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## QuickTakes

*Ideas You Can Put  
to Work Immediately*

### 1 Reduce Your Staff

Mother's Day is over. With a six-month stretch of non-holiday sales in front of you, now is the time to reduce your staffing levels.

Maintain high productivity without unnecessary overhead. Look at your daily sales to determine how many hours of design time you need each day of the week.

Not reducing payroll after a holiday is the number one cause of low profitability.

### 2 Phone Smarts

If you are busy, don't pick up calls. Ask a staffer to take a message or use voicemail.

Then, return the calls ASAP. If you miss the caller, leave a detailed message to eliminate the need for a callback. If more interaction is necessary, suggest following up with email rather than another call.

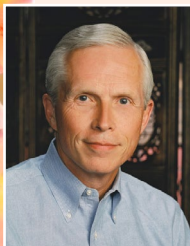
You'll avoid further phone tag and time-consuming conversations.

### 3 Cleanliness = Efficiency

Get in the habit of cleaning up after yourself. Pick up the design area. Put everything in its proper place. Restock any supply items that are low.

By keeping things orderly, you and your employees will develop more efficient work habits. A clean workspace sets the proper tone and expectations for your shop and your staff.

## DETERMINATION



Determination is a great characteristic. It's right up there with discipline. Although many people would rather be spontaneous, spur-of-the-moment and go-with-the-flow,

the truth is that determination and discipline are the bedrock of most success.

My mother was a piano teacher right up into her 80s. She always said, "Learning to play the piano is 10% inspiration and 90% perspiration."

Although I never learned to play the piano, I did learn the point. The principle has paid off many times in my life over the years—both personally and professionally.

Winston Churchill is famous for saying, "Never give up. Never give up. Never give up." This advice is at the heart of determination.

Indeed, staying the course results in a higher level of success than raw talent alone. Talent can be great inspiration, but it takes persistence to go anywhere.

You just can't beat working with a goal in mind. Having a goal drives your strategy.

Although many people who encounter roadblocks give up, winners figure out how to keep moving forward. The obstacle becomes a challenge that must be overcome.

So, the next time you think it might be easier to quit, focus on your ultimate goal. If it's worth achieving, it's worth the effort to keep going until you succeed.

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On the cover: Teleflora's  
*America the Beautiful*

# Looking for Cash?

## Surviving the Summer Slowdown



**J**anuary and July are traditionally the slowest months for flower sales. June, August, September, October and November follow right behind.

That means six of your slowest months come back to back. No wonder new florists are well advised to open their businesses in the fall. The holiday calendar allows new owners to build some cash before facing their first dry season.



### PLANNING AHEAD

Suppose you send Mother's Day invoices shortly after the holiday (as you should). Average collection time is just over 32 days. So, half of your money will come in before the end of June.

As July progresses, the mail brings fewer and fewer checks. You get more and more concerned about your month-end payroll and bills. August doesn't look any better. Nor does the fall.

Managing summer cash flow is a challenge. But it doesn't have to be impossible.

The best way to handle the summer cash-flow problem? Plan for it in advance. And the earlier the better—especially if you think things will be tight.

A simple cash-flow forecast will reveal your month-to-month needs. Basically, a cash-flow forecast is an

estimate of your total cash receipts minus total cash expenditures for each month.

When putting the forecast together, don't confuse cash receipts with sales. Many customers will charge their purchases. No cash up front. So, you need to estimate the percentage of sales that will be in cash and the percentage that will be charged. You also need to estimate how quickly the money from charged sales will come in.

Start with your expected cash balance at the end of May. Add each month's net cash through the summer. You'll soon see whether you will need extra money, how much you may require and when you will need it.

### WHEN IT'S TOO LATE FOR PLANNING

If your projections are off the mark as the summer progresses, you may have to deal with a real crisis.





The key is to act quickly. Decide what must be done, and then carry out your decisions immediately.

A cash-flow forecast for the rest of the summer is still essential. Reassess. How much money do you expect to come in? How much will you need to pay out? Month by month.

Maybe you will need an additional \$2,000 in July and \$3,000 in August before finally breaking even again in September. You need to see the total picture.

Next, consider the four sources of cash available to you.

### 1. Reduce Inventory

If you can sell off old inventory, you won't have to buy as much new product. In essence, you cut the expense side of the ledger without sacrificing the revenue side.

Most flower shops have a fair amount of old inventory just sitting there. Containers left over from holiday specials or quantity buying opportunities.

