

Lesson B2–12

Managing the Flower Shop

Unit B. Floriculture

Problem Area 2. Floral Design

Lesson 12. Managing the Flower Shop

New Mexico Content Standard:

Pathway Strand: Agribusiness Systems

Standard: VI: Use sales and marketing principles to accomplish an AFNR business objective.

Benchmark: VI-D: Merchandise products and services.

Performance Standard: 1. Identify key components to organize a sale. 2. Build and develop customer relationships. 3. Conduct sales presentation. 4. Provide post-sale service. 5. Handle customer complaints. 6. Locate prospective new customers.

Student Learning Objectives. Instruction in this lesson should result in students achieving the following objectives:

1. Describe the qualifications to be a florist.
2. Describe the types of flower shops.
3. Explain the basics about good location and starting a floral shop.
4. Describe the importance of marketing, promotion, and sales.
5. Describe effective packaging and delivery.
6. Explain the major areas of an effective flower shop floor plan.

List of Resources. The following resources may be useful in teaching this lesson:

Recommended Resources. One of the following resources should be selected to accompany the lesson:

Biondo, Ronald J. and Dianne A. Noland. *Floriculture: From Greenhouse Production to Floral Design*. Danville, Illinois: Interstate Publishers, Inc., 2000.

Other Resources. The following resources will be useful to students and teachers:

Behe, Bridget K., et al. *The Retail Florist Business*. Danville, Illinois: Interstate Publishers, Inc., 1994.

Griner, Charles. *Floriculture: Designing & Merchandising*, Second Edition. Albany, New York: Delmar Publishers, 2002.

List of Equipment, Tools, Supplies, and Facilities

Writing surface
Overhead projector
Transparencies from attached masters
Copies of student lab sheets

Terms. The following terms are presented in this lesson (shown in bold italics):

Bucket shop
Carriage trade shop
Clearinghouse
Demographic study
Displays
Empty nest couples
Fictitious name statement
Filling florist
Franchise shop
Gray market
Marketing
Marketing mix
Promotion
Resale license
Satellite shop
Sending florist
Stem shop
Tax number
Up-selling
Visual merchandising

Interest Approach. Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Have the students create a list of the various flower shops in the area. Have them list what the shops have in common and how they differ. Then, have them think about what it takes to run a florist business. This will start the students focusing on the issues that will be covered in this lesson. Have the students share their thoughts with the class.

Summary of Content and Teaching Strategies

Objective I: Describe the qualifications to be a florist.

Anticipated Problem: What skills must I possess if I am going to become a florist?

- I. Most people enter the trade because they enjoy flowers and plants. Working with them brings joy and rewards. However, opening a business requires training and knowledge about the industry, training in floral design, and the ability to spot and keep up with new trends. There are a variety of ways to obtain these skills including college courses, working in floral shops, and attending training sessions offered by trade and professional organizations.
 - A. Major skill areas include:
 1. Business knowledge keeps a florist in business. A florist needs to develop knowledge of advertising, marketing, buying, inventory control, effective pricing strategies, computer skills, bookkeeping, accounting, and employee relations. When partnering with someone in business, two individuals can take advantage of each other's strengths to offset their individual weaknesses.
 2. Personal skills include honesty, trustworthiness, drive, energy, patience, tact, compassion, consistency, and integrity. These skills will result in an ethical business operation. These skills cannot be taught in the classroom, but a "people person" who is a good communicator is usually found in successful business operations.
 3. A potential florist must possess knowledge of floral products. This includes an understanding of plant care and handling, design principles, display techniques, and overall creativity.

Use TM: B2–12A to reinforce the qualifications of a successful florist. Have students read the appropriate section in the recommended text as an introduction.

Objective 2: Describe the types of flower shops.

Anticipated Problem: What are the various types of floral shops?

