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QUICKTAKES

*Ideas You Can Put
to Work Immediately*

1 Voicemail

Whenever you place a phone call, assume that you will have to leave a voicemail message rather than actually speak with the person you want to reach.

When you do, you'll be better prepared to leave a good, concise message as soon as you hear the beep. And if the phone is answered, you'll be ready to jump right into the conversation.

2 Feedback

We all say we want feedback. However, giving feedback is risky. It can be like walking through a minefield.

That's why you should always listen graciously and thank anyone who takes the chance to communicate openly with you.

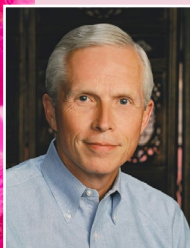
Never react on the spot. Let the information simmer before you respond or decide what action to take.

3 Connections

Show your employees the importance of good customer service. Explain the big picture: How it's good for them, not just for the store.

But remember, genuine enthusiasm is caught rather than taught. As employees see how you are personally committed to customer care, they'll begin to mirror your actions and your positive attitude.

GETTING WHAT YOU WANT



The story is told of an immigrant who landed on Ellis Island. After completing the entry process, he headed for New York to find a restaurant. He wanted his first meal in his new country to be a good one.

Walking through the city, he came upon a neighborhood cafeteria. It was very busy—a strong indicator that the food would be tasty, he assumed.

So the immigrant went in, sat down at an empty table and waited to be served. Of course, no one came to ask him what he wanted. The restaurant was, after all, a cafeteria.

After a few minutes, a gentleman with a tray of food sat down at the same table. Noticing that the immigrant was confused, the gentleman said, "There are no waiters in a cafeteria. Go over there, pick out what you want to eat, pay for your food at the end of the line and then come back to eat your meal."

Those of us who are blessed to live in North America should realize that where we live is much like a cafeteria. You can have almost anything you want if you are willing to go get it and pay for it.

No one is going to give a good life to you. You've got to go get it yourself.

What is it that you want out of life? What will it take to get it? Are you willing to pay the price?

Set goals that reflect your values. Then, head out with a can-do attitude.

A stylized, handwritten signature in blue ink, appearing to read "Paul Goodman".

Paul Goodman
Editor

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

INSURANCE BASICS

INVESTING IN THE FUTURE

What have your most important investments been over the years?

Your education and your business probably top the list. Those investment dollars have made it possible for you to earn a living.

Insurance ought to be near the top, as well. Insurance is an investment in disaster control—a priority that should come before stocks, bonds and almost any other type of investment.



SPREADING RISK

Suppose you and 19 of your neighbors all drive cars that cost about the same. You get together one night and make an agreement. If any of you has an accident, everyone will share equally in the cost of repairing or replacing the damaged car.

Without the agreement, an individual driver who had to replace his or her car would be out a lot of money. However, if everyone in the group covered 1/20th of the cost, the loss would be more manageable.

That's how insurance works. It's a way to spread the risk

You pay a little something now to avoid a larger payment later. The amount you pay varies. We don't all drive the same kind of cars, own the

same kind of houses or operate the same kind of businesses. And different people want different levels of protection. Insurance premiums are based upon the type of property you need to protect and the kind of coverage you want.

You can buy insurance on just about anything. Some charity golf tournaments, for example, offer a new car to anyone who gets a hole-in-one. That's done through insurance.

The golf tournament buys a policy to cover the possibility that a player will hole-out. The insurance only costs a few hundred dollars. If someone makes a hole-in-one, the insurance company—not the charity—has to pay for the car.

It works because holes-in-one are rare. And tournaments all over the country buy hole-in-one insurance. By the time some player does knock the ball in, the insurance company has collected more than enough money to cover the cost of the car.

HOW MUCH?

Being uninsured—or underinsured—is dangerous. The opposite is also true. Being overinsured can be financially damaging. You might end up spending way too much money trying to protect against losses.

The sheer variety of insurance policies can make it difficult to know which ones to pick.

To avoid either over- or under-insuring, you have to choose wisely. Here are some points to consider on the more important types of insurance.

