# Into the

# Tales from the floral frontlines of a global pandemic

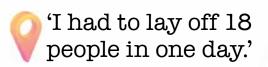
BY MARY WESTBROOK

hat we wouldn't do for a crush of prom-goers, nervous brides and proud parents right now. The global pandemic turned the economy on its head, and the floral industry went along for the ride. (An April 17 article from Bloomberg News, widely shared across social media, painted a dire picture with its memorable headline: "The Crash of the \$8.5 Billion Global Flower Trade.")



Floral professionals have grappled this spring with some of the toughest decisions of their careers, including questions that require them to balance public, employee and personal health considerations with the future — and in some cases, the survival — of their businesses. They're still grappling.

During the first two weeks of April, Floral Management reached out to industry members from across segments — and across the country. We wanted to know what they were facing and how that situation was changing. We wanted to share an oral history of what they've learned. And we asked them to look ahead, as best they could, to what life on the other side could look like, even as that story still unfolds.



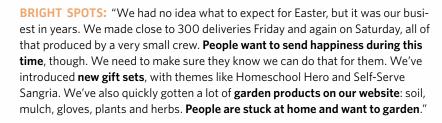
#### Kaitlin Radebaugh, AAF

SAF Board of Directors

Radebaugh Florist and Greenhouse
Towson, Maryland

LOW POINT: "The crisis hit Maryland hard in mid-

March. Under Maryland law, we could have kept our greenhouses open to the public, but we chose not to, out of concern for the safety of our employees. I had to lay off 18 people in one day. I cried after every call. It was heart-wrenching."



WHAT KEEPS ME GOING: "I am doing everything possible to keep us going, so that we can remain in business and so that people have jobs to come back to."





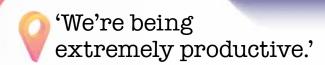
Ted Winston
Winston Flowers
Boston

## In this crisis, that sense of family really shows.'

LOW POINT: "After [Governor Charlie Baker] announced the shutdown of all nonessential businesses, we **furloughed our entire staff**. Everyone was more concerned about myself and my brother, David, and our families than themselves. They thanked us and looked forward to doing whatever it took when the time was right to build our business back. Many of our **business partners in the hotel industry and restaurant industry as well as our corporate clients will feel the reverberations of this for a long stretch**."

**BRIGHT SPOTS:** "We have **little debt, a good balance sheet and own a lot of our real estate**. Our business will look different coming out of this, but we'll be **agile at adapting to whatever new opportunities present themselves as a result of new behaviors**. I [do] fear that many florists, event planners, restaurants, etc., will not be able to make it through if stay-at-home orders continue with an extended period of social distancing in place."

WHAT KEEPS ME GOING: "We've always felt that it was our responsibility to create an atmosphere that people enjoyed working in, while working hard. In this crisis, that sense of family really shows."



**LOW POINT:** "During this period we've been in total lockdown, and that means **we have closed our doors**. Nobody is working in the office or the store. We had to let some people go. With the financial benefits of unemployment, frankly, it's the safe place for them to be. Corporate work was about 70 percent of our revenue before the pandemic. That work all disappeared overnight and **we're left with a lot of uncertainty**."

BRIGHT SPOTS: "We made a few key decisions right away about how we want to be prepared for the 'day after'— the time period after the crisis. First, we didn't put our people in jeopardy or try to circumvent the system. Second, we looked for ways to keep as many people busy with projects from home. They're working on new policies in our handbooks, reviewing our analytics, updating and refining our photo libraries, creating better systems to account for costs — things we've always wanted to do but couldn't get to, because we were so busy. We still have daily calls, regular meetings. Crazy as this may sound, we're being extremely productive."

WHAT KEEPS ME GOING: "We're finding ways to keep ourselves relevant every day. We're staying in touch with customers and trying new things, like a 'digital bouquet' that people can send to a loved one now. When they buy that, we'll deliver a real design once the crisis is over. I'm working on public relations initiatives that help brand flowers and our business. We got through the dot com bubble bursting. We got through 9/11. And we learned from those experiences. What's driving me is saving the company. I don't want this to be a moment when people say, 'Remember Starbright? They used to be great.' We've climbed the mountain of success before. We can do it again."



Nic Faitos Starbright Floral Design New York City



## 'Now is a good time to hit reset.'

LOW POINT: "The unknown hit us hard in mid-March, when businesses started to shut down. We knew we need to protect our farms and wholesale partners, safely, so we were asking: How do we continue to move flowers through the supply chain? The problem was demand. As retailers found ways to deliver and connect with customers — again, safely — we saw the industry come together. There was more synergy. By late March/early April, we started to see some wholesalers reopen. Every little bit helped. We started to feel more optimistic. Things changed really fast."

BRIGHT SPOTS: "We've tried to keep things as normal as possible in a time that is not normal and to be transparent with our team. We still have our morning meetings every day. We have midday breakout sessions. Tools like Microsoft Teams have helped us communicate — maybe better than we did before. When you're together in an office, you can sometimes feel miles apart. The more remote we've become, the harder we've worked to bring people together."

