

Economic stress affects local businesses

BY JANE KRIENKE
Staff Reporter

Financial concerns and a decline in business have contributed to the decision of stores in the Square to close.

Fitness Fusion, a combined dance and yoga studio, and Sugar, a specialty foods store, soon will close their doors because of financial difficulties. Fitness Fusion owner Ashley Tomten will continue to teach her classes in a rented room at the Baptist Student Union. Tomten said she attributes some of her financial problems to the current economic recession.

"It's really expensive to own a business, and nobody is spending money on fitness," Tomten said. "People are spending less money on anything extra. Plus, we don't have enough community support here to support a business on the Square."

Sugar owner Sue Wandel was not available for comment about the closing of the specialty foods store. However, Jessie Cragg, a Sugar employee, said Sugar's closing is the result of many factors.

"Undoubtedly, a small business is hard to sustain," Cragg said. "With bigger retail stores, you're competing with people who can buy and sell things cheaper. We sell imported specialty foods like jams, sauces, Fair Trade, organic coffee and Scandinavian specialty cookies. We buy from vendors and we have to buy in such small quantities because with food you have to watch the shelf life. So the prices we need to charge go up."

A not-for-profit organization called Missouri Enterprise specializes in helping small- to medium-sized businesses succeed, especially during tough economic times. Missouri Enterprise is sponsoring a series of seminars in an effort to help small local businesses.

"There were many economic development reports coming out of different cities in Missouri," said David Wegner, Missouri Enterprise area business manager. "These reports showed 12 to 15 percent of companies in Missouri are doing well, about 60 percent are hunkering down, pulling back and trying to ride out the economy and the rest, about 25 to 28 percent, are not doing well. Many companies have reduced costs by trying to find new markets and drive new revenues. These seminars were

developed to respond to that need to help businesses develop options and look for new opportunities."

The Business and Growth Strategies Seminar series begins Jan. 29 with the first of three seminars, entitled "Ten Marketing and Sales Techniques to Increase Your Business." This two-hour seminar will take place at the Kirksville Area Technical School beginning at 8 a.m. Two additional seminars are scheduled for Feb. 26 from 1:30 to 4:30 p.m. and March 31 from 9 a.m. to 11 a.m.

"We're putting on a series of gross-focused seminars primarily for manufacturers," Wegner said. "The focus of the three seminars is to help them take a look at growth strategies as well as generate new and creative thinking to survive these very tough times. With the state of the economy, a lot of companies can reduce cost — provide new target markets and new revenue sources. These seminars are a pilot project to see what kind of results we have and if it looks good, then we will take it statewide."

Mark Leake, Kirksville operations manager for the cable manufacturing company WireCo World Group, said he has worked on and off with Missouri Enterprise for about eight years and that during this time he learned many valuable skills, including lean manufacturing, which reduces the waste of motions in the workplace.

Leake is attending the upcoming seminar and said he looks forward to gaining insight into ways he can make WireCo World Group more successful. He said he thinks all small businesses might learn something from Missouri Enterprise.

"I enjoy continuously learning and anything you can learn from the Missouri Enterprise folks would be beneficial to our business," Leake said. "Plus, it's also good to network with other people who are running businesses."

Leake said the effects of the economic recession recently have become apparent and that plans to provide more growth for the company are in the works.

"We have seen a slower business, it's down about 20 to 25 percent," Leake said. "We're hoping to increase our business during the third or fourth quarter. We're looking to bring in new business from our competing wire company operation plants. We're going to bring employment into Kirksville. This will also



Fitness Fusion's lobby sits empty Wednesday afternoon. Classes have been cut back and the store will soon close. Brian O'Shaughnessy/Index

lutely be helping Kirksville's economy as a whole."

Sherry Stacey, owner of the resale shop Hidden Treasures, recently attended an entrepreneurship seminar at the Kirksville Area Technical School. Although attendance was low, Stacey said she thinks these seminars could provide a helpful opportunity for small business owners.

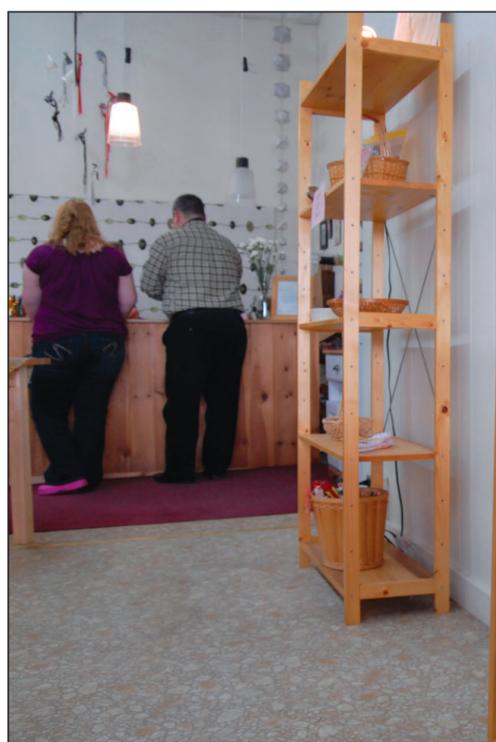
"It would be foolish not to accept information and evaluate it," Stacey said. "Being aware of challenges that other businesses face is a good thing to be abreast of. Any time businesses share success or concerns is very positive, particularly for downtown businesses. Merchants need to have teamwork, be comrades rather than be competition."

Stacey said that despite the economic recession, last year was the best year her business has had since she became the owner seven years ago. She said she thinks one of the keys to her success is cross-selling with other local businesses located on the Square.

"It seems logical and practical to cross-sell with other downtown stores," Stacey said. "We will find success working as a whole rather than as individual stores."

Phil Tate, Kirksville's regional economic director said he thinks the hardships of the economy have been witnessed locally. But, Tate said, the situation can be helped if more people start cutting back on expenses and taking advantage of resources like the business seminars.

"Any tools we can gain in this economy that can help us move forward are advantageous," Tate said. "Everyone, not just businesses and government, both in the public and private sector, need to cut back as much as they can on the expense side."



Once full shelves are now almost empty as Sugar prepares to close its doors. The store has been selling its products at discounted prices. Brian O'Shaughnessy/Index

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Phil Tate
Regional Economic Director

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