


Right-Size
Your
Wedding
Business



**Three wedding studios
overhaul their model to
hit a more profitable sweet
spot with brides.**

BY MARY WESTBROOK

Mandy Majerik, AIFD, PFCI, is a third-generation florist who happens to know an awful lot about cake plateaus and pedestals. Not the run-of-the-mill silver or ceramic varieties, mind you. There are plenty of people in Birmingham, Ala. — bakers, event planners — who can help a bride source those ordinary objects. But brides looking for something extraordinary — say, a perfectly level tree stump plateau — are increasingly turning to Majerik and her newly launched PropHouse rental business. Majerik says the new venture is an ideal complement to her HotHouse Design Studio, one that allows her to serve even more brides in Birmingham, even when they don't choose HotHouse for their flowers. "When I opened PropHouse (in 2013), I had already built up seven years' worth of inventory" in props that were otherwise hard to source locally, Majerik said. Now, on busy wedding weekends, when HotHouse is fully booked, Majerik is also pulling in sales from competing florists and vendors who rent accessories, props and furniture from PropHouse. Instead of collecting dust in storage, the items are turning a profit and building a name for Majerik that goes far beyond traditional floristry.

Weddings have long been an enticing market for florists; the average American wedding budget in 2012, the most recent year available at press time, was \$28,427, according to the annual Real Weddings Survey, a national report promoted by both The Knot and The Wedding Channel. Of that budget, \$1,997 was pegged to flowers, up from \$1,894 in 2011. If you've ever thought about ditching your traditional storefront (goodbye 15-hour days around Valentine's Day!) to focus exclusively on weddings, you're not alone. But running a floral business with limited everyday revenue has its challenges too ... and the studio model you may be picturing (small workspace, one or two employees) may be far from what florists are actually tackling today.

This month we talk to the teams behind three successful studios — all of them with roots in traditional storefronts — to find out how they are changing their models to get a bigger slice of wedding profits. As a bonus, we asked one of Floral Management's resident financial gurus, Paul Goodman, CPA, PFCI, to weigh in on some of the questions that studio and studio hybrid models raise, along with general insight on how to turn a profit on weddings. (Our disclaimer: Goodman hasn't advised the businesses featured in our story; his insights are of the big-picture variety.) While these businesses are focused on weddings and events, we think their stories are just as relevant to traditional storefront florists who are searching for the right size wedding business of their own.



PHOTOS: SETH NENSTIEL

> Retail Reversal

Butera The Florist York, Pa.

Snapshot: 50 to 80 weddings a year, averaging \$2,000 to \$4,000 floral décor budgets.

Wrong Size: A 4,000-square-foot traditional storefront in a suburban location

Right Size: A wedding- and event-focused studio, housed in a renovated Victorian house in the middle of a downtown renaissance

Lost: Big retail showroom and inventory

Gained: A new location and the chance to market to higher-end brides.

About two years ago, Vincenzo Butera, AAF, AIFD, PFCI, did something he'd always dreamed of trying: He and his team produced and installed a seriously high-end wedding reception in Washington, D.C.'s Union Station. The floral design budget was in the \$20,000 to \$30,000 range; as the room's focal point, the bride wanted a custom-made botanical family tree, with orchids, callas and votives. The stunning success made Butera and his wife, Carolyn, wonder: What would it take for them to land more of those jobs? How could they show brides



RETAIL REBOOT Vincenzo Butera, AAF, AIFD, PFCI, and his wife, Carolyn, traded their 4,000-square-foot traditional, suburban storefront for a downtown, historic studio (above) with a focus on weddings.

that they weren't simply a hometown florist but a regional powerhouse with serious design credibility?

During a retreat in mid-2012, the couple came up with the outline of a plan. Vince is a high-end designer and they needed to better court and serve sophisticated brides who desired unique botanical artistry. At the time, weddings comprised a quarter of sales; about 70 percent of them in the \$2,000 to \$4,000 range, and they wanted to specifically grow their high-end market (\$10,000-plus), but their 4,000-square-foot, traditional retail store in suburban York was getting in the way. "We were like a ship with too much cargo," said Carolyn. After digging deeper into their numbers, talking to family and offering up "plenty of prayer," they decided to jettison anything that diluted or confused their central brand image: floral artistry, sophistication, original and unique designs. No more gift baskets. Good-bye, balloons. So long, plush.

