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ABSTRACT

This module on owning and operating a flower and plant store is one of 36 in a series on entrepreneurship. The introduction tells the student what topics will be covered and suggests other modules to read in related occupations. Each unit includes student goals, a case study, and a discussion of the unit subject matter. Learning activities are divided into individual activities, discussion questions, and a group activity. Units (and subject matter) in this module are: planning your business (products, customers, and competition; helpful personal qualities; how to compete well; legal requirements); choosing a location (how to choose a site; renting and leasing a store); getting money to start (preparing a business plan; statement of financial need); being in charge (managing a sales staff; hiring salespeople; keeping workers happy); setting prices (pricing; markdown sales; stock turnover); advertising and selling (how to advertise; sales methods); keeping financial records (cash sales; credit sales; daily cash sheet); buying and keeping track of supplies (inventory selection; choosing suppliers; purchase orders; inventory control); and keeping your business successful (keeping track of profits; profit/loss statements; improving profits; increasing sales). A summary and quiz complete the document. (A teacher's guide is available for this module.) (CT)

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Entrepreneurship Training Components

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GETTING DOWN TO BUSINESS:

Flower and Plant Store

Module 11

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GETTING DOWN TO BUSINESS:

Flower and Plant Store

Rachel L. Rassen

April 1981

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TABLE OF CONTENTS

Introduction	1
Unit 1	
Planning a Flower and Plant Store	3
Learning Activities	11
Unit 2	
Choosing a Location	13
Learning Activities	19
Unit 3	
Getting Money to Start	21
Learning Activities	28
Unit 4	
Being in Charge	31
Learning Activities	38
Unit 5	
Buying and Keeping Track of Supplies	41
Learning Activities	49
Unit 6	
Setting Prices	51
Learning Activities	58
Unit 7	
Advertising and Selling	61
Learning Activities	69
Unit 8	
Keeping Financial Records	71
Learning Activities	79
Unit 9	
Keeping Your Business Successful	81
Learning Activities	89
Summary	91
Quiz	93

INTRODUCTION

How are you going to use your job skills after you finish school?

Have you ever thought about starting your own flower and plant store?

This module describes people who have started and managed flower and plant stores. It gives you an idea of what they do and some of the special skills they need.

You will read about

- planning a flower and plant store
- choosing a location
- getting money to start
- being in charge
- buying and keeping track of supplies
- setting prices
- advertising and selling
- keeping financial records
- keeping your business successful

You will also have a chance to practice some of the things that flower and plant store owners do.

Then you will have a better idea of whether a career as a flower and plant store owner is for you.

Before you read this module, you might want to study
Module 1, Getting Down to Business: What's It All About?

When you finish this module, you might want to read
Module 7, Getting Down to Business: Apparel Store;
Module 8, Getting Down to Business: Specialty Food Store;
Module 9, Getting Down to Business: Travel Agency;
Module 10, Getting Down to Business: Bicycle Store.

These modules are related to other retail businesses.

UNIT 1

Planning a Flower and Plant Store

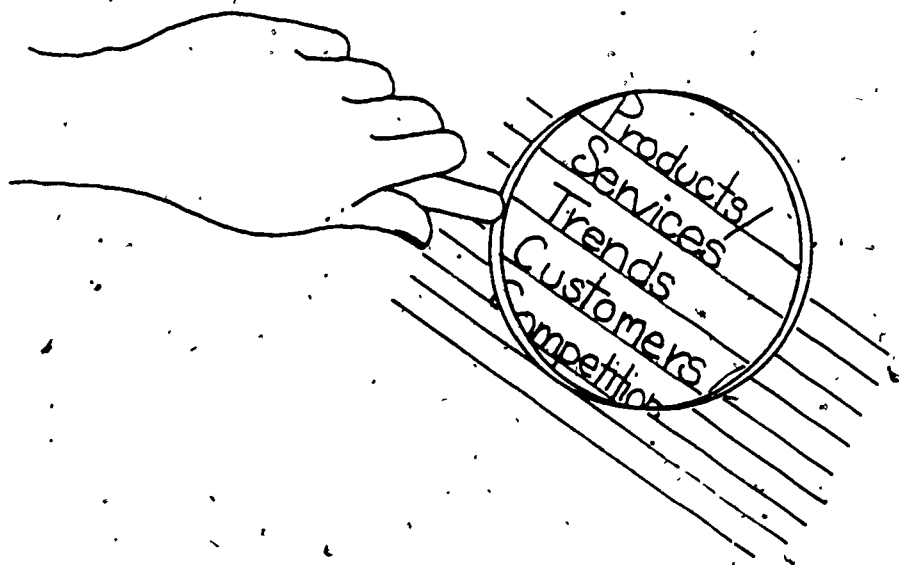
Goal: To help you organize and plan your flower and plant store.

Objective 1: Describe the products, services, customers, and competition of a flower and plant store.

Objective 2: List the personal qualities of a successful flower and plant store owner.

Objective 3: List three ways to help your business compete successfully with other flower and plant stores.

Objective 4: List one or more legal requirements for operating a flower and plant store.



JOHN AND CHARLES PLAN A FLOWER AND PLANT STORE

John Pollini and Charles Deane met in 1968 when they were both in their late twenties. John was working part-time in a florist shop in downtown Albuquerque, New Mexico. He really liked working with flowers, selling the right flowers and plants to people who would appreciate them. But the store was too small to hire him full time, and he didn't have enough money to open his own shop in the downtown area. He started looking for something else to do.

Charles was also at loose ends. He had been working for an insurance company. He hated his job and hated the city. He had just quit his job when John asked Charles if he would be interested in setting up a flower and plant store. He said yes, right away.

It was clear that they didn't have enough money to open a store in the downtown area. Both John and Charles had spent a lot of time in Taos, and both of them liked the small-town feel of the place. It was a very active town; everyone was friendly and seemed to know each other.

When John looked up "Florists" in the Yellow Pages, he found only two other businesses listed. Six other businesses were listed under "Plant Stores," and another six were listed under "Garden Centers." It looked as if the best way to compete would be to decide on the type of customer John and Charles wanted to attract, and then to select plants and flowers that would appeal to them.

