



Unclogging a Bottleneck
Efficiency is Money in the Bank see page 2



FINANCIAL
 INFORMATION,
 EDUCATION
 & CONTROL

Teleflora® Finance

teleflora®

FEBRUARY 2021
 VOLUME 40, ISSUE 2



QuickTakes

*Ideas You Can Put
 to Work Immediately*

1 Peace of Mind

The temptation is present almost every day: There is something you need to do or want to achieve, and you can do it the right way...or the quick way.

Life is too short to ignore responsibilities or skimp on effort—and ultimately have regrets. Whether it's letting an employee go, trying to secure a new commercial account, evaluating COGS or any other important task, take the time to do it right.

2 Strengths

We often are told to nurture our strengths. It's a good idea. However, it does not mean to ignore our weaknesses. It's kind of like the saying: "Keep your friends close and your enemies closer."

Keep your weaknesses in mind with the aim of developing them into assets as you are building your existing strengths. It's a win-win.

3 Convenience

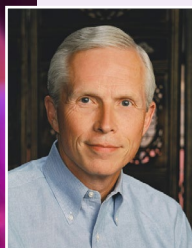
Customers expect convenience now more than ever. Your website should be a big part of your marketing mix. After all, it is there 24/7, serving your customers wherever they are, whenever they need you.

Having a good website is a must. And marketing it thoroughly is, too. You want your customers to know you are ready for their business, any time of the day or night.

INSIDE THIS ISSUE

FROM THE PUBLISHERS: <i>You Can't Change a Tiger's Stripes</i>	Page 2
UNCLOGGING A BOTTLENECK: <i>Efficiency is Money in the Bank</i>	Page 2
THE EXPRESS DELIVERY OPTION: <i>Fast...Fast...Fast</i>	Page 4
IDENTITY THEFT: <i>An Ounce of Prevention</i>	Page 6
BY THE BOOKS: <i>Finding Cash: Dead Assets Can Help</i>	Page 7
INQUIRIES & ANSWERS: <i>To Audit or Not to Audit; Criticism</i>	Page 8
NORMS: <i>New Mileage Rate</i>	Page 8

YOU CAN'T CHANGE A TIGER'S STRIPES



Southwest Airlines is known for creating a flying experience that is a bit more fun than that of their competition. Here's a comment the late Herb Kelleher, Southwest's longtime

CEO, made about personnel.

When looking for employees, he said Southwest is primarily interested in attitude. It knows it can train a person in the skills needed to perform a particular job; but it can't change the basic attitude the person brings to the workplace.

Think about that in light of the employees in your shop. What are their attitudes?

Are they positive people? Or are their glasses always half empty? Are little clouds hanging over their heads, or do they have positive energy and smiles on their faces?

An employee with a bad attitude is like a cancer in your shop. Consider getting rid of any such employee. You can't afford to have one person's attitude drag everyone else down.

Then, the next time you are hiring, check the candidates' attitudes. Would they be fun to work with? Will they uplift customers and fellow workers?

When you call for references, don't worry so much about the applicants' skill sets. Instead, ask questions that reveal their personalities and attitudes.

Find a go-getter. Someone who would be trainable, of course, but also would bring positivity to the work environment.

Paul Goodman
Editor

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

On the cover: Teleflora's
Artistic Angels Bouquet

Unclogging a Bottleneck

Efficiency is Money in the Bank

Sooner or later, every florist encounters a bottleneck...a quagmire...a snag. The work just doesn't get done. A formerly smooth-running machine grinds to a halt. Orders are delayed. Customers are angered. Business suffers. Inevitably, profitability falls.

Imagine the effect on your bottom line if you could increase design room output by 20%. Remember, good management is about more than handling money and keeping expenses in line. It's also about boosting efficiency.

Bottlenecks in your operation need to be addressed. Quickly. Decisively.

It's easy to start assigning blame. There are often one or two employees who appear to be gumming up the works. But solving the problem takes more than identifying the culprit.

Before you begin pointing fingers, step back. Try to understand the situation you are facing.



SYSTEM OR PEOPLE?

There are only two possible causes for a work blockage. The system that's supposed to organize the workflow. Or the people who implement that system.

The natural tendency is to focus first on people. Don't. It's at least as likely that the system is to blame.

Maybe your business has outgrown your methods. Or maybe you're making a simple task more complex than it needs to be. Either way, the employees are operating at a disadvantage.