As the Buteras pulled away most of their non-fresh flower items, they also realized that the traditional retail storefront itself no longer fit who they wanted to become (and the customers they wanted to attract), and they started looking around for a new space, one that allowed them to "flip the footprint" of their existing store, giving more real estate to weddings and the design room and far less area to the traditional retail

showroom. More than that, they wanted a studio that perfectly articulated their new brand messaging.

In early January 2013 they purchased just the spot: a three-story Victorian in downtown York that just happened to be next to one of the area's top bridal salons. In the new Butera the Florist location (which opened in early January 2014), the first floor is home to two front parlors for consultations, totaling about 700 square feet, an 800-square-foot open design room, along with a "nostalgic city store" (about 225 square feet), with an 18th-century Belgium apothecary table and an original brass cash register from the mid 1800s, along with the store's only display cooler. The upper floors, still in makeover mode, will be used for storage and office space.

While the building had been vacant for 18 years before the studio took life, the Buteras were able to restore many of its original features, including the front door and crown molding. Today, they meet with brides in a naturally lit, 20-foot by 20-foot room, with 12-foot ceilings, decorated in warm golden tones that are "elegant Victorian, not fussy Victorian," Vince said. "It's very impressive when people walk in," recalling elements of "Downton Abbey" and "The Great Gatsby." The second consultation area has an original Weaver Verti Mignon piano, which the couple intends to use for live music during in-house events. By contrast, the open design studio, in the back of the building, is "vintage industrial" and floral artisans work under three skylights using repurposed vintage dress racks, left behind by the previous tenant, a posh dress shop.

"The building, our new property, is hand and glove to the business vision," said Carolyn.

The layout of the new space allows brides to catch glimpses of the designers in action, underscoring another important message, that the Butera designers are artists and the designs are artwork. "My non-wedding clients get to see us interacting with wedding customers," Vince explained, and customers who come in from the back door, which leads to coveted off-street parking, walk past the design room and get to see the Butera ensemble

at work. (Vince and Carolyn kept all of their staff in the move and in fact added one new member to complement sales support.)

Community members are also stopping by to check out the renovation — the building is well-known within York — and that excitement has added to the fun. "The building has life again, and there's so much joy among people," Carolyn said. "It's not just the business — it's being part of the community. That's the kind of response we're getting." The move downtown also

positioned the Buteras to capture some prime public relations; the local newspaper and a local magazine interviewed the couple about the growing movement to rebuild York's downtown.

"That single, extraordinary wedding at Union Station in D.C. taught us that we can do that work," Vince said. "We wanted to be on that path" and in a position to send a message to high-end brides: "We can produce any event you dream of. We're not just for York."

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YOUR NEW BFF: WEDDING PLANNERS

All of the florists profiled in this month's story credited local wedding planners with some of their best referrals — get in good with those professionals (along with hot-spot wedding venues and caterers) and you'll be meeting with quality leads year-round. We asked Trudy Baade, CMWP, president of the American Association of Certified Wedding Planners, for advice on how florists can get into the good graces of area planners and she had one tip right away: Invite planners into your store — then dazzle them with your work (while not-so-subtly underscoring the value and artistry of professional florists and floral designs).

"Wedding planners love to see the behind the scenes of a floral studio and learn all about flowers," she said. "And why not make it a fun and interactive visit by having wedding planners make bouquets, boutonnieres or table arrangements? As much as we can learn about flowers and the floral/design elements it takes to produce a wedding, we can educate our clients as they begin the planning process." **M.W.**