Life Insurance

Life insurance is especially important for those who have a family. The larger your family and the younger your children, the more protection you need.

How much should your death benefit (the amount the insurance company will pay upon your death) be? That depends. If you are the family's primary breadwinner, at least three times your annual income. If you have a disabled child or an elderly dependent parent or if you want to provide for your children's college education, you will need more.

If you have no dependents, already have set aside substantial assets or expect a large inheritance soon, you might not need life insurance at all.

Disability Insurance

During their working years, more people become disabled than die. Statistically, that means you are more likely to need disability insurance than life insurance.

Disability insurance provides a stream of income to replace the salary you would no longer be able to earn if you were disabled.

Again, premiums will depend on several factors. Age. Income. How hazardous your workplace is. The types of disabilities you want covered. The

portion of your income you want to insure.

How much disability insurance is sufficient? Usually you'll want enough to provide income of about 60% of your present earnings. If you become disabled, you won't spend quite as much as you would if you were still in the workforce.

As a business owner, you become a juicier target for potential lawsuits, especially if someone is injured.

Who should pay the disability premiums? You can pay them personally or have the business do so. Each option has significant consequences.

A business that pays its employees' disability premiums can deduct the payments as a cost of doing business. The deductibility makes employer-paid premiums the least expensive choice. However, this route has one big drawback: any benefits a disabled employee receives will be taxable income.

When you pay the premiums personally out of after-tax income, the situation is completely different. All benefits ultimately paid to you are tax-free.

Health Insurance

Don't compromise on health care. Just one large, uninsured claim could wipe you out.

Although health care in the United States is the best in the world, the system has several major problems—the biggest of which is its cost. Many taxpayers want the government to take over health care completely. Others dread socialized medicine.

Whatever the future holds, make sure you have basic coverage.

Limiting Liability

Once you've covered life, disability and health insurance, you are

ready to consider another important type of protection: liability insurance.

Liability insurance protects you against personal responsibility for injuries or damage traceable to you or your property. A neighbor slips and falls in your kitchen. Your dog bites a jogger out for a morning run. In our overly litigious society, small business owners are prime targets for personal injury lawsuits. As a business owner, you become a juicier target for potential lawsuits, especially if someone is injured.

As a result, it is important to protect yourself against devastating lawsuits. Liability policies are fairly inexpensive. So don't skip this one.

There's More

If you own your home, you must have sufficient homeowner's insurance. Your mortgage lender probably requires you to carry an adequate policy. Renters' or tenants' insurance offers similar coverage to non-homeowners.

What about automobile insurance? Carry more than the minimum required by your state.

If you use your personal automobile for deliveries or other shop-related activities, make sure the business carries a "non-owned vehicle" policy. This will cover any accidents that occur while you or another driver is on company business.

SLEEP BETTER

Insurance takes some of the risk out of life. In certain cases (life, health, liability, home and auto insurance in particular), it is worth the price.

Pay your premiums. And sleep better at night, knowing you're covered if a catastrophe should strike. 🍀

Jean had been here before. Many times, in fact. Every summer, just like clockwork, sales slowed down dramatically. She called it her summer doldrums.

With sales down and rent, payroll and many other costs continuing as usual, she had reason to be a little concerned.

"Isn't there anything I can do to improve cash flow?" Jean thought.

Unfortunately, there is no quick fix or miracle cure for low summertime sales. No reasonable amount of stimulus can turn July into a banner month.

SALES

Summer Specials

Create the right opportunities, and customer counts will increase.

Summer specials are one effective way to achieve this.

With no special holiday to boost sales, July usually bumps along with only everyday, bread-and-butter business: sympathy, get well, birthdays, anniversaries and the like.

If you want to boost sales, you've got to take action. Fortunately, July has one built-in advantage that can help you do just that, which leads us to...

Retail florists aren't the only ones experiencing lower sales in July.

Growers and wholesalers suffer the same fate. The grower has plants producing blooms—with no place for them to go.

