



# Five ways to maximize the revenue and profit potential of wedding business

#### BY MARY WESTBROOK

➤ Ah, weddings. The romance. The personal touches. The elegance. The poignant moment when two lives become one.

Cue the screeching record sound.

Who are we kidding? For florists, weddings are less about glamour and more about hard work, sweat and, occasionally, tears.

Despite the fact that The Knot estimates the average U.S. couple will spend upward of \$32,000 on their wedding (\$2,300 on flowers and décor), for some florists, this grueling segment is less profitable than it could be or should be. Costs can spiral quickly, and couples who have immersed themselves in Pinterest and Instagram posts often come to the table with wildly out-of-whack expectations and tiny budgets. Lucky you.

Here's the good news: There's a better way, say florists who have taken charge of their wedding businesses, redirecting energy to higher-paying gigs — and, in some cases, finding a way to make smaller affairs far more profitable.

This month, we turn our attention to five strategies, some of them unorthodox, that can help you grow your wedding business and keep your sanity.





RACHAEL AND RYAN O'NEIL Twisted Willow Design StemCounter.com St. Louis

Weddings in 2016: **42**Average: **\$4,500** 

Minimum: \$3,000

Wow Factor: By introducing a minimum, changing their pricing strategy and raising prices, the O'Neils tripled their average wedding sale, while cutting out less profitable affairs.

TRACY PARK
Park Place Design
Battle Creek, Michigan

Weddings in 2016: **35** 

Average: \$5,600

Minimum: \$3,500

**Wow Factor:** After Park instituted a minimum in 2012, she helped raise her average budget from \$1,000 to \$2,500 to \$5,600. Today, linen rentals constitute 25 percent of wedding sales.

## **O** CHARGE MORE

One straightforward way to get brides and grooms to spend more on wedding flowers? Raise your prices.

We know what you're thinking: "Thanks, Captain Obvious." Before you dismiss the idea with a barrage of "reasons that won't work for me," consider the advice Floral Management contributor Mark Anderson offers this month on p. 14. Namely, if your special events and wedding calendar is booked, it's probably time to raise your rates.

That's essentially what happened at Twisted Willow Design in St. Louis. Several years ago, Rachael O'Neil and her husband, Ryan, were doing about 55 weddings a year, with an average budget of about \$1,500. Couples loved the work, and the shop was busy — but the O'Neils were run-down and ready to start their family. Together, they came up with a multistep plan to nudge budgets higher while taking on fewer clients.

Their first step, in 2015, was to tweak their markup formula, from an old system based only on hourly labor to a new system that included a standard labor markup (cost plus 20 percent). That change increased estimates by an average of 12 to 15 percent. (Learn how to account for labor on p. 25.)

As the shop's prices slowly moved up, the O'Neils, creators of the wedding florist software StemCounter, also instituted a minimum (\$3,000) in 2016 and increased the required deposit amount, from \$500 to \$1,000. The changes required some subtle customer service accommodations and thoughtful phrasing, Ryan said.

"We started saying, 'We do fullservice florals for weddings and events that have a ceremony and reception,'" he explained. "Typically, when customers are engaging us for both ceremonies and receptions, they'll end up at that \$3,000 minimum."

And if a couple's budget comes in below that level, the O'Neils have a standard, gracious reply: "We do have a minimum of \$3,000, but the great news is you can have a beautiful wedding for less than that and we know some florists who will be perfect for your event." Then, they refer them to another shop in town that caters to smaller affairs.

The O'Neils and Heather Waits of Bloomtastic in Columbus, Ohio, say that instituting a minimum — and taking on fewer, but higher-end weddings — has made wedding work more profitable. Waits and her team instituted a \$1,000 minimum in January 2016, after analyzing the cost of those smaller affairs.

"We calculated the cost of the whole process — including generating the lead, the consultation, follow-ups, design time and after-wedding maintenance — and discovered that under-\$1,000 weddings are not profitable for us," Waits said. "In 2015, we had 63 weddings under \$1,000 that accounted for a hair over \$13,000 total revenue. It was completely not worth it from a business standpoint."

The minimum helped drive up Waits' average wedding by \$700, from \$1,200 in 2015 to \$1,900 today. (The shop did 180 weddings in 2015, 183 last year and is on track for 180 this year.)

#### BUT WHAT ABOUT BLOWBACK?

Won't customers — especially clients who have plenty of other options in town — balk at the idea of minimum requirements or higher prices? ("That's not what my sister paid three years ago!")

