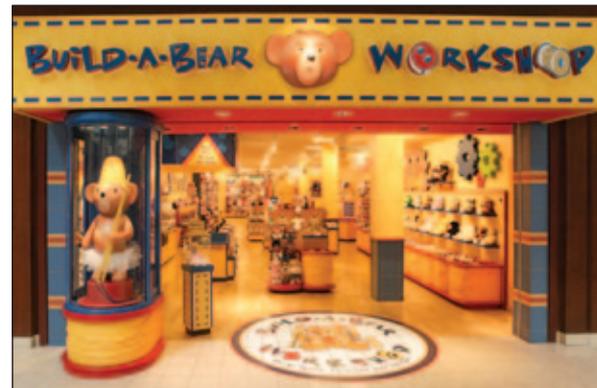


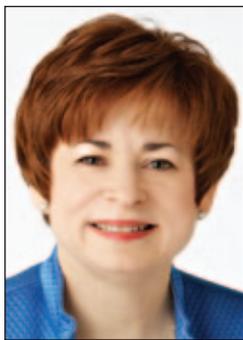


A Built-On-Care Business



**An Interview with Maxine Clark,
Founder, Chairman, and Chief Executive Bear, Build-A-Bear Workshop**

EDITORS' NOTE In 1997, Maxine Clark founded Build-A-Bear Workshop®. In 2008, she was named one of *The 25 Most Influential People in Retailing* by Chain Store Age, and in 2006, she was inducted into the Junior Achievement National Business Hall of Fame. Clark was also named a *Customer-Centered Leader* in the 2005 Customers First Awards by Fast Company. Clark serves on the Board of Trustees of Washington University in St. Louis. She and her husband Bob Fox are founding donors of KIPP Inspire Academy and Clark is on the charter school advisory Board of Trustees. She is a graduate of the University of Georgia and holds an Honorary Doctor of Laus degree from St. Louis University. In 2006, she published her first book, *The Bear Necessities of Business: Building a Company with Heart*.



Maxine Clark

COMPANY BRIEF Build-A-Bear Workshop, Inc. (buildabear.com) is the only global company that offers an interactive make-your-own stuffed animal retail-entertainment experience. The company operates more than 400 Build-A-Bear Workshop stores worldwide, including company-owned stores in the United States, Puerto Rico, Canada, the United Kingdom, and Ireland and franchise stores in Europe, Asia, Australia, Africa, the Middle East, and Mexico. Build-A-Bear Workshop was founded in St. Louis in 1997 and is the leader in interactive retail. The company was named to the *FORTUNE 100 Best Companies to Work For®* list for the third year in a row in 2011.

Having built such strong recognition for Build-A-Bear Workshops, do you foresee natural extensions for the brand?

In our Build-A-Bear Workshop, while bears are the quintessential stuffed animal, they're not the only items that sell. There are trendy things we keep bringing in.

We have Build-A-Dino with dinosaurs inside the T-Rex Café, which is owned by Landry's. We also have them at science centers and we have a traveling dino show that goes around the country with dinosaur exhibits.

We have opened Build-A-Bear Workshop stores in the ballparks of the St. Louis Cardinals, the San Francisco Giants, the Washington Nationals, and at other ballparks throughout the year on a temporary basis. This provides fans the opportunity to make their own mascots, which has been successful.

We have partnered with others to develop a company called Ridemakerz, where you can make your own model cars. We thought that might have the potential to be a broad retail chain but now we've repositioned it to have three to five flagship stores and wholesale distribution of kits inside of other people's stores, like Target or Toys "R" Us.

How did the business react to the difficulties of the past 24 months?

The customer has been much more price sensitive, so we have to provide them with more incentive to come into the stores than we used to. Prior to 2009, we never held a sale at Build-A-Bear Workshop. We're focused on our brand development and delivering a product that is a good value every day, but sometimes, our best customers will get savings and more coupons.

We've had to respond in other ways as well by containing our cost structure and reducing our staff in some places, and by changing the way we operate in the field.

Is the Internet primarily informational or can you drive sales through that outlet?

We can drive sales through the Internet for a lot of adults who might want to buy a gift card for a child or somebody who is buying a bear for another adult.

Around 1956, Elvis Presley sang, I want to be your teddy bear and he changed the life of the teddy bear forever by turning it into an object of love and affection. So we sell a lot of teddy bears to people who are asking someone to marry them. We also do a lot of military bears that go to soldiers overseas. A lot of that is done online.

But children want to come to Build-A-Bear Workshop for the experience.

As the brand has grown, how important has it been to be engaged in the community?

It's very important. We're a family business, and it's important to set an example for children by being a company that does good things and cares about the well-being of others. That has been proven, time and time again, to be a big part of our business.

We also attract children to our business for different events we do to support good causes, like helping animals.

It's not unusual for me to get a call the next day after a fire has happened in a neighborhood asking if we will give bears to the children of

the affected families. So people are aware of who we are and what we stand for, and we're doing a good job helping parents reinforce those values with their children as well.

What strengths has been based in Missouri provided you?

We probably haven't tapped into all the financial incentives the state provides, but Missouri happens to be in the center of the country so it's very easy to get anywhere and it has allowed us to grow our business quickly.

Additionally, St. Louis is an affordable place to start a business. There is a good labor pool that is moderately paid relative to the east and west coasts. You can attract people here because of the availability of all kinds of housing.

But talent pools all over the country are threatened by our declining education system in this country and we're all going to have to work harder on that no matter where we live.

Despite the increasing focus on education, the system remains broken. Are you optimistic that the discussion is at least the right one?

Yes, the discussion is finally the right one, but we're where we should have been 10 years ago.

The bureaucratic system is frustrating, but we can't give up, because the child that is in the fifth grade who might be reading at a second grade level doesn't have time for us to give up.

The real challenge is that this country is going to lose about three million teachers in the next three to five years because they're going to retire. Teachers' retirement programs favor early retirement, which is why states have such burdens with the pensions in the public union situation. And there aren't necessarily three million highly qualified people coming out of the education department of universities in the U.S. So there is a talent shortage.

We had the same problem with nurses, but we started to raise the salaries of nurses, opened up more nursing schools, and found more ways to underwrite nursing. We also have more pharmacists now. Pharmacists make more money than teachers, so it all depends on the value we put on it.

The sad part is, we might have to hit rock bottom, if we aren't already there, to get back to where we need to be. Nobody wants that, but if we have to start over anyway, we might as well start with a clean slate. ●

*Participants from a Build-A-Bear party (upper left);
a Build-A-Bear storefront (upper right)*