logical making a Di doll because Princess Diana was beautiful and charismatic.”

Knauss recalls that Barad kept a close watch on the doll’s progress.

A lot of time had been spent on designing the dress and making sure Jill liked it, and if she had changes, they had to be done. Jill had the last say. If she wanted the sash turned a different way, we did it. If the hair needed to be coiffed differently in Jill’s eyes, we did it. Jill might have been obsessed, but that’s pushing it. A person of that status to have a doll by Mattel would have been a coup. It would have meant we did it. We all wanted it to happen, and Jill had a great desire to see it happen.



Zielinski-Old had a number of meetings about the design with Barad and chief operating officer Bruce L. Stein—that’s how important the Diana project was to those at the top—and she recalls being introduced at those meetings “with the fanfare and sparkle” of a celebrity.

“A lot of people said a lot of things to me about Jill,” says Zielinski-Old. “She was described to me as a Jewish American Princess. I was terrified to meet this woman. But I had to, because there were constant review meetings, which were very intimidating because she wouldn’t say what she wanted, and she didn’t know what she wanted.”

At those meetings, the British designer got a better take on the slightly built powerhouse American CEO. “When she didn’t feel happy about something, she’d screech, ‘You gotta be kidding!’ in a Queens accent, and she had the air of a spoiled little girl,” recounts Zielinski-Old.

She'd always be surrounded by an entourage whenever she moved through the building. Her eyes were like black saucers that faded away at meetings when she wasn't stimulated. She'd wear these stilettos that seemed too large for her small feet so when she came into a meeting they made this clickety-clack sound, and it seemed to me at least that her breasts were growing and getting increasingly pointy. They were visible because she sometimes wore a transparent top that showed her bra.

During one of the early meetings, Zielinski-Old brought in the first of what turned out to be eight Princess Diana designs that she did, and Barad and her marketing team studied it closely. Then Barad turned to the nervous designer and stated, "Couldn't you Mackie it up a bit?," which was a reference to the fashion designer Bob Mackie, known for his glitzy and glamorous gowns, who actually had designed some outfits for Barbie Collectible dolls.

"When Jill said that to me—'Mackie it up'—I knew what she wanted, and I did it. It was a very complicated process," continued Zielinski-Old, "but in the end I came up with the doll that got Jill's approval."

In early February 1998, she presented to Barad what was billed as the Ultimate Princess Diana Gown Doll.

Jill's words to me were, "Oh! She's lovely!" And I said, "She sparkles when she turns." Jill—whom I found extremely stimulating, skilled as a marketer, who sparked people into action—just saw dollar signs.

Barad's vision of Mattel's coffers filling with dollars from what she was certain would be a Diana doll approved by the Diana Memorial Fund, however, turned to shock and fury a month later when she picked up the *Wall Street Journal* and saw the headline, OH, YOU DOLL: PRINCESS DIANA COULD BE IMMORTALIZED BY HASBRO. The story she read stated that her main competitor, Hasbro, was in talks with the Fund's trustees about creating a collectible Diana doll and other Diana collectibles.

The *Journal* story emphasized, "Both sides are eager not to appear to be capitalizing on the death of the princess," and the Fund's trustees

stated they would be sensitive to the "public feelings and sentiments" about the dead Princess. "It is the duty of the trustees to ensure that the fund raises as much money as possible for the causes that the Princess held dear." However, they added that they "would be absolutely wrong not to consider a doll."

British politicians were repulsed by the news. One member of Parliament called the doll idea "absolutely appalling," and Prime Minister Tony Blair said through a spokesman that he was "concerned about overcommercialism." By then, financial analysts had estimated that sales of Diana memorabilia were in the tens of millions of dollars, and skyrocketing.

While Hasbro and the Franklin Mint had taken much of the heat, Mattel's efforts to get in on the Diana action had somehow stayed below the media radar, and had never before been disclosed.

But there would be no approval for the doll, because someone at Mattel screwed up—*royally*. As Zielinski-Old observes years later, "A lack of Mattel etiquette killed the relationship with the Fund."

While a new vice president of marketing was winging his way to London for a meeting with the Fund people in hopes of finally securing the required and lucrative authorization for Mattel to begin production, someone at Mattel had sent Zielinski-Old's Diana doll that Jill Barad had approved to the Fund, without any prior notice, where it was opened by the dead Princess's sibling.

"Sarah opened the box and sees her sister," recounts Zielinski-Old. "It's the most beautiful Princess Diana doll, but she was horrified. She was shocked that something could be so close to her sister in miniature. The Mattel project was immediately killed. Mattel never managed to recover from that. They never got the approval. They did it the wrong way, and that was a shame."

As Ruby Knauss notes, "It would have been a coup for Mattel to be able to say, 'We have designed and produced the Diana doll.' I would have imagined every SKU would have been sold, a good sell-through worldwide."

Never one to give up, Barad persisted. She personally showed a copy of the original doll—only two were in existence—at Toy Fair to special customers behind closed doors, but told buyers the doll wouldn't be produced without the Diana Fund's permission.

Mattel executive David Haddad made another unsuccessful attempt in May 1998. Before he left for London, he asked Zielinski-Old, "How would I bring them back into Mattel's court if they say no?"

Beyond not bringing the Fund back into the court, Haddad was told in London by a Fund official "the even more depressing news" that the Fund favored Hasbro, although in the end no Diana doll was ever authorized. Haddad would later quit.

After getting the negative report from Haddad, COO Bruce Stein sent an e-mail, subject "Diana Response," to Barad and other Mattel brass, pointing out the "disappointing news" and declaring how it "underscores how fiercely we must protect our category from the attempts by competitors to steal our business. . . . Even when we were told no before, you went after it. Thanks for your valiant, never-say-die efforts and let's dial up the pressure we put on the outside. We must get to these before anyone else so that we are not playing catch-up as we were in this situation." In a postscript, he added, "Any last hope here, or could Jill or I make a difference?"

A year later, Stein would leave the company.



With the Diana doll as dead as its subject, Barad pressed the design team to move forward to produce what she hoped would be her next big doll coup and moneymaker—a miniature collectible likeness of "Miss Elizabeth Taylor" that the star would approve, something Barad had been seeking for years, and one that she hoped, with the failure of the Di doll, would help Mattel's projected earnings.

Anne Zielinski-Old got the assignment in mid-June 1998, and saw it as "a new start at Mattel following the Princess Diana Fiasco." She was instructed to come up with the perfect "one-of-a-kind" replica that would make Taylor happy because, as the designer maintains, "Taylor was acutely aware and protective of her image and had her own ideas about how she wanted to be portrayed." The plan was for one special doll that would be auctioned off at the annual Dream Halloween party, a charity event for AIDS in which Barad was heavily involved, to be followed by a more mass-produced La Liz doll.