- II. There are several broad categories that most floral shop operations can be placed in. They are as follows:
- A. Full-Service—this is the traditional floral shop. It offers a wide variety of services and products to meet the consumer’s needs. Usually a member of one or more wire services, the full-service shop does wedding and sympathy work and fills various other needs. The successful full-service shop owner is usually a good businessperson and prominent member of the community.
 - B. Large-Volume Florist—a large-volume florist sells large quantities of design work because of a well-executed marketing plan. The owner is an expert in planning, budgeting, financing, and training. This type of shop offers many of the services that a full service shop offers, but does a great deal of large quantity orders. Large-volume florists are often found in big cities, and work with corporate accounts such as hotels and businesses.
 - C. Party/Wedding Florist—this type of florist shop is considered a specialty shop that has restricted its work to event planning for weddings and parties. One of the cautions about operating this type of shop is that the market area must be able to support the specialization if the business is going to survive. Another key to success is working with other businesses in the specialty area of weddings. It requires the owner to be a good communicator, creative, and dramatic in carrying out the plans requested by the consumer.
 - D. The *carriage trade shop*—provides extensive personal service to a limited, elite clientele. It offers the services of a full-service shop, but in a lavish, upscale manner to a limited customer base. The key to this shop’s success is developing a name and reputation with the desired clientele. The ability to communicate with this type of customer is critical.
 - E. Stem Shop or Bucket Shop—the *stem shop* is a cash and carry operation that offers a variety of flowers and foliage by the stem or bunch, and is often referred to as a *bucket shop* because the flowers are sold directly out of buckets or large containers. One of the keys to this type of business is a heavy traffic area. Stem shops are commonly found in grocery stores or malls.
 - F. A *satellite shop*—a second shop operated by a full-service shop, commonly found in strip malls and shopping malls. Satellite shops might also be found in hospitals or office buildings. Increased exposure and traffic are the main reasons why a full-service shop might open a second location. The survival of a satellite shop will require the owner to have skills in planning and organization.
 - G. Franchise—a *franchise shop* is a flower shop that is purchased from and operated according to a parent company’s operating specifications. The shop owner pays a percentage of gross sales to the parent company for use of its name and business services. There are not many shops of this type, because the initial cost of purchasing the franchise can be quite high. However, the advantage of a franchise is name recognition and demonstrated services and products in the marketplace.

Display TM: B2–12B to illustrate the different types of flower shops. Use the suggested reference to reinforce the specific services offered by the different shops.

Objective 3: Explain the basics about good location and starting a floral shop.

Anticipated Problem: Where should a flower shop be located and what are the basic legal requirements?

- III. The key for finding the best location for a shop is to conduct research about the area where the business is to be started. This research should include the potential state, city, and neighborhood. Competition, population, traffic flow, parking, visibility, and wholesale florist locations must be taken into consideration. The prospective owner needs to also evaluate the economic and demographic information about the potential areas. A **demographic study** is a report of the size and distribution of population in a specific area. It will include information on age, education, income levels, and other information about a community. Information on the community will allow the future florist to see if there are trends like **empty nest couples**—people under 65 who no longer have children at home, and are more likely to spend money on flowers. The **gray market**, people over 65, typically spend less because of their fixed incomes.
 - A. There are some basic legal requirements to be met before operations begin. Licenses and permits to run a business must be obtained from state, county, and local governments. These vary, so government officials should be consulted to determine the specific needs for the area. Five important licenses for a florist to obtain are as follows:
 1. A **fictitious name statement** is a document that must be filed with the county to register the business name and prevent another business from using that name in the county. There is a filing fee and a notice must be published in county newspapers.
 2. A federal employer identification number (FEIN) must be obtained if the florist is going to have employees. This number will be used by both the Internal Revenue Service and the Social Security Administration as its identification source on tax returns and other required filings. If the business does not have employees, the owner's social security number is used.
 3. A **resale license** or **tax number** is a number obtained so that the required sales tax can be collected and wholesale items can be purchased without paying sales tax. It is applied for through the state's revenue department. A county resale license might also be required.
 4. Professional licenses are issued by the state agriculture department, registering a business to meet certain state regulations. This is not required by all states.
 5. Special licenses are issued for special services that might be provided by a florist, such as a liquor license and pesticide application license. Helium tank owners and operators are often required to have licenses that would fall under this category.

Have students gather information about a certain area that might support a floral shop. Have them conduct the research using the Internet or other sources to determine a good location. The students should

search out the information about licensing and what legal requirements exist in the area. Limit the inquiry to within the state or surrounding area so that the information might be usable to the students someday. Use TM: B2–12C to illustrate the various factors to be considered in deciding where to locate a shop.

