

Staying Local and Going Green

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Over the last couple of months, gas prices zoomed past the \$4/gallon mark without looking back and \$5/gallon gas is not that far-fetched. If you would've asked me two years ago, when gas was around \$2/gallon, what would be the impact of the doubling of gas prices on our economy, I would not have hesitated to predict doom and gloom. After all, the cost of fuel is a fundamental component of our business life as it powers our transportation needs. Without fuel, the world, not to mention Salinas, would grind to a halt.

That shows you how much I know! Fuel prices have more than doubled, yet the business community has adjusted and continued to flourish in many sectors. It is a testament to the resiliency of our economy and our business leaders that we find ways to adjust and create greater efficiencies to offset the increase in fuel costs. In fact, some progressive businesses look at higher fuel prices and see not only a challenger but an opportunity, not to invest in oil futures, but to attract new customers.

As you know, the Chamber has taken on the task of executing a "Buy Local" campaign to encourage all Salinas-based organizations to reach out to their local trading partners before going outside the area. Initially, the initiative was seen as a way to help our local businesses in toughening economic conditions and as a way to keep the tax dollars that are frequently generated by business transactions rather than let other municipalities enjoy the benefits of our trade. Jack Harvey, one of our Board members, is leading the "Buy Local" charge and has been very successful in enlisting support from many stakeholders, including the City of Salinas, with the support of Mayor Dennis Donohue.

Given the increasing cost of transportation and shipping, the concept of Buy Local has taken on a whole new urgency, with more businesses and consumers considering that cost as part of their buying decisions. If you are a smart business person, you see an opportunity to develop a whole new client base, marketing yourself as a lower cost alternative to doing business outside of the area. On the hospitality front, you already see our brethren on the Monterey Peninsula more intensely targeting the local area consumer rather than spending limited marketing dollars on visitors further away who may be reluctant to pay the higher cost of getting here.

Have you considered how you can position your business to take advantage of the anxiety your customers have about higher fuel costs? If you haven't, you are missing a great opportunity to make your business stand out.

On a somewhat related issue, the higher cost of fuel has also helped to accelerate the "greening" of the economy. The obvious one, the search for alternatives to gasoline, is for the long haul and we may not see a significant impact for a number of years. In the near-term, I see more people car pooling or telecommuting, reducing the number of cars on the road. Does this present a business opportunity? All you have to do is pay attention to the rush of Fortune 500 companies who are embracing environmental protection and "green" as a business practice to see that green means money, especially with higher fuel prices making consumers reconsider pretty much every aspect of their lives. Think about how your

business can embrace green as a true business practice, a way not only to differentiate yourself from the rest of the pack, but to help reduce your costs and pass on those savings to your customers.

The world is changing faster than most of us thought possible and there will be winners and losers when the dust settles. Make sure you emerge as one of the winners.