The laws for opening their shop were simple. After they signed a lease, they had to pay for a sales tax license and a business license, as well as a membership in the Wholesale Flower Market in Albuquerque.

Planning a Flower and Plant Store

There are five main things John and Charles must do when they seriously start planning their shop: (1) decide whether running a flower and plant shop is right for them; (2) take a close look at their competition; (3) decide who their customers will be and the types of flowers and plants they will carry; (4) choose an image and a name that customers will notice and remember; and (5) learn about the laws for opening and running their business.

Products, Customers, and Competition

Products. Over the past ten years, sales of flowers and indoor plants have grown steadily. For some people, plants and flowers are ways of decorating rooms and offices. For other people, it is a fascinating hobby.

Plant stores are unlike flower shops and garden centers. The majority of plant stores sell only decorative houseplants and related accessories. A flower shop, on the other hand, specializes in cut flowers and blooming plants. Much of a florist's business is done on the phone; therefore, a fast and efficient delivery service is essential. Garden centers and nurseries sell both indoor and outdoor plants as well as insecticides, fertilizers, garden furniture, and tools.

Small plant stores that helped make plants popular three or four years ago today face tough competition. Supermarkets, garden centers, department stores, and even drug stores now sell many kinds of plants. Florists have also begun to carry houseplants. For this reason, many plant stores have started selling cut flowers. Store owners are having to expand their inventory in order to compete successfully.

The business of running a flower and plant store is tough. To succeed, you must follow customer tastes closely. As one plant store owner says, "Remember what your customers asked for that you didn't have, and buy it."

Customers. All types of people--young and old, rich and not-so-rich--buy plants and flowers these days. One reason is that, as cities grow, people feel they can't control their exterior environment. Therefore, they want to control their interior environment. The more concrete there is around them, the more people buy plants to soften the hardness.

In general, flower and plant stores sell to the full range of possible customers. To succeed, however, you should decide on the type of customer you particularly want to attract and then select your products, services, and store image to appeal to this group. For example, if your target customers are suburban women with expensive tastes, you might want to stock exotic plants, ornate planters, and extra decorative items for the home. If you want mainly to serve the "busy young working set" (many of whom live in apartments), you might specialize in house plants that are hearty and easy to care for and flowering plants that grow well in small pots on balconies.

Competition. Supermarkets, drugstores, department stores, and nurseries all compete with flower and plant stores. Supermarkets now sell many different kinds of plants and flowers; department stores often decorate their houseware sections with plants and flowers; even drug stores and gift stores will sell plants and flowers as sidelines.

These big businesses and stores give the small flower and plant store owner a lot of competition. However, there is still a place for the small plant store owner in this jungle. Offering a variety of flowers and plants together with personal service is the key to your success.

Helpful Personal Qualities

If you have a "green thumb" and like gardening, then owning a flower and plant store is a way of mixing business with pleasure. But being in the business world is very different from growing plants at home. In addition to gardening skills, you must know how to buy, sell, care for, and arrange flowers and plants. You should also have good "business sense."

It is helpful to have work experience in other plant stores. If you have studied ornamental horticulture and botany, you can use this information when you talk to your customers. This experience will help you convince customers of your knowledge and professionalism.

As a flower and plant store owner, spraying, watering, trimming, pruning, feeding, and repotting your plants will be daily concerns. The goal of all this work is customer satisfaction. The details of plant care must be spelled out to each customer. To run a successful flower and plant store, you must like people. You will be educating your customer about the plants they buy as well as selling the plants to them.

You will also have to learn many business basics. You will need to keep track of your inventory, income, and expenses. Unlike many businesses, running a plant store will let you combine your personal enjoyment of growing things with a healthy dose of business basics and a lot of hard work and enthusiasm. John's experiences in a florist shop and Charles' experiences in business will help them in their new store.

How to Compete Well

Wise flower and plant store owners must look closely at their competition. Do these other stores sell quality merchandise? Do they sell many different types of plants and flowers? What are their prices? What services do they provide? What is their reputation? If they are successful, why? On the next page are some ways you can give your store an "edge" over your competition.

- Design the outside of your store in ways that will capture the attention of passers-by and make them want to come inside. A window display is the first contact a customer has with your flower and plant store.
- Use displays that include many different types of plants and flowers or focus on their decorative uses. Change your displays weekly to prevent plants from pooping out and to hold the interest of customers who pass by often.
- Offer your customers special services not offered by your competition. Your plants and flowers may be the same as everyone else's, but your services can make your store unique. Some flower and plant stores have been very successful offering services such as classes in plant care and flower arranging, plant clinics for "sick" plants, plant-sitting services for people who are away from home, repotting services, delivery services, and so on.

Legal Requirements

Get in touch with your state licensing agency to learn about the licenses, taxes, and permits you will need to start a flower and plant store. Here is a list of things that may be required:

- a sales permit;
- a business license, available from the city hall or county courthouse;
- an Employer's Identification (EI) number from the Internal Revenue Service; and
- a floral association market badge, which allows you to buy plants at the flower markets.

There are city and county zoning laws to be considered. These laws tell you what you can and cannot do to the outside of your store.

You will also need to buy insurance to protect your store. A basic plan may include fire insurance, liability insurance, crime coverage,

automobile insurance (for company owned cars), workers' compensation insurance, and business interruption insurance.

Summary

To start a flower and plant store requires a lot of planning. First, you have to decide that owning this kind of business is right for you. Then you have to decide who your customers will be, what types of plants and flowers to carry, how to compete, and what legal requirements to meet. There is a lot of competition in the flower and plant store business. To a great extent, the reputation of your store will depend on the quality of your merchandise, the services you offer, and the personal attention and care you give your customers.

Learning Activities

Individual Activities

1. Look up "plant stores" in the Yellow Pages of your phone book. If you located in your hometown, which stores would probably be your competition? Call one or more and ask about the special services they provide. Do the same for "florists."
2. Do you have the right personality and interests to open and run a plant store? List three personal qualities or experiences that you think would help make you successful:
 - a.
 - b.
 - c.
3. What subjects are you studying now that would help you run a plant store?

