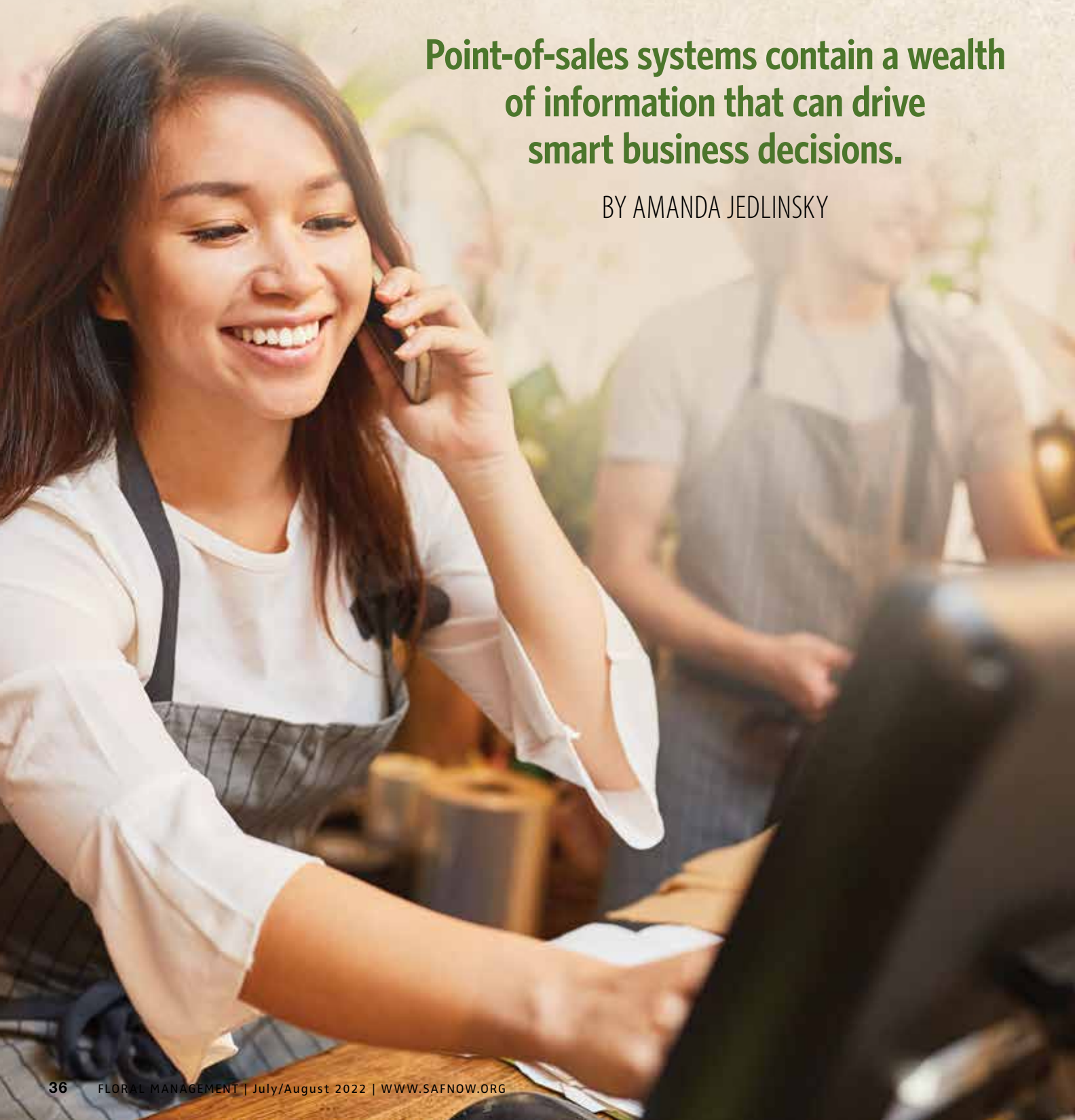


A DATA GOLD

Point-of-sales systems contain a wealth of information that can drive smart business decisions.

BY AMANDA JEDLINSKY



MINE

How do you retain designers with attractive pay? How do you accurately forecast sales to control cost of goods? How do you save money on payroll? How do you build customer loyalty?

The answers to those questions and more are likely already at your fingertips.

If you use a point-of-sales (POS) system (and you likely do!), you have access to a gold mine of data to drive smart business decisions. With a tight labor market, increasing wages, and inflation squeezing profit margins, it's time to put your POS system to work for you.

Perhaps the biggest mistake florists make with their POS system is underutilizing it, says Dan McManus, president and CEO of TeamFloral, a consulting company.

"Almost all [florists] use it as electronic cash register," McManus says. "That's what they have to use it for, and that's about as far as it goes."

Tim Huckabee, president of FloralStrategies, which provides training to retail florists and wholesalers, agrees. "What I see too often is that a flower shop uses its point-of-sale system as an expensive electronic order pad, as opposed to an integrated, dynamic marketing tool," he says. "The smartest florists that I've visited, regardless of size or location, are ones who really make that POS an integral part of their business and that makes them a lot more profitable."

Susie Sayger, of Heaven Scent Flowers in Bonita Springs, Florida, runs her business on her POS system. "It's the heart and engine of my business," she says. She understands why some business owners don't use the data a POS system provides — it can be a lot to take in, she admits. "It's so overwhelming and so most of us just say, 'I'll just not do that.'"

But when consistently fed the right information, a POS system can transform from an electronic cash register into an incredible business tool that florists such as Sayger can't do without.

