

By Todd Matthews

Toy Stories

Holiday shoppers have alternatives to giant toy store chains

IZILLA TOYS

Location: Seattle

Website: www.izillatoys.com

Founded: 2003

Key Innovation: This summer, the business moved to a Capitol Hill location that is nearly three times the size of its original store. The expanded space created a new section for children's books.

Key People: Co-owners Jude Larene and his wife, Jennifer Schneeweis, opened their store in a cramped bungalow in Madison Valley as an alternative to corporate toy stores.

Measure of Success: Serving the community. The store offers a monthly newsletter, "Allowance Days" (once a month, kids get 15 percent off their purchases, and 10 percent of those sales go to local children's charities), and a Birthday Club, with a free gift for birthday girls and boys. "If customers respond to that," says Larene, "we feel good."

Employees: 4

What's Next: The store is particularly interested in growing its selection of classic specialty toys from Europe. It imports a selection of wooden ride-on toys from Germany and a line of dolls from France. With the growing concern about the safety of some toys made overseas, Izilla wants to provide an unusual and exciting alternative to mass-produced toys. "We're always on the hunt for new and different toys," says Larene.



Jude Larene

WHIZ KIDS

Location: Spokane, Coeur d'Alene

Website: www.whizkidstoys.com

Founded: 1987

Key Innovation: The toy store and bookstore merged into one location at the upscale River Park Square in downtown Spokane. It boosted the company's profile and sales.

Key People: In 2003, when Spokane businessman Peter Christensen assisted his then-fiancée, Susan Peterson, in purchasing the Whiz Kids bookstore, he decided to buy the Whiz Kids toy store as well. Since then, the pair has opened two additional stores: one in north Spokane and another in Coeur d'Alene, Idaho. "When you run your own business, you want to have fun," says Christensen. "Selling toys is a lot of fun."

Measure of Success: The store carries over 6,000 items by more than 200 manufacturers. Big sellers include model trains, wooden toys, Lego products and Erector sets. "The first and second year after we took over and moved into River Park Square, we saw tremendous growth," says Christensen. "Right now, we are still kind of perfecting things and making sure we offer the toys customers want."

Employees: 4 full-time and 19 part-time employees.

What's Next: "We just had a baby this spring," says Christensen. "We're not in a position to open new stores."



Peter Christensen

THE LEARNING SPROUT

Location: Tacoma

Website: www.learningsprout.com

Founded: 1996

Key Innovation: The company expanded its product base in 2002 by adding toys to its selection of educational supplies. "The market changed, and funding for teachers to buy classroom supplies went away," explains owner Rose Calvin. "If we were going to have any success, we needed to change our identity." Modeling itself after other independent stores in Seattle and Portland, Calvin views Learning Sprout as a downtown Tacoma toy store that serves the entire South Sound region.

Key People: Calvin took a risk on downtown Tacoma, still reeling from the Tacoma Mall's negative impact on small merchants in the center city, and opened an educational supply store 11 years ago.

Measure of Success: Eighteen months after opening the store, Calvin bought a building in a more central part of downtown, and now offers two floors – nearly 7,000 square feet – of toys and educational supplies. "We are so big, and have so much inventory,



Rose Calvin

customers can get what they need all in one location," says Calvin. The store draws clients through regular "play dates," which draw families downtown to build arts and crafts, or the occasional "dino dig," where children don goggles and chip away at a faux excavation site for toy dinosaur bones.

Employees: 5

What's Next: Watch for the Learning Sprout to expand its product base with more games geared toward the 25- and 30-year-old homeowners who have recently moved into downtown Tacoma's new condominiums.



SIMPLYFUN LLC

Location: Bellevue

Website: www.simplyfun.com

Founded: 2004

Key Innovation: Combining the \$2.5 billion games and puzzles market with the \$34 billion direct selling industry.

Key People: The company, which sells games, puzzles, puppets and crafts, was formed by "Chief Funster" Gail DeGiulio, who had a hunch she wasn't alone in her challenge to find fun, easy-to-learn games for her two children. Also, as a former vice president of marketing and mass market games at Wizards of the Coast, she found it difficult to introduce innovative games into the market. "Small stores had closed up, and middle-sized stores were sucked up by the big guys," she says. Instead, she decided to introduce new games by hosting parties in the private homes of independent "sales consultants." "I started to think, 'Where did I learn how to play new



Gail DeGiulio

board games? It was at a party or a friend's house."

Measure of Success: "Hearing from our consultants that this business has changed their lives," says DeGiulio. SimplyFun's salespeople work from home, allowing them to be closer to their children, save money toward a new home and take family vacations. Those consultants start out hosting parties for friends, and develop a growing client base through word-of-mouth. The company also sells its toys and games online, with the consultant closest to the online buyer receiving a percentage of that sale.

Employees: 12, plus several thousand salespeople throughout the United States.

What's Next: DeGiulio is looking for the next big hit to succeed "Sneaks," which was winner of *Parenting* magazine's Toy of the Year in 2006. DeGiulio would like SimplyFun to be a \$100 million business in five years, with 10,000 salespeople across the country.