Get your designers together over a cup of coffee. Brainstorm creative specials that could move the product off the shelf and bring precious cash into the operation.

If the old containers are expensive, you might sell them at cost. The arrangements will be an even better value for the customer. You may not make your normal markup on the container. But something is better than nothing. And the extra-value specials will bring money in more quickly.

### 2. Launch a Special Summer Promotion

Another strategy: Make the summer slump less of a slump.

Summer is a great time to promote specials. Rose specials are one consistently winning idea. Roses are plentiful when the weather is hot. Demand is lower than normal. Consequently, wholesale prices are very reasonable.

With smart buying, you can offer customers a dozen roses at a real bargain while still getting a good markup and return.

There are other options. For example, if you are near a college or university, offer a late summer sale on green plants. Just as students return to the campus.

Be creative.

### 3. Review Payroll

Many florists keep too many employees on the payroll during the summer. Even one employee more than you need wastes at least \$1,500 a month.

You can't afford to keep extra help around when you're out of money.

Inform employees in advance about your business' cyclical swings to prepare them for the possibility of extra time off in the summer.

You might be surprised to find that one or more on your staff would love an extended summer vacation.

Determine how much help you really need. Then, take the steps necessary to get down to that level.

### 4. Take a Hard Look at Expenses

Review expenses every year. The summer is an especially good time to do

it. When things are tight, you'll be more open to a harder, more accurate analysis.

Can any expenses be eliminated or reduced? Expenses that repeat every month are the best targets to review. Extra telephone lines that aren't needed. Laundry you can do yourself.

If expenses can't be reduced or eliminated, can they be postponed? Put off purchasing extra supplies. Shift an insurance premium into a more manageable monthly schedule instead of one big annual payment.

When you're in trouble, you have to get lean. If you're not in trouble, getting lean will help you stay out of it.

### 5. Talk to Your Banker

As a last resort, you can borrow the needed money from a relative, a friend or your banker. Just do your homework first.

Lenders aren't interested in charity. The key question they want answered is how and when you will pay back the money. Don't ask for a loan



**Basically,  
a cash-flow forecast  
is an estimate  
of your total cash  
receipts minus total  
cash expenditures for each month.**

without giving a realistic answer to that question.

Present a cash-flow statement that shows your estimated monthly needs. Illustrate how and when things will turn around in the fall. When payment can be expected.

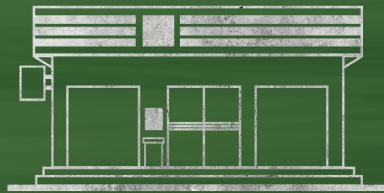
### YOU CAN SURVIVE

Being short of money in the summer doesn't have to mean disaster. However, working through a cash drought will take creativity and determination. Look at all your options. Make the hard decisions.

Responding quickly will breathe life back into the business. 🌸



# Retail Marketing & Sales 101



Visit a Local Convenience Store

**A** retail marketing education is available free of charge to anyone. Anyone, that is, who is observant and willing to learn from the experience of others. You don't have to enroll in an expensive course or spend a lot of time. You can learn marketing from a business that really understands how to bring in customers and make sales: convenience stores (often called c-stores).

The c-store industry is highly competitive. It is big business. The largest chains have hundreds or thousands of stores. They have poured millions of dollars into understanding and developing first-class marketing, merchandising and customer service.

C-stores sell almost anything that people want quickly and easily. They have discovered that competitive prices on certain products, such as soft drinks and cigarettes, will allow them to charge more than supermarkets on other items.

C-stores are designed and built from the ground up with efficiency and profitability in mind.

Gasoline is a mainstay of the c-store business model. In fact, today many stores have 12 to 16 (or more) gasoline dispensers. In most markets, c-stores are the price leaders for gasoline. They set the market price. And many customers who stop to buy gas outside the store will also come inside to make another purchase.

## SMALL BUSINESS

Although the c-store industry is big business, each individual store is really a small business.

Yes, the big chains have the purchasing power of a large corporation; however, each location sinks or swims financially depending on whether or not it is run profitably.

Cost control is very important. Like any small business, a c-store's payroll must be kept to a minimum. In fact, the store's physical layout is designed to

require the least number of employees. Small c-stores are designed to run with one person most of the time and rarely more than two.

The most efficient stores set up the sales counter so that customers can line up on both sides of the register. This saves time and allows the clerk to handle more customers more quickly.

The sales counter is in the middle of the store, just inside the front door. All traffic in and out of the store flows around the counter.