Objective 4: Describe the importance of marketing, promotion, and sales.

Anticipated Problem: How does one market and sell floral products?

IV. Marketing is an essential part of the retail business world.

- A. **Marketing** is the process of selling a product and providing a service the consumer wants or needs. The goal of marketing is to determine the most effective market mix and market strategy for a given consumer base. A **marketing mix** is a combination of activities and shop characteristics that attracts and retains customers. Market mix will vary from one shop to the next based on the nature of the customer base. There are five guidelines for effective marketing:
1. Define specialties or strengths of the particular floral business.
 2. Define the targeted customers or target market.
 3. Determine the products the customers want to buy.
 4. Determine how to communicate the message.
 5. Decide the specific products and services to offer the target market.
- B. **Promotions** encompass a variety of activities that lead to public name recognition. Promotions might include advertising, community involvement, contests, punch cards, coupons, demonstrations, educational articles, logos and image development, window displays, publicity, signs, and effective selling techniques.
- C. Advertising is probably the biggest promotional activity that florists use on a daily basis. Advertising can vary from print, to voice, to video, to the Internet. Yellow pages advertising is used due to the majority of orders being received by telephone. An affiliation with a wire service is an important aspect to include in advertising. Wire services include FTD, Teleflora, Florfax, and others. A florist who sells a wire service order is called the **sending florist**. Orders are sent via phone, fax, or computer. The **filling florist** takes the order and fills and delivers it. On a monthly basis, accounts are settled through the wire service **clearinghouse**, which determines which florists need to be billed or debited, and which florists are to receive checks or credits based on order activity.
- D. Smart selling is invaluable to the retail florist industry. A salesperson must be versatile in handling a variety of situations, from weddings to funerals. Sales people must have knowledge of flowers, and must be friendly and personable to project a positive image for the shop. They need to be good listeners as well as effective communicators. One valuable skill that a salesperson can develop is **up-selling**, a technique of persuading a customer to make a larger purchase than originally planned, by offering a range of prices, not just the lowest, and suggesting the purchase of related products.

Present the information above in a lecture/discussion format. Reinforce the discussion with TM: B2–12D. Have the students create an advertisement for a floral shop that would run for a certain holiday season.

You could also cover the information when selling products from a greenhouse. Teaching skills of salesmanship during these sales are effective at retaining future customers and meeting the objective of this lesson.

Objective 5: Describe effective packaging and delivery.

Anticipated Problem: How should effective packaging and delivery be handled?

- V. Packaging plant materials has a two-fold purpose, protecting the design from outside weather, and providing shop image promotion and advertising. On very cold days, items should be double bagged and the delivery vehicle should be warmed up.
 - A. Packaging materials to protect design work include sleeves, bags, cellophane, tissue, paper, or any combination of the above. The package should be neat when finished and held together with tape or staples. Ribbons and accessories might be included and the package should be finished off with a shop sticker.
 - B. Delivery is an essential part of the floral business. It is the link between the designer and the customer. Efficient routing and delivery schedules must be maintained. The delivery person must be good at maintaining the delivery vehicle and loading the items. He or she must be timely and safe, neat in appearance, and courteous. Items to be delivered must be secured in the vehicle. Various ways to accomplish this task include using sandbags, bricks, boxes, and plastic carriers. Placing tall items on the side and shorter ones in the middle of the vehicle will help in effective loading. Deliveries fall into several categories and charges for them will vary:
 - 1. Regular deliveries are those that are made in an area predetermined by the shop owner.
 - 2. Out-of-area deliveries are those outside of the predetermined area and carry a larger delivery charge.
 - 3. Timed deliveries are those that are to be delivered at a time determined by the customer (usually for birthday's and anniversaries).
 - 4. Special deliveries are for those customers that forgot, or were not aware of a floral need, and a last-minute delivery trip must be made. Additional charges could apply.

When making sales in the school, the students should create the packaging of products. A good time to do this is at Valentine's Day. As a class, they can develop the packaging materials needed when selling roses or carnations in bundles. Use TM: B2-12E to reinforce the different delivery categories. LS: B2-12A will provide a good application for practicing the packaging of cut flowers.

Objective 6: Explain the major areas of an effective flower shop floor plan.