Discussion Questions

1. Discuss the reasons why flower and plant stores are risky businesses. What are some of the ways you can make your flower and plant store successful?
2. Who would be the customers for your flower and plant store? What are some reasons why they would be interested in buying plants and flowers?
3. Discuss the ways plant stores are different from flower stores. How are plant stores different from nurseries?

Group Activity

Interview a flower and plant store owner in your community. If possible, choose a small, privately owned shop. Tell how the owner started the store and what he or she must do to manage it successfully.

Include such important details as the following:

- (1) who owns the store, and how the business was started;
- (2) services offered (including delivery, credit, and gift wrapping);
- (3) other products offered in addition to flowers and plants;
- (4) the total number of employees;
- (5) the training and experience of the owner and the employees;
- (6) where the shop gets its plants;
- (7) special "secrets" for success; and
- (8) problems of the business.

UNIT 2

Choosing a Location

Goal: To help you choose the right location for your flower and plant store.

Objective 1: List three basic things to think about in deciding where to locate your flower and plant store.

Objective 2: Choose the best location for opening a flower and plant store.



JOHN AND CHARLES CHOOSE A LOCATION

After John and Charles decided to open their shop, they found a tiny attic area to rent above an art gallery in Taos, New Mexico. It had its own doorway on the main street in town. The rent was only \$50 a month, and it fit their pocketbooks perfectly. The location seemed perfect for their "bucket shop"--a great place to display and sell beautiful cut flowers in large buckets. They decided to call their store Living Interiors.

It was late spring when John and Charles opened their Living Interiors bucket shop in the room above the art gallery. They got a dozen large tin cans, painted them green, and filled them with cut flowers. They arranged the cans on ladders surrounding the doorway that led upstairs to their shop.

Upstairs they had more buckets of flowers. They also built shelves for flowering and green plants.

Many people who stopped by the art gallery bought flowers and plants at Living Interiors. The flowers were healthy and colorful, and caught the eyes of many of the downtown shoppers. The weather was beautiful throughout that spring and summer, and John and Charles found that window shoppers and the downtown business people were among their best customers.

Choosing A Location

Deciding where to locate your flower and plant store is a very important decision. The number of plants and flowers sold is directly related to the location of the store.

Choosing the Area for Your Store

Before you choose a location for your store, you will need to do some homework. If you choose a shop simply because it's close to home or is the first vacant store you find, you may be in for trouble.

Successful store owners know they need to consider a number of facts about the area where their stores are located. These include:

- the neighborhood's potential for growth;
- the ages, incomes, and interests of the residents;
- the competition in the area; and
- the type of neighborhood--urban, suburban, or commercial.

There are many places where you can get information on good areas to open flower and plant stores. Community banks, newspapers, census information, and chamber of commerce and utility company reports all provide information on the areas you may consider.

Questions to Ask When You Choose Your Site

Consider the next list of questions when you pick the specific site for your plant store.

- Who are your target customers?
- What business was in this location before you, and why did it close (or move)?

- How much competition will you have from similar stores in the area? Department stores and drug stores? Flower shops? Nurseries?
- Do a lot of people walk by this site? Is public parking available?
- In what condition is the street or store? Are repairs needed?
- How much space will you need? Is there room to expand later on?
- What other kinds of stores are there in the neighborhood? Do they have many customers?
- How good is the heating, lighting, and ventilation of the building?
- What are the local zoning rules and regulations?

City locations where there are many apartment buildings and offices are good places to open a plant or flower store. Since flower and plant stores depend on "drop in" customers for about 80% of their business, the store must be located on a busy street in town. The store should be easily seen by passers-by; a corner might be ideal.

Locating near other busy retail stores will help attract customers to your flower and plant store. If you are close to a busy shop or restaurant, you might be able to enjoy the "spill over" from their business. Many of the shoppers that buy flowers and plants in the Living Interiors store are customers of the art gallery.

The condition of the store is also important. You should check on the amount of light you will get. Will your plants get morning or afternoon sunshine? How much natural light comes in through the windows?

Flower and plant store owners have to spend a lot of time away from their stores in order to find and buy the right plants and flowers for their customers. The plant store owner must consider how closely the store is located to the flower and plant market suppliers and nurseries. How much time will be spent shipping the plants? Will they suffer if they have to travel long distances through all kinds of weather?

Store owners who are far away from their suppliers agree that distance limits the selection of plants. Certain plants do not "travel

well." The distance will also add to operating expenses and will boost the price you must charge for your plants and flowers.

Renting and Leasing a Store

After you find a good location, you must arrange a lease with the building owner. These agreements are usually quite complex and may run over 40 pages. Lease or rental agreements should be reviewed by a lawyer and an insurance agent before they are signed.

Under a flat rental system, you will pay the building owner a fixed amount of rent each month. Rent may also be paid under a percentage of sales agreement. In this case, you agree to pay a base amount and a percentage of the monthly sales. This type of system is often used in shopping centers.

Rent is a major expense. You must decide how much you can afford to pay on the basis of the amount of customers a location will attract. If you think a busy downtown site will bring you lots of customers, the extra money you'll spend on rent may be worth it. If, however, you think you'll have trouble paying rent in this "ideal" location, choose a slightly cheaper shop that's not quite as central--and do a better job of advertising.

Summary

A little logic and a lot of homework will go a long way when looking for the best location for your plant store. A highly visible downtown location with walk-in traffic will often be your best choice, even when the rent is high. The kinds of neighboring stores and the physical condition of the building are also important factors to consider when choosing a location.

Learning Activities

Individual Activities

1. List four sources of information that can be used in deciding where to locate a plant store.
 - a.
 - b.
 - c.
 - d.
2. What is the difference between a flat rental rate and a percentage of sales agreement?
3. What are the advantages of locating the Living Interiors store over an art gallery? The disadvantages?
4. You have taken a traffic count to see how good a particular site is for your new flower and plant store. An average of 100 cars pass by the site every hour. An average of 75 people walk by every hour. What further information would you like to get about this site before you make your final decision?

