

# Startup sells games, one living room at a time

## Taking the Tupperware sales concept into buyers' homes



BUSINESS JOURNAL PHOTO/MATT HAGEN

**SimplyFun CEO Gail DeGiulio laughs with co-workers while playing one of her company's games, LieBrary. The company's business model concentrates on selling through representatives, who throw house parties.**

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STAFF WRITER

Borrowing a sales strategy from the Tupperware parties of old, Seattle-based SimplyFun LLC is growing rapidly by selling direct to consumers in their homes.

Since its founding in May 2004, the 15-employee company has hired hundreds of independent sales consultants in 41 states to go into American homes and sell its catalog of 23 board, card and party games and puzzles direct to consumers.

By early 2006, SimplyFun founder Gail DeGiulio expects to have more than 1,000 consultants in the fold.

The company is growing so fast that it has attracted the attention of a small band of private equity investors. DeGiulio, an alumna of the Wizards of the Coast gaming company, said SimplyFun will finish raising an undisclosed sum of private equity by the end of the month.

DeGiulio, who also worked for 17 years at various positions at Toshiba and Microsoft Corp., including MSN, said the company has already raised capital in the "mid-seven figures."

SimplyFun's games are designed for children age 3 and older as well as adults, and can be learned in minutes, DeGiulio said. About 75 percent of the games are designed by an international pool of professional game creators.

Among the more notable SimplyFun games is LieBrary, which was designed by Hollywood actresses Daryl Hannah and Hilary Shepard. Players try to create a convincing opening line to fool opponents into thinking theirs is the actual first line of a famous book.

DeGiulio said she embraced the direct-sales strategy after three frustrating years of trying to get card games created at Wizards of the Coast onto the shelves of major

retailers' stores.

"They'd rather push the latest version of Monopoly than go with an unproven game product," she said of the major retailers.

In December 2004, she contacted an old friend from her days at MSN, former Microsoft executive Laura Jennings.

Jennings, who was a venture capitalist with Atlas Venture from 2001 to 2004 and now makes a few private equity investments each year, was immediately drawn to the direct-sales model.

"It was an interesting, proven alternative means of getting products to market," said Jennings, an early SimplyFun investor and board member. "It's been proven with a variety of products, consumables to non-consumables, low-price point to high-price point."

DeGiulio's ambitions for SimplyFun are big — \$100 million in revenue with 10,000 consultants in the next five years. She would not disclose the company's revenue, but a spokesman

for the company said each party brings in anywhere from \$250 to \$1,000 in just a few hours.

Most of the sales consultants, according to DeGiulio, are women from 30 to 60 years old who are married, have children, work from home and have college degrees.

Kirsten Hansen, a stay-at-home mother who lives in Everett, started working with SimplyFun in October 2004. The 36-year-old mother of two boys said she makes about \$2,000 per month selling the startup's games.

She holds about a dozen game parties a month, each lasting about two hours. The parties aren't just for selling — they're major recruiting opportunities.

Since starting with the company, Hansen has brought about 40 direct sellers into the fold.

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**Laura Jennings, SimplyFun investor and board member**

