



Teleflora[®] Finance

teleflora[®]

MAY 2021
VOLUME 40, ISSUE 5



INSIDE THIS ISSUE

FROM THE PUBLISHERS: <i>Build Customer Loyalty</i>	Page 2
FREE PUBLICITY: <i>Economical Public Relations</i>	Page 2
TIME & TASK MANAGEMENT: <i>A Host of Problems</i>	Page 4
EXTENDING YOUR HOURS: <i>24 Hour Flowers Makes It Easy</i>	Page 6
BY THE BOOKS: <i>Is It Time to Hire?</i>	Page 7
INQUIRIES & ANSWERS: <i>Don't Withhold; Eternal Loans</i>	Page 8
NORMS: <i>Delivery Sales</i>	Page 8

QuickTakes

*Ideas You Can Put
to Work Immediately*

1 Meeting Your Goals

A to-do list may be better than nothing in helping you achieve your goals, but it is not enough.

Proper planning starts with the big picture: Identify where you want to be at the end of the year. Then, align your daily, weekly and monthly activities with where you are going, not whatever is making the most noise.

Plan ahead, and do it right. This will keep you moving toward your big goals.

2 Holiday Help

It's not too late to review your Mother's Day staffing needs. Take a few minutes to think through your people plan. Last year's sales records will help you estimate each day's volume.

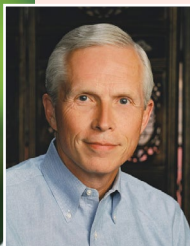
Ask part-time employees to commit to more hours. And contact anyone else who might be interested in working over the holiday.

3 Schedule Time Off

The last half of April and the first two weeks of May are always super busy for retail florists. You'll be ready for a break, so don't forget to schedule some downtime for yourself after Mother's Day.

You can't perform at your best without ample rest and "re-creation time." Time away from the shop will keep you fresh and creative—and happier overall.

BUILD CUSTOMER LOYALTY



Most florists seek to build customer loyalty by offering the best products and service.

But sometimes, mistakes happen. A delivery goes awry. A customer isn't happy

with the outcome of an order.

Don't despair. Whatever led to the situation, you can increase customer loyalty even when you goof up.

Nine out of 10 customers will continue to do business with you when they see you handle their complaints properly. So, use complaints as opportunities to make your customers loyal supporters.

First and foremost, everyone with a complaint wants to be heard. So, start by listening. Don't rush in too quickly to fix the problem.

Ask enough questions to understand the specifics of the problem and how the mix-up made your customer feel. Then, summarize the incident and its impact on him or her to make sure you completely understand.

Next, ask disappointed customers what would make them happy. Let them help build the response. And keep listening.

Then, offer a solution that meets their desires. Even better, add something extra that shows you are willing to do more than they expected.

Finally, check back to make sure the customers are happy.

Instead of avoiding angry customers, embrace them. Go the extra mile to make them happy. In doing so, you'll build their loyalty even stronger.

