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ON TRANSFORMATIONAL CHANGE

> Last August, we began an eight-month existential journey. By we, I mean your peers on the Society of American Florists Board of Directors and our SAF staff. We embarked on a transformation that is challenging us to answer fundamental questions such as: Why does SAF exist and why should anyone care? What role must SAF play in the floral industry? What problem is SAF uniquely positioned to solve, and for whom?

How the consumer buys flowers (and just about everything else) today bears little resemblance to what that process looked like a decade ago. Those changes have given birth to enterprising disruptors, seismic shifts in the chain of distribution and consolidation in the supply chain. Amidst all of this — and perhaps because of it, some may argue — the number of retail flower shops has dropped 40 percent since 2006, from 20,227 to 12,964 in 2017. SAF's representation of retail flower shops has dropped right along with it.

The good news: There are signs that the overall rate of decline in the number of flower shops is stabilizing, and U.S. spending on flowers is expected to grow at an annual rate of 4 percent over the next five years.

We want to capitalize on these current market opportunities — embrace the disruption — and return to a place of growth to ensure SAF's long-term relevance and viability. We want to be exactly what you need most, when you need it.

It's a lofty goal that requires some deep reflection. And action. We're not going at it alone — we're partnering with a third party that has broad experience in helping organizations like ours develop and implement clear, transformative strategic plans that, when executed, achieve extraordinary outcomes.

To do this, we've tapped myriad voices and perspectives on the challenges and opportunities in our industry — our partner has conducted one-on-one interviews with our board members and staff, and we've surveyed all SAF members and hundreds of former members about what they're facing (if you filled out that survey, thank you). This will help us make smart decisions rooted in credible data and give

us a rigorous understanding of our existing strengths, challenges and opportunities.

So, four months into the process, what have we learned? That the top problems you face in your business are: competing with other outlets that sell flowers, maintaining or increasing sales, ensuring a sufficient labor force to run your business, and evolving your business model to stay relevant. You also told us that you wish we could address the negative implications that order gatherers have on your business, that you'd like us to bring education and peer-to-peer networking opportunities to your area, and you'd like us to help educate the next generation of floral industry employees.

We're now focused on what we do with this information. Will SAF set out to rid the floral world of order gatherers? No — not any more than we've heeded the requests from some traditional retailers to get flowers out of grocery stores. We can't do anything about competitive forces — it would be a futile effort anyway — but it is our role as a trade association to work tirelessly to help growth-oriented industry members thrive.

Over the next four months, we will take a deep dive into exploring what that looks like. During this phase, we will seek input from voices beyond SAF and our industry to ensure we have the fresh thinking and perspective we need to declare a bold, relevant vision for our future. We'll get clarity on what the industry will look like in the next 10 years, so we can understand opportunities and refine some of the emerging ideas about SAF's value proposition in the future.

I'm confident we will come out of this process with a bold mission and vision that unifies and energizes SAF and our industry and positions SAF as the provider of indispensable value to you, our members. 🌸

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