

# Combining fun with business pays off for Peekay

By CLAYTON PARK

Phyllis Heppenstall got the idea for starting her company from an unlikely source: *Playboy* magazine.

It wasn't a lurid photo that caught her eye, says Heppenstall. What grabbed her attention was an article about a woman on the East Coast who discovered a fun way to make money: by hosting home parties to sell ladies' lingerie, lotions and novelties.

Heppenstall and her daughter, Kristy Butt, teamed up to start their own company, Peekay Inc., in 1980. Their idea was to host "Lovers Package" parties modeled after the ones described in the *Playboy* article in the basement of Heppenstall's home.

As their business grew, the two decided to open their first Lovers Package store in 1982. Within three years, the Auburn-based company was operating five stores throughout the Puget Sound.

Today, Peekay Inc. has expanded to include 14 company-owned stores and one licensed store, as well as two sideline businesses: Peekay Wholesalers and Signatures Inc., a private-label candy company.

Heppenstall and Butt also co-own PK Partnership, a real estate investment company that owns some of the locations for Peekay's Lovers Package stores.

Peekay Inc. generated \$3.75 million in sales last year — a 25 percent increase over the previous year. The company currently employs more than 60 workers.

It is one of the winners of the 1995 Washington Family Business Award, tying with Cap Sante Marine Ltd. in the "best small business" category.



Phyllis Heppenstall (bottom), is founder and president of Auburn-based Peekay Inc., co-winner of the small business category.

Nowadays, Peekay Inc. has become a full-fledged family affair.

Heppenstall, 57, serves as the company's president and co-owner. Butt, 37, is the company's vice president and co-owner. Heppenstall's two sons, Rick Barnett, 35, and Brian Barnett, 34, also hold senior management positions with the company, as does Brian's wife, Kim Barnett, 33.

"All of us have our areas of expertise," said Heppenstall, who describes herself as the company's "guiding light." "Kris handles our accounting; Rick handles real estate; and Brian oversees our computers, operations and sales." Kim serves as the company buyer, and is in charge of training the retail sales staff.

"Between us all, we represent over 300 hours a week striving to make Peekay Inc. the best place to work

and grow," said Heppenstall. "Collectively we represent 75 years of business experience."

"The quality of our family relationship has grown over the years," she adds. "We were once a family who felt very happy to see each other occasionally. Now we experience each other's day-to-day experiences. We talk on a more personal level than ever before and are able to express the true feelings we have for each other in person, rather than through a card or phone call."

Operating a business involves making sacrifices, but the fact that everyone in the family works for the same company makes it easier to make adjustments, such as replacing traditional holiday celebration with "after-the-season family events," said Heppenstall.

Running a family business in which all the family members are actively involved is "a big plus," said Heppenstall. "I know I've got honest, committed people. That's hard to find."

Community involvement is also considered a priority at Peekay Inc. The company holds an annual AIDS prevention program in all its retail stores every August and various members of the family are actively involved in local chamber of commerce groups and other nonprofit organizations.

Heppenstall played an instrumental role in establishing a business improvement area in Burien. This year, she was appointed to serve on the city of Burien's newly formed economic development council.