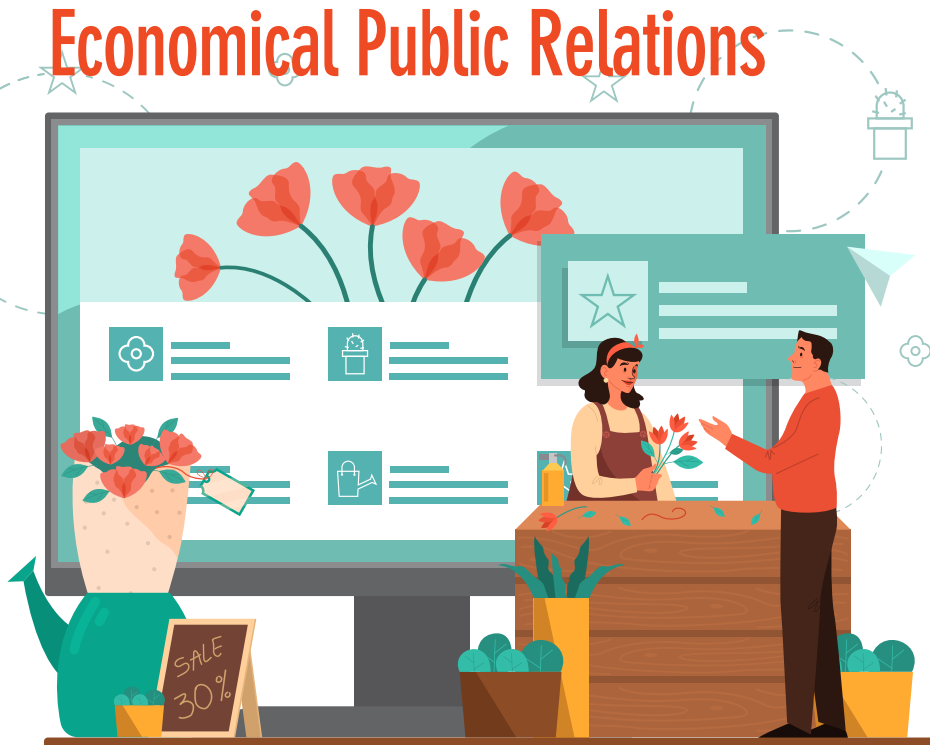
Paul Goodman
Editor

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

On the cover: Teleflora's
Island Dreams

FREE PUBLICITY

Economical Public Relations



Too little time. Too much money. Not enough benefit. Taken together, these comments summarize most florists' attitudes toward public relations.

You can't afford a slick public relations firm that charges thousands of dollars for its services. But without a pro in your corner, how can you hope to have any meaningful promotional impact?

Take heart.

There's a lot you can do without paying big bucks to a consultant. Although you may not get a lead article in *Better Homes & Gardens* (bhg.com), you can achieve some positive results on your own.

GOALS

A public relations campaign can be designed to achieve three different goals.

1. Improve Industry Image

You can talk about flowers' positive place in everyday life and on special occasions.

Relate key facts from SAF studies that show how flowers increase productivity in the workplace.

On the rare occasion that you see something negative in the press about flowers or florists, offer a response to set the record straight.

2. Increase Name Recognition

People who hear your shop's name for the first time rarely will remember it. The connection just isn't strong enough.

The more often people hear your name, the greater the chance that they will recall it. Hopefully, the next time they think about flowers, your name will come to mind.

Advertising is effective in solidifying these impressions. Publicity can be even more useful.

A news story about your shop will have more impact than an advertise-

ment of similar prominence. Why? It seems more credible, more objective. You'll be seen as a full participant in the community—the kind of outfit people like to patronize.

3. Promote a Particular Event or Special

This isn't usually the focus of public relations work. But some shop promotions will also be newsworthy events. A "midnight madness" sale or a 50th anniversary celebration, for example.

If the unusual or novel aspects of the event are promoted carefully, you may gain some attention.

CLARIFY & QUANTIFY

The first step is to clarify your goals, above. No public relations effort can be successful without this step.

Then, quantify your goals. For example, you might decide that you want your name to appear in the local media five times in the next year. Or you may want 20 people to attend your 50th anniversary open house.

Whatever the goal, identify what success means to you.

YOUR PRIMARY PR

Don't forget that you already have at least one staff member doing full-time public relations work.

Who? The person (or persons) making your deliveries.

Every delivery to an office or home and every trip down a thoroughfare creates hundreds of exposures for your shop.

This brings great opportunity along with great danger. Will the public have a positive or a negative impression?

How does the van look? Is the shop's name readable? How is the employee dressed? What is his or her demeanor?

These aren't little questions. They are the very things—often the only things—upon which the public will form an opinion of your shop. You can't afford to leave your primary public relations to chance.

MEDIA RELATIONS

Recognize that you have some inherent advantages that can be exploited. Your life's work is a visual medium.

E-news/newspapers and television news are visual mediums. Even radio tries to create word pictures for listeners.

These facts create some exciting possibilities. As a florist, the things you do every day make for interesting, beautiful, human-interest stories.

Since reporters aren't knocking at your door, how can you establish and cultivate press coverage?