One employee can greet customers as they enter and check them out as they leave. The entire store can be monitored from this central location. There are no hidden corners in most convenience stores.

## FRIENDLY

All customers are greeted when they enter the door.

"Hi there."

"What can I help you with today?"

"Good morning!"

The small talk is designed to make customers feel welcome. No one feels they have entered the store unnoticed.

How many flower shops have you seen where the employees are hidden in the back? It's hard to find sales help. Customers sometimes feel like they're interrupting the "real work" that is going on in the back room?

"Excuse me; I would like to look at something in the cooler. Could you help me?" the customer says.

Excuse me? Could you help me? Wait a minute: This is the customer. Why should she have to excuse herself for wanting to buy something?

C-stores have it right. They want customers to know from the minute they walk in that they are appreciated and welcome.



Greeting customers when they enter also has a second purpose. It's a shop-lifting preventative.

The clerk knows who is in the store. Potential thieves lose their cloak of invisibility. They hate to be spoken to. They want to slip in and out unnoticed.

### WELL-MARKED PRODUCTS

One more lesson from c-stores: All prices are clearly visible. No guesswork.

In some flower shops, you have to search for the prices—or, even worse, ask what some products cost. This doesn't make it easy for customers.

Often, customers are too embarrassed to ask. They're afraid they'll have to admit to the clerk that the item is more than they can afford or want to pay.

All your flowers should be marked — both arrangements and loose flowers. The customer should be able to immediately find an item in the right price range for his or her wallet. No embarrassment necessary.

Clear pricing also is a labor saver. Once greeted, customers can stroll around and see the price of various products without having to ask for assistance.

### SPECIALS

C-stores always feature specials. They make some purchases intending to pass the savings on to customers.

Often, the special is an item with a very low margin. By itself, it's not intended to be a moneymaker. It's designed to get customers into the store, after which most will make other purchases as well. These specials are known as loss leaders.

Florists can do the same. Inexpensive specials. Good deals.

Of course, specials should provide value, not just a low price. The best type of special is a product that is unique to the store. Florists are perfectly suited to this type of promotion.

Florists that offer their own holiday specials generally sell more of those than any nationally advertised special. Given a choice, most customers prefer to buy something unique rather than a carbon copy they could get anywhere.

### ADD-ON SALES

This is the most important marketing technique of all.

Every time you make a purchase at a c-store, the clerk asks if you want something else.

"Potato chips with that soft drink?"

"How about a muffin or donut with your coffee?"

This technique doesn't always produce another sale. But it often does. The convenience stores wouldn't keep using the approach if it didn't work.

Fast-food restaurants do the same thing. "How about fries with that burger?" Or "Want to upgrade to a meal deal?"



**Start suggesting another flower-buying occasion to every customer.**

Your existing customers can be the greatest source of increased sales. Why? Because most floral purchases are not planned. Something reminds the customer that flowers would be a good fit for a certain occasion, or a customer needs to come up with something quickly to convey a special message. "Get well." "Happy anniversary." "I love you."

Since everyone loves flowers and flowers are perceived as a special gift, the customer turns to her local florist.

**Like any small business, a c-store's payroll must be kept to a minimum.**

Use each of these opportunities to suggest another purchase. An add-on sale.

Suppose someone comes into your shop in mid-June to purchase an arrangement for a friend who is in the hospital. At checkout, your clerk should ask the

customer if he has ordered flowers to celebrate the Fourth of July. The answer probably will be "no." He may not even have thought about the Fourth, let alone flowers for the occasion. However, this small mention will plant a seed and, often, yield an add-on sale.

Start suggesting another flower-buying occasion to every customer. You will see larger sales and more satisfied customers. Guaranteed.

It even works on the phone. Before ending a call, suggest another occasion.

"Is there an upcoming birthday, anniversary or other occasion we can assist you with?"

You'll be helping your customers. And you'll be pleased with the results.

### THE HIGH POINTS

While flower shops are not c-stores, of course, much can be learned from professionals in the c-store industry. They are customer oriented, sales oriented and profit oriented.

Review the list of techniques and methods in this article. Visit the leading c-store in your market and see for yourself.

In fact, visit several. Look for strategies that are consistent from one store to the next. When you see different approaches, analyze what you think works best and why. Then see how the best practices could work in your flower shop.

### DON'T STOP HERE

C-stores are not the only place you can get an in-depth education in marketing and operations. All retail stores sell to consumers. And some do it very, very well.

So, whenever you go into a retail store, look around. See how they do marketing and customer service. What techniques could you adapt?