Discussion Questions

1. Brainstorm and list all the information you would want to know about a store location before you sign a lease.

2. Choose three towns or areas that are close to your school. Answer these questions about the areas:
 - a. How many people live there?
 - b. Where do most people go to do their shopping?
 - c. How many plant stores, flower stores, nurseries, and garden centers does each one have?
 - d. Is the area growing? How can you tell?

3. Based on what you found out above, which area would be the best one in which to locate a flower and plant store? If none of them is very good, can you suggest another area?

Group Activity

Make a checklist that you could use in evaluating a possible site for a flower and plant store

UNIT 3

Getting Money to Start

Goal: To help you plan how to get money to start your flower and plant store.

Objective 1: Write a business plan for your flower and plant store.

Objective 2: Fill out a form showing how much money you need to start your store.



JOHN AND CHARLES GET A LOAN

John and Charles pooled their money to open the Living Interiors store. Their opening expenses were actually very low. In addition to the \$50 they paid to rent the upstairs room, they bought \$200 worth of flowers and plants. They found two dozen tin cans and painted them green. They then bought some plastic buckets, a few rolls of tin foil and wrapping paper, a stapler, and two pairs of flower clippers—and they were in business. In all, they spent \$400 to open their store!

During the first few months, John and Charles went back to the flower market every day to get new plants and flowers to refill their buckets. Business was great! But after five months, the weather started changing. The strollers and walking traffic started dropping off—and so did business.

Lately they had been getting requests from customers for formal flower arrangements, corsages, and unusual green and flowering plants. But to keep those plants and flowers on hand and to display them better to the customers, they needed a refrigerator unit, a greenhouse, and a new store.

By this time, John and Charles realized that they couldn't continue this way. Things were too casual and unorganized. It had been a great beginning, but now they had to start making real business plans.

They figured that to buy the equipment, pay rent on a new place, remodel, and restock their inventory, they would need at least \$16,000. They had about \$6,000 of their own. Where would they get the rest of the money to keep their flower and plant store afloat?

John and Charles went to their local bank and filled out a loan application for \$9,000. They completed a business plan—an outline of what their business was like and how they would run it. Again they were lucky. It was a small town, and the bank president knew them personally. She knew they were both hard workers even though, from a business point of view, their store was a mess. The bank agreed to lend them the money.

Getting Money to Start

All new businesses need money to get started. Your own savings and loans from family or friends will be important sources of funds. However, you may also have to borrow some of your "starting capital" from a bank or a government agency. In this unit, you will learn something about how to apply for money to start a flower and plant store.

The bank will want to know a lot about you and your business plan before it will lend you money. You will have to show that you are a good business risk. You will be asked to provide the following information:

1. personal background information;
2. a description of your business (the business plan); and
3. a statement of financial need.

Personal information is often written in the form of a résumé. A résumé shows your education and experience and gives names of references. This module won't give you any more information about résumés. Instead, it will deal with the description of your business and the statement of financial need.

Preparing a Business Plan

When you ask for a loan, the lender will want to know what kind of store you want to start and how you plan to run it. The lender will be looking at how carefully you have planned your business.

Your business plan should be clearly and simply written. You should include the following information:

- the kind (and name) of store you want to open;
- the services you will provide;

- the area and site of your business, and why you chose it;
- the target customers, (the market) you want to attract;
- your competition in the area;
- your management plan and strategy for success; and
- the number of employees you plan to hire;

This information will help show the lender that you have planned well and your business is a good risk.

Statement of Financial Need

How much money do you have on hand to open your store? How much more money will you need? As a rule, banks expect you to provide half the start-up money. John and Charles had \$6,000 of their own money to invest in their store.

The men did some careful planning to decide the total amount of money they would need to open their store.

Starting expenses. John and Charles made a detailed list of their starting expenses. Here it is:

Opening Costs

Beginning Inventory	\$7,500
Remodeling Costs	<u>2,000</u>
Subtotal	\$9,500

Operating Costs (three months)

Rent	\$1,500
Advertising	400
Insurance	200
Licenses & Taxes	250
Employee Salaries	1,700
Working Capital	<u>2,000</u>
Subtotal	\$6,050

TOTAL START-UP COSTS \$15,550

The two types of expenses you will have are opening costs and operating costs. Opening costs include the initial inventory (plants, flowers, and accessories) you buy. They also include the costs to remodel the inside and outside of your store to make it more attractive to customers.

Remodeling costs also include the costs of fixtures and equipment. You should make sure you have all of the following:

- Sales area display fixtures: shelves, carts, ladders, and decorative racks that add personality to the store.
- Workroom equipment: tools, fertilizers, plant foods, sink, worktable, shelves to store back stock, a refrigerator unit to store the cut flowers, and perhaps a small greenhouse.
- Business equipment: a check-out counter as well as office equipment--a cash register, an adding machine, a file cabinet, and a card file.

Operating expenses include all the costs of opening and running your store. Your largest expenses will be your rent and the salaries for your employees. Operating expenses also include the cost of insurance, licenses, taxes, and advertising. You should have a large amount of money for working capital--the money you have on hand to pay for unexpected expenses.

Sample statement of financial need. On the next page is a sample form you may have to fill out when you apply for a loan. The form lists a few of your basic expenses. You may have to prepare a more complete form for your business. For example, you may wish to list phone and utility costs separately. You may hire an interior decorator and want to list this cost separately, too.

STATEMENT OF FINANCIAL NEED

<u>Starting Expenses</u>		<u>Money on Hand</u>	
Salaries	\$	Cash on Hand	\$
Building Expenses		Gifts or Personal Loans	
Repairs and Renovations		Investment by Others	_____
Equipment and Furniture		TOTAL	
Inventory or Supplies			
Advertising			
Other			
TOTAL	\$ _____	TOTAL STARTING EXPENSES	\$
		TOTAL MONEY ON HAND	_____
		TOTAL LOAN MONEY NEEDED	\$

Summary

When you apply for a loan to start your flower and plant store, you will need to provide a business plan and statement of financial need. A business plan gives you a path to follow and gives you bank the details of your business. The banks will need to know your specific financial plans in order to lend you money. The amount of money you will need to start a flower and plant store will depend on the cash you have available, the size of your beginning inventory, your rent and remodeling costs, and the store's operating expenses.