Make it a point to get to know the appropriate editors and writers. For a daily paper, focus on the garden, living, leisure, special interest and similar sections. With neighborhood weeklies or monthlies, start with the editor-in-chief.

Don't be shy. Make a call. Find out their procedures for handling press releases. See how they currently answer floral or horticultural questions that arise. Mention your qualifications and your availability if they need a fresh perspective in the future.

This isn't as crazy as it sounds.

Have you ever wondered who appointed all those "experts" quoted every day in the media on various subjects?

Nobody did. More than likely, those experts simply took the initiative. They started talking like an authority. Pretty soon, people listened.

PRESS RELEASES

Once you know where to send a press release, do it.

Promotions, new-hires, awards, professional association or wire-service news. All are worthy of a quick press release. Nothing fancy. Just a short summary of the appropriate facts on your letterhead.

Pertinent seasonal flower information throughout the year also is appropriate. Something that can either be run as a news story or as "filler" when space allows. Poinsettia facts at Christmas. Rose information in January or February. Gardening information in the spring.

Quote yourself as the expert. The media like to have an authority to whom they can attribute comments. Why not you?

'PUBLICS,' NOT PUBLIC

Focus on a few smaller "publics." Plural, not singular.

These publics are important groups. They're not exactly customers. They are identifiable people whose favor you need to gain.

Funeral directors in a position to influence sympathy flower business. Bridal salons, caterers and others who work closely with wedding parties. Clergy who deal with both the sad and the joyous.

Make a conscious, but sincere, effort to see how you can best serve these publics. Focus on how you can make their jobs easier.

BE UNCREATIVE

You don't have to create a newsworthy event. Become a part of one that somebody else is organizing. Let local radio stations know that you'll be glad to donate arrangements if they have a promotion that fits your offerings and image.

Volunteer to be the "official florist" of a community event you support. Take advantage of the publicity someone else has achieved.

COST

There really is no "free" publicity.

A public relations campaign will cost you something—even if only the time you could devote to other tasks.

However, by making public relations a priority, you are recognizing that advertisements and your own social media posts aren't the only ways to reach the public.

You have many opportunities to earn some publicity. 🌸





Time & Task Management

A Host of Problems

An important tax deadline slips by, costing you significant interest and penalties.

A shop owner spends hours each day doing basic clerical tasks. No one else on the staff knows how.

A design manager who is asked to organize and implement a display theme for the holidays doesn't know where to begin.

Interruptions make a carefully planned schedule worthless. Reports, periodicals, memos and emails pile up in a hopeless crush.

All these situations share a common root: poor time and task management.

At first glance, it may seem a bit odd that florists should struggle with these concerns. After all, volumes have been written on the subject of organizing a business. Numerous seminars promise to put you in control of your calendar and your workload.

The trouble is that most of the books and seminars aren't really geared to your situation. They are primarily directed at corporate managers, not retailers.

A retailer's life is in many ways far removed from what confronts a big-business executive. That executive may have assistants, file clerks and other managers to rely on and delegate to.

You have the same deadlines, interruptions and paper flow. But you don't have the same support staff.

GETTING STARTED

Organizing yourself is a function of two elements: time management and task management.

If your time management skills aren't up to par, you may be experiencing one (or more) of these symptoms:

- Repeatedly missing deadlines.
- Being caught unprepared because you forgot to order product far enough in advance.

- Finding that interruptions to your schedule are more the rule than the exception.

If task management is the fundamental problem, you may have a different set of symptoms:

- A difficult time setting sales goals or establishing a strategic direction for your shop.
- Challenges effectively and efficiently delegating to subordinates.

- An inability to coherently organize and manage complex jobs with multiple components.

WORK STYLE

Until you identify how you work best and begin to consciously use that method, you will never achieve true efficiency. Which of the following typical work patterns describes you best?

- **Phase-in.** Ease into the more difficult parts of a task by warming up with the easier or more enjoyable ones.

Assign each task to the most junior employee who has the skills, experience and time to handle it.