Anticipated Problem: What primary areas are needed in a floral shop floor plan?

- VI. There are four major areas to consider when developing a floor plan:
- A. The sales area should contain a display window and have a good entry spot that invites the customer into the store. The sales area needs room for display units, display coolers, tables, shelves, a sales counter, cash register, and possibly a plant area. Lighting should be taken into consideration along with the flooring, wall coverings, and ceiling. Traffic patterns should encourage the customer to look at all available merchandise before making a purchase. Effective displays in the sales area will promote a greater volume of sales. **Visual merchandising** is a coordinated plan to attract customers to the flower shop and to make a purchase. **Displays** are one component of visual merchandising; they attract attention, create interest, and motivate the customer to want to buy the items displayed.
 - B. The design area, or workroom, needs to include design benches, easy access storage for containers and supplies, receiving and delivery area for incoming flowers, and an outgoing area for deliveries. A storage cooler should be located in this area. The cooler should be large enough to hold the increased volume of flowers during busy seasons. Good lighting, accessible water, drainage, and good shelving are important to a design area. Design benches should be at a height that is comfortable for working while standing.
 - C. Wedding consultation or funeral consultation areas should be located where conversations will be undisturbed by phones and other people. A table and several chairs should be provided. An area that is neutrally decorated and furnished can serve the needs for both types of consultations. However some funeral ordering will take place over the phone.
 - D. The final area is the office. This area should be convenient for supervision of both the design and sales areas. It should be equipped with as much modern office equipment as possible, including computers, telephones, and fax machines, and have Internet capabilities.

Reinforce the content by displaying TM: B2–12F. Then, have students develop a floor plan for a shop. Consider obtaining the dimensions of a building in town that is currently available and have the students draw up a floor plan for that site.

Review/Summary. Simply liking flowers will not be enough to successfully operate and run a floral shop. Owners must possess many attributes and have a good understanding of business practices. Location, coupled with the type of floral shop, will play a major role in the success of the shop. Finding the best location requires a great amount of research, but if properly done, it will allow the shop to be profitable. Once the site is selected, a floor plan that is functional and operational must be selected. People must then be found to effectively conduct sales, create design work, package the flowers, and make deliveries. Promotion and marketing will allow a floral shop to flourish once it opens its doors.

Application. An advanced class should perform the basic tasks necessary to establish a shop in the area. They should conduct research on the demographics of an area, and then develop a business plan that covers introductory material and business data. Financial data might also be included depending on how in depth the teacher feels this exercise needs to be. LS: B1–12B forms the outline for developing a business plan.

Evaluation. There are several things that can be evaluated in this lesson. Many ideas were given in the teaching strategies that could be employed by the instructor. The instructor could evaluate the two labs. A small written quiz follows to provide feedback to the teacher about basic concepts in this lesson.

Answers to Sample Test:

Part One: Matching

1=a, 2=i, 3=f, 4=k, 5=b, 6=h, 7=l, 8=d, 9=c, 10=j, 11=g, 12=e

Part Two: Completion

1. people
2. full
3. economic
4. Empty Nest
5. Internal Revenue
6. wire
7. advertising
8. Packaging
9. special

Part Three: Short Answer

1. Sales
2. Design
3. Consultation
4. Office

Test

Lesson B2–12: Managing the Flower Shop

Part One: Matching

Instructions. Match the term with the correct response. Write the letter of the term by the definition.

- | | | |
|------------------------|------------------------------|-------------------------|
| a. carriage trade shop | e. fictitious name statement | i. sending florist |
| b. clearinghouse | f. filling florist | j. stem shop |
| c. demographic study | g. gray market | k. tax number |
| d. displays | h. satellite shop | l. visual merchandising |

- _____ 1. A shop providing extensive personal service to a limited, elite clientele.
- _____ 2. A florist who sells wire service orders.
- _____ 3. A florist who takes a wire order, fills and delivers it.
- _____ 4. A number obtained so that sales tax can be collected. It allows the florist to buy wholesale items without paying sales tax.
- _____ 5. An operation where accounts are settled for wire services.
- _____ 6. A second shop operated by a full service shop.
- _____ 7. A coordinated effort to attract customers to the flower shop.
- _____ 8. One of the components of visual merchandising that attracts attention, creates interest, and motivates customers to buy.
- _____ 9. A report of the size and distribution of population in a specific area.
- _____ 10. A cash and carry operation that offers a variety of flowers and foliage by the stem or bunch.
- _____ 11. People over 65 who typically spend less on flowers.
- _____ 12. A document that must be filed with the county to register the business name and prevent another business from using that name in the county.

