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QuickTakes

Common Characteristics of Failure

If you want to win, don't make any of these mistakes:

1 Lack of Persistence

Many people fail because they quit too early.

We all experience setbacks and failures. That's not a reason to quit.

Step back. Take a fresh look at the situation. Dig in again. Persist.



2 Not Learning From the Past

Behind many millionaires, you'll find a past bankruptcy. These millionaires treated financial failures as learning experiences. They moved on to their next ventures wiser and even more committed to win.

You can always learn from failure. The lessons will help you succeed on the next try.



3 Lack of Discipline

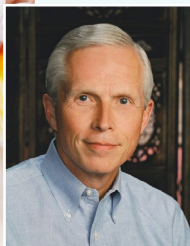
You will never achieve anything of value without hard work and the discipline to follow through.

You may have to give up some things you would rather do so that you can better focus on the task at hand.

Discipline also requires doing less fun duties without complaint. Winners are willing to accept their share of "carrying out the trash." No task is beneath them. They will do whatever it takes to succeed.

Adapted from You Can Win by Shiv Kherra.

SUCCESS



Is there anyone who doesn't want to be successful? Probably not. However, success means different things to different people.

People often equate success with accomplishing something or reaching a goal.

Examples? Winning a championship football game. Making a big sale. Earning a degree or certificate of accomplishment. Achieving long-term business profitability. All are real accomplishments.

However, none of those achievements reflect how we live day by day. Nor are they what real success is all about.

If you're like me, you find yourself doing hundreds of mundane tasks every day. You meet and interact with dozens of people. You make decisions that are relatively small in the overall scheme of things.

As a friend used to say, "Life is awfully daily."

And that's where true success lies. In doing the daily tasks the right way.

It's how you treat others.

It's doing something because it's the right thing to do, not because it makes the most money.

It's maintaining your integrity when others are compromising theirs.

It's treating others the way you would want to be treated—living the Golden Rule.

Measure your success by these standards. After all, they are what's most important.

Paul Goodman
Editor

Paul Goodman can be reached at
plgoodman@aol.com.

House Accounts

PART TWO

The Mechanics Matter

Can you imagine walking into your neighborhood sporting goods store, buying some sneakers and asking them to send you a bill? They would laugh at you. Probably out loud. A sporting goods store won't give you a house account. No matter how good a credit risk you might be.

But thousands of retail florists in the United States and Canada extend house charging privileges every day. It's traditional. It's representative of the kind of personal service that has built the industry.

Lending your customers money—that's what you do when you accept charges—is serious business. To protect your shop, you need to exercise tight control on four different areas:

1. Setting up accounts
2. Processing transactions
3. Filing tickets
4. Billing customers

All four are important. Giving attention to one, two or three of the four isn't good enough. If you want to offer house accounts, you have to manage the program with care—and pay attention to all four areas.

SETTING UP ACCOUNTS

You couldn't call a bank, give them your contact information and expect them to send you money immediately. The bank would want to know something about you, your employment and your credit history.

Of course, there's a big difference in the amount of money involved

in a floral purchase and a bank loan. And, thankfully, the amount of bad debt in the floral industry is very low. Usually less than 0.5% of sales.

A simple credit approval procedure can give your shop some protection without driving customers away.

In an attempt to be customer-friendly, many florists extend credit to anyone who has another credit card. The idea is that the card issuer already has evaluated the person's creditworthiness.

As we mentioned in last month's *Floral Finance*, you will want stricter standards for commercial customers than for individuals. Business purchases generally are larger and/or more frequent. The bigger risk demands more caution.

Once someone is approved, be certain to keep all the information you need to handle the account:



- Name
- Address
- Telephone
- Credit references
- Bank
- Place of employment, for individuals
- Contact person, for businesses
- Contact email

PROCESSING TRANSACTIONS

Processing a house account sale involves only a few more steps than a straight cash transaction.

