

Chapter 1

She Loves Me, She Loves Me Not

Is The Floral Business Right For You

You doodle with a garden every year, growing some vegetables, but you like to grow flowers the most. You always give flowers as gifts, and you never leave the grocery store without a bouquet—or two—for yourself. You even took a floral arrangement class a couple years ago just for the fun of it. But does that make starting a florist business perfect for you? Maybe, but not necessarily. There are a lot of things to consider before you open up shop.

To be a florist it certainly is an advantage to love flowers. But talk to any small-business owner, and a theme you hear repeatedly is that the surprising part of any business is all the things you spend your time on that have nothing to do with your core focus. A friend recently said after buying three bouquets at the grocery store, “I always thought being a florist would be a great job. What could make you more happy than being surrounded by beautiful flowers?” But no matter what you sell, you need to focus on some accounting, some building maintenance, perhaps some collections, and usually a whole lot of customer service.

Terry L. of Strafford, New Hampshire, came by her florist interests genetically—her grandmother had a florist shop on Main Street in a small New Hampshire city. Terry spent lots of time as a child in her grandmother’s shop. She learned to arrange flowers. And she also saw firsthand how much of the florist business is about customer service. “There is a lot more to [being a florist] than people think there is,” Terry says. “You really have to know how to work with customers.” And, she adds, you are typically working with people during the most stressful events of their lives, namely weddings and funerals.

The best part of being a florist is how special your creations make people feel. But that is just one of the many things to consider when you are thinking about starting your own floral business.

WHERE TO START

No matter what business you start, there are some basic steps that you will need to take. They include

- ▲ determining what you want out of your business, both financially and professionally
- ▲ determining if there is a market for a floral business in your area
- ▲ choosing an organizational structure

- ▲ creating a business plan
- ▲ getting financing if necessary
- ▲ obtaining the required licenses and permits

Stat Fact

According to the American Floral Endowment Consumer Trading Study, 67 percent of people buying flowers are buying for themselves.



- ▲ getting any education you need to learn more about the floral business
- ▲ setting up your base of operations
- ▲ creating marketing materials to attract customers

The floral industry is so diverse that you can set up in your own home (provided the zoning in your neighborhood allows home businesses), in the back corner of a large warehouse, or a retail location on a busy main street.

The choice to have a retail florist shop is perhaps your most important financial decision because rent or a mortgage is expensive. And you will need to make the storefront and the shop very attractive to passersby. However, no matter what you choose, there isn't too much costly overhead, that is, equipment to buy.

ARE YOU AND FLOWERS A MATCH?

I'll get to the nitty-gritty business stuff in a while, but the very first thing you need to think about is whether flowers and you are a match. What do you want out of your business? Some potential business owners don't care what their specific businesses are as long as the financial potential is in line with their entrepreneurial vision. Others target an industry—like flowers—and tailor their interest by which end of the business (retail or wholesale) they choose to get into.

Some people forget to consider the fundamental aspects of a particular industry. In the case of flowers, something to consider is whether you have the personal constitution to deal with having a main product that is perishable. Would knowing that the cooler full of roses is going bad keep you awake at night? Are you organized enough to order as close to on-demand as possible to avoid as much of this spoilage as you can?

And, don't forget, operating a retail store or a wholesale business is a very challenging world. Consider how you like to spend your day. So before you even sniff a single rose, you need to figure out what part of the florist industry is right for you.

Retail Flowers

Wherever you choose to locate your retail florist shop—Main Street, a strip mall, or even at the hospital—you will come up against many of the same retail space considerations. After location, which is covered in greater detail in Chapter 3, there

are lots of things unique to the retail scenario that you need to consider when deciding whether this side of the floral business is right for you.

A main consideration is you have to be there! Your shop will need regular hours; the hours will need to suit your potential customers, and you will need to be in the shop during those hours. That's right—until you can afford employees, the person in the shop will be you. And even if you do have an employee, customers expect to see the proprietor at least some of the time, especially if you are the florist. (There is also the option of hiring professional floral designers and florists, either as employees or independent contractors.) Customers will expect you to be there, perhaps creating their floral arrangements, but at the least, listening carefully to what they want you to create.

So, in a retail business, you will potentially spend a lot of time in the shop. Unless you start out extremely well-funded, you will be doing most of the retail work yourself. Perhaps you can hire someone to be in the shop for you, but having more than one or two part-time employees is a hard pill for a startup business proprietor to swallow. If you are good at designing floral arrangements, you don't want to be driving the delivery truck while someone less talented is back at the shop making the creations your customers are buying. And besides, it's unlikely you chose the floral business so you could drive a truck.