- **Get-it-over-with.** Tackle the most challenging or important elements in a project first. Get these behind you to avoid procrastination.
- **Pressure-sensitive.** Perform your best when the pressure is greatest. For these people, an approaching deadline is a spur to creativity.
- **Slowly-but-surely.** Work at a consistent but leisurely pace to yield the greatest productivity. Projects are best handled one piece at a time. Working right up to a deadline is too stressful.
- **Leave-me-alone.** Devote a large block of time to a given task before moving on to the next one.
- **Quick bursts.** Focus for brief periods of concentrated activity on a series of separate tasks during the day. Thirty minutes on this. Thirty minutes on that. Remember, what's best for you may not be best for someone else. Try a few different approaches. See which ones suit your temperament.

Also, be aware that each person has certain peak times of the day. If the first two hours of the day are your personal peak, load as many demanding tasks as you can into that time slot. If your brain shuts down between 1 and 2 o'clock in the afternoon, slate that time for routine affairs—going through email, answering phone calls, etc.

UNIVERSAL TECHNIQUES

Adopting a few time-tested techniques will almost certainly increase your efficiency.

- **Establish routines.** Identify repeating tasks for which you can create standard procedures. Get a system and stick with it.
- **Consolidate.** Group separate, but similar, tasks together. Return all your phone calls at one sitting. Have a set time each week for making all buying decisions and placing all purchase orders.
- **Delegate wisely.** Assign each task to the most junior employee who has the skills, experience and time to handle it. This is the cardinal rule of delegation. Don't hold onto jobs you have always handled but could be done just as successfully by one of your employees.
- **Rearrange physical layouts.** Ensure your store and office are well designed. This can be a huge time-saver. Are all supplies for the design room in

sensible locations? How much time do your salespeople spend walking back and forth to a sales cooler? Would another shop layout work better?

INTERRUPTION ANALYSIS

Interruptions are the Achilles' heel of time management.

Some are unavoidable. A late call for a business lunch from a supplier might throw your well-planned day into chaos.

However, in a surprising number of cases, interruptions can be controlled.

Many involve matters that you can (and should) delegate to a staff member. Instead of changing gears, direct the question to the appropriate employee.

WASTE NO TIME

- **Adopt the right work style**
- **Establish routines**
- **Consolidate similar tasks**
- **Review physical layout**
- **Use lists**
- **Delegate wisely**
- **Eliminate "postponable" interruptions**
- **Identify symptoms of deeper problems**

Another large class of interruptions are "postponable." A supplier calls to talk about a new product. You just sat down to do some much-needed planning. Do you forget your plans or simply tell the supplier that, while busy now, you would be happy to call him back at 3 o'clock? It's your choice.

Then, there's a third type of interruption. More than annoying, some interruptions are actually symptomatic of a serious problem.

Lots of questions from and problems with employees may indicate poor delegation or follow-up techniques. Frequent emergencies relating to products and supplies may point to poor buying decisions or a faulty daily sales analysis.

Solve the underlying problem and you'll eliminate most of these interruptions.

THE POWER OF THE LIST

Actually, two lists. A master list and a series of daily lists.

The master list is a comprehensive outline of every ongoing project you must complete. Things you will be

doing this week. Other matters that may not be addressed for months.

Your November master list, for example, might look like this:



Some tasks that initially appear on the master list ultimately will be deleted. You might decide, for instance, that you aren't going to advertise this Thanksgiving. If so, simply drop the entry.

Others will be refined by breaking them down into their component parts. The "Hire new designer" item might break down as:

1. Determine basic experience requirements
2. Set salary range
3. Decide where to advertise
4. Place ads
5. Spread word to industry contacts
6. Interview top candidates
7. Make selection

In addition to the master list, daily lists will alert you to the specific tasks to be accomplished on a given day.

The items on your daily list will come from three sources. First, the master list itself. Second, a well-maintained calendar with deadlines and target dates. Third, other tasks that naturally evolve during the course of the day. 🌸

Getting organized is only the first step. Staying that way is the real job.

But the payoff can be significant. Especially at holidays, when excellent time and task management are most needed.