Learning Activities

Individual Activities

1. Pretend you are writing the business plan for the Living Interiors store. What additional information would you like to have about John and Charles' business before writing the plan?
2. In addition to a business plan and a statement of financial need, what other kinds of information would a lender want to know before giving John and Charles a loan? Why?
3. Make a detailed list of equipment and inventory you'd need to start a flower and plant store. If you can, list approximate costs.

Discussion Questions

1. Were John and Charles very realistic and businesslike when they first opened their store? What plans should they have been making at that time?
2. If Living Interiors had just opened in a new city, how would a detailed business plan add to John and Charles' chances of getting a loan? Why?
3. Do you think it would be difficult to apply for a loan? What are some of the things you can do to prepare for an interview with a loan officer?

Group Activity

Role play the loan interview between Mrs. Washington (the bank president), and John and Charles. The persons playing John and Charles should present convincing reasons why their new business idea is a good risk for the bank. Mrs. Washington should analyze the information and decide whether she agrees. Evaluate yourself on how well you played your role. Did you present good arguments for your side? Did you treat the other individuals politely, professionally, and warmly?

UNIT 4

Being In Charge

Goal: To help you select and manage your employees.

Objective 1: Decide how to divide the work of your flower and plant store among your staff.

Objective 2: Pick the best salesperson for your plant store.

Objective 3: List three ways to keep your people happy.

JOHN AND CHARLES TAKE CHARGE

When Living Interiors first opened, both John and Charles did all the jobs. They both sold flowers and plants to customers, traveled to the flower and plant markets, took phone orders, and arranged corsages and floral arrangements. However, after a while it became clear that the two of them had talents in different areas!

John was good working with people. He was an outgoing person and a skillful salesman. He knew how to express himself clearly and sincerely. He was genuinely concerned about his customers. He always tried to make sure that they were happy with what they bought and how they were treated in the store. John knew how to take simple ideas and expand them so that the plants and flowers he sold were often a lot more elaborate than the customer originally expected.

Charles, on the other hand, was shy around people. He was not a good salesman, but he loved working with plants and floral arrangements. He knew how to put together the arrangements that John and his customers dreamed up. Charles enjoyed working with color designs and styles in original and creative ways.

John started taking charge of the plant store showroom and the contacts with customers. Charles worked mainly in the back room--repotting, caring for plants, and creating corsages and floral arrangements. Charles also started taking charge of the flower and plant market trips. With Charles' careful planning, they were able to reduce their daily trips to the flower and plant markets to only two or three times each week and still keep a complete selection of plants and flowers in the store.

Being In Charge

Owning and running a flower and plant store involves many responsibilities. Charles and John were able to divide and organize their work responsibilities effectively, since they recognized they had talents in different areas. If you don't have a partner, you will probably have to hire and supervise one or more salespeople in your flower and plant store.

In this unit you will learn about:

1. the importance of a well-managed sales staff;
2. ways of recruiting and hiring salespeople; and
3. keeping your people happy.

The Importance of a Well-Managed Sales Staff

Good management of your salespeople can mean better sales and profit for your business. Well-managed salespeople can help you in many ways.

They can:

- sell skillfully to customers to increase your sales;
- provide customers with useful suggestions that will build sales and improve customer satisfaction;
- assure that customer needs are met so that few plants are returned;
- develop a loyal following of customers who will return to your store and send their friends; and
- keep financial and other records (inventory, bookkeeping, accounts, bills, etc.) so that losses through carelessness are kept low.

In fact, a flower and plant store's strongest selling point is its salespeople. To compete with larger, impersonalized stores, you may want to create a casual, intimate store environment and good customer/clerk

relationships. Developing a friendly atmosphere requires sympathetic and interested salespeople. Good salespeople will encourage people to browse among the greenery, ask questions about the plants, return for help with problem plants, and come to you with special plant needs.

Shoppers are often confused by the different growing requirements of different plants; they may have trouble seeing which flowers and colors go together best, or deciding what types of flowers they want to buy for that special occasion. They often need the expert advice of a salesperson so they can choose plants that will grow for them or flowers that will fit the occasion. In addition, a well-trained salesperson can encourage multiple sales by pointing out accessories that might accompany the plants or flowers selected--such as decorative baskets, watering cans, fertilizers and plant foods, and so on.

You can see how important good salespeople will be for your flower and plant store. You will now learn how to hire them.

Hiring Salespeople

Since you will want to hire well-qualified and reliable salespeople, you will have to screen job applicants carefully. The reputation of your store may depend on doing this job well.

Screening. When you screen people for a job, ask them to:

- fill out a detailed job application;
- come in for a personal interview; and
- give you a list of personal references.

First, make a list of the qualities and attitudes you are looking for in your salespeople and write a detailed description of the job to be filled. Make sure the applicants get copies of this job description--it tells them what is expected.

Then talk to the applicants--make an effort to find out what they are really like. Remember, they will have to deal with people in situations where first impressions are critical. Are they polite? Well-groomed? Are they be able to respond to customers in a helpful and cooperative way? Do they know about flowers and plants so they can answer the customers' questions? What do they know about color design and floral arrangements? Are they aware of the basic steps in selling? Let the applicants talk. When you listen, consider how you would react as a customer.

Where will you find these people? Many flower and plant stores depend on walk-ins or referrals when hiring people. You may find that a "Help Wanted" sign in the front window will attract job applicants. Other sources of possible salespeople are the classified ads section of the newspaper, especially local and community papers. Or you may contact employment agencies or placement centers at schools.

Hiring part-time people. You may want to use part-time help to keep your costs down. If you are aware of customer shopping patterns, you can effectively schedule your selling help. Additional salespeople may be needed at certain times of the year like Christmas, Mother's Day, and Valentine's Day.

However, there may be a lot of turnover among part-time help. Fast turnover may work against personal relations with customers. Part-time salespeople may also need more supervision and training, and they may not be as reliable as your full-time salespeople.

Keeping Workers Happy

A flower and plant store, as any other business, must keep its workers happy to stay in business. As the owner, you can keep your people happy in these ways:

- provide enough training;

- offer good salaries and benefits; and
- have clearly stated policies.

