

Case Study: The Launch of a Pop-Up Store

prepared by PopUp Republic

February, 2014

In the summer of 2013, PopUp Republic approached the Brookline, Massachusetts Economic Development Office with a proposal — it would oversee an effort to open and operate a pop-up shop marketplace in a particular district within an area of town called Brookline Village that historically had always been commercially challenged. Try as it might to energize that particular section of the neighborhood’s local economy, the business community had never come up with the magic formula that would take hold there.

On the whole, Brookline Village’s setting itself was quite charming, often-times bustling, and among long-time Brookline denizens, “The Village” had always had a particular allure. Its funky shops, eclectic and somewhat eccentric boutiques, and its ethnic restaurants had all given the neighborhood a unique personality that had been retained over the years. The Village also plays host to the iconic Puppet Showplace Theater, yoga studios and holistic practitioners, and even a tucked-away television studio where PBS’s much-adored America’s Test Kitchen cooking show is produced. There is a very active subway line that runs through the Village with a perfectly situated station right in the heart of the area, and abutting Brookline Village is a major thoroughfare that provides a corridor between downtown Boston and the western suburbs.

But the area of the Village where PopUp Republic was suggesting that it would open up a pop-up shop did not draw pedestrian traffic from contiguous areas. It lacked sufficient parking and as a consequence, the shops that did try to conduct business there rarely succeeded, making that major entryway into Brookline an uninviting portal to what was otherwise an upscale community. Maybe “uninviting” is too soft of a portrayal — in reality, it was a blight, an embarrassment that town officials were hard-pressed to rectify.

Among the buildings that were located in that section of town was a multi-story mixed use commercial/office building, one that was practically vacant despite being situated in a verdant, well-kept campus of buildings that were homes to largely medical and educational facilities. The building was owned by Boston Children’s Hospital, which had well-publicized plans to completely raze and re-construct what was there. On the ground level of this building, called 2 Brookline Place, were six ground-level unoccupied storefronts, half of which served as storage rooms for the hospital’s unused office furniture. The facilities management office of Children’s Hospital was committed to being a good neighbor and had allowed various Town-sponsored activities to take place in and around the building. But finding commercial tenants had been a problem, with word out that plans were afoot to tear down the building once regulatory approvals were received, and with the hospital hesitant to enter into long-term leases for those same reasons.

Which made it a perfect venue for a pop-up. Many of the key ingredients were there:

- A vacant storefront with a motivated landlord was available on a short-term basis at a below-market rent (basically, the cost of the utilities).
- The local municipal economic development office was very much on board, as it had long been searching for ways to energize commercial activity in that particular sector of town, with little success. Department heads agreed to work with PopUp Republic when it came to regulatory ordinances, introductions, and even promotion. It was a low-budget program that could reap benefits for the Town and for nearby permanent merchants.
- Its location, while not prime, was adjacent to an active commercial area, an active subway stop, and a major thoroughfare. So if the pop-up could generate sufficient appeal and publicity, there were nearby shoppers from which to draw and ways to get there.

PopUp Republic negotiated a license to secure the storefront it had selected. Note: the relationship was governed by a *license* to use the property, not a *lease*. Many legal and financial obstacles were circumvented by entering into that sort of arrangement, something that prospective pop-up organizers and property managers should investigate before entering into a legal relationship with one another.

With a location in hand, plans were set in motion to launch the pop-up. Before the doors could open, the next step was to learn what ordinances affected the pop-up's launch and operation and what licenses needed to be obtained and rules complied with.

And there were more than a few. A license to conduct business was necessary to have in order to be compliant, even though this was a short-term enterprise. A temporary occupancy permit to conduct business within the site was also required. Certain considerations came to bear — the *length of time* of the temporary permit being sought proved to be important. Obtaining a permit for less than 30 days, followed by a sequence of 30-day renewals, helped ameliorate the stress that certain requirements would certainly have created — psychologically and financially — had a longer permit been sought and executed. The number of seats that would be used in the pop-up shop could lead to fire department restrictions not only in terms of maximum occupancy at any one time, but also as to whether a back room, which had a back door for an alternative egress point, could be used for storage or had to be kept clear. The size of signage, as related to the size of the front windows on which they would be hung, was stipulated by local ordinance. The signs themselves needed to be approved. Access to public restrooms had to be provided.