Extending Your Hours

24 Hour Flowers Makes It Easy

You probably base your business hours on the timing of walk-in traffic. That makes sense. But how can you avoid losing after-hours telephone sales? Historically, big order-gatherers had one major competitive advantage. They could offer 24/7 flower-ordering service. They were available when the typical retail florist was not.

Today, that has changed. Almost every retail florist has a website that is open for business literally all of the time.

Every shop also now can have its phones answered 24/7. Easily. And at a reasonable cost.

Here's how.

Providing service 24/7 is all about gaining more sales by better serving your customers. That means through your website and via phone.

FULL 24/7 SERVICE

Very few florists can afford to have employees answer the phone 24 hours a day. It's just too expensive.

However, trained Teleflora professionals are available to take orders for you any time you want. Even during holidays.

It's called 24 Hour Flowers.

You decide when you want your calls forwarded. The Teleflora folks answer the phone just as if they were sitting in your shop. Then, they take

the customer's order and transmit it to you on Dove. Simple.

MANY BENEFITS

1. Better than an answering service.

These professionals are trained to take flower orders. They know the language. They know what to ask for.

They also are trained in up-selling and add-on sales. Orders received through 24 Hour Flowers are almost always larger than the shop's average.

2. Available when you want.

Teleflora's service is a great option when your shop is closed. They also can take orders during busy holidays, at lunchtime or while you're out taking a delivery.

You decide.

3. Customizable.

24 Hour Flowers works off of your pricing and current promotions. They sell what you have to sell at the prices you set.

You can customize the greeting they use and change it as often as you like.

4. Additional business.

Customers may go elsewhere when you don't answer your phones after hours. With 24 Hour Flowers, that will never happen.

You'll gain new customers who are trying you for the first time. And you'll keep your good customers from going somewhere else when they have an emergency need for flowers.

THE COST

The service is surprisingly affordable.

It's \$49.95 per month, plus 20% of each order. The \$49.95 per month is waived when you forward your phones 15 days or more each month.



Just one order per day, at 24 Hour Flowers' average \$91 order size, will add about \$2,700 per month (more than \$32,000 per year) in sales.

Compared to the cost of having an employee take an order, 24 Hour Flowers is very reasonable indeed.

NOTHING TO LOSE

Why not give it a try? See how much business you are losing by not answering your phones 24 hours a day. If it works, you will gain the sales and provide better service to your customers.

And remember, it's not just about after-hours phone support. It's also about increasing your flexibility and efficiency during the day. Whenever you need it.

Make sure your doors are open for the right number of hours each day for your traffic flow. Then, extend your service to 24/7 through 24 Hour Flowers. 🌻

Call Teleflora for more information:
866-474-7347.

Is It Time to Hire?

Everyone on your staff certainly looks busy. You may even have heard a few rumblings about “overwork.” And business shows no signs of slowing down.

Do you need to hire another person ... or two?

Hiring too late can bring unneeded stress to you and your employees. Hiring too early will hurt your bottom line.

Before adding staff, however, ask this question:

What is causing the apparent need for additional help?

Although understaffing may be to blame, the real culprit may be disorganization and inefficiency. Fixing that problem may be much less expensive than bringing someone on board. And the long-term benefits of labor efficiencies are tremendous.

RULES OF THUMB

Total Payroll

Assuming the owner/manager takes a salary, your shop’s total payroll, including taxes and benefits, should not exceed 30% of sales.

If you are above that target, the answer is not adding additional staff. It’s helping your present staff become more efficient.

Design Output

Usually, when payroll is too high, there are too many employees in the design area. The design team is not producing the amount of work they should.

You’ve probably heard the saying that “work expands to fill time.” You may just need to raise your expectations.

Designers’ wages, taxes and benefits should be 10% to 12% of total daily production. In other words, designers

should produce about 10 times what they are paid.

Another way to calculate efficiency is to look at average order size. Multiply your average order size, say \$60, by a reasonable amount of production per hour to get the desired hourly output.