Training. Some people are "naturals" when it comes to selling. Other people need to be taught. You may need to help train inexperienced people in the basic steps of selling, especially in the area of plants and flowers. In addition, you should get together regularly to discuss problems and new merchandise. This will help keep the sales team well informed and enthusiastic.

Salaries and benefits. Salaries are one of the largest expenses you will have. To attract top-notch help, the salary you offer must be competitive or slightly better than local department or chain stores. Full-time employees should also be offered some kind of health insurance and retirement plan.

Store policies. A clearly stated store policy will tell your staff what is expected of them. A written store policy will tell your staff about employment requirements (health, insurance, courses), work assignments and how they are made, your dress code, fringe benefits, working hours, and overtime compensation. Then, when everyone knows the "rules and regulations," follow them in a business-like way.

Summary

Dividing work responsibilities and building and managing an effective sales staff can help your store grow and profit. Screening and interviewing job applicants, providing training when necessary, establishing communication channels, offering good salaries, and defining your store policies are basic to the success of your store. Keeping your employees happy contributes to the positive reputation of your store.

Learning Activities

Individual Activities

1. List three things a good salesperson can do to help business.
 - a.
 - b.
 - c.

2. Why did John and Charles divide up the responsibilities for the jobs around the Living Interiors store? Give one advantage and one disadvantage of this system.

3. Are the following statements true (T) or false (F)? Explain your answers.
 - a. The store owner delegates responsibilities to the employees and gets what is left over.
 - b. Job applicants need not fill out applications for small stores.

4. List three negative qualities that could show up in a personal interview for a job but not on an application form.
 - a.
 - b.
 - c.

Discussion Questions

1. What must a good salesperson do before he or she makes any suggestions to a customer?

2. You own a flower and plant shop in the downtown area. You have just interviewed a job applicant. Your impression is that he is well qualified for the job. However, one of his references tells you that he is not very reliable--he often comes in late and calls in sick. What should you do?

3. Discuss why it is important to have clearly stated policies for your employees.

Group Activity

In groups of two, develop a set of interview guidelines for an employer to use in hiring employees. Then role play the following situation: Gloria Tanner has applied for a sales position in Living Interiors. Her application shows that she has had four years of experience working in another flower and plant store, and her references are good. However, she has been unemployed for the past year because of "various health problems."

UNIT 5

Buying And Keeping Track Of Supplies

Goal: To help you select your inventory and develop an inventory control system.

Objective 1: Select the best flower and plant supplier, decide how much you will buy, and develop an ordering schedule.

Objective 2: Complete the total amount of a purchase order for your store.

Objective 3: Compute the amount of inventory on hand on a certain date.

JOHN AND CHARLES ORDER AND KEEP TRACK OF SUPPLIES

When John and Charles opened their first "bucket shop," their supply system was simple. Each day they went to the flower market and bought enough flowers and plants to keep their buckets and shelves full. But when they moved into their new store, divided up the job responsibilities, and started to expand, they found that they couldn't use this system. It cost too much and took too much time.

John and Charles set up their new store very precisely. All the plants in small pots were arranged on one shelf, while plants in larger pots were on another shelf. Terrariums were placed in a pyramid in one corner, and hanging plants were arranged symmetrically across the ceiling. The buckets of flowers were kept in a refrigeration unit.

Using this system, John and Charles could keep tabs on which plants were the fastest sellers and which ones were the losers. The flower buckets were always kept full, and extra flowers were stored in the back room.

When they started running low on a particular plant or flower, they would simply call the nursery or flower market and place an order. In this way, they were able to cut down trips to the suppliers to only two or three times a week and still keep their store stocked with the most popular items.

Buying and Keeping Track of Supplies

To a large extent, the reputation of your flower and plant store will depend on the quality of your merchandise. Your most important concern is to buy and maintain top notch green plants and flowers. This is not at all like other stores, where you can rely on brand-name products. You must handpick high-quality plants and flowers from reputable suppliers.

Some suppliers may specialize in plants or cut flowers, while others may deal only with supplies. Many suppliers handle a full line of flowers, greenery, and supplies. Your choice of suppliers will depend on what merchandise and services you plan to emphasize and the services each supplier offers. In this unit you will learn how to choose your merchandise and suppliers, and how to manage and control your inventory.

Inventory Selection

Here are some basic points to keep in mind when buying plants and flowers.

- Buy what you know will sell. Standard ornamentals--philodendrons, ferns, jade trees, ivies, and coleuses--are very popular and form a good basic plant inventory. Carnations, roses, gladioli, and chrysanthemums are among the most popular flowers. However, each flower and plant store sells to different customers. What will sell in one store may not sell in another. You should buy what your customers want.
- Keep a small selection of "specimen" plants and flowers. Specimen items are usually the larger, more expensive plants and flowers. They add color and character to a store. You may not sell many of these specimens, but they can add character and variety to your inventory.

- Include some rare and exotic plants and flowers. Store owners know that customers tire quickly of the "same old stuff." To fight this boredom and to add a little variety to your store, you may wish to add plants like burro's tails or staghorn ferns, or some of the more unusual orchids. If you include a selection of herbs in your inventory, you will really be adding a "little bit of spice" to your store.
- Buy what you like, but keep your customers in mind. Store owners often buy the plants and flowers they like. But when in doubt, the customers' tastes must come first.
- Be flexible. You cannot always go to your suppliers with a list of what you want to carry in your store. Growers and suppliers may not have those plants and flowers in stock. You will have to keep an open mind about your store's inventory. This is actually an advantage--when you go to your grower, you might just happen to see a plant you wouldn't have noticed otherwise.
- Don't overbuy. Once in a while, a grower or supplier might have a special on certain plants or flowers. You might be tempted to buy many of these plants. Avoid loading up on too many plants or flowers. What you can't sell may die, or you may simply end up boring your customers. After all, what can you do with 200 cactuses?

Choosing Suppliers

Plant store owners get their supplies and inventory from three different sources.