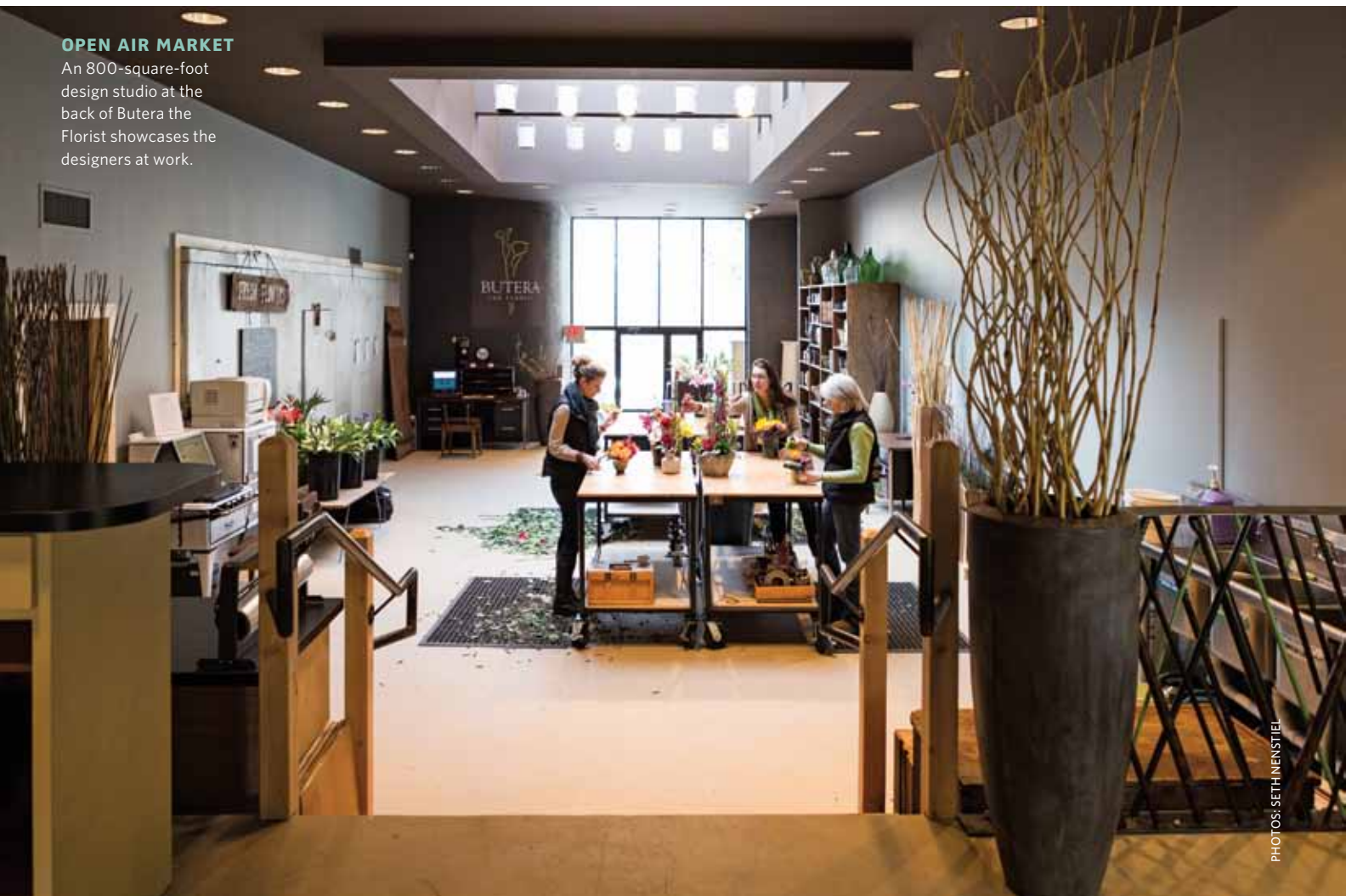


CREATIVE MODE

Vincenzo Butera, AAF, AIFD, PFCI, was inspired to shift to a studio-hybrid focused on weddings after he and his team helped produce high end weddings, including one in Washington, D.C.

OPEN AIR MARKET

An 800-square-foot design studio at the back of Butera the Florist showcases the designers at work.



The Result: While weddings and events are now their primary focus — and the Buteras are hoping to increase their numbers exponentially — the business is definitely a studio hybrid. They still offer walk-in or same-day delivery services and maintain store hours Monday through Friday (10 a.m. to 5 p.m.) and on Saturday (9 a.m. to 1 p.m.) and they're currently expanding their online store to help offset lost revenue — and ramping up marketing efforts through resources such as LinkedIn and national websites that include The Knot and Wedding Wire. With their new studio location, central to a downtown renaissance in York, they're also working to become a destination and venue, something they couldn't do in the suburbs. In December, they hosted their first big shindig — a Hipster Christmas Party for 150 people.



