

Providence Business News

Recent cold snap slowed many R.I. businesses, boosted others

By **Kate Talerico** January 15, 2018

PROVIDENCE – On Jan. 4, as a “bomb cyclone” swept across the East Coast and kept many at home under their blankets, Om Devkota was firing up the grills at Brickway on Wickenden in Providence at 7 a.m.

“A day of sales for me is pretty big,” Devkota said. “That’s one of the reasons you stay open.”

The unusual storm brought high winds and dumped more than a foot of snow in some places locally, and subsequent freezing weather forced closures across Rhode Island. Some service businesses, including plumbers, have found themselves in high demand since, dealing with broken pipes and equipment failures.

But small businesses were hit particularly hard. Many were unprepared for the repairs, lost cash flow and inventory loss. And for some, business has yet to return to normal.

“Even on a slow day, if we make \$500, that’s make or break it,” said Ava Callery, assistant manager at Tealuxe on Thayer Street in Providence. That revenue is needed to purchase new supplies and run the store, she said.

When significant snowstorms strike, local restaurants and retailers tend to get hit the hardest, said Evan Gold, executive vice president of Planalytics in Berwyn, Pa., which measures the effect of weather on businesses. Even though owners may be able to make up for the lost hours, they often can’t make up the sales. “If you don’t go out for three days because it’s snowing, you don’t go out the next day and get four lunches,” Gold said.

Employees feel the impact most, said James Wilkinson, office managing partner of Marcum LLP’s office in Providence that works with several Rhode Island small businesses. “The employee is losing that shift and the pay for that day or two,” he said. “Most small businesses don’t have the capacity to compensate the staff for days not worked.”

La Creperie on Thayer Street was closed for 10 days due to a pipe that froze a few days ahead of the storm. “The staff lost hours,” said owner Leslie Albuquerque. “I didn’t know if they were going to quit. I was lucky that they held on.”

Small businesses may also risk under-budgeting for the expense of utilities based on last year’s weather, said Bill Kirk, CEO of Weather Trends International Inc. When that weather doesn’t repeat — which happens 80 percent of the time — businesses may find that they

lack funds for heating. Those costs tend to increase by 5 percent for every degree the temperature drops, he said.

Additionally, businesses with only one or two locations feel the impact more, as opposed to large corporations which may feel the storm's effect at one location but can make up for the lost sales at others.

Sales at hardware stores and grocery stores do spike ahead of a storm, Gold added. He noted that consumers also often wait until the last minute to purchase during the first storm of the season, but plan ahead with their shopping during the next.

Even when they do plan ahead, consumers more often head to larger retailers where they can do all their shopping under one roof, leaving small businesses out in the cold, Kirk said. But Kirk said that even small businesses can market themselves to lure consumers into the cold. He suggests offering steep discounts in the cold for stores that otherwise would lose customers.

Local retailers with an online store might even benefit from a snow day, as online sales tend to increase with the cold, he added.

Delivery orders spike, too. Though just three of Brickway's tables were seated as of 9:30 a.m., Devkota continued to receive notifications for online orders. He ended up disabling the delivery service GrubHub for the day, however, as Devkota feared his restaurant would be left with bad reviews with deliveries running late because of the cold.

On Thayer Street, Sneaker Junkies owner Maher Najjar closed up for the storm. "No one is going to risk their life for a pair of sneakers," he said. But online sales remained steady, although the deliveries were delayed by a day.

Even a week after the storm, Najjar said sales continue to lag. He blames the snow piled up until recently along Thayer Street, making parking difficult.

Wilkinson said that as an accountant, he sees blips in sales like these for up to two or three weeks after inclement weather.

And where some businesses suffer from major snowstorms, others profit. Snow-shoveling contractor David Pesce said that he received over 350 phone calls following the storm from clients, some who he hadn't heard from in 40 years. "It's overwhelming," he said.

Frozen pipes may be a nightmare for homeowners, but for Glen Wagner at G.W. Wagner Plumbing LLC in Providence, they mean more business. At their peak Jan. 7, Wagner saw three times more business than he typically gets, forcing him to bring in a few extra laborers to his company. Now, business is up to twice the usual amount.

At Tealuxe, where business was slower, Callery said the storm came at a perfect time, when students – their main clientele – had yet to return from winter break, meaning the closure made less of a dent in their sales.

By 11:00 a.m. on Jan. 4, Devkota had stopped trying to keep the sidewalk in front of Brickway clear, and closed up for the rest of the day. But he said that if students had been back, he likely would have stayed open. On snow days, students often trek through the snow and bring plenty of business.

But on the day of the storm, his employees' safety took priority. "I might even drop them off at home myself," Devkota said.

Some spots in the area remained open during the storm to preserve their "always open" reputation. Nate Mooney, a bartender at Point Tavern on Wickenden Street in Providence, braved the weather to open up that afternoon.

Several couples made it out to Point Tavern, many bringing sleds along with them, Mooney said. One had even walked through the snow and wind from Smith Street to make it there. "Everyone just appreciated that we were open at all," he said.