A Simple Test

Start your analysis by seeing if any "structural" problems need to be removed.

A simple test can quickly reveal whether you have a people problem or a system problem.

Suppose you've been using produc-

tion design techniques throughout the year to increase output and productivity. But you're experiencing slowdowns that are hurting your results.

Scout around to uncover the source of the problem. The "flower arrangers" hired for the production team are doing OK. On the other hand, the employee who is putting in the greenery is struggling to keep up.

Is this a people problem or a system problem? To find out, all you do is switch a couple of workers.

Put someone new on greenery for a while. If you still have slowdowns in that part of the operation, you'll know the person isn't to blame. It's the system. To keep up with the rest of the production team, you may need two people doing greenery, not one.

PSYCHOLOGY 101

However, if the problem disappears when you switch out workers, the



system you're using to organize the work isn't at fault.

A significant improvement in productivity will suggest that you have a "bottleneck employee." A people problem.

Understanding why this employee is causing a bottleneck will point you to the appropriate response.

Talk to the employee. Face-to-face. Tell him or her that you have noticed the work is stacking up. See if you can discover the real problem together.

There are five major reasons for "people-caused" bottlenecks. Each has a different motive and a different cure.

1. Inadequate 'Exceptions' Procedures

Ten orders come in. Nine are routine. One, however, is quite unusual, creating challenges the bottleneck employee has never before encountered. So, she lets the nine routine orders sit while she focuses on the one unusual order.

Teach this kind of bottleneck employee that rules control exceptions. Wanting to meet the needs of the unique customer is good. But you can't sacrifice everyone else in the process.

Exceptions need to be treated as just that: unusual events. They should be handled differently than more routine tasks. Keeping the exceptions in the same group as everything else can cause backups.

Refer exceptions to the appropriate person for proper handling. Meanwhile, the rest of the work won't have to wait.

2. Poor Decision-Making Ability

This one has a slightly different twist.

On their own, some employees just aren't very good at making decisions. They want to do the right thing but aren't adept at analyzing problems and deciding on a course of action.

Or perhaps they are just a little insecure. The fear of doing something wrong keeps them from doing much right as well.

The good news? With the proper guidance (and reassurance), these employees often can turn into wonderful workers.

Help them construct a checklist or "decision tree" to lead them through the analysis they might not have been able to do on their own.

3. The Lone Ranger

Some employees are perfectly capable of doing the work and adept at decision-making.

Good management is about more than handling money and keeping expenses in line. It's also about boosting efficiency.

They lack just one thing: a team mentality. They try to do too much themselves. They're unwilling to tap into the skills and abilities of others.

Learn to recognize these employees and help them build their sense of a team concept. Lone rangers have to understand that relying on others' help and advice isn't a weakness. It's a strength. It's the way a staff is supposed to function.

If the employee doesn't seem to fit into any of these first three categories, you may have a bigger problem. You may have a...

4. Square Peg in a Round Hole

The employee may be mismatched to the job. The task may exceed her abilities.

Whenever you have a mismatch, don't prolong the agony for you or the employee. Take whatever steps are necessary—whether it means a reassignment or letting the person go.

5. Villainism

The last type of bottleneck employee.

The employee may understand what is expected and be fully capable of performing the job. Instead, the bottleneck

is the unhappy result of conflict or dissension within the ranks.

As unpleasant as the possibility is to consider, the work slowdown may be intentional. The employee may be trying to make his supervisor look bad. Or impede the productivity of another team member with whom he has been clashing.

Even if the employee isn't intentionally trying to gum up the works, a loss in productivity is the inevitable result of intra-staff disunity. If there are unresolved conflicts, you can expect that the work will suffer, even if no one intends to cause harm.

Solving this kind of situation requires judgment on your part.

Pure villainism—overt, intentional undermining of production—may call for dismissal. There's no excuse for that kind of behavior.

But don't overreact. The situation won't always be that clear. If there is no obvious villain, you may need to be more of a counselor than an enforcer.

KNOW YOUR ENEMY

Fight the right battle. Don't try to solve a problem that isn't really there.

Before lashing out hastily, see if a bottleneck is of your own making. If so, fix the system.

And if you have a people problem, make sure you understand the real cause before you act. Don't mistake a friend for a foe.

