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# Maxine Clark

## Build-A-Bear Workshop®

By M. Karen Hubbard

### LESSON DESCRIPTION

In this lesson, students will explore the concept of a niche market as they read about entrepreneur, Maxine Clark. Students will read the story of Maxine Clark, discuss her business and find countries on a map where she sells her bears besides in the United States.

### ECONOMIC CONCEPTS

- entrepreneur
- niche market
- innovator
- innovation
- total cost
- revenue
- profit

### RELATED CONCEPTS

- reading comprehension
- map reading
- mathematics

### MATERIALS

- One copy of “Maxine Clark” reading for each student
- One copy of Activity 1 – “Where in the World Is Build-A-Bear Workshop®” for each student
- Colored pencils
- Optional: World Map

### TIME

- 60 minutes or two 30 minute classes

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## PROCEDURE

1. Explain that an “entrepreneur” is someone who thinks of a good or service that someone would like to buy and produces it. An entrepreneur takes a risk that people will not like the good or service, and that all of the time, effort, and money he or she has spent to make the product will have been for nothing. We often think about entrepreneurs as being the first in their areas of business, but most entrepreneurs begin a business producing something that has already been produced by someone else. These entrepreneurs have an idea of how to **IMPROVE** the good or service or how to produce it better. They are **INNOVATORS** and have made an **INNOVATION** on the product.
2. Ask the students if anyone has heard of Maxine Clark? Ask if anyone has heard of ‘Build-A-Bear Workshop®?’ Instruct the students to read the story about Maxine Clark and find out how she began the Build-A-Bear Workshop®.
3. Discuss:
  - What did Maxine Clark do before she began Build-A-Bear Workshop®? (worked for May Department store, then was president of Payless Shoe Source)
  - What good did she make an innovation? (stuffed animals)
  - What new business did she start? (Build-A-Bear Workshop®)
  - Why was starting this business such a risk? (She did not know if people would like the concept of making their own bear.)
  - Where did Clark get the money to open her first store? (she took 80% of her \$750,000 personal savings) How much of her savings was this? (Students may figure this out if they know these math concepts:  $\$750,000 \times .80 = \$600,000$ )
  - How much did it cost to open the first store? (between \$500,000-\$700,000)
  - When and where did she open the first Build-A-Bear Workshop®? (1997, St. Louis Galleria mall)
4. Explain to students that Maxine Clark was focusing on a **NICHE MARKET** which addresses a want for a product or service that is not being filled by mainstream providers.
  - What niche market was Build-A-Bear Workshop® filling? (Consumers making their own stuffed animals.)
  - Was she able to open more stores? (Yes) How? (When the first store became popular she was able to find business investors who would be willing to put money towards building other stores.)

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- Why do you think people were willing to put money into her stores? (Many consumers came into her store and she made money.)
  - Where are some of Maxine Clark's stores? (46 US states and international locations such as Canada, United Kingdom, Ireland, Tokyo, Australia, Denmark, South Korea, France, Taiwan)
5. Explain that profit is the total amount of money that company makes from selling its product minus the total amount of money the company spends on land for building, store rental, computers, equipment, advertisement, store decorations, workers, transportation of materials, etc. Ask students if they can think of more store expenses.
  6. Explain that Maxine made another innovation to her Build-A-Bears® in order to fill a niche market at sporting events and cultural institutions.
    - What change did she make to her Build-A-Bear Workshop® concept? (She produced mascots of sport's teams or cultural places.)
    - Where else does she sell them? ("Make Your Own Mascot" stores located in baseball parks, football stadiums, basketball centers, race tracks, plus a store in the St. Louis Zoo and the St. Louis Science Center, etc.)
  7. Explain that many entrepreneurs give some of their profit to charities.
    - a. What does Maxine do with some of the profit? (Company began the Build-A-Bear Workshop Foundation which supports causes for children and families.)
    - b. What are some things this foundation has done so far? (1. Gives bears to children in need around the world through the "Stuffed with Hugs" program. 2. Gave \$1 million (US) to the World Wildlife Fund through sales of its WWF Collectibear stuffed animal series. 3. Supports domestic pet program and animal in crisis through the Bearamy's Kennel Pals®, etc.)
  8. Distribute the "Where In The World Is Build-A-Bear Workshop®?" map activity. Tell the students to locate the countries in the box on the world map activity sheet and draw a line from St. Louis to each of the international locations (including Canada) with different colored pencils.

