



# Building a Bear Market

When 3-year-old Jesse Goodson of Winterville went shopping for a new playmate at the Mall of Georgia, she discovered that building a bear from scratch is part of the fun of owning a Build-A-Bear creation. Was she happy with the final product? See photo on p. 28.

by Tracy Curlee (ABJ '90)

photos by Paul Efland (BFA '75, MEd '80)

When Maxine Clark (ABJ '71) founded the fabulously successful Build-A-Bear® franchise, she rediscovered her heart's desire

If you want to keep up with Maxine Clark you better lace up your running shoes. And be quick about it because Clark (ABJ '71), founder and owner of Build-A-Bear Workshop®, is moving faster than usual on this day in early July because she's in the midst of a company-changing event.

Clark is no novice to store openings—she's christened nearly 200 Build-A-Bear locations across the U.S. and Canada and 15 more internationally, earning her \$300-plus million company a No. 25 ranking on *Business Week's* list of "Hot Growth Companies."

But this particular store is a big deal. A very big deal.

The new 21,500-square-foot store—more than seven times bigger than Clark's typical mall store—is the largest teddy bear store in the world. And talk about a prime location. Build-A-Bear Workshop has boldly planted its feet on New York's Fifth Avenue at 46th Street. That's just around the corner from the studios of the "Today Show," which spotlighted Build-A-Bear's annual Stuffed with Hugs charity drive in May.

Pretty impressive for an idea borne out of a young girl's imagination just eight years ago.

"Teddy bears evoke feelings of comfort," says Clark, who still remembers the

childhood bear she had back home in Coral Gables, Fla.—a keepsake she lost and never found. "Most adults have fond memories of their first bear, even if they don't still have it."

Clark was formerly president of the \$2.5 billion Payless Shoe Source, a division of May's Department Store. After working her way up May's executive ladder for 23 years, first as an executive trainee at Hecht's straight out of UGA's journalism school in 1971, she called it quits in 1996.

"I'd been president of Payless since '92," she says. "Up to that point, I'd always worked as if I should be paying them instead of them paying me. I loved it that much. But when you get to the point where you feel like you're owed the paycheck, it's time to look for something else."

Clark had made Payless into one of the top selling stores for licensed children's character shoes in the country. When she stepped down from her seven-figure job, one-fifth of all licensed character children's shoe wear in the U.S. was purchased at Payless.

Though she and husband Bob have no children of their own, Clark enjoyed spending time with a friend's two children during her time off. She took Katie Burkhardt, 10, and little brother Jack, 8, to the park, shopping, or out to eat. One fateful day when they were out shopping, Clark took Katie to buy a Beanie Baby she'd been wanting. When they discovered it was completely sold out, Katie scoffed, "We could make one of these!"

"When she said that," Clark recalls, "Katie simply meant we could make a teddy bear in my basement—where we did arts and crafts together. But I was thinking, *Yes, we could make bears, couldn't we?*"

At that point, in October 1996, Clark was already shopping around for a business to buy.

"I had it in the back of my mind to do something creative," she says. "So when Katie said we should do this ourselves, I thought that this might just be the thing!"

Katie and Clark put their heads together and came up

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**Clark learned her initial lessons on consumer behavior and the importance of marketing and packaging from a class taught by UGA professor Robert Carter. “I didn’t invent the teddy bear,” says Clark (ABJ ’71), “but I did come up with a new way to market it. I use everything I learned at UGA every day.”**

with an entire line of bears, including outfits and names. Then about two weeks after their Beanie Baby shopping excursion, Katie made a suggestion to Clark that permanently shaped the concept of the Build-A-Bear business.

“Katie said to me, ‘Maxine, I don’t think we should name our bears,’” says Clark. “When I asked why her not, she replied, ‘Well, I wouldn’t want someone to name [my bear] George.’”

To get input on what kids liked and wanted, Clark organized a unique board of directors—the Cub Advisory Board—made up of 5- to 12-year-olds.

“We still have all the original board members because we never discussed a retirement age,” Clark laughs. “And nobody wants to leave!”

Katie, now 19, has nine years of retail business experience under her belt thanks to Clark, and she has served on the Cub Advisory Board since its inception.

“My role, along with others on the board, is to provide advice in regards to product development,” says Katie. “Maxine feels it is very important to listen to the opinions of young people because those are her main customers.”

Jack, now 17, agrees.

“I felt like an executive of the company because Maxine and her friends came to us with new bear ideas or new outfits, and we could even suggest something. I remember that I was so into the Army that I wanted a camouflage outfit. Soon after that, I saw the new camouflage outfit in Build-A-Bear stores!”