You'll not only have happier employees, you'll bring more dollars to the bottom line. An efficient shop is a profitable shop. 🌱





The Express Delivery Option

Fast...Fast...Fast

Delivery traditionally has been one of the things that sets florists apart from other retailers. Customers can pick up the phone, order some flowers and know they will be delivered soon.

Amazing...but maybe no longer good enough.

Think about it. If your customers can now get a personalized grocery order in two hours, what does that mean for you?

Is it possible that your customers are no longer as excited about several-hour or next-day service?

ANSWERS

Speed is an increasingly important part of life. We want what we want when we want it.

The evolution of written correspondence is a good example. From regular mail...to airmail...to overnight letters...to faxes...to email...to texting and other instant messages.

You can't change the environment in which you and your customers live. But maybe it should change you.

To meet customers' need for speed, many florists are trying a new angle: express delivery service. Guaranteed delivery in 60 or 90 minutes. Or delivery at a certain time.

Service. That's what it's all about.

DANGERS

Express delivery is an interesting idea. But it's not a step to be taken lightly.

If you over-promise and can't deliver, you will alienate customers. The service designed to be a big cus-

tomers benefit will end up hurting more than it helps.

FOUR OPTIONS

Express delivery comes in three different flavors.

1. Above and Beyond

Incredible as it sounds, some florists offer express service at no extra charge.

Customers who want express delivery pay the same delivery charge as for any other order. No upcharge for the premium service.

The delivery guarantee becomes a centerpiece of the shop's brand and messaging.

The idea is that the high level of service will make customers even more loyal to the shop.

Only large florists that sell mostly pre-made, standard-recipe arrangements are in a position to consider this option.

2. Promote and Price

The second option. Offer express delivery. Promote it. But make the customers pay for it.

Use advertisements, statement stuffers and in-store displays to let customers know you can get flowers to their destination in a hurry. Much faster than the competition.

The optional service comes at a price—say, an additional \$10. So, if you charged \$9.95 for a standard delivery, express service would be \$19.95.

Again, the rush service would be a key component in the shop's marketing. But with the upcharge, the express delivery could pay for itself. Customers who don't need faster-than-usual service won't have to subsidize the few who do.

3. Keep It Quiet

Some florists have the capability to handle rush deliveries. And they do so when asked. But they don't promote the service.

When an order is placed, they inform the customer of their normal delivery standards. Salespeople watch for customers who indicate, verbally or non-verbally, that they

need a faster or more predictable timetable. Only after a need has been established does the salesperson mention the special delivery service.

Express service is the exception, not the rule.

4. Opt Out

Of course, there is a fourth option. Express delivery may not be for you at all.

MAKING THE CHOICE

To decide which model best fits your shop, consider the following variables.

Geography

What's the driving time between your shop and various parts of town?

Florists in large municipalities know that a citywide 60-minute guarantee is not even theoretically possible.

In those cases, one solution would be to scale down the express delivery area. Guarantee a 60- or 90-minute delivery within a certain driving radius or certain zip codes. Adopt a different policy for other areas.

Vehicles

Even if you theoretically can reach an area quickly, do you have enough vehicles to make express service realistic?

Suppose, for example, your shop has only one van. What happens when an express delivery customer phones in right after the van has left on another run?

You could hire a contract delivery service. However, this could get quite expensive.

As an alternative, what about your employees' cars? The ones already sitting in your parking lot. Could they be backup express delivery vehicles?

Maybe. Just remember that the employees would have to be paid for the use of their cars. You also would need adequate non-owned vehicle insurance to protect the shop.

Personnel

Who will make the deliveries?

If you're a two-person operation, you may not have enough

people power to guarantee special deliveries. Not enough bodies to cover the store, handle regular deliveries and make express trips, too.

Pricing

This is one of the hardest questions. How much should you charge for express delivery?

Incredible as it sounds, some florists offer express service at no extra charge.

Taken together, labor and the cost of operating a vehicle probably add up to \$1.10 to \$1.25 for each mile driven.

Sounds high, but it's not.

The goal isn't just to cover your costs. You should charge enough to make a profit on this important service.

Set your regular delivery charge at a level that will be profitable. Then, add \$10 for the express option.

Image

Is express delivery consistent with your image?

If you already are promoting your exceptional service (or trying to go in that direction), there shouldn't be a problem.

On the other hand, if low prices are the focus of your marketing, be careful. Conflicting signals may only confuse customers.

