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Making a Profit and a Difference

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Guy L. Bazzani, on the environmentally friendly roof of his building restoration firm in Grand Rapids, Michigan.

When the architect and urban redeveloper Guy L. Bazzani moved from Northern California to Grand Rapids, Mich., more than a decade ago, he didn't expect his ideas about socially responsible, environmentally healthy business to be embraced right away. Local companies had suffered enough economic hardship without the added burden of such ideologies.

Still, after Mr. Bazzani set up shop as Bazzani Associates in 1994, he gradually persuaded the community of the economic soundness of his green business practices. The firm, which specializes in restoring old buildings, uses techniques and tools including green roofs that are covered with plants, storm water management systems and environmentally friendly building materials.

"We found that we can build green buildings that utilize 40 percent to 50 percent less energy at the same price as traditional buildings," Mr. Bazzani, a Michigan native, said. "When I came back here I thought I'd stay a couple of years and return to California. But my green business took off. When people come to me, I'm their first choice, a locally owned business that can produce at value."

If this Rust Belt city of 280,000 is any barometer, small, local businesses are inclined to embrace social responsibility and will promote environmental health. In three years since Mr. Bazzani, 51, founded an organization called Local First, more than 250 independent businesses in Grand Rapids have come on board.

"Lots of people have lived here all their lives," Mr. Bazzani said. "When you have a generational community like this, there is a lot of natural social responsibility. You don't have to call it that. But people just love the community and they'd rather buy a product from someone they know."

As it turns out, Grand Rapids is not alone. Local First is just one of 35 similar business networks around the United States and Canada that have sprung out of the Business Alliance for Local Living Economies, or Balle, a nonprofit organization founded in 2001 by two successful small-business owners in Boston and Philadelphia. The networks, in major metropolitan areas and smaller cities, represent more than 11,000 local, independent businesses. The group promotes the notion of the “triple bottom line,” the concept that local businesses can simultaneously be profitable and foster social and environmental consciousness.

Laury Hammel, the owner of a group of health clubs in the Boston area, and a Balle co-founder, says the organization includes serious business people of all political persuasions who are seeking to fend off the effects of the big discount chains and globalization.

“We wanted to be a force to make businesses become positive role models,” Mr. Hammel said.

Most important, Mr. Hammel says, is the face-to-face connection that customers experience by shopping locally. In an increasingly technological world, people yearn for this connection because they feel they are losing the cultural, spiritual and human element of their lives. “Studies show that when you go to a farmers’ market, you have 100 times the number of conversations you have in a grocery store,” Mr. Hammel said. “We think local is one of the most important words in the English language.”

When Judy Wicks, Balle’s other co-founder, opened the White Dog Cafe, a popular Philadelphia restaurant, 24 years ago, she realized that she had to spend so much time making her restaurant work that the only way to be socially active was through her business. The White Dog became known for buying its electricity from wind power and for purchasing its produce from local organic farmers and its meat, poultry and fish from producers that practiced humane treatment of animals.

“Profit is a tool,” she said. “The major purpose of business is to serve.” She decided early on to open up the restaurant as an educational forum with guest speakers and to share ideas with her competitors. “We do well by doing good because we’re known to do the right thing and people appreciate that,” she says. “Our customers and employees share our values and come here for a sense of community, for a chance to be aligned with something greater than themselves.”

Though such practices tend to be more expensive, the movement is rapidly gaining believers.

“I’m surprised how much this has grown in the past year or so,” said James Post, professor of management at [Boston University](#). “The question is whether you can serve an economic master and have these other values at the same time. The answer is yes; the triple-bottom-line notion is taking root.”

In Bellingham, Wash., a city of 80,000 near the Canadian border, Sustainable Connections, the local Balle network, has grown to more than 500 members in just four years from 12 original local business owners. “There’s a ‘buy local’ culture here,” said Michelle Long, the organization’s executive director.

One significant byproduct of the effort is that Bellingham retains its commercial uniqueness as a community of small businesses instead of chain stores, Ms. Long said. “If you retain these one-of-a-kind businesses, it’s not like Anyplace, U.S.A.,” she said.

Some urban entrepreneurs like Glynn Lloyd, chief executive of City Fresh Foods in the Dorchester section of Boston, have found the triple-bottom-line quest tougher going. In inner-city neighborhoods, he says, it is difficult for local businesses to get traction. Shoppers, long ignored

by developers and big national chains, are pleased to see [Home Depot](#) and [Starbucks](#) come to the area.

Nonetheless, Balle contends that growing evidence supports the theory that buying local is better for the community. One study in Austin, Tex., by Civic Economics, a strategic planning consulting firm, compared the impact of a Borders bookstore and two local independent bookstores. They found that for \$100 spent at Borders, just \$13 stayed in the local economy, while \$100 spent in a local bookstore put \$45 back into the local economy.

Balle is intent on reshaping public policy, which it feels is biased against local small businesses. Michael H. Shuman, a Balle consultant and author of "The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition," says that economic development efforts that stress "attraction and retention" are all about offering tax incentives to big companies.

What's more, he says, mounting evidence suggests that these incentives have questionable payback for a local economy, often failing to produce either jobs or sustained economic health. "Attraction and retention is not focused on locally owned business or existing local entrepreneurs," Mr. Shuman said. "It almost assumes that indigenous people do not have the capacity to create these businesses, so we must go outside of the community to bring them in. This kind of bias needs to be eliminated."

One way to promote change is to illuminate the sustainability issue for a new generation of consumers, something Don Shaffer, 37, is doing in Oakland, Calif. His company, Comet Skateboards, uses only ecologically safe materials like water-based coatings and sustainable woods like bamboo. And his target audience — teenage boys — is responding. Sales on a percentage basis have quadrupled in three years.

"The biggest driver is our commitment to sustainability," Mr. Shaffer said. "Skaters get a bad rap for being extremely anti-authority but they are critical thinkers and they have a growing awareness of [climate change](#), peak oil and what it means for them. They are voting with their dollars."