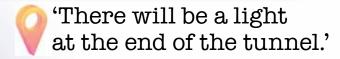
WHAT KEEPS ME GOING: "We've always been big on dedicating time to strategy, to looking around the corner, or trying to. Now is a good time to hit reset — to think even more critically about what's working and what isn't, what we want to do more of and what we need to do less of. This crisis is a big challenge for all of us, but it's also giving us the opportunity to ask, 'If I started my business fresh today, what would I do differently?' This isn't the first crisis our industry has faced. It won't be the last."



Oscar Fernandez
SAF Board of Directors
Equiflor-Rio Roses
Miami



Christopher Norwood, AAF, AIFD, PFCI SAF Retailers Council Tipton & Hurst Little Rock, Arkansas



**LOW POINT:** "The weekend of March 14 to 15, we had over \$50,000 in event business booked, with flowers ready to go. Overnight, **everything seemed to hit**. That Friday, it **was just phone call after phone call: cancel, cancel, cancel**. We ate those costs. We felt like we had to — **our philosophy has always been we guarantee satisfaction and this pandemic was out of customers' control**. We gave the flowers to shelters for women and children and local nonprofits."

BRIGHT SPOTS: "In mid- to late March, it was scary. We couldn't even get product. Sales were down 50 percent some days. Things improved in early April, but we've had to adapt. We changed how we market designs on the website. We updated our substitution language and now direct customers to 'Designer's Choice' styles to give our team more flexibility — so that they aren't tied to a particular flower. We're buying whatever we can find as long as it's fresh and has some longevity. We're taking every challenge day by day."

WHAT KEEPS ME GOING: "This isn't my job. It's my passion. I worry about my employees. I worry about their families. I think about their livelihoods and their health. My daughter sewed face masks for our team. We do daily temperature checks. We have social distancing all around the store, marked off in tape on the floor. We instituted hazard pay — a certain percentage of their normal pay. It's important to recognize that this isn't a time of 'business as usual.' There will be a light at the end of the tunnel, we just don't know how long the tunnel will be yet."



#### 'I have a sense of urgency.'

**LOW POINT:** "We won't start our season until the end of June, but as a council chair for Certified American Grown (CAG), **I'm spending my time gathering information that could be beneficial to our members** — they don't have time now to be on the computer or in front of the TV ciphering through information. I was really sad when Ocean View Flowers in Lompoc, California, closed [in March]. I loved working with that farm, and they had some terrific people there."

**BRIGHT SPOTS:** "The camaraderie of our CAG members. We talk almost daily, sharing information. **Sometimes, we just need to commiserate** with someone who totally understands what we are facing."

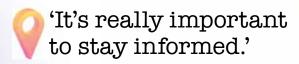
WHAT KEEPS ME GOING: "We are doing a lot of marketing preparation right now — writing blogs and newsletters. I have a sense of urgency now that I didn't have before. We always think we have more time for whatever. In actuality, we do not control our lives as much as we once thought."



**Rita Jo Shoultz** SAF Growers Council **Alaska Perfect Peony** Fitz Creek, Alaska



Michael Pugh, AAF SAF Board of Directors Pugh's Flowers Memphis, Tennessee



LOW POINT: "Early on, I had to tell my 78-year-old mother that she couldn't come in anymore — and that was really hard. She's a widow. Working here every day has been a big part of her life. But because of her age, she's in that high-risk category. There's so much uncertainty — Mother's Day has raised all kinds of questions. How do you try to plan with so many unknowns: Can I get the product? Will I have the labor? In a normal year, I would have rented five refrigerated tractor-trailers by this point. My rental guy just told me he's not even sure he'll have them now if I need them — there's so much demand from the grocery market [for the trucks]. Working through the PPP loan application with my local banker, it seemed like everything changed every few days. It's almost impossible to plan."

BRIGHT SPOTS: "We communicate constantly with our employees and we're prioritizing safety — sanitizing everything, spraying down [delivery] vehicles. We're trying to hold onto every employee we can, because we don't want to be on the backend when this crisis releases and not have any employees. We had quite a few people volunteer up front to take time off or cut hours or use vacation time and that helped with payroll. They want to work, but they understand what we're facing."

WHAT KEEPS ME GOING: "My peer group and industry associations — including SAF — are helping me stay abreast of new information. I'm spending time on bank websites and banking association sites. For years, all of us have probably gotten, and probably ignored, email newsletters from our CPAs, but that was one of the first things I asked my CPA to do: 'Add me to your list for any updates.' It's really important to stay informed."



Staci Bryant Expressions Unlimited Greenville, South Carolina



## 'Our community has rallied around us.'

LOW POINT: "I always thought that, by working harder or smarter, I could overcome any challenge. Letting people go was the hardest thing I've ever had to do. I told them, 'Please be patient. I'm letting you go now so that I can save the business, so that you'll have a place to come back to work when this is over.' But it was devastating."