Here is where the free market steps in. To move excess supply, growers lower prices to the point where buyers appear. Result? You pay less for your fresh products during the summer.

Use the lower wholesale flower prices to give great values that will entice customers into your shop. Then, knock their socks off with your exceptional quality and service.

Of course, these summer specials will produce fairly low gross margin dollars. You might move a lot of extra product but see only a few extra dollars to cover your expenses.

That's okay. Add-on sales will be just as important as the specials. The idea is to use the special to coax customers into your shop. Once they are there, the selling starts in earnest.

Ask each customer if he or she has another floral need you can fill. Birth-day or anniversary flowers? A bouquet for the home?

Most add-on sales happen in the store. So make the specials “in-shop only.” “If you’ll come by our shop this week...” is a great way to introduce the special. Get them in the door.

You may choose to accommodate a good customer who calls and wants the special delivered. For promotional purposes, however, stress the idea of the customer coming into the store. If you do take a phone order, charge for the delivery.

Once the customer is on-site, show off all of the other products and services you offer.

Increasing sales is a great step, but controlling summertime expenses is just as important. If your cost of goods sold (COGS) or expenses are out of line, increased sales won't be enough to keep cash flowing. Increasing productivity also can help boost the bottom line—as is true anytime of the year.

On the COGS side, the key is to make sure your designers don't put any extra product into the special arrangements.

*To get
the best results,
you need to
attack both sales
and expenses.*

Start by writing down the recipe for each special. The recipe should include everything in the arrangement: container, supplies, flowers and foliage. Price the design twice to make sure you have done it right.

Next, make up a sample and give a copy of the recipe to every designer. After the recipe has been set, your designers won't need to write down what they put in each arrangement. Every design that follows the recipe

will hit the COGS target right on the money.

Summertime Expenses

Over the course of the year, your shop's payroll, including taxes, benefits and the owner's or manager's salary, should run 30% of annual sales.

In the summer, when sales are slow, payroll will comprise a higher percentage of sales. However, some florists make the situation even worse by keeping too many employees on staff during the summer months. These florists don't cut back sufficiently. That's one reason they have money problems.

In the short run, cutting expenses is the best way to help your bottom line. Controlling payroll should be a big part of that effort.

Increased Productivity

The best way to get payroll down? Push productivity up.

Look at your sales during July. What is the daily dollar volume of the designs you sell? Some days will always be busier than others. On the slow days, your staff should be smaller. Maybe dramatically so.

A good designer can put out about four arrangements per hour. At \$50 per arrangement, that translates into \$200 per hour or \$1,200 in a day with 6 hours of design time. So, if your design sales for a given day are around \$900, you only need 4 to 5 hours of design time.

The smaller your business, the more difficult it will be to pare down your staff. You can't have less than one person on duty, even when sales are virtually nil.

Staff each day separately. Use part-time help as needed. You have absolute control over this side of the equation. So use it.

WINNING COMBINATION

With expenses under control and summer specials boosting in-store traffic, your July and August results should turn out better than in past years. You might even make a profit.

Slower sales from June through November are part of being a retail florist. Yet, you don't have to take it lying down. Plan your response. You'll come out on top. 🌸

Promoting Summer Specials

You always need to maximize the return on your advertising efforts but especially so during the summer when you don't have much money to spend. Here are a few ideas to get your marketing juices flowing.

1. The Past

What advertising medium has worked for you in the past? What hasn't? Stay away from any tactic that is not a proven winner. The summer is no time to simply hope for the best.

Stick with what you know will work. If a reader board worked last summer, use it again. Likewise with email, Facebook promotions, tweets or radio advertising.



2. Radio Promotions

Radio stations often look for promotional gimmicks. Give away a special summer arrangement several times a day through a radio promotion. It won't cost you much, and the radio station will love it. Plus, you will get a lot of free publicity.

3. Statement Stuffers

The beauty of statement stuffers is that they are delivered free. There's no extra postage cost because they "ride along" in the envelope with your statement. It's hard to find a less expensive way to distribute printed materials.

