



SHOP THREE: THE ACCIDENTAL FLORIST

THE THIRD INSTALLMENT IN MY NEW SERIES OF ARTICLES IN WHICH I EXAMINE AND ANALYZE THE INNER WORKINGS - GOOD AND BAD - OF THREE REAL FLOWER SHOPS.

BY TIM HUCKABEE, FSC



"I thought I could just buy the store and let the existing staff run it," shares **Gloria Becerra**, owner of **Linda's Flowers & Balloons** in Chicago, Ill. She was in for a big surprise and quickly realized that she needed to step in and learn the basics fast! That was back in the summer of 2001, and she's come a long way during the past 17 years.

Gloria and her team are the spotlight shop for this third and final installment of "**SOS: Flower Shop**," a behind-the-scenes exposé on how a "regular" flower shop operates and the easy changes that can be implemented to increase its efficiency and profitability. I encourage you to visit floristsreview.com to read more about this project as well as the stories of the previous two shops I visited (featured in the July and August issues).

Linda's Flowers was launched when Gloria bought an existing shop and renamed it after her sister. The store is in a prime spot: next to a subway stop in a booming neighborhood (Logan Square/Bucktown)

undergoing gentrification. That dramatic change poses problems (see *photos of the construction going on all around them*) and great potential (*so much new housing to attract affluent customers to the shop*). The big challenge is to make the shop and its designs enticing to all customers: the existing traditional price-conscious shoppers as well as the growing influx of consumers who have different desires and are willing to spend more.

SNAPSHOT

Linda's Flowers generates less than \$500,000 per year spread over local deliveries and heavy walk-in traffic. The shop's two websites, lindasflowersandballoons.com and chicagoilflorist.com (from **Flower Shop Network**, a sponsor of this project), generate steady business, too. Gloria chose to go wire-service-free recently and is working her way through a healthy inventory of codified containers. The store offers many add-on options for its arrangements and plants, and the cooler is well stocked with flowers ranging from traditional carnations to premium peonies. Keeping an eye over all the shop activity is the famed artist Frida Kahlo (see *photo below*). "I found this painting in the basement when we moved in," Gloria recalled. "Since we're of Mexican heritage, too, I thought it was a sign of good luck, so I hung it in the store. And customers always ask if they can buy it!"



STRUGGLES

Roughly 10 years ago, the storefront next to Linda's became available, so Gloria approached the owner and made an offer. Then the owner decided to start a new business himself – a flower shop! Yes, *there is literally a competitor next door* – and that impacts the collective mentality



of the staff, conditioning them to fear offering bigger prices as a way of avoiding customers saying, "I'm going to take a look next door." It happens anyway and will continue to happen.

Like too many florists I visit, Gloria has simply not kept up raising her prices in relation to her costs so that she can earn a healthy profit. "I don't want to drive customers away or next door," she shared. Gloria knows, however, that she has created that monster and that it's high time to begin charging more across the board.

"We've just always done it all on paper," was Gloria's response when she saw me scrutinizing her 20th century order pad. Luckily, there are several computers in the store, and all the staff is comfortable with technology.

A final issue, and a common one in smaller shops, is balancing the schedules for ample coverage. Gloria ends up begrudgingly covering all the gaps herself.

ACTION PLAN

As with the two other shops in this "SOS Flower Shop" program, I started my visit to Linda's by teaching Gloria and her team my three-hour workshop to introduce new ways of thinking, selling and serving.

A fundamental shift in their habits is to stop underselling. We discussed how by not automatically telling every customer, "Our arrangements start at . . . ," Gloria's staff can easily raise their average sale from the current \$45 to more than \$60 or better.

We reviewed their prices for funeral work and raised them to realistic 2018 prices. "We never sell \$350 easel sprays," said Gloria. "Yeah, because you never offered them before," I responded. I helped the staff to understand that you can still offer lower price points, but you must expand your options on the higher end. Customers want to spend more, but they can only buy what's offered to them.

Roses are a popular item at Linda's, but they're priced very low – \$65 for dozen in a vase, with accent flowers and greens. I introduced the concept of always offering a premium version of the same design with added branches or flowers for \$20 more. And the staff have



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already begun upgrading many orders. Again, customers will spend more when you let them.

When we broached the topic of using a POS system, Gloria expressed that she does not feel the need for one because she and her staff have always been able to “get it all done on paper.” That conversation had some weight 20 years, when the technology options for florists were limited and costly. But not anymore. I explained that beyond the obvious timesaving benefits of ditching paper order forms, there is a hidden value: the opportunity to use the computer to give customers better service – better than what they experienced at her shop before and better than they’d ever get at the flower shop next door! We expect to get Linda’s off paper by the time you are reading this article.

