

WonderChess strategy teaches gamers with treats

Prize inside

By **JEFF MEISNER**
STAFF WRITER

Seattle-based WonderChess LLC isn't even a year old, but the fast-growing startup is about to launch its second line of children's board game products.

Founded in July 2004 by CEO Michel Alvarez, WonderChess differs from traditional chess in one major way — the pieces are hollow and contain surprises such as colorful stickers for kids.

Alvarez describes WonderChess as "Cracker Jack meets Chess."

The startup has three games — WonderChess, WonderChess Deluxe Edition and WonderCheckers. Nearly 450 specialty retailers across the country sell the games, including Borders book stores, Bed Bath and Beyond and Nordstrom.

In the first half of 2006, Alvarez plans to launch travel versions of WonderChess and WonderCheckers for about \$10 apiece. Instead of hollow chess pieces, the game pieces themselves are candy treats.

So far, WonderChess has sold 5,600 board games, and Alvarez expects to finish 2005 with more than 10,000 games sold and \$100,000 in revenue. The company is profitable, and its staff consists of Alvarez and four contractors.

In 2004, the board game and puzzle

industry was worth \$2.3 billion in revenue, according to research from the NPD Group of Port Washington, N.Y.

Alvarez, a 39-year-old father of two, said he came up with idea for WonderChess while trying to teach the game to his son using a standard chess set and instructional booklet.

"I ran into the same problem I did as a kid," he said. "Chess can be complex, boring and slow. And these days, kids have a lot more to distract them with video games."



Hollow pieces hold rewards to motivate young players of WonderChess.

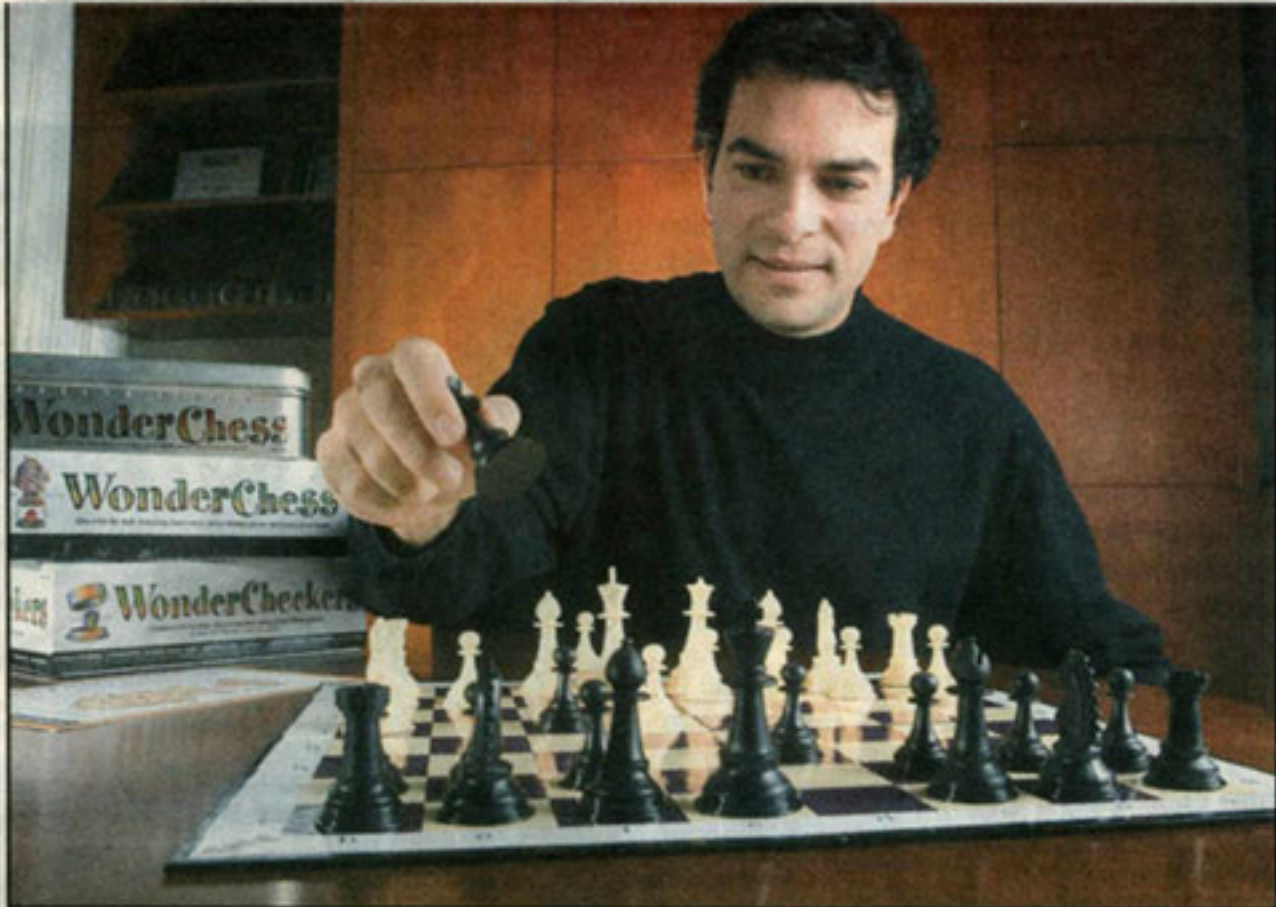
WonderChess is a far cry from the way Alvarez, who won the gold medal at the Junior Chess Olympics in Mission Viejo, Calif., in 1976 at the age of 11, learned it.

"When I was 4 years old, my father, Gilberto, took us to a friend's trailer in San Ysidro," Alva-

rez said. "His friend, Jesus Mondragon, was a concert violinist with the San Diego Symphony Orchestra, and he taught us how to play chess for four hours every Sunday."

Alvarez, who is the son of Mexican immigrants, said he eventually was ranked No. 4 in California and 23rd in the nation in his youth chess division in the 1970s.

WonderChess has already received accolades from the board game in-



BUSINESS JOURNAL PHOTOS/MATT HAGEN

Michel Alvarez founded WonderChess in July 2004 with ideas he formed while teaching his son to play the classic strategy game.

dustry. This year, it won three awards — the Gold Award from the National Parenting Publications Awards; best children's vacation products from the San Francisco-based Dr. Toy organization and *Creative Child* magazine's 2005 Preferred Choice Award.

David Long, CEO of Seattle-based Screen-Life LLC, which makes the hit DVD board game *ScenIt?*, was impressed with WonderChess' offerings.

"I love what they've done here," Long said. "Taking the chess pieces and adding an award to it puts a new spin on the game. (Alvarez) has done a great job of coming up with a new, fresh idea I haven't seen before that I think will appeal to consumers."

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**Michel Alvarez, CEO,
WonderChess LLC**



Another veteran of the board game industry, co-founder Richard Tait of Seattle-based Cranium Inc., outlined what he thinks is WonderChess' biggest challenge — distribution.

By nabbing partners such as Nordstrom and Borders, a strategy Cranium also pursued in its early days, WonderChess is already ahead of the curve, Tait said.

To hit the big time, however, WonderChess will need to get its games onto shelves in toy departments at the big three

retailers — Wal-Mart, Target and Toys "R" Us, he said.