



FUSING TECHNOLOGY SOLUTIONS TO CORPORATE VISION

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# RIS

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# Party Aficionado

CEO Brian Feller makes Party Land franchises **inviting**

**B**RIAN FELLER, AS CEO OF Party Land runs—with his partners Ken Gross and Todd Potter—a rapidly growing network of franchised stores. A quiet and strong figure, he is known in Plymouth Meeting, PA, as an involved and affable leader. He has been a staunch supporter of listener-supported radio and his friends say he will go to any length to turn a gathering into a special occasion. Recently the more than 200 store chain, signed a contract with Canada-based Capturenet to run its headquarters and franchise operations with their solution (see page 28), an outsourcing deal worth \$7 million. All this grows out of a company culture that reflects Feller's forthright, self-possessed and street smart ways made evident in the interview Feller conducted with Editorial Director Dennis Eskow.

**RIS:** Everyone who works for you describes you as a Gary Cooper type, quiet and capable. Have you always been cool under pressure?

**Feller:** My father's philosophy was for me to start learning about life young. I had my own apartment when I was a senior in high school. I learned a lot of life's lessons in that time. It helped me recognize the value of keeping my feet on the ground. At Party Land, we all have to be logical and concrete. When a franchisee has an argument with a vendor and says they want to drop the vendor, we need to really keep it all on a business approach. They want us to agree with them that the guy is a sonofabitch. Our job is to not do that.

**RIS:** Does Party Land have to be emotionally solid as a company for the sake of the franchisees?

**Feller:** I guess we serve several functions for the franchisees. Part of it is vendor negotiation and trying to use our buying power to strengthen franchisee's position. Sometimes it even gets personal. A spouse passes away and we might fly someone down to their stores in an emergency to run the unit temporarily.

**RIS:** Your dad gives you your own apartment and you grow up in the party business. Any connection here?

*By Dennis Eskow, Editorial Director*

**Feller:** I guess I grew up in a typical middle class family. I went to high school and I went to college. I worked in restaurants supporting myself through college. When I graduated college I expected to become a teacher of gifted children. But I realized in my senior year that the bureaucracy and I weren't going to get married.

**RIS:** And after college?

**Feller:** I was working restaurants and was able to open a restaurant with my brother when I was 24. He was 18 and started to do things that 18-year-olds do and I sold him my half of the business two years later.

**RIS:** So then you started Party Land.

**Feller:** Around then. I met Todd Potter and we became friends. His father was a paper wholesaler and he thought we should do retail—straws, toilet paper, cups, napkins. He sent me to a local store because they were doing this. They had 6,000 square feet of selling space. The items he sold they had in about 300 square feet. The rest of the store was devoted to party supplies. I saw all these women shopping and the light went off. I came back and said forget the toilet paper. Forget the straws.

## About Party Land

There are over 200 Party Land stores in the United States and abroad. Franchisees pay between \$235,000 and \$299,000 for licenses on stores ranging from 4,000 to 6,000 square feet. The price includes a complete POS System. A Party Land franchise comes with protected territory, a merchandising package and ongoing support in merchandising, marketing and inventory maintenance.

**RIS:** So you opened a store in North Philadelphia.

**Feller:** Yes and luckily for us the landlord was one of these old-school Italians. He liked us and he gave these two young guys a break. With Todd's father's help we were able to open.

**RIS:** So this was your second partnership. Were you cautious?

**Feller:** No, I tend to take situations one

at a time. I sensed in Todd some of the qualities that I lacked. He was the consummate salesman. And he had some skepticism. That's probably why our partnership has lasted as long as it has. He was a good communicator. Todd lets you know right up front what he's thinking.

**RIS:** What kind of technology did you have in the first store?

**Feller:** In some ways it was so archaic. We had cash registers. At that time we were buying items in bulk. If you were having a party and needed 37 plates, we would count them out.

**RIS:** So when did you have your first major disaster?

**Feller:** I'm not really sure we ever had a major disaster. We've had these crossroads. Initially our game plan was to open one company store each year. One of Todd's friends came to us and said he wanted to open a store. Our law firm warned us that if we went down this road we might violate every franchise law under the sun. And the penalties were pretty severe. So we decided to open company stores. And we started to leverage ourselves out financially so the franchising looked like the way to go. That was a cross roads.

**RIS:** Any other crossroads?

**Feller:** Sure. I knew a gentleman named John Barry who was head of sales for West Coast Video. He told me he was going to leave them. So I asked him if he would be interested in joining us. He said he was interested. The type of money we knew we would have to pay him was a big leap for us. But when I tried to reach him he wasn't returning my calls. One day I opened the Wall Street Journal and saw that he was selling for Party City. I went home so depressed. I shared my business day with my wife and I went through the whole thing. Not only had I lost him but he was with the enemy. I came in the next day and he had called me. When I returned the call and asked for him they told me he was no longer with Party City. Then he called me and asked me if I was ready to take him on. So, I get home that night and my wife thinks I am a lunatic. I was so happy.

**RIS:** So you were now a big company.

**Feller:** Not yet. It was some time later



that I met Ken Gross, our other partner. He had started a company called Tri-State Alarm and he built it to 500 employees basically doing all the alarm installs for Sears on the East Coast. He called us on the phone and was interested in a franchise. We really didn't know who he was. He bought the franchise and two years later he was asking if he could buy into the company. Knowing that he had been to the dance before, we knew he could help us see the big picture.

**RIS:** And a company culture formed.

**Feller:** Our personalities were to try to control everything. Ken taught us how to delegate and be happy with 90 percent. After he joined us, Hallmark was selling some card supply to stores and Ken saw that as an opportunity.

**RIS:** Now you have more than 200 stores and you have global locations. Supplies travel further, customers are scattered. Will your old technology support the growth?

**Feller:** We had our CFO Brian Watt investigate that and he showed us we needed a real time system. The polling took 48 hours. Our systems lagged. We needed a system that could deliver 12 reports daily that you could read. We went to Capture.net (www.capturenet.com). They had the store systems and the network. And they could even deliver in several languages. But the system lacked some things we needed.

**RIS:** Did you consider other vendors?

**Feller:** We got down to Capture.net and we came away with some problems. That's really what made the marriage. They were listening to us and not trying to force feed us. They were willing to modify the system. ■