Gloria’s struggle with schedules is, in part, her own creation because most scheduling has been done on a rolling verbal basis. I proposed



buying a calendar at a dollar store and adding everyone’s hours for the next month. That approach will make it easier to see where coverage is needed, swap days and hours between staff, and reduce her need to be perpetually “on call.”

Finally, Linda’s is enrolled in my **TOTALtraining** program (tt.floralstrategies.com) for ongoing sales support including mystery shopper calls and other tools to keep the team motivated and expanding their new sales skills.

GLORIA SAYS

I asked Gloria what her plans are for the store as the neighborhood goes through its metamorphosis. “I know we need to update the store; it’s long overdue.” That’s going to mean more than a coat of paint, and she’s going to start keeping a wider variety of price points and design styles in the cooler. Additionally, she is going to get proactive about getting all those new neighbors into her store. “I am going to talk to the manager of the new residential building going up next door about giving a free plant

to every new tenant who signs a lease," Linda said. "It's really just an advertising cost, but it will make the new residents realize that we are the caring florist, right next door."

Finally, about the change over to technology, Linda said, "I never thought about how much time and money we could save by with a POS system. It's going to take some adjusting, but I can see how using a computer is going to help move us to the next level."

THE FINAL WORD

In our closing conversation, I reminded Gloria that the only thing standing between her and more money in the bank every week is what the staff offer customers! She's ready to overhaul her prices to let her customers spend money. ■

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CHRYSA



THINGS TO CONSIDER: IS THE "RIGHT" ITEM SELLING FOR YOU?

We've all experienced new product launches that fell flat. Was it because of advertising and merchandising, or was it because you did not choose the right items?

When you carry limited stock or limited variety, it is imperative that the right items are on the floor. How do you decide which items are the "right" items?

Evaluate which item is the "right" item:

1 Choose a specific item. For example, select a garden stone that will appeal to many people. Vendors will be able to tell you what their best-sellers are. "Grow old along with me, the best is yet to be" is a best-seller from Kay Berry. It is available with only the text or with three dimensional art cast into the stone.

2 Check your inventory and sales history. Have you carried that item in the past? If so, what is your impression of how well it sold? Do you have data to back that up?

3 Talk to your customers. Your customers will be able to give you invaluable feedback. Are there certain quotes that really resonate with them? Are there similar items that are popular on social media or design shows? Are they more likely to buy the stone with art on it, or the one with just the text?

4 Check your price. Have you sold garden stones before? Did they sell at full price, or only after being discounted? Maybe a smaller stone with the same quote would sell better than a larger stone, because of its lower price point. Sometimes the extra art on the stone will mean it is worth more to customers. Of course, be sure you are setting the price to be profitable!

5 Think about merchandising. Which other items can you imagine surrounding the garden stone? Maybe roses for a romantic verse? Or a birdhouse for a stone featuring bird artwork. Be sure to stock related items nearby.

Test your theory:

1 Track your sales over a few months or seasons. Set a goal number of "Grow old along with me, the best is yet to be" stones you'd like to sell over the period. See if you hit your goal. Does the stone sell better around Valentine's Day? Or

maybe in the summer, when many people celebrate wedding anniversaries?

2 How profitable is the "right" item over your other merchandise? The "right" item needs to have a comfortable margin. Of course, the more of the item you sell, the lower the margin can be.

3 Are your customers talking about the item? Talk to them and get their feedback after you've merchandised it. Have a few other sayings in your back pocket and ask if they would be more interested in those stones.

4 Try incentivizing the stone. Post a coupon online or in a weekly flyer. Give it a discount when purchased with other garden items. How many people used the coupon? Did you sell more with or without the coupon?

Review your "right" item's history to see if you picked the correct garden stone:

1 At what percentage over cost were you selling the "Grow old along with me, the best is yet to be" stone, on average? What margin level do you need to maintain to cover all of your costs? Have you exceeded it with this garden stone?

2 Can you save on bulk shipping because of how many you're selling? Drop shipping, which Kay Berry offers, is great when your customer needs an item right away, but having it in stock is even better.

3 Have you seen any online reviews about the item? You can set up Google alerts to notify you if people make a post, or you can monitor your business pages, such as Yelp, and social media for reviews.

4 Based on this data, should you have a higher or lower stock volume of this garden stone? If it is not selling as well as expected, try a different saying. Perhaps your customers are looking for a stone that features a more whimsical saying like "You are my sunshine," or a more inspirational saying like "How lovely is the silence of growing things."

Did you choose the right item?

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