Not if you do some legwork upfront, say florists who have successfully made these changes.

For the O'Neils, that means getting — and giving — lots of information upfront.

In 2015, the couple introduced a "budget calculator" on their site. The simple form asks prospective brides about key details of their weddings and helps weed out couples who won't meet the \$3,000 threshold. (That's when the shop follows up with its referral email.)

"The goal is think ahead about potential situations and address the mismatch then," Ryan said. In other words, "before we meet with brides."

Tracy Park of Park Place Designs in Battle Creek, Michigan, also has brides complete a form early, and she lists her minimum, \$3,500, prominently on her website under a tab titled Investment.

Like the O'Neils, she's found that strategic phrasing helps. In that same Investment section of her site, Park plays up the shop's credentials ("you are not just buying flowers ... you are hiring a team of designers with the combined knowledge of 50 years") and explains that her minimum may include flowers, linens, props and event styling for "couture" affairs.

Park initially worried that her minimum, instituted in 2012, might scare off brides. Instead, it's helped her realize how unprofitable some of the smaller-scale events had become.

Park's average event is \$5,600, compared to \$1,000 to \$2,500 before she had a minimum. She also does fewer weddings: 35 in 2016 compared to 120 before that minimum.

"Before, I was wasting a ton of time on brides who only have \$600 or \$800 to spend on flowers," she said. "For me, the lower-end brides seem to be the most demanding."

Jodi Duncan, AIFD, of Jodi Duncan Designs in Norris City, Illinois, agrees with that sentiment.

"A bride's budget doesn't tell you much about the level of service she's going to expect or feel entitled to,"
Duncan said, who has a minimum of \$6,000 for flowers, linens and prop rentals. "You can have a \$3,000 wedding with 300 emails and a higher-end wedding"— with a floral and décor budget of \$20,000-plus—"with 12 emails."

The real trick to a happy bride and a profitable wedding is to make sure a couple's expectations align with their budget, Duncan said, which is why she requires potential clients to fill out a form within 24 hours and includes a gentle but direct disclaimer on her website: "We won't be your least expensive option. If price is your deciding factor, we won't be a good fit."

#### **2** OPTIMIZE WEDDINGS

Not ready to write off smaller clients and DIY brides but worried those customers will eat up your time — or potentially hurt your high-end reputation? You could try launching a second, no-frills brand.

That's what Sarah Campbell did in 2014 when she launched Pops of Plum, a sister site to her lux Intrigue Designs & Décor in Annapolis, Maryland.

After a flurry of positive press and media appearances between 2010 and 2014, Campbell started receiving inquiries from brides with budgets well below Intrigue's range (\$10,000 and up). Her dilemma: She hated turning away those brides, but she knew she couldn't provide the same service level to an \$800 or \$1,000 bride.

Inspired by Amazon — point, click and buy — Campbell worked with an outside web designer to create Pops of Plum, a website that shows a tightly edited list of wedding floral designs, created in the Intrigue studios by Intrigue designers but with far less hand-holding and a more limited range of flowers, based on stems Campbell already had on hand. On Pops of Plum, brides select the designs, and Campbell's team delivers the designs to the venue. They can make minor adjustments to the designs, but there are no consultations and no setups.

"Now, when a customer [with a lower budget] contacts us, we can say, 'Oh, we have this great sister company,' instead of turning them away completely," she said, adding that since its launch hundreds of brides have ordered through the site, spending an average of \$2,000, far above Campbell's predicted range of \$800 to \$1,000.

Waits is experimenting with a similar approach through her Columbus Flower Company, which launched in January 2017.

"The website allows brides to shop online, choose a style of bouquet, pick the boutonnieres and choose a center-



ZOË PROSSER GALLINA Botanica International Design and Décor Studio, Tampa, Florida

Weddings in 2016: **103** 

Average: \$12,000 (\$35,000 for the business's lan Prosser Productions division)

Minimum: \$4,500

Wow Factor: To save time and provide better service, Gallina uses a wedding software program to quickly formulate estimates for brides who are unlikely to be a good match for the business.



#### **GO DEEPER**

Are you including taxes and other employment-related costs in your labor fee on weddings? If not, you're undercharging and eating into your profits, said Floral Management contributor Paul Goodman, CPA, PFCI.