Part Two: Completion

Instructions. Provide the word or words to complete the following statements.

1. A florist should be a _____ person.

2. A _____ service florist is the traditional type of retail florist.
3. Demographic factors, _____ factors, and geographic factors should be considered when locating a shop.
4. _____ couples typically make a good market for a floral shop.
5. FEIN numbers are issued by the _____ Service.
6. FTD is a type of _____ service.
7. Radio, newspaper, and the yellow pages should all be considered as sites for _____.
8. _____ protects the design and promotes the shop's image.
9. Delivery categories are regular, out-of-area, timed, or _____.

Part Three: Short Answer

Instructions. Provide information to answer the following questions.

Name the four major areas in a floor plan for a floral shop.

QUALIFICATIONS OF A SUCCESSFUL FLORIST

| Floral Knowledge | Business Skills | Personal Attributes |
|---|---|--|
| Flowers Care/handling Design Display techniques Creativity Trend watcher | Advertising Marketing Personnel management Buying and inventory management Pricing knowledge Computer skills Bookeeping/accountancy skills Salesmanship skills Good communicator Delegator | Honest Trustworthy Consistent Self starter Motivated Energetic Patient Tactful, compassionate Ethical Friendly, polite Goal oriented |

FLOWER SHOP CATEGORIES

- A. Full-Service Shop**
- B. Large-Volume Shop**
- C. Party/Wedding Shop**
- D. Carriage Trade Shop**
- E. Stem Shop or Bucket Shop**
- F. Satellite Shop**
- G. Franchise Shop**

FACTORS TO CONSIDER IN FLORAL SHOP LOCATIONS

| Geographic Factors | Economic Factors | Demographic Factors |
|--|---|-----------------------------|
| State, city, neighborhood Population Population trends Number of competing businesses Traffic flow Parking Site visibility Availability of wholesale florists | Employment Income Per capita retail sales Health of the local businesses | Population age Education |

