

Title:

So you want to become a Florist? The Pro and Cons of Flower Shops and Florists

Word Count:

1045

Summary:

You've always liked flowers and you think the idea of turning emotions into floral expressions sounds like tremendous fun. You are between careers and have been investigating business opportunities in your community. Yesterday, while perusing a business for sale paper in your local town, you notice that a family owned flower shop is up for sale. The ad says it's a turnkey operation. This is your lucky day. Or is it?

Keywords:

Florist, Florists, UK, Scotland, Flower shop, Flower, Delivery, on-line

Article Body:

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Let's look before we leap, OK? Here are some issues to be considered:

1. What is the current status of the Florist business and it's accounting?

You should be able to see the financial records and consult professional help if needed.

2. Does the business have a good reputation?

If there are negative opinions about the business, you may need to consider a name change and making a big show of the change in management. Factor in the cost of a face-lift on the façade of the physical facility.

3. What assets are included in the selling price?

If you are buying the building, equipment, and inventory, you need to

carefully assess the age, condition and viability of these items. For example, there may be £20,000 worth of inventory in the store, and the seller may be able to provide the monetary value by showing invoices. However, if the inventory is out of date or not in keeping with your business plan, the value of that inventory to you may be quite a bit lower than that the £20,000 it is valued at.

Are you also buying the Accounts Receivable as an asset? If this is the case, you should do some serious research into the exact state of these accounts. Many traditional florists have struggled with in-house accounting. They have extended credit as a matter of tradition, rather than good business sense and have found themselves in cash flow trouble.

4. What liabilities are you purchasing?

You'll need to be very clear about any outstanding debts or unpaid bills you will be taking over. Be sure that you hire professional help to highlight any such debt in your sales agreement. Because of seasonality of the flower and florist UK business and the existence of house accounts, many retail florists have difficulty with cash flow; you should avoid any situation where you will be paying bills run up by the previous owner.

Also, you should take time to consult with the flower Wholesalers that you will be buying from. Discuss payment terms and lay the way for a healthy business relationship with a reputable Wholesaler or perhaps more than one.

5. What about the business name and goodwill associated with that?

What value does the existing business Name have in the marketplace? , If it has good value, you probably won't want to change the name of the business. In any case, consider a clause in the bill of sale limiting the use of the name by the previous owner in the future. This can be very sticky in the case of an owner's own name, for example "Green and Co. Florist, Florist UK, Florist Scotland etc ".

6. Will you need to hire new staff, or will the existing staff stay with the business?

Sometimes a previous owner chooses to stay on and work for the new owner in a period of hand-over. This can pose tremendous difficulties for all involved, so tread lightly on this territory. It's an extreme analogy, but think about the difficulties in open adoptions between birth and adoptive parents. Everyone has their own style in the florist business and it can be difficult to accept change or let go of something you have worked very hard to build up over

the years.

That said, many valuable members of staff at successful florists have weathered the change in ownership of their place of employment. You should always make every effort to retain good people, as they may make your integration into the management of the business much easier. Of course, it's all about relationships.

7. What is the best time to buy the business and start running?

Take the holidays into account when you plan your purchase of a flower shop. Valentine's day is the single largest day, but Christmas is more of a marathon. Mother's Day, weddings, proms, graduations and anniversaries team up to make the spring months a nice busy time. Depending upon your market, the summer can be a difficult time to make ends meet. Ideally, you would take over a shop with enough time to get your feet wet before a holiday, but not with so much down time that your funds dry up before you can get going.

8. What other opportunities exist, and at what cost?

Here's the acid test. Take the time to sort out the options. Let's work on the assumption that you WILL own a flower shop in the next year. Take a big sheet of paper and draw a line down the center. At the top of the left column, write "Buy a Flower Shop". In the Right column, write "Open a New Flower Shop". Now draw a line through the middle of the paper, so you have a top and bottom. The top left is for Strength's. Top right for weaknesses. Bottom left for opportunities, and bottom right for threats. Fill in the grid with as many items as you can figure out.

Ask your trusted business friends and floral professionals for help. You'll be considering such items as the finances and the marketing plan of your business. When you have completed this exercise, you should have two things. One is a good tool to help you make a decision. The second is the beginnings of a business plan.

Whatever your decision, a business plan is essential. It is your roadmap for success and will be necessary for a business loan. It is worth the extra time at the onset of this journey to compare the options and make the best decision you can.

Gail Michie is a Floral Industry Professional with many years of experience in the retail and wholesale sectors of the industry. She believes the common goal should be to sell more flowers to more people, more often.

For reasons out with her business and its successful operation, Gail is looking to sell the business soon.