"You have to add taxes, FICA, Medicaid, Worker's Comp, etc., to the hourly wage" to cover the real cost of servicing the bridal customer, he said, which adds about 15 percent to the hourly pay. If you offer paid vacation and holidays, add .33 percent for each paid day off.

Goodman suggests a "normal markup" of **double the hourly rate after you've added 15 percent.** 

"So, for a \$15 per hour designer, I would add 15 percent (\$2.25) to get \$17.25 per hour (without other benefits) and charge the customer \$34.50 per hour for wedding set-up and other services."

Get more tips on maximizing wedding profits with smart buying and labor cost management, at **safnow.org/ moreonline.** 



JODI DUNCAN, AIFD Jodi Duncan Designs Norris City, Illinois

Weddings in 2016: 20

Average: \$15,500 Minimum: \$6,000

(includes flowers, linens and prop rentals)

**Wow Factor:** Duncan takes a straightforward approach with brides who price shop, telling them that if price is their No. 1 issue, she might not be a good fit.



MANDY
MAJERIK,
AIFD, PFCI
Hothouse Design
Studio & Prophouse,
Birmingham, Alabama

Weddings in 2016: **250** 

HotHouse average: \$10,000

PropHouse average: \$1,500

Minimum: \$3,500

(less for brides who don't want delivery

and set-up services)

**Wow Factor:** Four years after launching a separate prop division, Majerik can now attribute 35 percent of sales to rentals — and the business is still growing.



#### **GO DEEPER**

**Automated Proposals and Planning** 

Getting a proposal to the bride in a timely and professional manner can make or break whether you get the business. Several new software solutions have come onto the market during the last few years to streamline this process. See a list of top programs and standout features at **safnow.org/moreonline.** 

piece, place the order, give us the wedding details and voilà!" she said. "We design and deliver on the wedding day."

Waits has been promoting the new sister company as "better than DIY" and says she's targeting couples with budgets of less than \$1,000 — the group she determined wasn't profitable for full-service work.

"The only customization aspect [with Columbus Flower Company] is that they choose their colors and style and give us quantities, thus making the process streamlined and uber simple for the bride," she said. "The prices are also slightly lower than what we would charge if we quoted the piece as a custom wedding via a consultation."

**BUT WHAT ABOUT CANNIBALIZING MY OWN SALES?** If you offer a lower price point, won't some brides who could spend more gravitate to that option, costing you a higher sale?

Not necessarily, according to Campbell, who jokes that, through Pops of Plum, she's created her own knockoff.

Far from hurting her flagship brand, the new site has helped her reach a wider audience, including customers who simply don't want the full-service treatment she traditionally offered.

"I definitely designed it with the millennial bride in mind," she said. "And, as it turns out, some of them are pretty happy to have less service."

# **3** RETHINK CONSULTATIONS

Should you spend time on a bride you know you don't want?

For Zoë Prosser Gallina of Botanica International Design and Décor Studio in Tampa, Florida, the answer is yes — if it means saving time in the long run.

About a year ago, Gallina started experimenting with a new approach to pricing, particularly for potential clients whose budgets are likely to fall short. Instead of waiting until after the consultation to work up an estimate, Gallina and her team will do a rough outline ahead of time — a process that usually takes 15 to 20 minutes. (For estimates, Gallina Details Flowers. See Go Deeper, this page, for a review of Details and other wedding planning software programs.)

"If we know there is a strong chance that, with the client's guest count, basic needs and budget, we will indeed surpass their budget, we quickly put together an estimate," she said, noting that an in-house consultation takes an hour, along with two to three hours of prep time for a comprehensive proposal.

The pre-consultation estimate often deters brides who are a bad fit for Botanica, but it's also an opportunity to educate brides who have the cash but simply don't appreciate how much wedding details run.

"Sometimes clients don't know their budget and just throw a number out," said Gallina, whose average wedding runs around \$12,000 for flowers and décor. (Botanica also has a higherend market run by Gallina's father, Ian Prosser, AAF, AIFD, NDSF, PFCI, where average tickets are closer to \$35,000.) "We like to be respectful of everyone's budget, regardless of how large or small, but want to make sure we don't go through the process of a meeting and then leaving a bride disappointed or [feeling like her] time is wasted."

In Columbus, Waits also has been rethinking her consultation approach in recent years. That's meant paring back services brides weren't taking advantage of while spending time and money on services that ultimately lead to happier couples.