Generally, a designer can produce four average arrangements per hour. That would give an hourly target of \$240 ($60 \times 4 = 240$).

If your designers can design six hours in an eight-hour day, that would mean total daily production of \$1,440.

The goal could be even higher,

depending on how much production designing you do. Production design techniques always increase efficiency.

With production design, many designers can put out \$1,500 to \$2,000 (or more) of arrangements in a day.

Set a target you expect your designers to hit and then monitor their performance against that target.

MAKING THE DECISION

Only after you’ve confirmed your present staff is working efficiently will you be ready to consider additional hiring.

Remember, excessive payroll is the number one reason flower shops don’t make a reasonable profit. So, don’t add more people if your payroll is already

as high as it should be.

And if the need and the numbers justify more help, take it slow. Add a few hours to a current part-time employee’s schedule. Or consider a new part-time position instead of bringing on a full-time employee. 🌸

FAMOUS FINANCIAL WORDS

“We at Chrysler borrow money the old-fashioned way. We pay it back.” — *Lee Iacocca*

“If making money is a slow process, losing it is quickly done.” — *Ihara Saikaku*

“A budget tells us what we can’t afford, but it doesn’t keep us from buying it.” — *William Feather*

teleflora®

3737 NW 34TH ST
OKLAHOMA CITY, OK 73112

INQUIRIES & ANSWERS Letters

DON'T WITHHOLD

"We need to use some of the payroll tax money we've withheld to pay a few important creditors. I plan to pay the taxes as soon as cash flow allows. Do you see any problems with this?"

Plenty of them.

When times are tight, the funds you withhold from your employees' monthly paychecks constitute a tempting source of cash. However, favoring private creditors over the government is a technique you shouldn't ever consider.

The employer is 100% liable for the timely payment of withheld taxes. Absolutely liable. Bankruptcy won't even protect you.

If your business is incorporated, don't think you're free from responsibility. Anyone the IRS decides knew or should have known about a diversion of funds is personally liable for payment. Owners, bookkeepers—anyone. Even more significant, the IRS is entitled to assess a penalty on any responsible parties. Those penalties can be significant.

Treat the IRS as your most important creditor. Don't withhold withholding.

ETERNAL LOANS

"We really need a new delivery vehicle. The only way we can afford one is with a five-year loan. Any advice?"

Don't do it.

Long-term vehicle loans are too risky. Behind the low, and admittedly attractive, monthly payments lurks danger. The vehicle will depreciate faster than you pay off the loan. A couple of years into the loan, you'll owe more than the van is worth.

Suppose you have an accident at that point? The van is totaled. The insurance company will pay only the depreciated value of the vehicle. When you turn the insurance check over to the lender, you may be several thousand dollars short of what's needed to cancel the debt.

Even if you never encounter this kind of catastrophe, there's another problem. With five-year loans, you pay a great deal more total interest than you would under a shorter repayment schedule.

Our advice? Get a good, used van. Or wait until you can afford the slightly higher payments that a two- or three-year loan would require.

NORMS

DELIVERY SALES



For the typical retail florist, approximately 65% of total sales will be arrangements. Most of those arrangements will need to be delivered. If your delivery charge is set right, total delivery revenue will be about 8%–10% of total sales.

If your delivery revenue is lower than that, look at your sales mix. Do you have a greater-than-normal gift business? Customers purchasing gifts come into the shop for the most part.

If most of your business is arrangements and plants, and your delivery revenue is less than 8%–10% of total revenue, review your delivery charge. Is it appropriate in your market? Do you need to raise the charge?

FLORAL FINANCE is published 12 times a year
by Teleflora LLC

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

Copyright 2021 by Teleflora LLC
All rights reserved.

Subscribers may use articles
in other publications providing source is
cited. Since every situation varies,
appropriate legal or accounting advice or
other expert assistance should be sought
from a competent professional who
understands that specific situation.

Consequently, although published material
is intended to be accurate, neither
FLORAL FINANCE nor any other party
will assume liability for loss or damage
as a result of reliance on this material.

Opinions expressed are not
necessarily those of Teleflora.

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