BRIGHT SPOTS: "I've been very focused on safety and sometimes I've struggled with the balance — saving my business versus the public good — but people still need flowers and that emotional connection. Our community has rallied around us. One customer called at the end of March and said, 'What can I do? What can I buy?' She ended up prepaying for 10 oil changes for my delivery vans. That's the kind of thing that makes me want to push through."

WHAT KEEPS ME GOING: "We keep brainstorming how to stay top of mind and use technology — funny videos on social media, FaceTiming with funeral directors. I want to get to the other side and that means we have to stretch our wings and try new things. I tell my staff all the time: 'I'm going to keep you on as long as I can, but I can't promise you what you'll be doing'— it might be sales, it might be flower arranging, it might be videos, and it's probably going to be all of the above. They understand."





## 'Adapt quickly or perish.'

**LOW POINT:** "In mid-March, I thought that the world was coming to an end. We proactively made a 27 percent payroll cut, broken down in three tiers: lower earners lost 20 percent, mid-level earners lost 25 percent and our highest earners lost 30 percent. It seemed that the world was crumbling in front of us. I have three kids and 53 employees that look up to me. Failing is just not an option. Lots of others are having it much worse, and they're pushing forward. So, we do the same."

**BRIGHT SPOTS:** "We've always had a very progressive culture, and in the technology world, **you either adapt quickly or perish**. We've changed things very quickly and without hesitation. Most companies are very fragile; we realize that under a crisis. If you don't have cash on hand, it'll be a rough ride. **Having discipline in your accounting and your financials makes a lot of difference** when these situations arise — you're able to know **exactly where you are on a daily basis**."

WHAT KEEPS ME GOING: "We're using this time to catch up on those projects that we've always known we need to do but that we never found the time to execute. We're matching those projects with what we think that will be changing in the near future so that we are as prepared as we can be. We think that e-commerce and digital channels will grow exponentially in the next couple of months and, as such, are working a lot on that front."



**Alejandro Pérez** SAF Wholesalers Council **Komet Sales** Bogotá, Colombia



Michelle Castellano Keeler, AAF SAF President-Elect Mellano & Company San Luis Rey, California



#### 'Do more with less.'

LOW POINT: "On March 20, we temporarily closed our four wholesale houses and essentially shut down our farms. We let 90 percent of our employees go that day. Since then we've been able to bring some people back, but that day was really hard. You're standing in front of someone who feels like family, and you're crying, and they might be crying, and because of social distancing, you can't even give them a hug."

BRIGHT SPOTS: "We know how to make tough decisions quickly, and why it's critical to do so. We wanted to keep everyone on staff employed, but the stay-at-home order [in the Los Angeles area] made that impossible. Demand dropped off and the writing was on the wall. Our ability to stop in the middle of a crisis and say, 'OK, things have changed, now we need to find a new path' has been important. By letting our employees go, they could take advantage of unemployment benefits and we could work to ensure that there is a business for them to come back to. You can terminate people and bring them back when things improve. If you go out of business, though, you can't bring anyone back."

WHAT KEEPS ME GOING: "Past experiences like 9/11 and the 2008 recession taught us how to do more with less. Everyone keeps saying the COVID-19 crisis is unprecedented, and in so many ways it is, but there are lessons we can draw from other crises."



## 'We have to keep the ship moving forward.'

LOW POINT: "In the beginning, it was a challenge to keep the business open. The most difficult part was demand. We saw up to a 90 percent drop in our volume some weeks. If there is demand, we'll find ways to get flowers. But if there is no demand, there's nothing we can do. There are many delays for growers. For example, the pandemic hit Italy so hard, and beyond the terrible human toll, spring is peak season for Italian peonies. From early March until mid-April, Italian growers couldn't get any product out."

**BRIGHT SPOTS:** "I've been amazed by the **creativity of our customers**, and how they are using social media to connect with their own customers."

WHAT KEEPS ME GOING: "We're an American company but we have Dutch roots. That means we've always been a little conservative with finances. We were never sexy. That approach helps. We were already lean and mean and we'll have to stay that way. We've always watched costs closely, limited overhead and looked for efficiencies. Right now, we're in the middle of the ocean and there is a huge storm. We can't see ahead. We have to keep the ship moving forward, hopefully in the right direction. But I am optimistic. Eventually, restaurants will be full again. Life will return. People staying at home for such a long time might even make them appreciate flowers more. Everyone who gets through this will be busy again at some point. We need to be ready."



Marco Groot Hilverda De Boer USA New York City

#### THE BIG UNKNOWNS

As editors researched this story, we talked in depth with members of the floral community about the big unknowns ahead of us: How and when and can the economy recover? How will the crisis reshape consumer behavior? When will people feel comfortable gathering in groups? Is remote work going to become the norm? Will Americans move more online than ever to shop or rediscover Main Street? Will the federal loan money make enough of a difference to enough floral industry businesses? What will the supply chain look like?

The truth is, we don't know the answers. Not yet. But in the meantime, the Society of American Florists is working tirelessly on the industry's behalf to compile the best and latest information available to help you guide your business.