Products

Can you offer expedited service on all the products you sell? Before you answer yes, think about what this means.

Special orders...a single rose...multiple arrangements on short notice. You really may not be able to do it all.

Consider limiting the products available for express delivery. Plants and pre-prepared arrangements are the easiest.

Before including special orders,

look at your order-processing procedures. What is your current average time between order placement and completed arrangement? How can you cut that time down?

You may need a tagging system that gives express orders priority in the design room.

Shops that already are using production design methods will have a clear advantage here.

Delivery Time

Some customers need flowers quickly.

Other customers want flowers delivered at a particular time—at noon, not at 10:00 a.m. Or during a 3:00 p.m. coffee break.

Timed deliveries like this are easier to manage. However, it still is a special service. So, don't be afraid to charge a premium.

Express delivery may well be the wave of the future. Just make sure you plan carefully before you try to catch the wave. If you don't, you might get swamped. 🌀

Evolution

You're probably not handling your work the same way you did five years ago. Systems and procedures change and grow.

That's an important lesson to remember when you consider express delivery. It may be time for a change in your delivery offerings. But nothing says you have to start tomorrow. Maybe you need a phase-in period.

Begin with a limited product range and delivery area. Guarantee 90 minutes instead of 60. As you learn more about your capabilities and refine your systems, you can expand the service. A bigger area. A greater product line. A shorter time.

Express delivery service presents unique opportunities for the customer-minded florist. But you are much better off not offering the service at all than doing it poorly.

Don't rush in to rush deliveries.



IDENTITY THEFT

An Ounce of Prevention

It happens all the time. Someone steals confidential financial or personal information and then uses that information unlawfully.

The most common target is credit card data, which a thief uses to make unauthorized purchases. However, the theft of bank account numbers, social security numbers and ATM information also can wreak financial havoc.

Some thieves are sophisticated hackers. But “dumpster divers” who go through trash looking for discarded papers with confidential information can be just as dangerous.

WHAT YOU CAN DO

Here are some steps to prevent identify theft and minimize the danger if your personal information is compromised.

- Check the statements for your bank accounts and credit card accounts on a regular basis. For example, set the system to alert you of your balance daily or weekly.
- Set alerts for withdrawals for an amount of your choosing. For example, if a withdrawal of more than \$100 occurs, have the system send you a text or email.
- Check your credit report at least once a year to see if anyone has accessed or used your information without authorization.
- Don't give out your social security number unless you know exactly how it will be used and are comfortable with the institution's privacy protections.

• Checks:

- Use initials rather than your full first name. A thief won't know how you sign a check.
- Use your work phone and address instead of your home contact information.
- Never print your social security or driver's license number on checks.
- Make copies of every item in your wallet and keep the copies in a safe place.
- If you receive paper statements, shred those that contain personally identifiable information and account numbers before discarding. For example: billing statements, pre-approved credit card offers and bank statements.

IF YOU LOSE YOUR WALLET

What should you do if the unthinkable happens? Here are some helpful steps.

- Pull out the copies you made of the items in your wallet.
- Call all the credit card companies to cancel your cards and get new ones issued.
- Get busy replacing other missing items. A driver's license would be one. Other licenses may also have to be replaced.
- Contact all three national credit bureaus to put a fraud alert on your account. When you do this, no credit can be extended without your authorization. If anyone tries to use your identity to obtain credit, the lender will be alerted to carefully check the applicant.
- File a police report immediately. This will provide additional evidence that you worked to protect yourself and your creditors.

SERIOUS PROBLEM

Identity theft is a serious problem today. And internet databases with personal, financial and other confidential information about almost everyone have made the risks even greater.

Fortunately, credit card companies limit your exposure, provided you inform them of any theft on a timely basis. ⚙️

THE BIG THREE CREDIT BUREAUS

Equifax: 800-846-5279
Experian: 888-397-3742
TransUnion: 800-916-8800

Finding Cash Dead Assets Can Help

The words “dead assets” don’t seem to go together. The first word seems to contradict the second. Assets are good. Death is, well, not so good.

Writers call this kind of word pairing an oxymoron. The words together appear to contradict the meaning of each one individually.

Maybe you’ve heard other classic examples: “a deafening silence” or “jumbo shrimp.” Curious, but correct when you think about the meaning.