4. Email

Don't forget the internet. You can send an email about your special at no cost. Summer specials are one great reason to be collecting email addresses all year long.

5. Name It

Your special shouldn't be anonymous. Give it a fun name. Create a picture in customers'

minds. A catchy name will go a long way, especially if you plan to use radio promotions.

The Sunshine Bouquet. Flower Fair. Or try something wild and crazy. Create a bouquet that looks like a fountain treat and call it the "Ice Cream Social Special." You'll not only play off the enjoyment of flowers but also the appeal of cold ice cream on a hot day.

6. Cooperative Advertising

Join forces with other retailers who also are trying to promote themselves.

Put a bouquet and a bowl of your business cards at the liquor store next door. Mark each card with a number. Invite customers to bring one of the cards back to the store. If their number matches the "winning number" you have selected, they get a free special.

Many of the people who come by will remember an upcoming special occasion. One that would be even more special with flowers. They might buy something even though they didn't win the prize.

7. Reader Board

Pick a first name and put it on your reader board (Rick, Heather, Scott, Jane...). Invite anyone with that first name to stop in and get a free special. Everyone will start to watch for their name.

8. Creativity

Sit down and think about it.

What else can you do to promote your specials? Which strategies will draw customers in without a lot of extra expense? Bring your employees in on a brainstorming session. Offer a prize for the best idea, the most ideas or both.

You'll be surprised at what you come up with.





Driving Safely

STAYING ACCIDENT-FREE

Retail florists make deliveries every day. Lots of them. Every time a delivery vehicle leaves your shop, the possibility of an accident exists.

The last thing you want is for you or one of your employees to be involved in an accident. It's a waste of time and money. Even more important, someone could get hurt.

Safety is largely a result of awareness and preparation. You can avoid most accidents by following a few simple precautions.

MAINTENANCE

A properly maintained vehicle is the beginning of accident prevention. The basics are easy. The owner's manual in the glove box has a schedule of periodic maintenance items. Just follow the manual and you'll be on top of most potential problems.

The least expensive and most cost-effective step is changing your oil and oil filter regularly. Do this according to manufacturer specifications. Each time you do, have the service provider check your lights and all other fluids, too (transmission, coolant, windshield washer).

Then, encourage your drivers to immediately report any issues they notice on the road, especially anything that involves the steering or brakes. As soon as you are notified, make an appointment to have the matter checked and, if necessary, fixed.

DRIVER SELECTION

Before you hire a new driver, ask your insurance carrier to pull an MVR (Motor Vehicle Report) on the individual. Then, repeat this check each year thereafter. Don't put someone with a record of moving violations or DUIs on the road.

Make sure your drivers understand that you expect them to obey the speed limits and be courteous to others at all times.

To provide a little extra accountability, consider placing a sign or bumper

sticker on the back of your van that asks, "How's my driving?" followed by your phone number. You'd be surprised how this can influence your drivers' behavior—and how quickly inappropriate driving will be reported.

Remember, your drivers represent your shop. How they behave will affect the shop's image more than any newspaper ad or promotion.

BLIND SPOTS

Getting used to the lack of side and/or rear windows is the most difficult adjustment for every new delivery van

driver. For years, they've been used to looking over their shoulder before changing lanes. That doesn't do any good in most delivery vans.

You can make the adjustment easier by setting the van's mirrors correctly, as shown in the box below. This method works for all vehicles, passenger cars included. You should also install a small convex mirror (available at any auto store) on the bottom corner of your outside mirrors.

Using mirrors properly will ensure safe lane changes as long as your drivers check them each and every time. 🍀

Setting Your Rearview Mirrors

Most people set their side mirrors so they can see the side of their vehicle when they are sitting straight in the seat. This will always produce blind spots. Here's how to set your mirrors correctly.

Rearview Mirror inside Your Vehicle (if the van has one).