You will want to be at the shop and let someone else do the deliveries. This means you either have to be able to afford two employees—one to do deliveries and one to take care of customers while you are arranging flowers—or have your shop set up so that you can arrange flowers in a place where you can greet customers, too. That, in turn, will take away from the time you are able to devote to creating memorable arrangements that will put your stamp on the market and bring repeat business. Ah, the compromises!

The bottom line is: Can you do retail? Is your idea of a good work life standing in a retail shop greeting customers? Is being confined to a retail shop something you can handle? Chances are your startup retail shop will probably be rather small: Will you have a problem not only being confined but also being confined to a small space? Many owners of retail startups talk about working 60 to 80

Bright Idea

It's always a good idea to have worked for someone else for a time in the type of business you are considering opening. Don't be sneaky about your intentions; look for a job at a location that won't compete with your eventual startup, and let the proprietor know your plans. People are often thrilled to hire someone who is serious about learning the business, and you may ultimately be able to work together on some things.



hours a week for the first year of business. Although this isn't recommended because it can quickly lead to burnout, you can expect to spend most weeks working well beyond the traditional 40.

Fun Fact

In a recent survey of florists, 26,200 retail florists averaged \$250,191 in annual sales.



Your hope with any business is to have repeat customers. With a retail storefront, you often come face-to-face with your customers—the ones you like and the ones that aren't so pleasant. Is that kind of customer service something you can deal with? Can you smile and disarm the cranky customer? Do you have the personality to deal with face-to-face interactions that may include having your crea-

tions criticized? Of course, it's important to remember that you will also—and probably more often than not or you won't be in business long—be praised for your creations and your service. That is something most anyone can take, face-to-face, over the phone, or however!

Wholesale Florist Service

The wholesale florist business is a different story all together. This doesn't tend to be a startup kind of business, but if retail doesn't appeal to you and you really want to be in the floral industry, then perhaps wholesale is right for you.

You still have customers, but they are businesses, not individuals. Just don't believe for one minute that business owners make customer service easier than individual customers! They often can be even more tricky because their business success depends in part upon the quality of your service and the products they get from you.

Wholesaling flowers can take a couple angles: One is the wholesaler who supplies direct to the industry—they are unloading shipments of flowers from the growers, often exported from foreign markets, and selling them in bulk at wholesale prices. The other is the middle wholesaler who takes orders from local flower shops, goes to the major wholesalers' market (typically at around 3 in the morning), makes the purchases, and brings them back for the local florists to pick up. The individual florists can buy at the market themselves, too, but like all things, the best prices go to the bulk purchasers. So you often don't save much money. And you have to be at the market in the wee hours of the morning, which is not conducive to then spending the day in the retail shop.

If you choose the wholesale end of the industry, you will spend a lot of time with the raw materials. Depending on what your role is, you may rarely even see an actual flower. Again, like the delivery vehicle, it is doubtful you will have chosen

to get into the floral business to load cardboard boxes and drive refrigerated trucks around, so perhaps you will actually be at the flower markets making purchases, deciding which flowers are the freshest, and filling orders for your retail customers. Sound like fun? It is, except don't forget the wee hours of the morning part. Deliveries of fresh goods need to make it to the retail stores to fill yesterdays special orders and before their customers begin calling in orders.

Again, how do you want to spend your day?

Fun Fact

Seventy-two percent of the flowers sold that are grown in the United States are from the state of California, according to the Society of American Florists. But 70 percent of all fresh flowers sold in the United States are imported from other countries. By far the top grower is Columbia, followed by Ecuador, the European Union, Canada, Costa Rica, and Mexico.



Wholesale Supplies

The other type of wholesaling involves providing florists with the supplies they need to create their arrangements: wire, vases, ribbons, florist's paper, note cards, foam, and preservatives all need to come from somewhere. Although in a pinch, florists can run to their local craft suppliers or drugstores to pick up one or two items, this is not the way to make money. The supplies that florists use on a regular basis need to be bought as cheaply as possible in the largest quantities that make sense for the size of the business.

To do this supplying, you would need to have a warehouse space of some sort to

store the supplies—is taking on that kind of real estate something you had in mind? You could start in your garage, but to give florists the prices they need in order to be able to mark things up enough to make money, you need to be able to stock enough bulk to make your own purchase price as low as possible. So your garage isn't going to cut it for long. The storage space also needs to be accessible for large delivery trucks and for florists who pick up their supplies.