A Good Fit for You? The Buteras made the decision to move away from the big showroom business model during a business retreat — and after long talks and number-crunching. In March 2014, they're also retreating to Williamsburg, Va., to set and review goals for their new model. That kind of analysis is important before you make any major shifts — and particularly critical if you are thinking about a shift to a studio or studio hybrid, said Goodman. "You need to move into that gradually," he cautioned. He recommended setting measurable goals. If you are doing 50 weddings a year, can you get to 100? Having worked with florists across the country, he also said markets may be a deciding factor. Most florists "would have to be in a pretty big market" to focus only on weddings and events.



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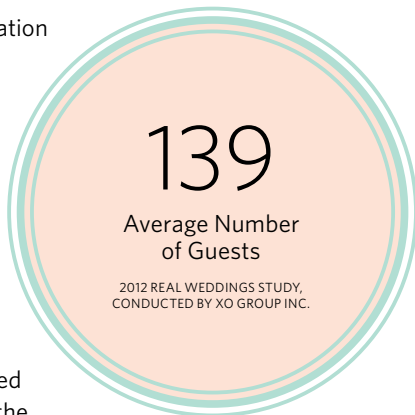
ONE STOP SHOP

Third-generation florist Mandy Majerik, AIFD, PFCI, expects her new prop rental division to make up about a quarter of her revenue by next year.

If you need something, figure out where to get it, or how to make it. If you see an unmet need, find a way to fill it. Those were just two of the lessons Mandy Majerik, AIFD, PFCI, learned growing up in the floral industry in Birmingham. By the time she was 26 years old, in 2006, she'd taken over her mother's business and dramatically changed it, renaming it HotHouse Design Studio, moving it from the suburbs to downtown and zeroing in on wedding and event work (though she still had a retail showroom). As it turned out, she was just getting started.

While Majerik built a reputation for cutting-edge floral designs, she also began accumulating unique props and accessories — items that were integral to the look and feel of her weddings, but hard to get hold of (e.g., a 9-foot-wide, 12-foot-high exact replica of the historic Birmingham “Magic City” sign — the only one in the city). Often, she ended up sourcing or commissioning the items directly; while Birmingham had plenty of choices when it came to renting standard linens and chairs, her brides wanted unique pieces like colorful candelabras or vintage-inspired furniture and whimsical touches (wooden troughs for icing beverages or whiskey bottles for tabletop/bar décor). For her part, Majerik was happy to build up her list of offerings — having different items on hand set her apart from her competitors and established credibility among fashion- and trend-conscious brides. “As the business grew, and we acquired more props, we became known for that, and we started attracting the next level of client,” she said. Suddenly, it wasn't unusual to work on wedding flowers for a ballroom with 50 tables.

Before long, Majerik's retail store numbers were “significantly outweighed” by wedding and event revenue (10 percent compared to 90 percent) and her prop collection, stored in



> The Prop Queen

HotHouse Design Studio and PropHouse
Birmingham, Ala.

Snapshot: 100-plus weddings a year, averaging \$7,500

Wrong Size: A wedding-focused studio with thousands of underutilized wedding props in inventory

Right Size: A larger company with two separate divisions, HotHouse Design Studio, for weddings and events, and PropHouse, a new division specializing in rentals

Lost: Retail showroom space and walk-in traffic

Gained: Additional revenue from PropHouse, projected to be about 25 percent of sales by the beginning of 2015



LIGHT MY FIRE Candelabras have proven to be a popular rental item for Majerik, who stocks plenty of size, color and style options.

PHOTOS: ALISHA CROSSLEY

a back storage area or the small retail showroom, had grown to thousands of items. The system for showing off goods to brides was inefficient and disorganized. "We had boxes on top of boxes on top of boxes," Majerik said. "We had to move five boxes to get to the one we needed."

With a different space, Majerik realized she could build a new rental division, PropHouse, that would allow her to profit from her collection, year-round, weekend after weekend, and turn other area vendors — including her competitors — into customers. In 2012, she'd found her ideal space, about six miles from her former location, and started on the latest evolution of her business: One company, with HotHouse as a by-appointment studio specializing in wedding and corporate work and PropHouse, an on-site rental division housed in an 3,750-square-foot warehouse. She opened her new doors in January 2013.