And then there was the matter of food. For one thing, the PopUp Republic plan was considering having food vendors participate, albeit with the product prepared offsite in a health department-approved facility. That opened up a new set of variables — permeability of the floor surface; availability of a hand washing station; inspections by the health department; etc. In fact, it was determined that even if food was not going to be sold at the pop-up market, the non-food vendors couldn't even serve coffee on site because of various provisions that precluded such activity from occurring. So food service was quickly eliminated from the overall scheme.

After that, the matter of insurance became the next issue to address (notice, we haven't even gotten to plans relating to what the pop-up itself was going to feature and sell!). The property manager had certain policy minimums and inclusions it wanted in the property insurance that were mandated. And of course, PopUp Republic wanted to be sure that an appropriate amount of property and casualty insurance was in place. Fortunately, this is a relatively easy task in most states and in most cases can be handled efficiently by a local insurance agent.

With Location, Licensing, and Insurance in place, it was time to create the business plan for the pop-up itself. Which begs the question, does one really need to put together a business plan for a one-off, temporary business? The answer is a resounding yes. It doesn't have to be long, nor does it need to include sophisticated projections, but having a business plan as well as a budget goes a long way toward a successful outcome — even for a pop-up.

These issues are dealt with in greater detail in other chapters of this book, but consider it safe to say that PopUp Republic put in the effort to think about these issues and to plan for their implementation. The overall business strategy was clear: enlist the participation of artisanal merchants, stay open from August through the Christmas holiday shopping season, then close by year's end. So it would be about a 4-month pop-up, fairly long by pop-up shop standards, but still within a normal range.

Using social media and personal contacts, there was no shortage of candidates who were interested in participating, and a schedule was established as to who would be opening up shop when, and for how long. Each merchant was offered one of two options

— to either run their business themselves (which made the most sense, as who better to sell their merchandise than those who made the items), for which there was one financial arrangement, or to have PopUp Republic’s staff handle their business, in which case another financial arrangement was offered.

A reporting and transactional system was established for both. In the case where PopUp Republic’s staff had the duties to sell product on behalf of the merchants, it needed a point-of-sale system that would accommodate the business envisioned. It ended up choosing one that was very economical and efficient and could be transacted through anyone’s smartphone.

Incidentally, finding temporary staffing is not something that should be downplayed or left to the last minute. There is a sizable pool of experienced retail people that are available for part-time, temporary work, but tapping that pool and arranging a schedule requires planning and flexibility on both sides.

While the Brookline Village pop-up had some extra steps required by virtue of having to coordinate schedules among both the vendors and its staff, it had the offsetting benefit of not having to worry about inventory. This is an issue that should be well-thought out in advance — how much to produce, how much to bring to the pop-up for sale, other distribution options for liquidation of inventory not sold at the pop-up.

With the venue, licensing, insurance, staffing, and transaction costs now in place, PopUp Republic was able to turn its attention to such matters as signage and supplies that would be needed on a daily basis. And with that, it was able to determine its break-even and to concentrate the majority of its remaining time and resources to promoting and

marketing the merchants and the pop-up itself. It reached out to local television media and sure enough, sparked enough interest so that a local network affiliate sent a reporter and cameraman to broadcast a very nice story about the pop-up. This not only translated into an increase in pedestrian traffic, who were curious to find out what this “pop-up thing” was all about, but cast a positive light on the local economic development department and its efforts to support the local business community (PopUp Republic made sure to invite local economic development officials to be there and be interviewed when the cameras were rolling). Additional outreach to other local media, supplemented by a consistent social media marketing campaign, and even the old fashioned marketing method of posting notices on nearby public bulletin boards, and keeping it up during the duration of the pop-up, all went far in promoting the Brookline Village Pop-Up Marketplace and led to a successful four-month run at what was previously an empty commercial wasteland.