From 2013 to 2015, for example, Waits offered her brides three consultations: a mandatory first and final consultation, along with an optional meeting halfway through the planning process. That system was a hit the first year, with many brides expressing appreciation for that extra face time. By 2015, however, the three-meeting approach was weighing down the business: 30-minute consultations were stretching to 60 or even 90 minutes, and brides who forgot to schedule that optional second meeting felt cheated if they didn't get all three (even if they were ultimately satisfied with the wedding).

So, in 2016, Waits ditched that second consultation. "We saved money on labor, and it made the brides happier," she said.

One service the shop still offers: mock centerpieces, which brides can review at that final consultation. Doing so adds time and costs (about \$50 the shop's 15 percent service charge).

Offering mock-ups in 2013, no one else in Columbus offered it," Waits said. "The benefits are that the bride sees her flowers ahead of time, knows she will love them, and if she doesn't, we play with them on the spot with her there until we get it right."

**PERS?** Grrr. You go through all the work of a consultation, prepare a proposal and then — wait and wait as a bride shops

BUT WHAT ABOUT PRICE SHOP-

around or tries to haggle.

Duncan said she doesn't play those games anymore.

Instead of sending out individual pricing, she prices the wedding party, ceremony and reception as three items for potential clients, with a price for each bundle. Then, she adds 20 to 30 percent for labor depending on logistics.

"Once I have a retainer and signed contract, I divulge specific pricing," she explained. "Otherwise, it's bundled pricing. This approach eliminates price shoppers."

In Bellbrook, Ohio, Cady Vance of Floral V Designs added in a second, shorter consultation period after she realized many customers were using her estimates as a starting point for conversations with other florists.

During the brides' initial consultation period, Vance shifted her approach: "I'll ask them directly, 'So, how many other florists are you meeting with?' From there, I'll take all of their information and ask them to come back for a shorter meeting after they've met with everyone else. That's when I present pricing. Now, they don't book florist No. 2 or 3 because they're still waiting on my final proposal."

Vance's booking rate has jumped from 50 percent to about 90 percent.

#### **4** TURN TO RENTALS

When Mandy Majerik, AIFD, PFCI, of HotHouse Design Studio in Birmingham, Alabama, couldn't find

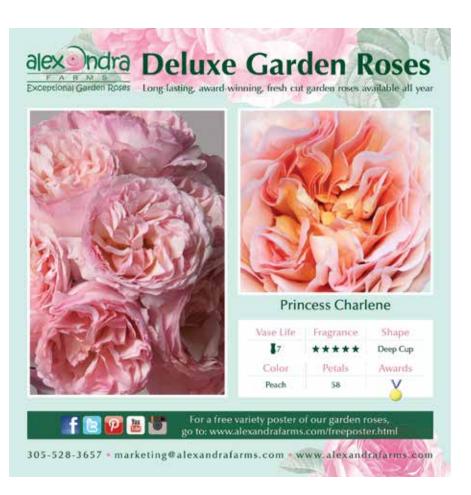
SARAH CAMPBELL Intrigue Design & Décor, Pops of Plum Annapolis, Maryland

Intrigue weddings in 2016: 49
Pops of Plum transactions in 2016: 67
Intrigue average: \$10,000 to \$30,000

Pop of Plums average: \$2,000

**Minimum:** None, although the Intrigue web site tells brides to expect to spend at least \$6,000 on flowers and decór.

**Wow Factor:** Determined to capture brides below her ultra lux Intrigue brands, Campbell created an easy site tailored for millennials who want beautiful wedding flowers but less service.



**HEATHER WAITS Bloomtastic Flowers & Events Profitable Weddings** Columbus, Ohio Weddings in 2016: **183** 

Average: \$1,900

Minimum: \$1,000

Wow Factor: Waits and team have increased their average wedding budget by \$700 since 2015 and recently launched a sister site to cater to more DIY-minded brides.

the unique props she wanted for her wedding clients, she started her own collection: unusual containers, antique furniture and even an oversized "Magic City" sign. Seven years later, that collection had grown so impressive that Majerik saw the potential for a new revenue stream, and in 2013, she launched PropHouse, a rental division.

Today, PropHouse has become a booming business, growing from 10 percent of company sales in 2014 to 35 percent today. The one-of-a-kind nature of Majerik's collection has made PropHouse a go-to stop for area ven-

> dors — including some of Majerik's competitors and brides. In fact, about 40 percent of PropHouse sales in 2016 came from transactions unaffiliated with HotHouse, including at least five brides a month.