Just make sure that all employees are well versed in the procedures. Today's point-of-sale (POS) systems take all the pain out of ringing up the sale and entering it into the customer's account. The POS will walk you through each step.

One other procedure should be mandatory: Check the account's status before filling the order. There's no reason to be sending more flowers to customers who already are behind on their payments.

Your POS system should give you this information as soon as you enter the customer's name.

If your POS system doesn't give you that information up-front, don't keep the customer waiting while you run to make sure they don't have any past-due invoices. Go ahead and take

the order. Check the account's status after you get off the phone but before the order is sent to a designer. Use *your* time, not *theirs*. You don't want to annoy good, paying customers.

If there's a problem with the account, you can call the customer. Gently let them know the situation. See if they can pay the past-due balance.

Once everything's OK, you can promptly fill the order.

FILING TICKETS

Today's POS systems have virtually eliminated the need for carefully designed order-filing systems. If a question arises, you merely pull the order up on the screen. All the information you need should be there.

Filing tickets in a batch by date is usually the best filing system. When it is time to get rid of old records, you can just discard them by date.



BILLING CUSTOMERS

When should you bill? As soon after the purchase as possible. Daily, if you can. At least once a week.

That's right. The old once-a-month statement just isn't enough.

Many customers wait 30 days (or more) to pay any bill they receive. If you bill once a month, that means a good chunk of your accounts won't pay until 60 days after their purchases.

Other customers will post a check as soon as they receive a bill. For this group, it's obviously in your best interest to invoice as soon as possible. Wouldn't you rather have your money now than later?

Some studies suggest that quicker billing does more than just start a customer's clock running. There's also a psychological advantage.

An early invoice shows that you are serious about the charge. Customers

get the message that this is not an obligation to take lightly. They may hold the invoice for a shorter period of time before cutting a check.

Billing Alternatives

The way house accounts are billed has changed a great deal in the last 20 years.

Industry veterans may remember the old ledger card system. You wrote each order down on the card, carried the balance forward by hand, made a copy of the ledger card and then mailed it out to the customer.

Slow and tedious.

Computers have taken over most of the billing work. Invoices are generated easily and as often as you want.

In addition, the software can generate various reports to show who's paying and who isn't. Your aged receivable report is one essential tool to help you stay on top of your house accounts.

THE FINAL STEP

Regrettably, despite your best efforts, some customers will not pay on time.

That's when you have to become a bill

collector. The most important point to remember: Contact the customer as soon as you identify a problem. A phone call gets the best results. Don't attack. Just inquire as to when you can expect payment. 🌸





Evaluating Advertising

Making Your Investment Pay

Super Bowl Sunday. It's a tense day for the players. And an anxious time for the fans. Everyone knows one of the teams must walk away a loser.

But no one is as tense as the fourth-quarter advertisers. At \$5 million or more for 30 seconds of air time, they have gambled some big, big money.

If the game is close, the expense will be worth every penny, as millions of fans huddle around their TV sets.

However, if the game is a blowout, the viewers will drop like flies. The legion of consumers the advertisers hoped to reach will be too busy socializing, the game long forgotten.

RISKY BUSINESS

You may not be betting \$5 million on a TV spot, but whatever you spend on advertising is a lot of money to your shop.

All advertising is risky. Think about it. Decisions on when and how to promote a business are different from other operational decisions.

If you buy a design table, for instance, you know exactly what you're buying before you get it. It's easy to evaluate whether the work surface is big enough and how well it fits in your space. In short, you know if it will work before you write the check.

Advertising is another story. The results are never guaranteed. It can take months before you see whether your money was well spent.

STEP 1: TRACK AD DOLLARS

Evaluating your advertising begins with accounting for what you're spending.

Add it up: Keeping your website fresh. Maintaining an active social media presence. Placing newspaper ads. Using direct mail. Maybe even using radio, TV

and billboards. All are direct advertising expenditures.