**F**or those who’ve never made a Build-A-Bear creation, the process is literally child’s play. You start by choosing a shell—an animal without its stuffing, whether it be bear, dog, cat, monkey, or pony. Next, you have the option of selecting a sound byte to bring your new friend to life. Next stop is the stuffing station, where poly fiberfill blows around in a cart that resembles a giant cotton candy machine. Stuffing isn’t complete until you make a wish upon a heart that is placed inside your cuddly new friend. Also inserted inside every stuffed animal is a barcode. If your custom-made teddy is ever lost, the registered number inside can help Build-A-Bear return it to its rightful owner.

After a trip to the Fluff Me station and registration in the Build-A-Bear system, you’re ready to choose from a variety of outfits, shoes, and accessories, from belts to sunglasses to jewelry. Kids and adults alike are enjoying the Build-A-Bear craze.

Angela Miller (BBA ’01) of South Carolina made a cat

dressed as a nurse for her mother’s birthday; rather than create a birth certificate, Miller opted for a heartwarming story about the cat and her mother, a nurse who loves cats.

“I love Build-A-Bear,” says Miller, “because you can create a stuffed animal that totally reflects your personality, or the personality of one you love. My mom loved the gift!”

Miller has also made herself a horse named Jakob Dylan, the lead singer of The Wallflowers. Her new lovable friend is ready for any UGA event, decked out in a UGA t-shirt and acoustic guitar.

Amy Fletcher (BSEd ’85, MEd ’89) of Waycross, Ga., and her daughter Mary Stewart, who’s already made 15 huggable friends, had her 10th birthday party with six of her closest friends at Build-A-Bear.

“They all had a wonderful time choosing which animal and outfit(s) they needed,” says Fletcher. “They seemed to like the accessories as much as the clothes. Everyone in the store sang ‘Happy Bear Day’ to her. That was special!”

**T**he impetus for all this success, says Clark, happened in college classrooms back in the late 1960s.

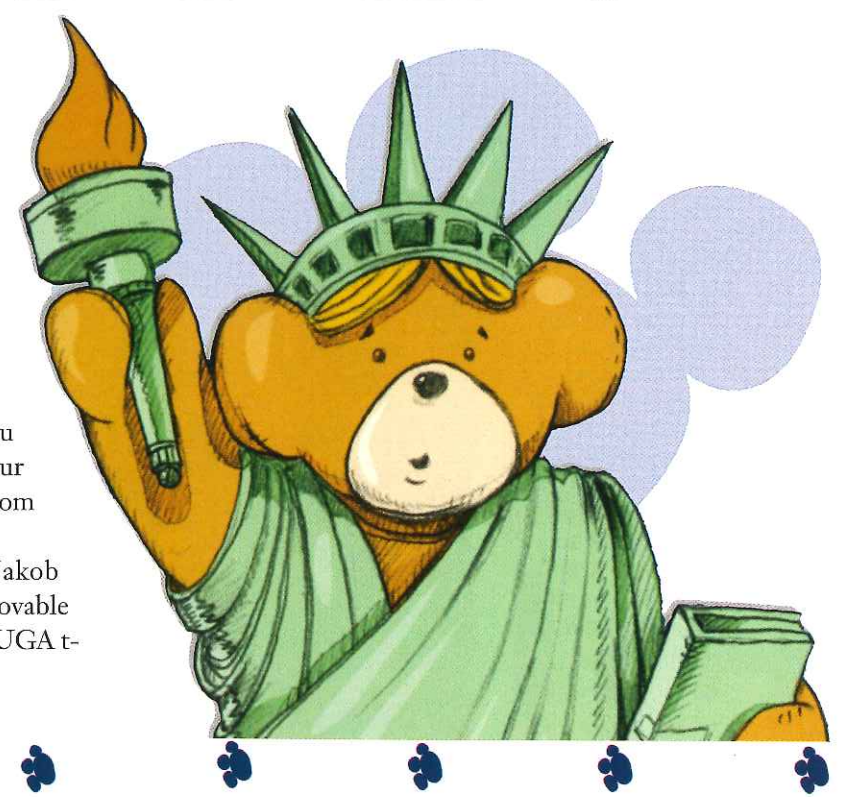
“I would probably not even be in retail had it not been for Robert Carter at UGA,” she says. “Dr. Carter was one of my marketing professors, and he would say things to make people think about consumer behavior. He was big on making a product ‘sexy’ and desirable through marketing and packaging . . . things needed to have their own appeal.