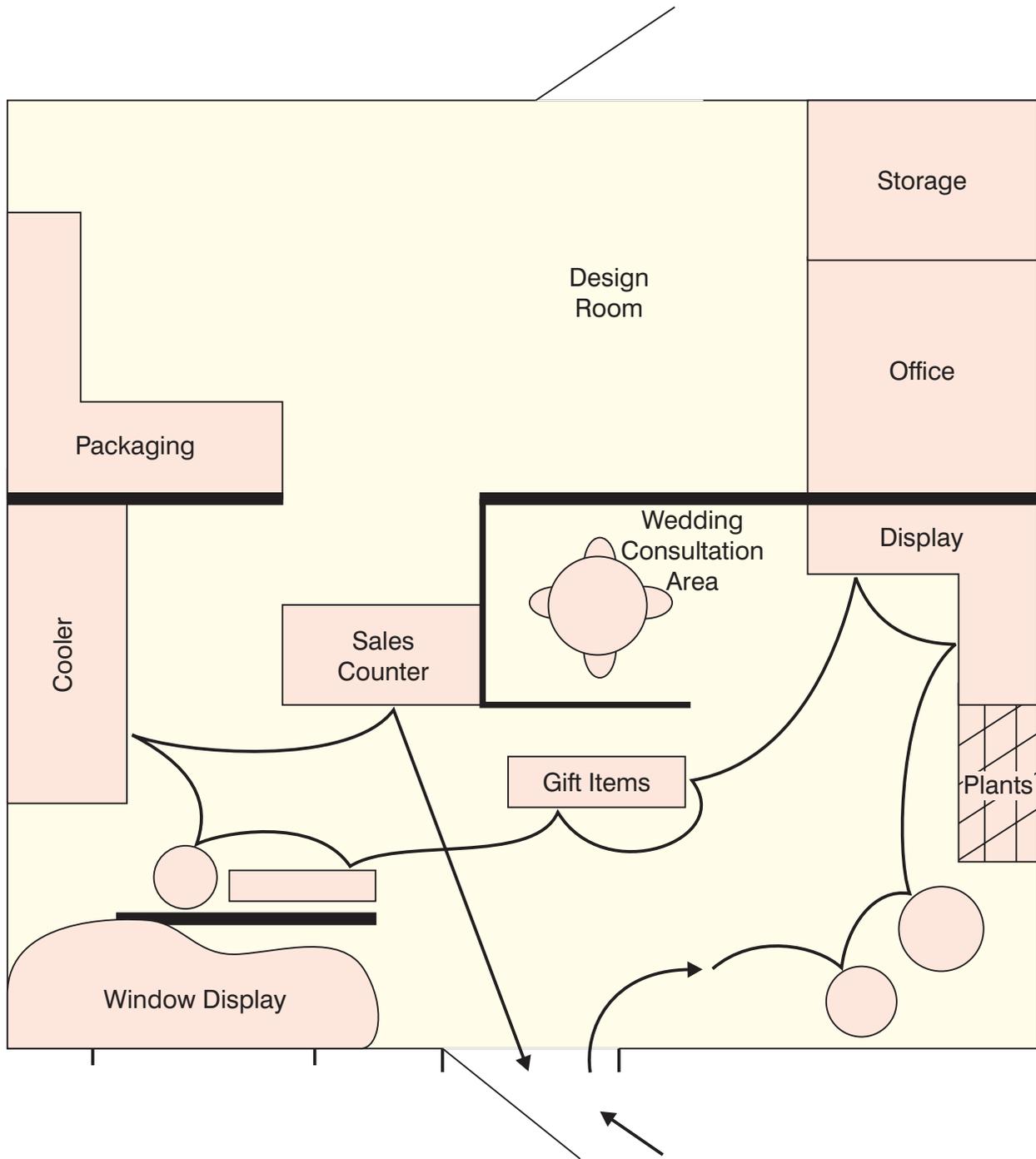
FIVE GUIDELINES FOR EFFECTIVE MARKETING:

- **Define specialties or strengths of the particular floral business.**
- **Define the targeted customers or target market.**
- **Determine the products the customers want to buy.**
- **Determine how to communicate the message.**
- **Decide the specific products and services to offer the target market.**

DELIVERY CATEGORIES

1. **Regular**
2. **Out-of-area**
3. **Timed**
4. **Special**

FLORAL SHOP FLOOR PLAN



(Courtesy, Interstate Publishers, Inc.)

Lab Sheet—

Packaging Cut Flowers

Supplies

Various cut flowers
Card
Stapler
Tissue paper
Packaging paper
Ribbon

Instructions

1. Place the packaging paper on the tabletop and then place a sheet of tissue paper on top of the packaging paper.
2. Center the flowers and foliage on the packaging materials.
3. Fold one side over the stems of the plants.
4. Fold the bottom up toward the stems.
5. Fold the other side over the stem area of the plants.
6. Fold the top down and staple shut.
7. Place a ribbon around the middle of the packaging around the stems and secure the side wraps in place.
8. Place the card on the ribbon.

Evaluation

| Items | Points Possible | Points Achieved |
|----------------------------|-----------------|-----------------|
| Folded Correctly | 10 | |
| Stapled Shut | 5 | |
| Ribbon Attached | 5 | |
| Card Placed On the Package | 5 | |
| Neatness | 5 | |
| Total | 30 | |

Lab Sheet

Business Plan

Supplies

Research materials
Pen and paper
Colored pencils
Computer

Instructions

Listed below are several items that might be used to develop a business plan. Use these and other items that you might think of to develop a business plan for a flower shop.

Note: for a more extensive outline, review the recommended resource text. It has an extensive outline of items to be included in a business plan.

Introductory Material

Title Page—Logo
Company name and address
Owners name

Business Data

Description of the Business
Type of shop
Business niche
Products and services
Location
Site
Building dimensions
Floor plan
Equipment list
Marketing Plan
Advertisement
Special promotional activity
Packaging material

Delivery vehicle
Management Team
Employee and labor needs

Financial—One Month's Budget

Capital items that need to be purchased and their cost