Next, look for indirect ways you promote the business. Window displays. Design seminars. Custom store branding on your delivery vehicles. Coffee cups, refrigerator magnets and other items that include your store's logo and website address.

If you are in a premium location that draws business to the shop, part of your rent may even be considered an advertising expense.

Premium locations come in many different forms. An office park location might qualify if you do a lot of business with fellow tenants. Same thing with space in a shopping center that generates walk-in sales. A location next to a highway, where your sign is visible, is another example.

The extra amount you pay over a comparable facility in a less costly location should be treated as an advertising expense.

The more information you have on all the direct and indirect advertising expenses, the better your odds of making good decisions.

Take the time to gather the data you need. Ultimately, decisions based on inaccurate or incomplete information will cost far more than the time and money required to get your facts straight in the first place.



Near Misses

You may have an ad that generates lots of calls and inquiries. It's just that few materialize into orders. If you don't track all the responses, you might be tempted to write off the ad. That would be a mistake.

Something obviously is working. The ad is prompting people to call. You might have a great hook but a bad offer. By slightly changing the product or price, you could make a winner out of the program.

STEP 2: AUDIT SALES SOURCES

Every purchase at your shop was made for a reason.

Your best friend buys an arrangement because he knows you. The guy who works across the street uses your shop because it's convenient. The couple who place an order may be responding to one of your social posts or ads.

Some sources (TV ads, for example) can be very expensive. Referrals from family, friends and satisfied clients, on the other hand, cost you nothing. To evaluate the worth of each method, you need to know what it cost and the sales it brought in.

That means each source needs to be identified and categorized separately. As a sale is made, code it accordingly. For some orders this will be easy. Categorizing other sales won't be so simple. Do the best you can.

Software can help. But you don't need a fancy system to track your results. A piece of paper by each phone, register and point-of-sale terminal can work just as well. Use separate columns for each source (coupon, newspaper ad, etc.). The staff person who takes an order will note the source. Then, at the end of the day or week, tally up the results.

STEP 3: ANALYZE RESULTS

Let's say you spent \$1,000 last year on newspaper advertising. You can tie \$10,000 worth of sales to the ads. That's enough information to tell you the ads more than paid for themselves.

However, without more data, you won't know which promoted product was most attractive. Or which ads generated the best response. Or if your ads pulled better at different times of the year.

The more you can break down the sources of your business, the more insight you'll gain. Segment your

sales by specific product or promotion, not just overall category. It's more important to know the response to your Oct. 10 ad than the response to all your ads throughout the year.

A good breakdown might look something like this:

Source	Cost	Sales
July 4 Promotion	\$ 250	\$1,500
Design Seminar	500	550
Billboard	2,000	5,000
Back-to-College Promotion	300	250

This kind of summary makes it easy to compare the results from the various efforts. You might conclude that some of your advertising expenses would have been better spent elsewhere.

Shrewd advertising investments should increase your profitability. And that, in turn, will give you more money for advertising. Effective advertising builds on itself.

THE TRICKY PART

Some results are difficult to measure. Take the back-to-college promotion in

the previous table. Sales were less than what you spent.

So, it clearly was a loser.

Or was it?

While you may be able to tie only \$250 in sales directly to the promotion, there's no telling how much goodwill it generated with existing customers. Their loyalty could have been reinforced when they saw your name and logo.

Gray areas like this require a judgment call. Make your best guess about the advertising's effectiveness in light of the information at hand and move on.

Decisions about when and how to promote a business are different from other operational decisions.

JUST NUMBERS?

If any results vary substantially from your expectations, double-check the numbers. You may have made a mistake. Or the payoff may just take longer than you expected. If you wait another month or two, the "surprises" may disappear.

No advertising plan should be based entirely on numbers. But every decision must have its roots in solid information.