## CLOSURE

1. After students have finished the map activity ask:
  - When did Maxine Clark open her first store? (1997)

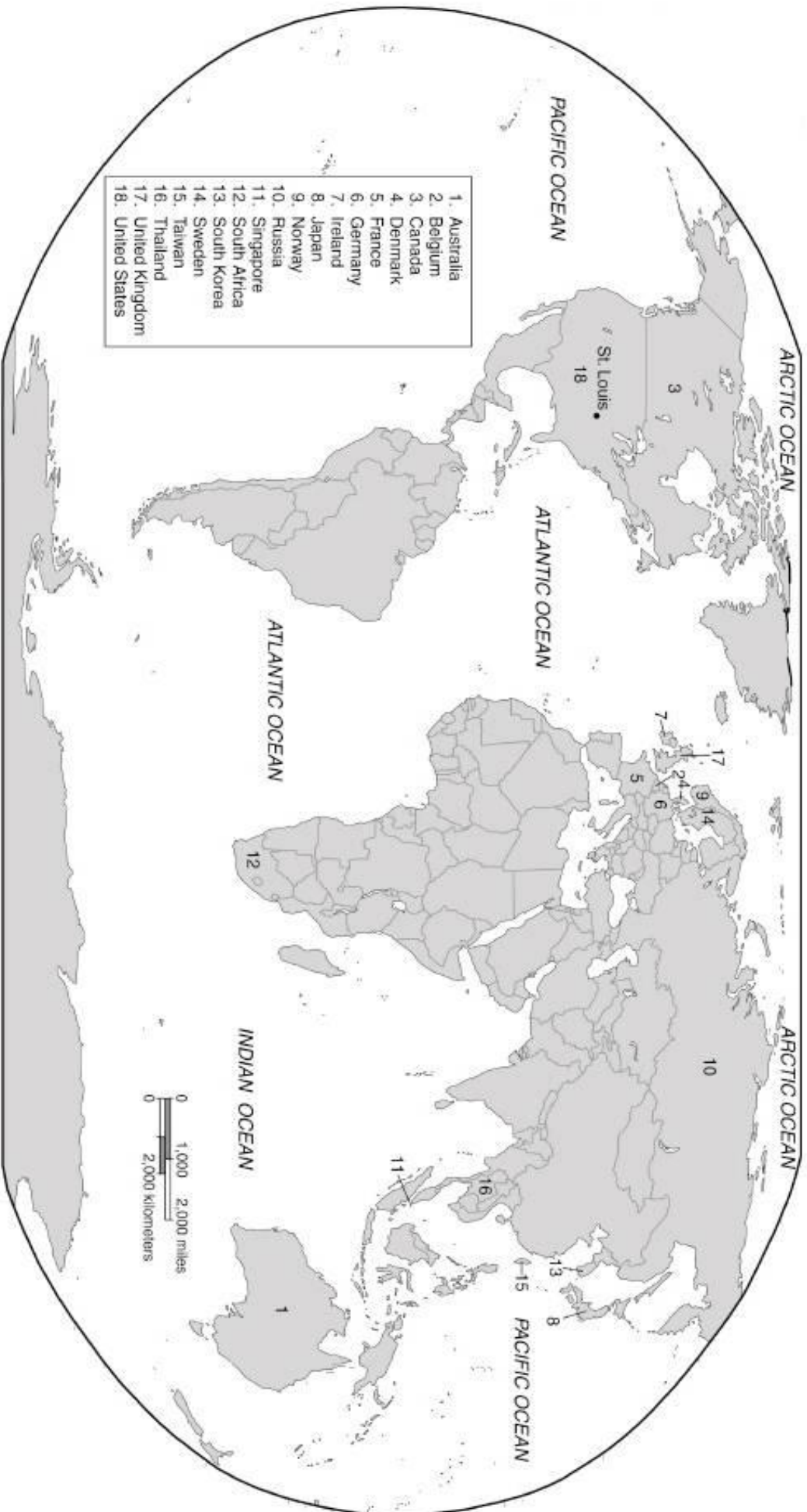
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- How many years has it been since she opened her first store?  
(Present year – 1997 = Number of years since opened first store)
  - Do you think this is a short or long time for Ms. Clark to grow her company into 46 states and 17 countries?
  - Tell the students to look at their map and think of some things that they think Maxine Clark had to take into consideration when expanding to other countries? (different languages, different government regulations, how to transport goods overseas, etc.)
  - How do you think she overcame these obstacles? (hired people who knew the country's language, hired people-lawyers- who knew how the country's government worked and their regulations, put the goods on large ships/planes, etc.)
  - What do you think these obstacles may have done to the price of the stuffed animals in other countries? (may have increased the price) Why? (Having to hire people with different skills and transportation would cost more for the company.)
  - Why do you think Maxine Clark built stores in other countries? (She hoped people in other countries would want to make their own bears and she would make more profit.)