“That’s the idea behind the Build-A-Bear Workshop . . . it’s not just a product, it’s an idea. I didn’t invent the teddy bear, but I did come up with a new way to market it. I use everything I learned at UGA every day.”

Ever conscious of the danger of overpricing her products, Clark also knows when packaging crosses the line. “Sometimes too much package is overkill, and the customer knows that, and that they’re paying for the packaging.”

Since the initial concept was christened in 1996, Build-A-Bear Workshop®—whose tag line is “Where Best Friends Are Made”—has become the largest teddy bear company in the world, with sales rising 41 percent to \$302 million in 2004 and net income tripling to \$20 million. According to Clark, Build-A-Bear Workshop stores are in 200 of the 300 best malls in the world. With this booming success, Clark made the decision last year to go public.

“I started Build-A-Bear from a nice nest egg made from



investing all those years in May Department Store stock,” she says. “I wanted to give my employees the same opportunity.”

**Clark recently opened the company’s largest Build-A-Bear store—21,500 square feet—on the hottest retail spot in New York City: Fifth Avenue.**

This philosophy of giving has been firmly embedded in Clark from childhood.

“I grew up in an average household. My parents didn’t have a lot to give me [materially], but they did instill in me values that have taken me far, like living by the Golden Rule and helping others.”

Clark’s giving nature is most evident in her Huggable Heroes program, which recognizes young people who have positively impacted their own communities by giving of themselves. The second annual Huggable Heroes recognition took place at the grand opening of the New York City on July 8.

“Businesses should do what they can to reinforce positive behavior,” she says, “and Huggable Heroes recognizes kids who spend their time helping people when they could be doing something else.”

Proceeds from the sales of several bears and other animals in the Build-A-Bear product line are donated to charities, including the World Wildlife Fund and domestic pet programs, as well as reading programs for underprivileged children and children with health and wellness issues. The annual Stuffed with Hugs program, which landed Clark on the “Today Show” this past spring, sent more than 45,000 bears to the Tsunami Relief Effort.

*Business Week* rankings and Fifth Avenue openings are great, but the benchmark of Build-A-Bear’s success came in February 2004 when Clark was asked to appear on “Oprah.”

Jesse is a happy shopper—as well she should be since her new Build-A-Bear friend was a special gift in honor of her baby brother's imminent arrival. Her parents are, at right, Gary Goodson (M '90) and Rebekah King Goodson (BSW '98, MSW '99).



“Maxine was in Japan opening one of our first Far East stores when a producer from ‘Oprah’ called,” says Bear Relations Coordinator Shawn Bertani. “The new store was opening the day before they wanted Maxine to go on the show.”

Clark flew home from Japan, then to Chicago the next day to appear on the show, which has now been shown several times on reruns. To demonstrate the bear-building process to her audience, Oprah made her own teddy bear as a birthday gift for a friend.

“Oh, this is SO CUTE!” said Oprah as she hopped up and down on the foot pedal that powers the Build-A-Bear stuffing machine. After she recorded a special message, she made a wish upon the bear’s heart.

Oprah got a present, too—her own customized Curly Bear dressed in workout clothes—and everyone in the studio audience received a Curly Bear in an Oprah t-shirt.

Clark’s goal is to reach a total of 300 stores in the U.S. and Canada and another 300 worldwide. Her new line of dolls geared toward pre-teen girls, Friends 2B Made®, is already in four adjoining Build-A-Bear stores. Also on the drawing board is another line of dolls targeted toward younger girls, which will make its debut later this year.

At the Fifth Avenue store in New York City, opening day has been a resounding success. With thousands of bear-crazy patrons crowding the new store, Build-A-Bear is really spreadin’ the news. On hand for the ribbon cutting and Huggable Heroes ceremony were Olympic gymnastic gold medalist Dominique Dawes and teen actor Marc John Jeffries from “The Tracy Morgan Show” and “Losing Isaiah.”

What sold best in The Big Apple?

The “I [Heart] NYC” bear, along with FDNY and NYPD bears, of course! The bears dressed as New York City firefighters and police officers were created as part of a first-time licensing deal with the city of New York. In line with Clark’s philanthropic practices, a portion of the uniformed bear sales goes to the fire and police departments.

And what does Clark have to say about the new Fifth Avenue store?

“Opening the biggest Build-A-Bear Workshop store in the world on Fifth Avenue at 46th Street in New York City is a paw-some day in Build-A-Bear history!” GM

For more information, go to: [www.buildabear.com](http://www.buildabear.com)