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Design Room Dynamics

Leverage these strategies to keep fresh product and labor costs under control.

BY BRUCE WRIGHT

The labor market is tight. Designer payroll is a high cost of doing business. Flowers are in short supply and getting pricier by the month. What can you do in the design room to maximize productivity and to keep rising costs from overtaking profits?

Measure your margin

Start with a simple check: Compare your costs in fresh cut flowers to a dollar amount that represents your sales of those flowers for one week. Are you making a healthy net profit?

You don't have to do this every week, or examine the figures with a fine-tooth comb, says Vonda LaFever, AIFD, PFCI and CEO of Flower Clique, a provider of business tools and services for retail florists. The idea is, first, to know whether you have a problem; second, to establish a baseline to measure your progress.

Finding your costs is easy: "Just clip your invoices together and add them up," says LaFever. Some florists enter those figures into an online system such as QuickBooks.

To calculate sales, run sales reports that reflect any category where fresh flowers are the major product component. "Look at arrangements, roses, casket sprays — anything that comes out of your design room that has fresh flowers," says LaFever. "Add all of these up and compare them to your costs."

Clearly, "arranged flower sales" includes some costs that are not fresh product (containers, foam, etc.). If you were comparing your total cost of goods sold to sales in these categories, you might expect it to be something like 33%, according to LaFever — using a ballpark figure.

"Roughly 8% of that will be associated with containers," she further explains. "So, your goal for just fresh flowers is 25% of sales or less." Again, that's not a firm standard, because every shop's situation is different. The real point is to establish a baseline figure so that in the future you can monitor whether that figure goes up or down.

Control shrink
Don't overlook the importance of rigorous care and handling procedures in controlling product costs. It's been shown time and again: The time and money invested in the three C's — cooling, care, and cleanliness — provides a rich return on investment, both in terms of reduced shrink and in terms of customer satisfaction.

How cool is your cooler (optimal temperature is from 33-35 degrees Fahrenheit)? Do you treat all your fresh cut flowers with an appropriate hydrating, storage, or vase solution, carefully mixed in the right proportion? Are buckets, design tools and work surfaces regularly cleaned and sanitized? Links to research and practical advice on each of these topics — cooling, care, and cleanliness — can be found on the website of the American Floral Endowment.

Eliminate overstuffing
When it comes to controlling cost of flowers, overstuffing is enemy No. 1. And while it has long been acknowledged as such, the problem persists — mainly because solutions can seem cumbersome and time-consuming.

"It's a real challenge between left brain and right brain," says Michelle Jones of Flowers by Michelle in Las Vegas, Nevada. "You know you've got to stay on target money-wise, but on the creative side, it's like, 'I've got a hole there, and it will look better if I just throw this one flower in.'"

The traditional way to counter that tendency — and in Jones's experience,

the one that works the best — is to use a pricing sheet to record the retail price of every stem used in a design.

Skilled designers, of course, know in advance how to select flowers that will add up in a way that approximates the goal. But a pricing sheet provides a necessary check. "It's when designers do it all in their mind, instead of making an accurate calculation, that problems arise," says LaFever.

Today, Jones's team is relying less on pricing sheets than in the past because they have found they can achieve the same result using design recipes. But it remains a sure-fire method that is also handy for keeping track of substitutions in design recipes.

"When they first start using it, no one's a fan," says Jones. "I've never met a designer that's like, 'Oh, I love this!' But once they get used to it and see the advantage of it, they're fine with it."

Some designers see it as a fun challenge, Jones says.

"I've had designers get excited and say, 'Look, I got within 20 cents of the goal!'" says Jones. "It becomes a personal challenge."

Stuffing is the easy way out; hitting a price target with a design that looks full and well balanced is the mark of a professional.

Rely on recipes
The arrangements on your website should have a design recipe and be priced for profit. So, if you stick to the recipe, you're set. Of course, those two provisions — correct and current pricing and sticking to the recipe — are key.

At Town and Country Flowers in Huntington, Indiana, the website features some Teleflora and FTD arrangements, but most designs on the website originate with Flower Clique. Owner Jeannie Myers counts on pricing guidance and regular website updates from Flower Clique for assurance that the designs can be reproduced profitably because of the recipe. "Knowing that I have profitable product showcased on my website gives me a level of comfort," says Myers.

Even if the order is "designer's choice," that's no reason not to fill the order using a time-tested and profit-vetted recipe design. "When the recipe

is chosen, the recipe and picture are printed off for the designer and attached to the order," says Myers. Any substitutions need to be flowers of similar value, although color and texture should be considered as well.

Given today's supply chain issues, recipes require a watchful eye in relation to flower prices and availability. Good relations with suppliers have served Myers well, she says, to keep wholesale costs and flower choices as consistent as possible. That helps her control costs in the design room.

Track designer productivity
It's also important to track labor costs. This is something Myers does every two weeks when she does payroll. Since hers is a small shop with not many employees (her design room might have from one to three people in it, including herself, on any given day), she doesn't find it necessary to look at design labor as a separate labor category.

