

**WholeFoods Magazine**  
**Tip of the Month**  
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THE DANGERS OF SUCCESS

**By Jay Jacobowitz**

It may seem counterintuitive, but not once you think about it. Over the last several months I've been relieved to be in the natural foods business, and not the restaurant business. As most of you have experienced, the months-long surge of anxious shoppers seeking nutritional advice and wellness products that deliver *resilience*—a word I am nominating for Word of the Year—has provided independent natural products retailers a lifeline. What for years had seemed for many—but not all—like a slowly sinking ship, has suddenly righted itself and is making headway once again.

Already, I've had conversations with independents who've been approached by their landlords, or by other property developers, with offers on newly vacated, or newly available spaces. Ah, yes: all those retail chain bankruptcies we've been hearing about, some in our own industry—Earth Fare, Fairway, Lucky's—are leaving gaps in landlords' portfolios, driving up vacancy rates, and putting holes in cash flows. So, of course it makes sense you'd be approached because, as a natural organic retailer, you are one of the potential winners.

But here's the thing: if there ever were a time to, as the tailor says, "Measure twice, cut once," this is it. You'll find, if you are approached with such an opportunity, that your potential future landlord has *lots* of numbers to show you: demographics, traffic studies, redevelopment stories. And perhaps to make it particularly tempting, cash and other incentives if you decide to build out your space in their development.

Now that I've cautioned you, let me say that any of these opportunities could be worthwhile. But what should first occupy your attention is a sober evaluation of your current situation. Are you profitable? If not, why not? How do you view periodically reinvesting to keep your store fixtures and equipment up to date? Same freezers since 1995? Maybe you're not a candidate for a new project.

And, how *do* you evaluate what is on offer from your current or a new landlord? The reason I decided to write this Tip of the Month is that, knowing human nature, we love to take our shot. We trust our instincts.

After several years of doing trade-area market analyses for independent natural products retailers looking to expand, I stopped answering the inevitable question: "So, what does your gut tell you?" You're not paying me to tell you what my gut says. In fact, my gut has stopped telling me anything, because it doesn't know anything. Anything dispositive, that is.

What does make sense—if you are seriously considering a move or expansion—is to take advantage of any empirical data you can get your hands on. As I said, the demographics are readily available. Of course, interpreting what they mean for your new store's sales; at a certain size, with a certain product mix, in a certain place, at a certain time, is...well, another matter. **JJ**