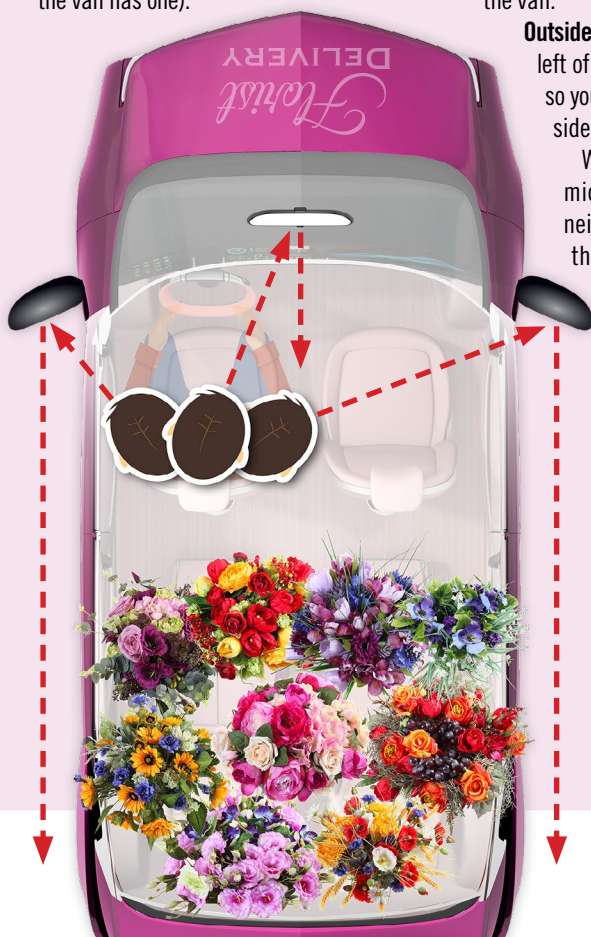
Sit in the middle of the driver's seat and adjust the mirror so you can see straight back.

Outside Right Side Mirror. Lean to the right of your seat and set the mirror so you can just see down the right side of the van.

Outside Left Side Mirror. Lean to the left of your seat and set the mirror so you can just see down the left side of the van.

When you are sitting in the middle of the driver's seat, neither side mirror will show the side of your vehicle. These settings will best eliminate blind spots when turning or changing lanes.

To check for any remaining blind spots, sit in a normal driving position and watch cars as they pass on both sides. A passing vehicle should appear in your outside mirror before it leaves the inside mirror. Then, it should appear in your peripheral vision before it leaves the outside mirror.



MAINTAINING GOOD CREDIT

Having a good credit rating is important both professionally and personally. Especially these days, when it's hard to get a loan.

CREDIT REPORTING BUSINESS

No one wants to extend credit to a deadbeat. The universal desire to weed out slow-pays and never-pays led to the credit reporting business.

Although not perfect, these companies gather credit history from many sources. Have you ever been late in paying a bill and gotten a notice that if you didn't pay, the creditor would put it on your credit report?

Many businesses—banks, retail stores, mortgage lenders and others—supply credit information (both good and bad) to credit bureaus.

PERSONAL CREDIT REPORTS

In Canada, the major credit reporting firm is Equifax Canada. In the United States, three primary companies gather and report credit on consumers:



Depending on the size of your metropolitan area, you may have all three of these companies or just one. Google “credit reporting agencies” plus the name of your town or city to find out.

You can obtain a copy of your credit report by simply asking for one. Usually there is no charge. However, that is up to the individual credit reporting bureau to decide. Only if you have a credit dispute do the bureaus have to give you a free copy of your report. Some credit card companies also now

give account holders access to their credit score or credit report.

Look your report over. See if everything is okay. If not, get it straightened out ASAP.

FIXING A BAD REPORT

Errors on consumer credit reports are actually quite common. A business that reports credit information may give the wrong name (John Smith instead of John Smyth). Numbers may be transposed.

If you see a mistake in your report, call the credit bureau. Tell them you dispute an item on your report. They are then obligated to ask the company that supplied the information for documentation to support the claim.

If the credit bureau finds an error has been made, your report will be fixed. If the company documents their claim, you will be notified that your claim has been rejected. In that case, immediately contact the company that supplied the information to resolve the matter.

