

All Sectors of Community Contribute to Los Alamos Business Climate

By: Kent Pegg

There has been increased talk recently regarding the tenuous state of the business community here in Los Alamos. Certainly, the increase in attention opens dialogue that can help bring the varying issues to light. But what are the answers to halt the perceived or actual decline of Los Alamos' businesses? Businesses in Los Alamos face a unique set of obstacles. Diminishing foot traffic, lack of consumer confidence, high labor costs, and high operating costs all work to the detriment of businesses coming to and thriving in our town.

High rent cost has long been blamed for the difficulty of operating a business here. As a business owner, believe me, I realize that rent makes up a significant percentage of operating expenses. But, while rent is an important consideration, it's one that won't be changing anytime soon. Even if the lab moves more offices out of town, don't expect to see big changes in the rent prices. If more employees move out of downtown, there will be fewer consumers in town during the day when most businesses are open. It's hard to say that it would be better to save money on rent if it would mean lower traffic and sales.

But what's caused the recent downturn and caused the closing of several local businesses? It began nearly two years ago with the lab shutdown. Insecurity and fear entered the minds of the local consumers and caused less money to be spent. The recent contract bid, contract award, transition, pension and retirement issues have done little to restore any stability to the mindset of the consumer causing them to spend less. Due to this, many businesses that were operating on a slight margin have seen modest profit turn into consistent loss. Most businesses will not stay around long if they are losing money monthly.

Also, many recent business closures were not driven by finances but by other issues that can affect business anywhere. There will always be a coming and going of business, regardless of financial issues.

In December 2004 Los Alamos County conducted a survey. When asked what actions would improve the quality of life, the top two answers were more/improved retail and more business/small business. 73% of respondents wanted more variety and types of stores. 42% wanted more competitive prices. And 20% asked for better hours. There was also a great deal of support for a "big box" store, with 76% in favor. That percentage rose significantly for those in the lower income brackets in the area.

So, knowing that people want more options here, how do we get more business to come to Los Alamos and have them sustain? The answers must come from all segments of our society.

Consumers must keep in mind that if you don't purchase what you can from local businesses, those businesses will be the next to go, further eroding the business community. When you shop here, you really are doing something for your community.

In an average year, Los Alamos consumers spend roughly 330 million dollars on retail trade including food and drink. 120 million of that is spent here in Los Alamos, meaning 210 million dollars are spent off the hill. If an additional 10% of that 210 million were spent here it would mean an influx of an additional 21 million to local businesses. There are approximately 113 retail businesses so the average business would see an increase of over \$185,000 per year. That would keep an awful lot of businesses going and encourage others to start new businesses.

Businesses, themselves, have a responsibility to the consumers. To succeed as a business owner you must not only have an interest in your product or service, but you must be an expert in that field. If you love what you do and you have a full knowledge of the field, you can be a successful business owner. But you'll need more than just knowledge and love. Los Alamos is a discerning community with intelligent consumers. If the quality of the good or service is not there, or if the price is too high, you won't do the volume of business necessary to survive here.

Businesses in Los Alamos must also strive to provide a greater variety of products and services. There is no incentive to shop here if you can't get what you need.

And if you look around, you'll see many businesses that are doing just that such as Trinity Beverage Company, Pet Pangaea, Los Alamos Fitness Center, Reel Deal Theatre, Ruby K's Bagels, Cookn'Style, Bob's Bodacious Barbeque, UPEX, CB Fox Kidz, and Heidi Anna's. Additionally, many other businesses have expanded their services during the last few years. Successful businesses do exist here in Los Alamos. Believe it.

A renaissance is coming for Los Alamos business. Lab stability is increasing, better retail space is being developed, and the strongest businesses in the community are still here to provide business anchors. We're not there yet but with a little work by all of the sectors of our community, the Los Alamos business community will be rebuilt and succeed.