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Business

Valley mannequin dealer wins tech contest, will set up in N.Y.

This might not be exactly the Silicon Valley fairy tale Intel and the non-profit Small Business Technology Institute of San Jose were expecting.

The two groups recently awarded the top prize in their national technology contest for small businesses — \$100,000 in hardware, software and technology services — to Mannequin Madness, an Oakland firm that buys, rents and sells used and new man-

RETAIL

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nequins.

The money was a blessing to company founder Judith Henderson-Townsend: Now she can move her headquarters to New York.

New York?

Henderson-Townsend says relocating the company's main office to New York puts Mannequin Madness in the

heart of the fashion industry, near the retailers from whom it will buy and sell mannequins. The company will retain a Bay Area presence with a new office in San Francisco, along with locations in Las Vegas, Chicago and Atlanta.

"In her case, I think it does make sense because the fashion world is there," said Lynn Castlevetro, director of Intel's Worldwide Small Business

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Marketing Strategy. "I see it as the technology is allowing her to grow her business and get more of a nationwide presence. So, I think that is a really a good thing."

About 2,300 small firms entered The World of Difference contest and had to present a plan for how they would use \$100,000 worth of hardware, software and technology services to build their company.

Henderson-Townsend said her company will use the winnings to outfit field representatives with Web cam-equipped laptops that can show buyers the mannequins they are interested in. The dummies will also be embedded with radio frequency identification tags, enabling employees to more quickly locate a particular mannequin.

"People are so surprised, because mannequins are such a low-tech industry, but we want to use this cutting-edge technology to take us to another level," said Henderson-Townsend, who runs Mannequin Madness along with her husband, Jay Townsend. "Our goal is to create a national network."

The company has about 1,500 mannequins in its inventory, from child to adult sizes and even torsos, legs and hands. They're now stored in the couple's basement and garage, a public storage facility and even a backyard tent. "As

a liquidator, we get things in all the time and we spend a lot of time hunting for things in our warehouse," Henderson-Townsend said. "With RFID (radio frequency identification), we can punch in a bar code and see where it is, rather than hunt it down by eye."

Why mannequins?

In 2001, Henderson-Townsend was surfing on craigslist in search of tickets to a Tina Turner concert, but paused on a posting from someone with 50 used mannequins for sale. She thought she'd buy one, cover it with mosaic tiles and display it in her garden.

The seller told her he actually rented out the mannequins. Henderson-Townsend, working at a dot-com at the time, decided that sounded like a fun side career, and bought the lot for \$2,500.

After Sept. 11, her dot-com went under and she turned to Mannequin Madness full time.

The company now has two employees, plus five independent contractors. Henderson-Townsend declined to give revenue specifics, but said the business brought in sales of "more than \$200,000 and less than \$500,000" last year. She said the company has been profitable since its first year.

The business mainly buys used mannequins being discarded by retail stores. About 70 percent of the business is mannequin sales. Purchasers have included lawyers who use the mannequins in court to

demonstrate where victims had been shot or stabbed. The remainder of the business is rentals.

Mannequin Madness customers have included retailers such as Mervyns and Gap and companies presenting at trade shows. EBay vendors get mannequins to display clothes they're selling through the online auction site. Nike rented mannequins to display during a big race in San Francisco last year.

Even a movie theater in Emeryville set up five child mannequins outfitted like Peter Pan when a remake of that classic was released in 2003.

"I never did make that art project for myself," Henderson-Townsend said of her original plan for the single mannequin. "That's why I enjoy all the creative customers I have now."

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