"Our brides love it," said Majerik, recalling one bride who, after feasting her eyes on "the goods" in the warehouse — 12 different styles of lanterns, candelabras, sofas, throw pillows and more — turned around and said, "Oh my God. It's like walking through Pinterest." The tour creates such an impression on brides that Majerik and her team now schedule their 60-minute consultation to include 15 minutes of eyeing props. The tours give Majerik and her staff another opportunity to subtly upsell brides, helping to increase their average wedding by several hundred dollars. Majerik attributes at least some of that increase to the HotHouse-PropHouse combo and the effect on brides of seeing so many wow-factor pieces.

Of course, Majerik has an entire new customer base to serve now: Rather than winning over brides, PropHouse is about catering to the needs of planners and other wedding pros, including HotHouse competitors. Majerik and her team, including Jessica Morris who devotes most of her time to PropHouse, have had to learn about pricing rentals (Majerik generally charges the first client to use an item the wholesale price, to cover her expenses, and then reduces the rate for subsequent rentals) and creating contracts that include details such as cleaning and late fees and replacement values for items.

She also encourages her customers to take pictures of their PropHouse props in action, so that she can use those photos for future marketing efforts. The pictures should come in handy this year, when Majerik plans to invest more money into her PropHouse website, adding new features such as a shopping cart and online reservation tools, after a soft launch in 2013.

"I want more people to know that they can rent props from us, even if we aren't doing their flowers — though, of course, I would love to do their flowers," she said. That way, even if HotHouse is at maximum capacity for a weekend,

29/31
Average Marrying Age
(Bride/Groom)
2012 REAL WEDDINGS STUDY,
CONDUCTED BY XO GROUP INC.



PROP ENVY Mandy Majerik's extensive prop collection, including vintage furniture (top) and custom tree stump cake plateaus (bottom) are now front and center at PropHouse. Employee Jessica Morris (center photo, left) devotes most of her time to the new division.

PHOTOS: ALISHA CROSSLEY

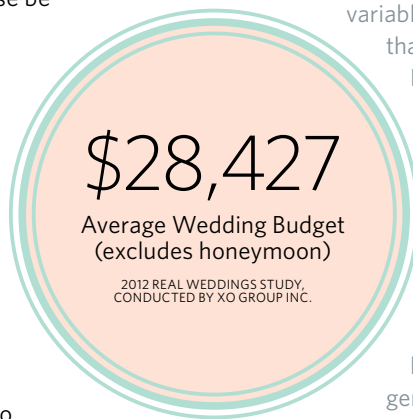


WEDDING TOUR Brides who come into HotHouse Design Studio are also treated to a 15-minute walk-through of the prop warehouse. The tours have helped increase average weddings by several hundred dollars.

PropHouse is creating additional revenue, sometimes from companies, including florists, who would otherwise be Majerik's competitors.

The Result: As of early 2014, PropHouse represented about 10 percent of Majerik's overall revenue. "After the launch of our Web reservation and product line website, we hope that we can increase that to approximately 25 percent by the beginning of next year," Majerik said.

A Good Fit for You? Inspired to put your collection of props and accessories to better use? Majerik suggests scouting your territory first. What's been hard for you to find? Are others in your area having the same trouble? It takes time to build up a covetable inventory — eight years in Majerik's case; she also invested profits back into the business to build up her goods. If you decide to jump in, take time to consider pricing, which "can be challenging" with rentals, said Goodman. "Part of it has to do with the cost of the item and the other is the market. For example, you can rent a car that costs \$25,000 for \$25 to \$50 per day, or about one- to two- tenths of one percent of the cost; however, if you are renting vases, it is not unusual to rent them for their cost." Most of the items florists would rent out would fit in to that latter category, Goodman said. "With a rental rate of 100 percent of cost, you would break even after your first rental." Still, Goodman said, in some markets, florists will have to lower their fees to be competitive, and that could cut into profits.



NUMBERS TO WATCH

Want to make your wedding business more profitable immediately? Buy separately from other work and get a handle on your Cost of Goods Sold (COGs) and labor costs, said Paul Goodman, CPA, PFCI. Here are his top tips for those areas:

PURCHASING. "The people who are most successful at weddings do a separate fresh flower purchase for their weddings," he said. "Put the flowers in the cooler, separated from your other flowers, and just use those." Combining your wedding flowers with your everyday options can easily lead to stuffing. "There's a temptation, if it's not separated out, to just add a bit more of this or that."