The Marvelous Marketing Machine

There is a lot of competition for retail florists these days. Flowers are available from grocery stores, big box stores, small flower farms, and more and more companies are shipping bouquets and plants to consumers. However, there's one service a retail florist can offer that those competitors often cannot.

"The future of the floral industry is customized, personalized service," McManus says. "That's lacking in all of the competitors. [They] can never match that of a florist."

To provide that personalized service, florists need to focus on building

customer profiles within their POS system. Before taking an order, employees should ask the customer, "Have you shopped with us before?" McManus advises. If they have, ask for a phone number to pull up their record. "It's so important to know who you are talking to," McManus says.

Employees should make notes throughout the call on any information that will help make a connection in the future. For instance, if a customer calls to order flowers for the birth of a granddaughter, the employee should note that so the next time the customer calls an employee can reference the notes and ask about the grandchild. The same goes for favorite colors, life events and other details that florists are naturally positioned to learn.

"Encourage staff to get one piece of info from every phone call," McManus says. "If you do that, over time you'll have a whole drawerful of things that you can mention. Don't underestimate how much more the relationship develops when you do that. It's so powerful. It will make them feel special."

One of the most important pieces of information to get and/or verify is an email address. Florists can get this by asking for the email address where the delivery confirmation should be sent, McManus says. He's calculated that every email is worth \$10-\$15 in sales averaged out over a year.

Sayger, whose shop does sympathy work, relies on a feature in her POS system that tracks funerals. The tracker gives her a report of which customers sent which arrangement or plant for a particular funeral, which Sayger then sends to the grieving family so they can send thank you notes. "That's one of the things that

have set us apart at funeral homes, as well as with the families," she says.

She also uses the POS system to generate letters to new customers, which she sends weekly with a magnet that includes her shop's branding and contact information.

"I really think there is a lot to the marketing part of it," Sayger says.

Forecast Purchasing, Sales and Staffing

"The most beneficial thing that florists don't do is analytics," Huckabee says. "It is truly shop management. They can get incredible analytics that most of them don't know about, don't care about, or are afraid of. Too many florists run their business on a hunch, a feeling — but the data is there."

Comparing sales for the same week or month this year to the same week or month last year is a must, experts agree. Even if a florist has an accountant review the data, that review is likely happening at least a month later and by then it might be too late to react, says Derrick Myers, PFCI, a certified public accountant at Crockett & Myers Associates.

"That's the biggest thing about a POS system — it really gives that real-time data," Myers says. Owners need current data to determine staffing needs and control costs of goods, he says.

"So many florists don't even look at it," he says. "They think all that is for their accountant. It's not always for them. [They] need to be more proactive at looking."

One of the biggest costs a florist has is payroll — especially as wages have increased. Data from a POS system can help a business save money on labor by staffing appropriately.

A shop's hours and staffing level should be based on sales, McManus says. He recommends using a POS system to look at sales for two weeks or one month ahead and then set a budget for labor that is 20 percent of expected sales. Owners can also determine which hours the store should be open by pulling a report that shows sales by day of the week and by hour.

"In the past [florists] staffed without this kind of information, and it all worked out with the wash," McManus says. "With how tight the labor pool is and the

READY TO PUT YOUR POS SYSTEM TO WORK? HERE ARE A FEW POINTERS TO GET STARTED

Start simple. Run a simple report, such as a sales report, to learn the system better.

Ask for help. Your provider should be available to give training on how to use certain features. "I do think a lot of those companies are willing to do hands-on training if we ask," says Will Gross, president of Williams Flower & Gift. "For those that technology is not their thing, it's just a matter of asking. If you don't have strength in that area hopefully you have someone else in your company that does."

Consider whether you need more workstations. Tim Huckabee, president of FloralStrategies, says the most common mistake he sees is shops only having one workstation, which backfires if that station is being used. He recommends two to three workstations for shops with more than four employees.

Take the lead in implementing the change. It can be hard for employees to change their processes and habits — such as using a POS system to clock in and out, or log each arrangement they sold or designed. Shop owners need to take the lead in helping employees make the change, McManus says. He suggests giving employees a month to adjust.

cost of labor, it's time to get more specific about when you staff, what hours of the day you staff, and how many hours you staff. That info is right there in your POS system."

Will Gross, president of Williams Flower & Gift, which has six shops in the Puget Sound area of Washington, analyzes sales info quarterly to determine the best hours for each of his six shops. "I have business hours that are different from one location to the next, which can be confusing, but it helps us service our customer and makes it so we watch payroll costs," he says. "For some reason if a certain town or city is dead at a certain time, we can close shop."

Gross has also found his POS system helpful for controlling costs of goods. In addition to accurately forecasting fresh product needs, his POS system has also provided other cost-savings insights. One of the best-selling arrangements at his business is a smaller design featuring white and yellow roses. When his buyer used their POS system to analyze purchases, she could see they were ordering a large amount of 60 cm yellow roses, which were being cut down to size for use in the best-seller arrangement. They've since switched to ordering a shorter and

less expensive yellow rose — a savings that has added up over time, Gross says.

"We've found some pretty good insight from our POS system," he says.

Productivity Tracker

A POS system is also a great tool to determine wages based on productivity. The more productive an employee, the more the business can afford to pay them, making it a great way to retain talent, McManus says.

He suggests paying more to employees who increase sales or productivity, both of which can be tracked with a POS system. To track sales and productivity by employee, the employees must use the POS system to clock in and log their sales and/or arrangements.

"I believe the solution to the labor crisis is to pay your employees more, but you have to get more productivity out them, and a POS will help you determine that," he says. "You might be able to pay your employees more than you realize based on sales and productivity." 🌸

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