Your advertising audit gives concrete data that can help you draw reasonable conclusions. The rest of the analysis is up to you. 🌸

Image & Traffic



While most advertising should pay for itself directly, there will be times when you have a different goal. The best example is when you want to advertise for

image, not to promote a particular product.

Suppose you want the local symphony to use your shop for its functions throughout the year. To get a foot in the door, you might take out an ad in their program. This expenditure is not likely to generate many immediate orders. But it could boost your shop in the eyes of the symphony board. If you get a call later in the year for the symphony banquet, you'll be quite satisfied.

There is also value to traffic-building advertising—promoting a low-profit product as an introductory purchase for new clients.

For example, you could advertise a \$9.95 mini-bouquet. You'll probably generate a lot of interest and orders. But after you deduct your advertising costs, there won't be much profit left over.

Was it a bad promotion? Not necessarily. The advertising would be beneficial if it attracted the type of customers who will bring future business to the shop.

If you at least broke even while building your client base, it was a good move. On the other hand, if the ad only brought in bargain hunters who never come back, it was not a smart investment.

Traditional Wedding Protocol

A Checklist for Guidance

Usually, *Floral Finance's* "By the Books" department deals with accounting and numbers. However, many other things also should be done "by the book." One of those is weddings. Various traditions surround this important life event. For traditional weddings, protocols even assign who pays for what.

Granted, times have changed and circumstances vary widely. Smaller weddings have been the norm during the pandemic, shifting what features weddings include. In addition, many couples marry later in life and foot the bill for their own weddings.

All of that being said, a complete checklist of what has been traditional will help ensure every aspect along the way is covered, regardless of who pays for it.

You as a florist are perfectly positioned to provide such a checklist as an added service to your customers.

GOOD MARKETING. GOOD SERVICE.

Use the checklist on page 7 to guide your wedding customers about responsibilities.

Put your shop's name and logo at the top. Give the checklist to everyone one who inquires about wedding flowers. Weeks or months later, the list will be a reminder to them that they visited your shop.

Make it a part of your wedding promotions. In wedding advertisements, invite anyone who wants a checklist to stop by and pick one up.

PROMOTE YOUR PRODUCTS & SERVICES

Let wedding customers know of your expertise in wedding flowers and decorations. Make sure they know you can handle everything they need from beginning to end—including special touches to meet their individual tastes and desires.

You also can use the list to point out the need for flexibility. Individual circumstances and/or wishes may require changes to the traditional wedding plan.

Help the bride-to-be think through the various decisions she must make. Any help you offer will reflect positively on your wedding flower and event services. 🌸

Personalize & Print

The checklist on the next page is laid out so you can easily make as many copies as you need.

Add your logo, URL, socials, physical address and telephone number in the space at the top.

If the printer asks about copyright infringement, show them this box and this authorization: Teleflora and *Floral Finance* give permission to reproduce page seven of this publication for personal purposes.

Traditional Wedding Expenses

Who Pays for What?

Most wedding are associated with many expenses. Ever wonder who is traditionally responsible to pay for each item? Here's a checklist for you. While traditions on who pays for what shift, this list will provide you with a good idea of what needs to be accomplished for a large wedding—regardless of who pays for it.

Bride

- ☐ Wedding ring for the groom
- ☐ Wedding gift for the groom
- ☐ Wedding consultant
- ☐ Presents for the bridal attendants
- ☐ Personal stationery
- ☐ Accommodations for her out-of-town attendants

Bride's Family

- ☐ Engagement party
- ☐ Engagement announcements in local paper(s)
- ☐ Wedding invitations and mailing costs
- ☐ Bridesmaids' brunch or luncheon
- ☐ The reception: traditionally including food, wedding cake, beverages, gratuities for the bartenders and waiters, decorations, music and flowers
- ☐ Wedding gift for the newlyweds
- ☐ Bride's wedding attire
- ☐ Fee for engagement and wedding photography
- ☐ Ceremony, including church or venue rental, organist, soloist or choir, sexton or property attendant (sometimes included in the charge for the premises), aisle carpets/runners and/or canopy, music, flowers and any other costs for decorations
- ☐ Bridesmaid bouquets
- ☐ Gratuities to those directing traffic, parking costs and coat-check fees
- ☐ Transportation for the bridal party to the wedding ceremony and from the ceremony to the reception
- ☐ Wedding albums
- ☐ Videographer's fee
- ☐ Personalized napkins