In fact, one of the lessons she has learned is that keeping track of her business costs doesn't have to reach a daunting level of detail. It's more about making regular checks on key indicators.

By contrast, Absolutely Beautiful Flowers in St. Petersburg, Florida, is a big, high-volume shop with as many as 10 to 15 designers and design assistants all working together on a busy day. Co-owner Brian Sykes says he and his partner make a point of tracking designers' productivity daily. The designers fill out a form for the shop manager, which then gets keyed into the system.

"They know they're being tracked," says Sykes. "And they know, if their number drops, they're going to have a discussion with me: 'I brought you up from $11 an hour to $12, then $13, then $14, because you were doing 34 arrangements a day, and now you're dropping back to 25.' A blip for a day or two is not going to trigger anything, but more than that, we're going to talk."

Divide the labor
At a large shop like Absolutely Beautiful Flowers, hiring design assistants is a no-brainer. But even at smaller shops, it can be a helpful strategy. "Anytime you can help a designer in preparations

— pulling vases and flowers, possibly pre-greening the containers — it's going to speed up production for your designer, who is the most expensive member of your staff," notes LaFever.

Take a careful look at what your designers do and consider what a trainee can be taught to do. Processing is a great example, says Sykes: "On a Monday morning, with 110 boxes of flowers to unpack and process, we have two people physically moving the boxes, two people cutting, two people treating the cut stems with Quick Dip, putting them into buckets and getting the buckets back into the cooler."

Train and plan for speed

New designers are typically expected to produce a certain number of designs per hour after an initial training period. "When I have a new designer, I place their station next to a fast designer, so they can get a sense of the pace," says Jones. "And that works. They don't want to be the slowpoke in the bunch."

Pulling flowers and greens for a specific design takes considerable time. If you don't have an assistant to perform that task, encourage designers to learn how to fetch everything they need, including hardgoods, at one go — perhaps even for more than one design.

saving design time, now you don't have to spend time pulling the stems or calculating the cost."

Premade foliage bouquets are available from some foliage suppliers, LaFever noted. Again, not only do they save time in design but they are also already priced out. A designer can drop them into a vase or use the stems to cover foam in a container and begin adding flowers.

Organize your design room for efficiency

Reconfiguring the layout of your design area in such a way that designers take fewer steps to reach the cooler or the sink, or to fetch containers, can be a major time-saver.

At Absolutely Beautiful Flowers, this opportunity came about in the worst way, following an arson attack that destroyed the shop so that it had to be rebuilt from scratch. "I had always found it frustrating to see people carrying buckets of water around to soak the foam," Sykes recalls. "So, for the redesign, we put in external taps, one for each station, with marine hoses about eight to 10 feet long. The plumbing wasn't cheap, but the savings in time and productivity has been huge."

Before the fire, containers and other hardgoods were stored in cabinets against a back wall, as in most flower shops. At the staff's suggestion, items that were formerly stored on shelving were instead displayed on peg board with hooks. Some items also now are stored in aluminum tackle boxes, one below each design station. The new system not only saves design time, says Sykes, it also makes the inventory process easier.

That story drives home what might be the most fundamental strategy of all, when it comes to controlling costs: If you are a store owner or manager, remember to make your design staff your allies in the effort. Stress and show how the benefits of controlling both product and labor costs accrue to all, by keeping the business healthy and competitive. An appeal to team effort goes a long way. ❦

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That situation won't apply in most shops. But consider that while many of the jobs designers are sometimes required to do — such as sanitizing coolers, buckets, tools and work surfaces — don't require design skills, they do require a dedicated employee's priority attention and expertise. And if the result is that your designers work fewer hours, but you can afford to pay them a little more, that may be a win-win.

Also bear in mind that switching gears from one job to another drains focus and efficiency. "I know that at many shops, especially smaller ones, the designers are also the customer service people," Jones observes. "What I found early on, even when my shop was small and I was the only designer, was that it really helped to have a customer service person to process flowers and take phone calls."

Flowers by Michelle employs six designers and about 18 employees total, including part-timers. Jones's customer service staff not only relieve designers of distracting phone duties but grease the wheels doing things that otherwise might not get done.

Techniques for efficiency that most florists use only at busy holiday times can sometimes be adapted for other times of the year. That includes making popular designs in advance and even using an assembly line to work more quickly.

"We have learned that we can have a designer make up maybe 10 or 12 of the most popular designs off our website, so they're just waiting," Jones says. "Then we can just grab them, tag them, and send them out the door as needed," including for designer's choice. "That has really helped improve productivity. We might also green up a bunch of vases and then pull them out to speed up production for a customer who's just walked in and is in a rush, or for a driver who's got to get something out quick."

At nonholiday times, this works especially well with vase arrangements that can be altered or even combined as needed.

"If you sell a designer's choice at $150, and you have in your cooler two premade bouquets at $79 each, you can combine them," suggests LaFever. "We call it bundle fusion! In addition to

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