- Plant growers and wholesalers supply plants and flowers.
- Wholesale flower markets offer a wide selection of cut flowers and plants.
- Garden supply distributors sell "hard goods" such as pots, plant foods, and potting soil.

Before you open your store, you will have to find reliable flower and plant suppliers. Most flower and plant store owners will have accounts

with eight or more plant growers. However, if there is a wholesale flower market in your area, you may be able to buy all your cut flowers and plants in one place.

To buy quality merchandise, you will often have to spend mornings away from the store. It is wise to try to find growers within easy traveling distance to your store. In this way, you can visit two or three in the same morning.

The wholesale flower market distributes the flowers and greenery that come from the growers. A wholesale market may be able to supply all the inventory needs of your store. This is simpler than trying to buy your inventory from many different growers. However, you may lose out on the special benefits, services, and individualized attention that come from building personal relationships with growers and suppliers. Also, the prices may be somewhat higher for the same merchandise.

You should keep the number of suppliers small. Here are some considerations in choosing them.

- Some growers will let store owners call in their orders before picking them up. This will cut down on the time you have to spend away from the store.
- Some growers will deliver to your store, depending on the size of the order.
- Suppliers will favor their more loyal customers, especially if they know you personally. You may be given preferential treatment in flower and plant selection and delivery service. The supplier will be more helpful if, for any reason, the customer is not satisfied with an order. You will hear tips on plants in stock "from the horse's mouth." You will get better attention for special orders for your customers.

Purchase Orders

You now have enough information to fill out a purchase order. This is the form that John and Charles used to record their purchases.

PURCHASE ORDER				
TO: _____		DATE: _____		
_____		PURCHASE ORDER NUMBER: _____		
_____		REQUIRED DELIVERY DATE: _____		
SHIP TO: _____		SHIP VIA: _____		
_____		_____		
_____		_____		
Quantity	Unit	Description	Unit Cost	Total Cost
TOTAL				
Signature _____				

The form you use may be slightly different. The important thing is that you have accurate records of what you purchase and the money you spend.

Inventory Control

It's great to get lost in your own green jungle. To many flower and plant store owners, keeping track of inventory means a return to the ordinary world of numbers.

There are several reasons to have some kind of inventory control system:

- to keep track of plants and flowers that go into and out of a store;
- to help you plan for future orders;
- to give you an idea of the dollar value of your inventory; and
- to let you know which plants and flowers sell well and which ones are "losers."

Keep your inventory control system simple. Personal observation is one way of keeping track of stock. By arranging your displays in a certain order--four inch pots on one shelf, six inch pots on another--you can tell by looking what has been sold and what needs to be reordered. This is the system that John and Charles used.

You can also take physical inventory counts to get a precise number of items still on the shelf. This should be done on a regular basis, perhaps weekly.

Store owners must keep accurate records of their sales. This is a sample inventory card you can use to record your purchases and sales:

INVENTORY CARD					
Item _____					
Supplier _____					
Reorder Point _____			Reorder Amount _____		
AMOUNT RECEIVED		AMOUNT SOLD		AMOUNT REMAINING	
Date	Amount	Date	Amount	Date	Amount

Summary

It is important to find reliable suppliers of your plants and flowers--whether you buy from individual growers or at a flower market. It is also very important to keep accurate and up-to-date records of your purchases and sales.

Learning Activities

Individual Activities

1. Consider the flower and plant store you would like to open. Make a list of the different types of plants and flowers you would include in your opening inventory.

2. Check your Yellow Pages and list some of the suppliers/growers in your area that you could contact to purchase your initial inventory. Look under Florists--Wholesale, Nurseries--Wholesale, and Florists' Supplies, and any other categories you can think of.

3. On March 10, 1982, The Green Thumb--a houseplants-only shop--ordered the following from Mary Mead Nursery: 10 6" Creeping Charlies at \$3 apiece; 5 8" grape ivies at \$5; and 5 6" Boston ferns at \$4. Delivery is desired by truck by March 20. Fill in the following purchase order.

Quantity	Unit	Description	Unit Cost	Total Cost
TOTAL				
Signature _____				

PURCHASE ORDER	DATE: _____
TO: _____	PURCHASE ORDER NUMBER: _____
_____	REQUIRED DELIVERY DATE: _____
SHIP TO: _____	SHIP VIA: _____



4. On March 20, The Green Thumb's order (described in #3 above) arrived. The shop was totally out of Boston ferns by then, so the delivery was important. On March 22, two ferns were sold, and on March 23, two more. Fill in this inventory card for Boston ferns.

INVENTORY CARD					
Item _____					
Supplier _____					
AMOUNT RECEIVED		AMOUNT SOLD		AMOUNT REMAINING	
Date	Amount	Date	Amount	Date	Amount

Discussion Questions

1. What are the advantages of buying from a few individual suppliers/growers? The disadvantages?
2. What are the advantages of buying from a wholesale flower and plant market? The disadvantages?
3. Do you think John and Charles' way of ordering and keeping track of supplies is a good one? What methods described in this unit do they use?

Group Activity

Discuss the advantages of an inventory control system. See if you can come up with a better system than the one John and Charles set up. Your goal is to know what "sells" so you can have a high turnover in your inventory. Slow-moving items should be kept to a minimum since they "tie up" your money. Some slow-moving items may be valuable, however.

Discuss what these could be.

UNIT 6

Setting Prices

Goal: To help you decide how to set prices for your merchandise.

Objective 1: Pick the best price for your merchandise.

Objective 2: List three reasons why markdowns may contribute to the success of your store.

JOHN AND CHARLES SET PRICES

When John and Charles first opened their bucket shop, they priced and sold all items at a 100% markup. So if the flowers cost them 50¢ each, they sold the flowers for \$1.00 to their customers.

However, as time passed and they moved into their new store and expanded their inventory, they found that they just weren't making enough money to stay in business. They had to raise their prices.

Over two years, they had moved their store twice, each time to a better location. But they were now paying \$500 per month for rent. They had remodeling costs to consider, and their cut-flower display and refrigeration unit had cost them \$2,000. Also, the price of gasoline had doubled. Although they were able to cut down on the number of trips they made each week to the suppliers, they were paying more for gas to run the truck.