Groom

- ☐ Wedding ring for the bride
- ☐ Wedding gift for the bride
- ☐ Marriage license
- ☐ Gifts for the best man and ushers
- ☐ Flowers: the bride's bouquet, corsages or nosegays for the mothers and boutonnieres for the men in the wedding party
- ☐ Accommodations for out-of-town best man or ushers
- ☐ Fee for the clergy
- ☐ Honeymoon

Groom's Family

- ☐ Clothes for the wedding
- ☐ Wedding gift for the newlyweds
- ☐ Rehearsal dinner or any other expenses they elect to assume

Maid of Honor

- ☐ Her travel expenses
- ☐ Wedding attire
- ☐ Wedding gift for the newlyweds

Ushers

- ☐ Their travel expenses
- ☐ Wedding attire
- ☐ Wedding gift for the newlyweds

Best Man

- ☐ His travel expenses
- ☐ Wedding attire
- ☐ Wedding gift for the newlyweds

Guests

- ☐ Any travel expenses
- ☐ Wedding gift for the newlyweds

Attendants

- ☐ Their travel expenses
- ☐ Wedding attire
- ☐ Wedding gift for the newlyweds



Sometimes, the couple's families switch responsibilities for expenses, depending on circumstances and the wishes of the couple and their families.



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3737 NW 34TH ST
OKLAHOMA CITY, OK 73112

INQUIRIES & ANSWERS Letters



SHOPLIFTING

"We've begun to have a real problem with shoplifting. Short of hiring a security guard, is there anything we can do to protect ourselves?"

Absolutely.

Four free or inexpensive steps will help:

1. Hang a sign on or near the front door that says, "We prosecute shoplifters."
2. Install convex mirrors in blind spots and out-of-the-way corners. The mirrors will let you see the whole shop from a central location.
3. Greet everyone as soon as they enter the store. Shoplifters like to operate anonymously. Don't give them the chance.
4. Be especially alert around holidays and during special sales. The hustle and bustle makes it easier for shoplifters to hide.

PART-TIME SPACE

"We recently hired two part-time designers. Should we give them the same amount of workspace as our full-time employees?"

Yes.

When you divvy up the "tools of the trade," give equal supplies for equal work, no matter how much time each person spends in the shop.

Treating part-time designers like second-class citizens is a big mistake. They won't be able to do their jobs efficiently. They'll come to resent the favored full-timers ... and you.

However, if the part-timers are only doing routine tasks, allot them space and supplies appropriate to those duties. Pre-greening containers, for example, doesn't require the same resources as designing an elaborate party centerpiece. Plan accordingly.

The rule is simple: Give employees the space and supplies they need to do their jobs well. No more. No less. No matter what.



NORMS

ADVERTISING SPEND



The average retail flower shop spends 3% to 4% of its annual sales on advertising.

New shops and shops that want to grow aggressively often spend more—maybe 5% to 7%. However, to make a profit, they have to be especially careful with all other shop expenses.

The 3% to 4% is a good baseline average for the year. Slightly higher holiday advertising will help you attract the additional customers and sales that are out there.

Source: The Profit Minded Florist

FLORAL FINANCE is published 12 times a year
by Teleflora LLC

Annual subscription rate is \$89.95 domestic
and
\$129.00 (Canadian) in Canada.

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to the Editors of Floral Finance®,
Teleflora LLC, 3737 NW 34th St.,
Oklahoma City, OK 73112.*