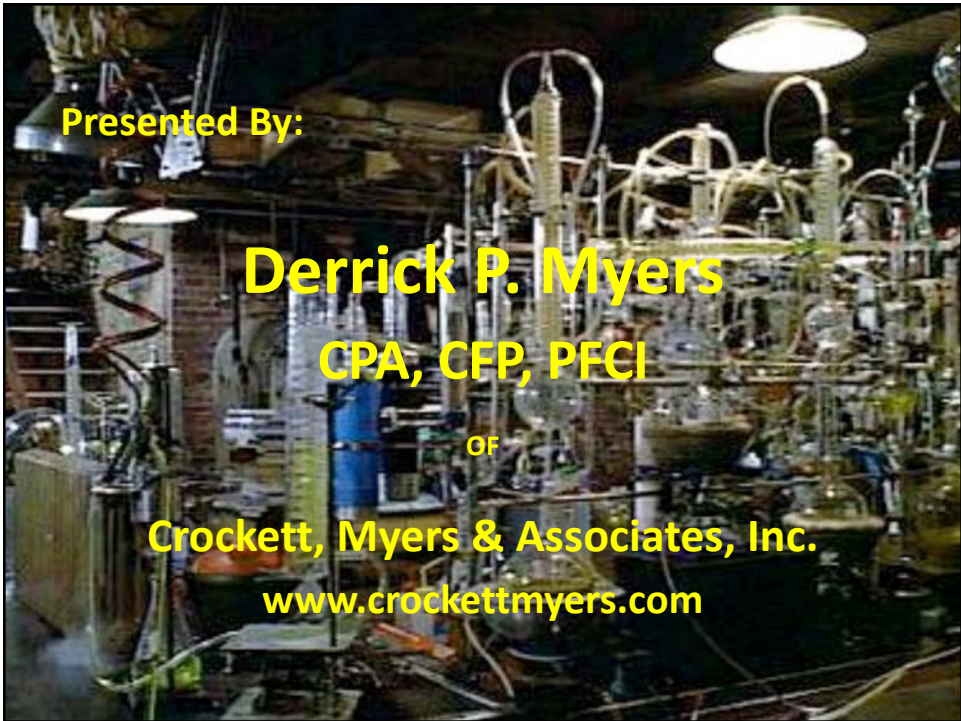




**Eventology:**

**The science of profitable events!**



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## The Science of Profitable Events

### Science Implies Formulas

- So what is the formula for a profitable event?

#### Components:

Design Labor

Flowers

Hardgoods and Supplies

Profit



## The Science of Profitable Events

### Science Implies Formulas

- So what is the formula for a profitable event?

#### Components:

Design Labor (L)

Flowers (F)

Hardgoods and Supplies (H)

Profit (P)



## The Science of Profitable Events

The right formula is crucial to profit.

- Start with your normal pricing model. Most florists start by taking 20% labor off the top and filling to value using 3 ½ times markup on fresh (flowers & greens) and 2 ½ times markup on hard goods.
- Adjust your pricing to reflect extra labor for elaborate or labor intensive designs. As the complexity of the design requires more time, you should increase the 20% to 30%, 40%, 50% or even more.

## The Science of Profitable Events

$$3.5F + 2.5H = .6S$$

The Pro is expected to, and using this formula will, make money!

## Get Paid for Services

**Be sure to charge the right amount for other labor.**

– **Make sure you charge for:**

- Delivery
- On site design
- Setup/tear downs
- Any other services that you offer

When pricing, target 3 times your employee's hourly wage.

– **Look into providing other services that you may not offer, such as:**

- Same day Wedding Coordinator
- Wedding Officiant

## Rental Items

**Most Florists rent large vases and small props, but consider other rentals such as:**

- Arches
- Candelabras
- Columns
- Linens
- Tents
- Tables & Chairs

**You already have people on site setting up so these items can add easy revenue to an event.**



## How to Charge for Rental Items

**If you purchase the rental items, try to get your cost back on the first rental when possible. Larger items may take two or even three rentals to recoup your cost.**

**If you rent the items, mark them up in a manner to stay competitive with the competition. Know your market.**



## Accounting for Rental Items

**Rental items and props are Fixed Assets and not inventory.**

**As Fixed Assets they should be depreciated using straight-line depreciation.**

**The term is either 3 or 5 years, depending on the estimated useful life.**

**We can use Code Section 179 depreciation.**



## Alternative Accounting for Rental Items

Create an expense category called Rental Props.

This also removes it from Cost of Goods Sold.

Other Income:

Event Rentals:

Income from Rental Items

Purchase of Rental items

Rental of Rental items

## Sales

### • Gross Sales

- Cash Sales
- Check Sales
- A/R Sales
- Wire in Sales
- Delivery Income
- Service & Relay Charges
- Outgoing Wire Orders

### • Inventory Sales

- Fresh Flowers
- Plants
- Balloons
- Dried & Silks
- Fruit, Snack & Gourmet
- Gifts
- Cards

Other Income

Delivery Income

Service & Relay Charges

Outgoing Wire Orders



## **Pinterest “Dream World”**

**If your potential customer is in a “Pinterest Dream World” you need to bring them back to reality!**

**Don’t just laugh at them and call them crazy.**

**Be the Pro. Explain and suggest options.**



## **Exceed Expectations**

**Always under-promise and over-perform.**

- Don’t promise anything you can’t do well.**
- If you promise to do something...do it.**
- Always add a little something extra, an unexpected finishing touch.**