LABOR. Weddings require plenty of manpower, and you want to be sure to account for all of it accurately — complicated setups, expedited teardowns, weddings that require a person with specialized skill (say, your lead designer) to be on-site. "You need to have a labor charge that is roughly double what it costs to pay a person to do the job," Goodman said. He recommends the following formula: Take the person's hourly rate and then add 15 percent (to account for other variables such as taxes). Then, double that figure. That gives you a base rate. From there, figure out how many hours of labor the job requires and which employees are needed to complete the job; if you have people with different skill levels involved, you might need to come up with an average price, but resist the urge to simply tack on a flat fee (e.g., 15 percent) for labor. "In most cases, that's too general" and underestimates true costs to the business.

COGS. "Generally, there are three types of arrangements for weddings: general arrangement work (altar pieces, centerpieces, etc.), hand-held bouquets, and hand-wired and taped work," Goodman said. "Each of these has a different labor component and consequently needs a different labor charge." He recommends the following labor charges: arrangements, 20 percent; hand-held bouquets, 35 percent; and a 50-percent labor charge for bouts and corsages, because they're so labor intensive. **M.W.**



NEW ENERGY A third-party consultant helped Ian Prosser, AAF, AIFD, NDSF, PFCI, and his daughter, Zoë Gallina, realize that their business needed more formalized processes, and two divisions.

ALEX MCKNIGHT

processes, branding that wasn't cohesive across print and web materials and confusion over job responsibilities — namely, many customers thought Gallina was “simply” Ian's assistant ... and sometimes, she felt that way, too.

Founded in 1989 as a full-service florist, Botanica transitioned to a wedding-only studio about six years ago. The shift made sense. At the time, wedding work represented 60 percent of the company's sales, and lavish productions were Prosser's specialty; with his connections around Tampa Bay, Prosser could easily contract and coordinate almost all big-day visual elements — flowers, drapery, lighting, even custom floor covers — bringing some wedding jobs into the \$100,000-plus stratosphere. (Botanica maintains a collection of props and items in-house; for larger, more custom events, items are subcontracted through other companies.) Plus, Prosser had the benefit of a trusted colleague in Gallina, who joined Botanica full-time in 2007, though she also kept working as an independent events coordinator/planner.

But as business picked up and the lavish weddings came in, the behind-the-scenes work — communication with customers, marketing materials — weren't keeping pace, or representative of the studio's high-style brand. (Around that time, Gallina remembers sending out a proposal for a \$150,000 job on “a document that wasn't indicative of the caliber of the event,” she said. “It didn't look very professional.”) Other issues were also causing challenges. They didn't have standard practices in place for simple things, including protocol for answering the phones or guidelines for email communications. Perhaps most important, Gallina and Ian both felt worn out and unsatisfied. Gallina, still working on the side as a planner, was stretched too thin and ready to take on more responsibility while flexing her creative muscles, and Ian was spending too much time on weddings in the \$3,000 to \$15,000 range, when his true area of expertise was the mega-affair.

To cut through the clutter, the Prossers hired a consultant to come in and review myriad aspects of the business, from marketing and customer service to branding, communication

> The Tag Team

Botanica International Design and Décor Studio Tampa, Fla.

Snapshot: 125 weddings a year, averaging \$15,000 for Botanica's Custom Consulting Services; \$35,000 for Ian Prosser Productions

Wrong Size: Upscale studio with downscale, “one-size-fits all” back-end processes

Right Size: Streamlined processes, with two divisions designed to cater to two different budget categories

Lost: Confusion about staff roles

Gained: Efficient processes and procedures, long-term security for the business and greater job satisfaction for the people behind it.