For merchandising ideas, visit local boutique stores as well as national department stores. Both will provide valuable ideas.

Business education doesn't have to be expensive to be good. Go shopping! 🌻

# Part-Time Help BLESSING OR BANE?



**H**ow do you fill your holiday labor needs? Probably with an influx of short-term part-time workers.

However, if you use part-timers only during holidays, you may be shortchanging yourself. Part-time employees can help your business year-round. In some well-managed shops, the majority of the staff is part-time.

## HOLIDAY MADNESS

During the holidays, extra help is a must.

To make it through, many florists add part-timers and increase hours for full-time employees. This works. But usually not without problems. Costs quickly get out of hand. Efficiency can drop.

The better approach is to plan for seasonal peaks ahead of time. How? By hiring long-term, part-time employees who agree to work full time before major holidays.

Your holiday work needs will be met. No need to find additional employees at the last minute.

What's more, when the holidays arrive, the workers will be experienced. You won't lose time training new recruits. Efficiency should prevail. The employees will be familiar with each other and know how to work together.

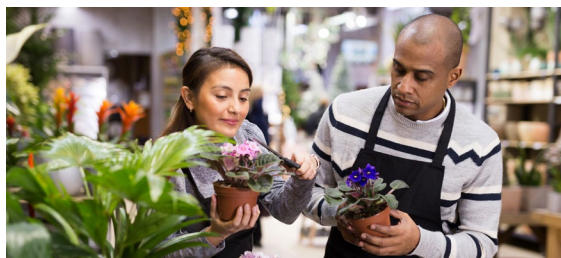
## ELIMINATE OVERTIME

Permanent part-timers also will save you money during the holidays.

Instead of paying expensive overtime to your full-time employees, increase the part-time workers to 40-hour weeks. You'll get the holiday work done with regular-time hours.

Flexible scheduling also is helpful at other times. Weddings, parties and unusually busy weeks can easily result in overtime pay. With a cadre of part-time employees, you should be able to schedule enough hours to avoid the need for overtime.

Don't underestimate how important this can be. How often have you seen the profit from a wedding or party eaten up by unanticipated overtime labor expenses? Part-time staff can solve this common problem.



**With a cadre of part-time employees, you should be able to schedule enough hours to avoid the need for overtime.**

Wages are kept in control. Profit margins are maintained.

## MORE FINANCIAL BENEFITS

Don't forget the reduction in benefit costs. Most part-time employees don't expect the same benefits as full-timers.

Part-time workers usually are looking for some extra income, not employee benefits. As a result, two half-time employees may cost you less than one full-time person. The same wages, but fewer perks.

## SCHEDULING FLEXIBILITY

If you have enough part-timers, sensible scheduling becomes easier.

Uneven daily and weekly sales patterns can make staffing a real dilemma. Florists that rely primarily on full-time employees don't have the flexibility to decrease staff on slow days and beef it up for the busy parts of the week.

Part-timers introduce more options. More flexibility. Tighter payroll control. Greater profitability.

## GREATER PRODUCTIVITY

Workers who are on duty for just a few hours often squeeze more into their limited time. They're fresh. Ready to go. Productive.

This is not to minimize the value of full-time employees. Full-timers bring continuity. They keep the workflow moving steadily forward. The part-timers bring bursts of energy.

It takes a mix of both to minimize costs and maximize efficiency.

## EASIER TO HIRE

Qualified part-time employees are often readily available. You may be able to snare a good person for a lower hourly rate than a comparable full-timer.

As our society gets older, more and more retirees are available. Many are looking for something less than 40 hours per week. Your needs fit perfectly with the current "graying" of America.

## IT'S YOUR MOVE

Review the potential benefits. Weigh the possible negatives. Then consider how a greater use of part-timers might improve your business.

If you decide to implement more part-time help, where do you find them? Well, there are a number of places to look. See the box to the right. Then get busy. 🌱



# Part-Time Help MANAGEMENT ISSUES TO CONSIDER

## PAYROLL PROCESSING

You'll have more of it.

If you use a payroll service, this won't make much difference. Similarly, if you're computerized, the extra processing time won't amount to much.

Even if you do payroll by hand, the extra work is worth your while.

## HIGHER UNEMPLOYMENT TAXES

In most states, you pay unemployment taxes on the first \$10,000 or \$15,000 of each employee's earnings.

For full-time employees, that means you only pay this tax for 4 to 6 months.