2. Tell students that these are some of things that companies think about when they want to expand into foreign countries.

## EXTENSION

Teacher could invite an entrepreneur from the community to discuss their risk and benefits of starting a business.

# Where in the World is a Build-a-Bear Workshop™?



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# Maxine Clark

## Build-A-Bear Workshop®

By M. Karen Hubbard

Maxine Clark has had a very successful business career. She spent nineteen years working in several different divisions of the May Department Stores Company in St. Louis, Missouri. In the early 1990's, she was the president of Payless Shoes and lead the company to become one of the top providers of licensed footwear for children in the country. Most people would likely be satisfied with that job, but not Maxine.

Her entrepreneurial spirit led her to create her own unique retail store. Clark took 80% of her \$750,000 personal savings to develop the Build-A-Bear Workshop® concept with the assistance of many advisors, i.e., artwork, employee costumes, store design, and company logo. It cost between \$500,000 to \$700,000 to open the first store in 1997 in the St. Louis Galleria Mall. Yearly sales per store were estimated at \$2 million so Clark was able to find investment for expansion from other business investors because the investors could see how popular her stores were going to be. In 2001, Build-A-Bear Workshop® was named the Retail Innovator of the Year (someone who introduces new products to consumers) by the National Retail Federation. Build-A-Bear Workshop® earned \$474 million in sales, world-wide, by the end of 2008.

As of 2009, worldwide, Maxine has more than 400 Build-A-Bear Workshops® stores in 46 states and Canada and 30 franchised stores in global locations around the world such as United Kingdom, Ireland, Tokyo (Japan), Australia, Denmark, South Korea, France, and Taiwan. (Franchised stores are ones which Clark sold licenses to other people so they had permission to sell her product.) She now has a store in New York City on Fifth Avenue. Even though Build-A-Bear Workshop® is already a great achievement for just one person, Maxine has not stopped there. She continues to expand the retail store as much as she can. The business is expanding outside of malls and going to new types of locations. She has started the "Make Your Own Mascot" stores located in baseball parks located in Philadelphia, Cleveland, Cincinnati, San Francisco, and St. Louis. There is also a Build-A-Bear Workshop® store in the St. Louis Zoo and the St. Louis Science Center. Bear sized gear can be bought for NASCAR®, MLB®, NBA®, WNBA®, NFL®, and NHL®. The Build A Bear Workshop® has also been licensed to sell Tiny Tee® shirts with college and university emblems on them.

The Build-A-Bear Workshop Foundation™ is committed to helping communities and lives through meaningful programs that support causes for children and families. The Foundation supports a number of programs through the sale of purple satin hearts, available for \$1 in all the stores. One of the programs, Stuffed with Hugs™, is in its eighth year and helps children in need around the world by giving teddy bears to children's causes. The program has given more than 325,000 teddy bears to children.

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In 2004, the Huggable Heroes® program was started to honor young people who have helped their own neighborhoods, schools, and communities. The program tries to encourage children to make a change in their communities. Young people are nominated and those selected receive a donation to their program.

The Build-A-Bear Workshop Bear Hugs Foundation™ is supported by the sales of special animals in the stores. In 2006, part of the proceeds from the sale of Champ-A Champion Fur Kids raised funds to help children's health and wellness issues, including pediatric cancer, juvenile diabetes and autism. Some of the money from the purchase of Read Teddy® helps support the First Book organization which gives new books to low-income families. The sale of Bearemy's Kennel Pals®, a line of dogs, supports domestic pet programs and helps fund animals in crisis situations. Since 2000, Build-A-Bear Workshop® has donated over \$1 million (US) to the World Wildlife Fund through the sales of its WWF Collectibear® stuffed animal series. One dollar from each plush animal sold goes to WWF® to conserve and protect animals around the world.

Maxine Clark has been a success in the past, and her skills as an entrepreneur will guarantee her continued success in the future. She is not going to let anything stop her.