The credit bureau is not required to change an item just because you say it is wrong. Only when the company that supplied the information agrees they made a mistake will a change be made. However, if you dispute an item, the credit bureau will indicate that on the report.

If you get one credit bureau to correct an error, contact the others, as well. They probably have the same misinformation.

TIME

If you dispute an item in your credit report, it will take from 90 to 120 days (or more) to get it cleared. So don't wait until you need credit to check your report. Be proactive. Periodically check to make sure your report is free from errors.

And keep your credit report clean by paying your bills on time.

BUSINESS CREDIT

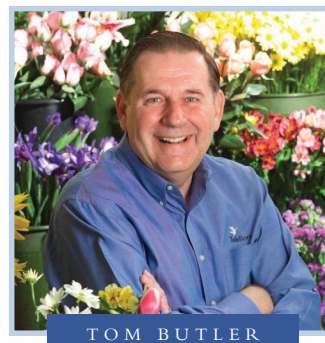
Getting credit reports on a business is more difficult. The credit bureau is not required to give you any information.

The most complete business reports come from Dunn & Bradstreet. It will only give reports to businesses that sign up for its service. The cost varies, depending on how many reports you want and how detailed you want them. 🍷



Call for Nominations

2017 Tom Butler
Floral Retailer of the Year



In 2015, Teleflora established the Tom Butler “Floral Retailer of the Year” Award to honor Tom Butler, Teleflora's past Chairman. Tom led Teleflora in its mission to serve as a trusted business partner, friend and innovator to independent retail florists across the U.S. and Canada.

The honorary award recognizes a retail florist and Teleflora member that best embodies Tom's legacy. In addition to running a first-class retail operation, award winners show the highest level of commitment and service to their local community, are dedicated ambassadors to the floral industry, and provide leadership and guidance to fellow florists.

Sound like someone you know?
Nominate a retail florist today at:
www.myteleflora.com/nominate

*Nominations are due by June 30, 2017.
The winner will be announced at
SAF's Annual Convention in September.*

teleflora.

3737 NW 34TH ST.
OKLAHOMA CITY, OK 73112

NORMS

TELEPHONE EXPENSE



Your shop's telephone expense should be about 1% of total sales.

Many retail florists will be surprised at that number. They assume telephone expense is a big-budget item because so much business comes in over the phone.

The facts show otherwise. In part because wire orders are transmitted over Dove rather than the telephone. However, even before Dove was in most shops, telephone expense was modest.

If your phone expense is greater than 1% of sales and your sales are above \$200,000, check if you really need all the phone lines you have and if your long-distance rates are competitive.

Cell phones will add to the total cost, but telephone expense should not make you or break you.

INQUIRIES & ANSWERS LETTERS

SMALL AND PROFITABLE

*"I own a fairly new shop doing about \$125,000 per year.
Can I be profitable at that level of sales?"*

You bet.

We have seen several examples of very small shops earning a decent profit. As with larger shops, your total payroll, including the owner's salary, should be no more than 30% of sales. For a shop your size, that would be about \$37,500.

Granted, you will need to run a tight ship to hit that target. During most of the year, you will be a one-person operation with only part-time delivery help added. Your level of sales represents only about \$300 a day in sales during non-holiday periods. That's definitely a one-person operation.

THE BEST ADVERTISING

"What is the most cost-effective form of advertising for a small shop?"

Social media marketing, email and/or direct mail to current and past customers.

There's no question about it. Shop after shop reports that they get the best response from advertising to their present and past customers.

This makes sense. It is always easier to get a current customer to make an additional purchase than it is to attract a new one.



It may take only one exposure to convince a current customer to call and take you up on your offer. However, it takes an average of seven exposures before a new prospect will buy.

Why the difference? One reason is that you must educate new prospects on who you are and get them to remember your name. In addition, since they don't know your products, you have to be more persuasive.

Current and past customers already are familiar with your shop and your products. So, less persuasion is needed.

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