"Even if a bride doesn't reserve us for her wedding florals, we definitely encourage them to use PropHouse," Majerik said. "They can come in and rent containers and do their floral part on their own, or perhaps partner with another florist, and come to us for our vast amount of items such as candelabras, vases, etc. We have so much more than the 'aver-

age' florist. I love to work with fellow vendors to help, as well as encouraging sales in the part of my business that has higher profit margins."

Indeed, Majerik estimates the profit margin at PropHouse is about 15 percent higher than HotHouse, even when you include the cost of sourcing the items, storing and cleaning them. (Earlier this year, Majerik consolidated the businesses into one 10,000-square-foot warehouse location; before, HotHouse operated out of a studio across the city, while PropHouse was in a section of the same warehouse the business is located in today.)

PropHouse has essentially created a new "revenue stream," Majerik said. "It's exactly what I hoped would happen."

**BUT WHAT ABOUT COSTS?** A new revenue stream may sound great, but Majerik has also invested significantly in PropHouse to ensure its success: Since its launch four years ago, Majerik has hired three additional people to run the division, and each year, she reinvests about 10 percent of sales in new rental items.

As Majerik is quick to note, prop rentals can also be competitive territory: Vendors and brides in many areas have plenty of options, which is why Majerik and her team focus on truly unique items. (They've also spent the last decade building their impressive collection.)

Pricing rentals for profit can prove challenging, warns Floral Management contributor Paul Goodman, CPA, PFCI. He recommends a rental rate of 100 percent cost on smaller items (e.g., containers) and 25 to 33 percent on larger ticket items (e.g., settees and lounges) so that florists can recoup costs quickly. He, too, cautions that prices may be pushed downward in more competitive markets, cutting into potential profits.

Still, even if you aren't prepared to start a new division, you can dabble in additional services, with good results. That's what Park has been doing in Michigan.

Two years ago, she started to notice that linens in some of her clients' preferred venues simply were not up to her standards. She realized beautiful linens, and particularly runners, could be "an easy add-on" in consultations, where she was already working with brides on a complete vision for the wedding. Eighteen months after introducing the option, linen rentals make up about 25 percent of wedding sales.

"They've become an asset," she said. "Really, for me, it was a no-brainer."

### **9** SELL YOUR STAFF — AND YOURSELF

Majerik has another "secret" weapon at her business, and this one has nothing to do with props and rentals: her staff.

In the past five years, she's added two designers to her team: Jessica Morris, AIFD, and Shawn Foley, CFD. The pair have helped grow wedding sales by about 60 percent in that time, in large part because Majerik has an empowering philosophy when it comes



**CADY VANCE Floral V Designs** Bellbrook, Ohio

Weddings in 2016: **130** 

Average: \$2,900 Minimum: None

Wow Factor: Intent on stopping her brides from price shopping, Vance now presents her clients with a final estimate after they've met with other florists during a second, shorter consultation.

to design: You do you. Rather than imposing a shop aesthetic on the pair, Majerik plays up the fact that she, Morris and Foley all have slightly different styles.

"Jessica and Shawn really have played such a critical role in the growth of my business," Majerik said, noting that Morris tends to favor textural, organic looks, and Foley gravitates to more modern, edgy designs. "Clients have come to know them and search them out for particular weddings that may fit their style a bit more and be the perfect fit."

Differences in personalities also come into play with customer service. Not long ago, a wedding planner brought in a bride who had recently lost her mother. Majerik knew right away that Morris, with her patient and compassionate style of listening, was the best match for that job.

BUT WHAT ABOUT TEAM MEMBERS JUMPING SHIP? If you create a following for a designer on staff, aren't you setting the stage for that team member to go off on his or her own? Please, said Majerik, who is always on the lookout for new talent.

Rather than worrying about designers getting an inflated ego, she's created an atmosphere of constant learning. Both Morris and Foley started out in the shop's workshop or design room but have worked their way into wedding sales.

Here's a final note on talent, though: Don't forget to actively promote your own talent, unapologetically, particularly to brides who have fallen down a rabbit hole of web research. For her part, Duncan says her brides have come to appreciate her clear aesthetic — and the fact that Duncan can help them find their style.

"When brides come in with a bunch of Pinterest boards, I say, 'Great! That's their wedding. Now, let's create yours,'" said Duncan. "When you have confidence and training and act like a professional, brides respond well."

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