In 2011, Botanica International Design and Décor Studio in Tampa, Fla., was doing about 125 weddings a year — and the average bride was spending \$15,000 (more if she booked the company coordinate production details beyond florals, including linens, chairs and props). The team, headed by Fiona and Ian Prosser, AAF, AIFD, CFD, NDSF, PFCI, and their daughter, Creative Director Zoë Gallina, had been singled out by wedding gurus at Grace Ormonde Wedding Style and Martha Stewart Weddings, among many others, and business was strong. From the outside, the business looked like a well-oiled (very lux) wedding machine. From the inside, the story was different — and more familiar to any florist in a family business: informal

and roles within the business. Over the course of a year, “she asked a lot of blunt questions,” Gallina said, “and one of them, to me, was: ‘What would it take for you to stay here, and never leave?’”

With Ian, she teased out his biggest concern: What would happen to the business after he left? How could he make the company more sustainable, and less dependent on him?

The exercises with the consultant led to a new structure within Botanica: For brides in the \$3,000 to \$15,000 range, Gallina, with the help of a new assistant of her own, would take the lead, under a division called Custom Consulting Services. Brides with budgets beyond \$15,000 would meet with Prosser (and Gallina would still assist on these grand affairs) through a separate division, Ian Prosser Productions. The change gave Gallina

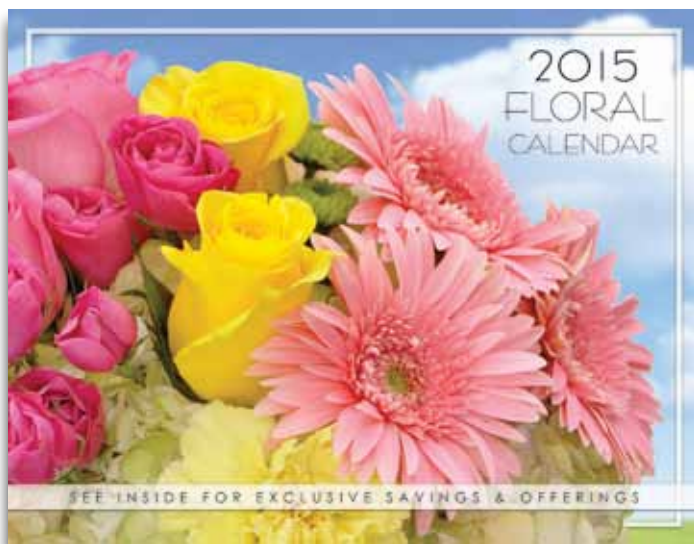
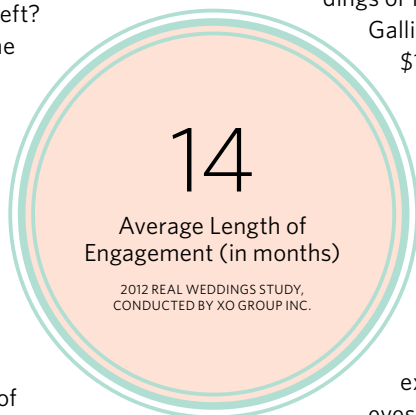
more responsibility, but it also ensured that Ian’s design talents — and eye for the mega-event — were being put to use in the best possible way.

The Result: The consultant’s help didn’t necessarily lead to an uptick in weddings or higher sales (today Gallina’s average ticket is \$15,000 and Ian’s is around \$35,000), but hiring a third-party achieved the goal Botanica was after: a smoother operation and people placed in the positions that allow them to flourish. The exercise “opened our eyes to constantly looking at how we do things, so that we can continually change and do things different and better,” Gallina said.

A Good Fit for You? Whether your typical bridal clients are spending \$200 or \$20,000 on florals, it pays to step back from time to time and double-check

that people on your staff who are ambitious and creative are getting opportunities to shine ... and recognition for their work. Try to see your business as an outsider might. Are your messages consistent? Do brides have a clear point of contact, and the feeling that they’re working with an expert? If you are run-down yourself, and thinking of bringing in a new team member or assistant for relief, you may want to slow down and look at other solutions first, Goodman said. Labor is a big part of wedding costs — and a potential black hole for profits if you don’t manage your team wisely and charge appropriately. “For most retail florists, (it’s better to) utilize the existing staff and maybe add a part-timer or two, maybe some overtime to cover the events,” he explained. (For more tips on how to keep wedding labor costs in check, read “Numbers to Watch,” p. 29.)

Mary Westbrook is a contributing writer and editor for the Society of American Florists. mwestbrook@safnow.org



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