Other oxymorons are used for humor. Some might say the “Postal Service” is an oxymoron. Or “Truth in Politics.”

DEAD ASSET EXAMPLES

A dead asset is any potentially or formerly useful thing from which the owner is currently not getting any value.

There are many examples.

- An old cooler, long since replaced but still gathering dust in the storage room.
- An ancient computer you replaced with a more up-to-date model.
- Never-sold containers you bought for a special seasonal arrangement.
- Discarded shelving or fixtures that are taking up valuable floor space.

You get the picture. Unused. Unsold. Abandoned. Replaced. An asset that has (or once had) potential but now is doing you no good.

Dead assets are a prime target for any florist. They represent potential cash. Money on the shelf instead of money in the bank.

TAKE ACTION

Find and eliminate as many dead assets in your shop as possible.

If your backroom is cluttered with unsold containers or other merchandise, consider a “lemon sale.” Slash prices to move the product. Some cash is always better than nothing.

Use flowers you find at exceptional prices and your creative design skills to fashion beautiful and attractively priced arrangements with old containers. Emphasize the flowers.



De-emphasize the container through your artistry. Flaws in the containers will dissipate.

Equipment and fixtures you have replaced shouldn’t lie idle in the rear of the shop. Most can be sold in the secondary market.

FINDING BUYERS

Dead assets often are perfect for resell. eBay, one of the internet’s suc-

cess stories, is a great option. You may also find success with Facebook Marketplace or neighborhood social sites, such as Nextdoor.

A simple ad might uncover a buyer for that old cooler. Shelving can be sold to a smaller business whose owner is willing to do a little repair to save some money.

If you have never used one of these online sales sites, do yourself a favor and give it a try. Of course, always follow the safety protocols.

Individuals and businesses can use an eBay auction to turn used products, unneeded equipment and overstocked or old inventory into cash.

CHARITY

If there’s an item you can’t sell or if you want to help a favorite charity, consider making a donation. If the item is not fully depreciated or expensed, you might be able to get a tax deduction.

Don’t settle for leaving old assets to die. There’s usually a spark of life in there somewhere. ✿

FAMOUS FINANCIAL WORDS

“You can’t appreciate home until you’ve left it, money ‘til it’s spent.” — *O. Henry*

“Every morning I get up and look through the Forbes list of the richest people in America. If I’m not there, I go to work.” — *Robert Orben*

“If you change the way you look at things, the things you look at change.” — *Wayne Dyer*

teleflora®

3737 NW 34TH ST
OKLAHOMA CITY, OK 73112

INQUIRIES & ANSWERS Letters



TO AUDIT OR NOT TO AUDIT

"I understand audited financials are better. What are audited financials? Do I need them?"

Probably not.

Audited financial statements are expensive and of little value to a small business.

An audit is a financial review by an outside, independent accountant. The auditor has no "axe to grind" except pursuing the truth.

The professional who audits a company's financial statements is reviewing them for accuracy. Do the financials tell the truth? Do they tell the truth in a manner that can be easily understood? An auditor calls this "conforming to generally accepted accounting principles and rules."

The audit involves an in-depth analysis of the business's accounting for the year. This takes time—time that will cost you \$150 to \$250 per hour or more.

Neither the Internal Revenue Service nor any other entity requires audited financials for private companies. The only time you *might* want them is when you sell your business. However, even then, many buyers won't expect or require you to go to the expense or trouble.

CRITICISM

"Should I put criticism in writing?"

Not necessarily.

Former Chrysler CEO Lee Iacocca said that when he had to criticize someone, he did it orally; but when he wanted to praise someone, he did it in writing. Not a bad idea. The negative tends to disappear. The positive remains in black and white.

It's a good policy unless you need to document the criticism as part of an employee review because you are building a file, possibly leading to letting an employee go. Then, the criticism should be in writing.



NORMS

NEW MILEAGE RATE



In case you haven't heard, this is the new IRS mileage rate for 2021.

Does it really cost that much to drive a car or van? Yes, it really does. When you consider the cost per mile to own the vehicle (purchase price plus taxes minus sales price divided by number of miles driven) plus gasoline, repairs, tires, maintenance and insurance, no one is making any money at 58¢ per mile rate.

Given these very real expenses, it pays to group your errands instead of running one at a time. Just for the fun of it, add up the mileage cost of each errand. You might be able to eliminate a few trips.

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.