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# Lenexa redemption company provides prize products

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Sell a better whoopee cushion and the world may beat a path to your door.

That's part of the winning strategy for Redemption Plus, which this summer will roll out the Big Ripper, billed as the world's largest whoopee cushion. The Lenexa company has grown from a home-based business to an \$11.3 million enterprise in just 13 years.

Redemption Plus is in the rather unusual business of supplying redemption and incentive merchandise to family entertainment centers such as Power Play and Paradise Park, as well as learning centers and fundraising programs.

"However, we don't just sell redemption merchandise; we also provide innovative ideas and consulting services," said Ron Hill, the company's founder, president and chief executive officer.

That advice is valuable to customers such as Jon Ellis, president and CEO of Paradise Park in Lee's Summit.

"It's great having a national company like Redemption Plus located right in our backyard," he said. "I have been working with Ron for at least 10 years, and we're working together more closely now than ever. They provide high-quality products in our game room, but they also have ideas to help grow our business."

For example, he said, Redemption Plus completely rearranged the redemption counter at Paradise Park last year: "They met my redemption manager here at 10 p.m., and I got a call at 4 a.m. to say they were leaving."

Hill and two partners launched Redemption Plus in 1996 — in Hill's basement.

"Most people say they would never have thought of this type of business," said Hill, whose background is in computers and technology. "The plan has changed a lot over the years, but the concept remains the same."

Today the company has nearly 50 employees and its own 78,000-square-foot warehouse.

"We typically will have around 1,600 finished items in our warehouse at any one time," Hill said, "but with the constant product rotation, we will have 4,000 to 5,000 items throughout the year." That means the staff is constantly on the lookout for ways to improve proven items, such as whoopee cushions, and also discover the next big thing.

"Most of our customers look to us for ideas, although some may request a specific item," Hill said. "The annual toy fair is a good source of ideas, but we also read trade magazines and encourage employees to bring their kids into work and test new items."

And the emphasis is not on cheap.

"I learned a long time ago that if you can have brand-name, good-quality items, great packaging, and good displays, you can really drive more customers spending their quarters or swiping their debit cards," Hill said.

It would take a number of rolls of quarters to redeem some of the prizes the company carries.

"We have had big-screen TVs in the past, and this summer we have Old Town kayaks," Hill said. "Some of these are more for decoration or incentive, and (customers) may redeem only one or two each year."

Current economic trends have cut both ways for Redemption Plus. As with most businesses that source, ship and store tangible goods, 2008 was a challenge.

"Prices from our suppliers went up dramatically last year," Hill said. "This year, we have had price increases due to new consumer product safety regulations that went into effect in February. Our suppliers are using new materials that often are more expensive."

Concerns over toy safety have added another layer of complexity.

"If we import a product, we are liable," he said. "We take that very seriously. We meet both current regulations and new regulations that will take effect later this summer."

On the other hand, the slumping economy has speeded up the supply chain.

"Demand in the world economy is down, so we can get products in two to three months instead of the six it took last year," Hill said.

People looking for entertainment closer to home has contributed to a fast start in 2009. Hill said Redemption Plus is ahead of projections by 20 percent.

Seven or eight sales representatives work closely with customers. And the company recently launched Redemption U., an online training site for its customers. It currently is fine-tuning a service called Planet Prize, which will enable its business partners' customers to take their winning tickets home and redeem them online.

## **Redemption Plus**

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