Is hanging out in a warehouse your idea of fun? Is handling the floral supplies but not the actual flowers the

Smart Tip

Even if you think it is going to be a few years before you open your own florist business, it is never too early to start getting experience. Keep your day job but find part-time work in a flower shop. You can earn a little extra money on the side doing something you enjoy while learning the ins and outs of the business.



part of the industry you had in mind? It can be great fun to pick out unique supplies and to manage large inventory, but you need to think up front about the fact that the flowers themselves are a step away.

The Greenhouse

A greenhouse usually refers to the part of the plant market that sells live plants, either for indoors or outdoors. What part of the country you are in will have a great impact on how this business is going to work for you. In the northern climates, you can probably expect to close up shop from Christmas until Easter if your business is mainly live outdoor plants. No matter how you structure the business, in the spring you will be extremely busy with homeowners and businesses and their landscapers purchasing the plants they need.

Things will slow down in summer, although they can still be pretty busy with homeowners changing their landscape designs, new homes finishing construction, and people replacing plants that didn't make it or to reflect the season. You can supplement those slower times with additional inventory like seeds, pots, potting soil, and garden furniture. For Easter, you would, of course, stock a large inventory

of lilies, and around Thanksgiving start stocking poinsettias and holiday arrangements and perhaps even a little sideline of fresh trees and wreaths.

Although winter is down time for retail sales in cold climates, you will be busy looking through catalogs and creating orders for the next season's inventory, perhaps starting seeds for new plants, and cleaning and repairing the retail space. Or you may want to get these things done in the slower times during the selling season so you can be doing some other moneymaking venture (perhaps working in a

similar operation in a warm location!) or taking courses to expand what you can offer. More temperate climates allow such operations to remain open year round, but there are still busier planting seasons and down times.

Beware!

If you tend to be sensitive to things, you will want to be careful about the use of pesticides on the plants that you work with.

You could use this to your advantage and market yourself as a pesticide-free florist!



Cut Flower Garden, Farmer's Market Or Roadside Stand

Do you have the space to grow a lot of cut flowers? Cut flowers are those that are commonly used in bouquets. If you can grow a sufficient quantity of high enough quality, you can have a business selling your flowers to local florists. Another outlet is the increasingly popular farmer's market, which can simply be

tables in the bank parking lot in town every Saturday morning or a purpose-built building in a busy location where “farmers” rent space to sell their wares.

If you have the space to grow the flowers and the location to put up your own roadside stand, you can stay at home and tend to your flowers and count on passersby to stop and purchase bouquets. This can work fine if you get traffic along your road. If you can afford to advertise a little, you can even pull in customers who don’t travel your road but would make a short side trip to a destination point. And they can become regular customers.

For this, you would probably want to have other things for sale as well—perhaps handmade woolens or baskets or maple syrup that you also produce. This would make even more sense if the products can be produced in a season completely different from the main flower-growing season.

But again, you need to think carefully about your personal leanings—having a roadside stand at your place means that strangers will be on your property. You probably won’t have enough customers to make it practical to spend all day in the stand, so you need to be okay about being interrupted—hopefully regularly if you have enough business.

Beware!

Think out of the box when it comes to deciding the kind of floral business that is right for you. You don’t want to spend all the effort and money it costs to start a retail florist shop to find that after the newness wears off you cringe at the thought of spending another day locked in a shop.



IS THERE A MARKET?

One of the two most important aspects to any business startup is how to get your market to know you exist (see Chapter 10). But even before you get to that point, you need to determine if there is in fact a market for the type of floral business you are considering in the area in which you are considering. Your market research is going to depend on what kind of floral business you want:

- ▲ Retail florist shop, including deliveries
- ▲ Wholesale floral business, where retail florists come to you for their supplies
- ▲ Full-scale greenhouse where you sell cut flower arrangements as well as live plants, maybe even to the point of being called a nursery, which usually implies you grow the live plants as well
- ▲ Farmer’s market, pick-your-own, or at-the-source flower sales

Once you decide on the floral business you want, you need to determine where you might like to do that. Then, you can research whether the market is already covered in that area. Check the Yellow Pages, do an online search, and by all

means drive around. Talk with the local funeral home and wedding planners to find out where their customers make their flower purchases. Be sure to tell them you are thinking about starting a florist business.

Smart Tip

Terry L. reminds potential flower shop owners to be patient.

If you do the best you can and follow some simple rules, "Everything comes in its time."



If you are considering a wholesale operation, get a list of potential customers in the market range you plan to cover and start calling—would they purchase from you if you opened a wholesale floral supplies business? What kinds of things do they purchase? What do they find hard to get? What would they like to purchase? What services would they like you to provide?

Once you determine that you could enjoy a certain type of florist business and there is a market you can service in a given area, it's time to think about setting up shop.