With part-time employees, you may pay unemployment for most of the year. Consequently, you'll see an overall increase in this expense. More total taxes for the same amount of wages.

This should more than be offset by better staffing control, lower overtime and fewer employee benefits. But you'll have to do the math to make sure.

## SCHEDULING TIME OFF

Part-time employees typically need more time off. Especially if you use primary caregivers with school-age children. They'll have to deal with sick children, doctors' visits, school commitments and after-school activities.

Work may be a lower priority for some part-timers. They may tend to put other needs ahead of yours.

You can't let part-timers take advantage of you. But you should expect some scheduling irregularities.

One solution is to build the part-timer's known needs into each month's work schedule. Then, if emergencies

arise, make the employees responsible for finding their replacement. You do your part. They do theirs.

## A TIME CLOCK

If you use part-timers extensively, a time clock or computerized time-tracking program will make payroll processing much easier. It also will discourage employees from fudging on their hours.

Most employees will adjust quickly. A simple explanation will usually do the trick: "With all the employees we now have, a time clock makes processing payroll much easier. Thanks for your understanding." 🌻

## WHERE TO FIND PART-TIME EMPLOYEES

### 1. Homemakers With Kids

Primary caregivers often want to earn a few extra dollars and get out of the house. The biggest problem with this group will be unanticipated schedule changes due to sick children or school events.

### 2. Homemakers Without Kids

The kids are gone. This group doesn't want full-time employment. A

part-time job is appealing. No major problems here. Maturity. Predictable hours. Often a good choice.

### 3. Retirees

A great group to consider. Life and work experience make senior citizens some of the best employees. A part-time job will supplement their income, give them something to do, keep them involved with other people and help them feel productive.

### 4. Students

Students often need to pay part of their school expenses. If you can work around their class schedules, you will find some eager, energetic workers. One drawback is that students probably will be around for only a year or two. Few are long-term prospects. Also, students are notorious for having "things" come up (like ski trips) that cause them to bail on work.

### 5. Other Employed Persons

Some individuals want to carry more than their regular job. That's admirable and suggests a strong work ethic. A part-time position fits the bill perfectly. Just be careful that "second-job" part-timers aren't exhausted and unable to give you a good effort. They have to carry their share of the load.



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# INQUIRIES & ANSWERS Letters



## COUNTERFEIT MONEY

*"Is there any way I can protect myself against getting counterfeit bills?"*

**Yes, but...**

Every year, retailers get stuck with counterfeit bills. It becomes an even bigger problem during busy holidays thanks to an increased number of shoppers and more inexperienced cashiers.

You can buy detection machines that will reveal most illegal currency. However, they cost money and it takes time to use them. Most retailers do not want to slow down the line at the cash register to check bills with a detection machine. They prefer accepting the risk of taking a bad bill once in a while. That's probably good advice.

For most florists, counterfeit bills are not a big problem. Yes, your employees should scan new bills for the various implanted detection devices: colors, watermarks, special background printing and metallic strips. Once they are familiar with the genuine article, they'll be better able to spot a poor counterfeit. However, identifying today's sophisticated counterfeits is a challenge.

So, smile and make sales. Unless it becomes a major issue, ignore the occasional counterfeit bill as a cost of doing business.

## MID-YEAR INVENTORY

*"A florist friend said it is important to do a physical inventory at mid-year. True?"*

**Valuable, yes. But usually not necessary.**

There is certainly nothing wrong with taking a physical inventory at the end of June. It makes for better financial statements and gives you a clearer picture of your cost of goods sold (COGS) for the first six months. The end of June tends to be fairly slow, so the timing is also good.

However, unless you had a significant inventory adjustment at the end of 2020, taking a mid-year physical inventory isn't necessary. A large year-end adjustment means you were not properly relieving inventory throughout the year.

Hopefully, your accountant told you how to do it correctly this year. A mid-year physical inventory will show you if the correction is working. If not, it's better to know now while you still have time to fix the problem than to face another large adjustment at the end of 2021.

## NORMS

### NON-HOLIDAY MONTHS



**T**he number of non-holiday months between Mother's Day and Thanksgiving.

It's a long time. Way too long to keep paying for extra employee hours you really don't need. Many shops lose their entire profitability by keeping unneeded employees on after the holidays.

Profitable florists set their permanent staffing to handle non-holiday sales levels. Then they add extra hours to cover holiday needs.

There is really no other way to do it.

Review your payroll. The total payroll, taxes and benefits—including the owner/manager's salary—should be no higher than 30% of sales.

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