To make things more interesting, two new flower and plant stores had opened up downtown. John and Charles' prices had to be competitive with those of these new stores, or they would lose all their loyal customers.

John and Charles set a 300% standard markup price on all their plants. However, they limited their markup on flowers to 200%. This way they hoped to keep their loyal customers who usually came in to buy flowers but often ended up buying plants as well.

Setting Prices

There are four main things to consider in setting the prices of the plants and flowers in your store:

- the wholesale cost of your merchandise;
- the labor and operating costs of your store;
- the amount of profit you want to make on your sales; and
- your competition's prices.

In this unit you will learn about how to set prices, including marking up and marking down prices. You will also learn about stock turnover, an important sign of your store's success.

Pricing

A basic step in making a profit in your store is selling plants and flowers for more than they cost you. But how to decide on prices that are competitive, will bring customers in, and are profitable for you is a real challenge for many flower and plant store owners.

The wholesale prices of plants and flowers may go up and down daily, without any warning. A plant that costs you \$10 on Friday may cost \$15 on Monday. And there are often flower and plant shortages! When this happens, you have to choose between going without and trying to find the plants and flowers at other suppliers or growers who may be less reliable.

As a result of these problems, some flower and plant store owners change their prices often. But this involves a lot of work. Other plant store owners rely on standard markups to cover their expenses. The difference between the wholesale cost of the merchandise and the retail price is called markup. John and Charles chose to use a standard markup to figure the prices for their plants and flowers.

The prices on your plants and flowers have to stay within a competitive range or your customers will start buying at other stores. But prices must be set high enough so that your operating and selling expenses are covered. The best policy for your store may become clear to you only after a very careful look at your business practices and your competition.

The most common pricing strategy is called gross profit pricing. Gross profit is the amount you add to the wholesale cost of your merchandise. (Here, gross profit equals markup.) For example, if the cost of a philodendron is \$8.00 and you sell it for \$20.00, your gross profit is \$12.00, or 60% of your selling price.

You can use the following formula to calculate your gross profit percentage:

$$\frac{\text{Selling Price} - \text{Wholesale Cost}}{\text{Selling Price}} = \text{Gross Profit Percentage}$$

$$\frac{\$20.00 - \$8.00}{\$20.00} = 60\%$$

Remember, though, that your net profit will be much less than this figure. The store's operating expenses must come out of the gross profit.

These expenses may include:

- transportation costs;
- rent for the store;
- salaries of salespeople;
- advertising and promotion costs; and
- utilities, insurance fees, and taxes.

Markups on plants and flowers will vary from one store to another. Most flower and plant store owners mark up their plants and flowers between 100% and 300%. Hard goods are usually marked up around 100%.

Markdown Sales

If your plants and flowers are not selling, you may consider marking them down for quick sale. Remember, flowers wilt with time, and plants age and die. It may take more effort on your part to try to bring a plant back to life than it is worth. And unsold flowers will eventually have to be thrown out.

You may also consider marking down prices on plants that are healthy but slow-moving. If you hold on to slow-moving stock, you freeze the money you need to buy newer, more appealing kinds of plants and flowers.

Some plant stores have special corners to handle their markdowns and sale items. Other stores may have two to four big sales each year. There are many kinds of sales. Certain holidays are particularly good selling times for plants and flowers.

There is a large demand for plants at Christmas time. Valentine's Day is also a favorite day to send flowers to loved ones. But the day when the largest number of plants and flowers are sold is Mother's Day!

If a plant has been around for a long time, you may even consider selling it below cost. These plants and flowers may be used to attract customers to your store. Although you will not be making money on the sale, you may be making some surprised customer very happy. You will also be clearing the store for newer and fresher plants and flowers.

Stock Turnover

Stock turnover is the number of times a store's inventory is sold and has to be replaced in a given time period--usually a year.

A healthy flow of goods in and out of your store is important for its success. Stock turnover is one sign of a successful flower and plant store operation.

Most stores try to sell their merchandise as fast as they can. This way they have ready cash to buy new merchandise and to improve their inventory. Here is how to figure your turnover rate:

$$\frac{\text{Cost of Goods Sold in One Year}}{\text{Average Cost of Inventory Carried}} = \text{Turnover Rate}$$

To figure your average inventory, add the wholesale costs of all your inventory on hand on January 1. Include all your plants, flowers, and hard goods (plant foods, fertilizers, accessories, and so on). Then count and add the wholesale costs of your end-of-month inventories for the next 12 months. Add these two figures together and divide by 13.

Average turnover rates can be used to see how well your business is doing. In general, flower and plant shop owners come up with turnover rates of between 9 and 12 times a year.

If your turnover rate is higher than this, it may mean that you need to buy in larger quantities. On the other hand, a low turnover rate may mean slow sales or a poor choice of inventory. An average turnover rate will tell you that you have bought well. You have a well planned stock that meets the demands of your customers.

Summary

There are four main things to consider when setting prices for your plants and flowers: wholesale costs; operating costs; competition; and profit. A well-planned, competitive pricing policy should help your store show a good profit. In addition, a healthy stock turnover is a good measure of the success of your store.

Learning Activities

Individual Activities

1. Define the terms gross profit and stock turnover.
2. The flower and plant store around the corner carries a line of merchandise that is similar to yours. This is a big store, so it can sell plants and flowers at a lower price than you can. List three things you can do to attract customers and to counteract these discount prices.
 - a.
 - b.
 - c.
3. Describe four situations in which you might consider reducing the price of your plants, flowers, and "hard" merchandise.
4. List three different kinds of sales you might have at your flower and plant store. When would it be appropriate to have these sales?

Discussion Questions

1. What are the advantages and disadvantages of having a standard pricing policy? Of changing the prices of plants and flowers as the costs to you change?
2. Discuss the advantages and disadvantages to marking down prices. What are some reasons store owners would do this?

3. What can a very high or a very low turnover rate mean for a flower and plant store? Discuss and list the reasons why it may not be wise to keep old, unsold merchandise around.
4. Discuss the advantages and disadvantages of buying your inventory in either very small or very large quantities.

Group Activity

Bring in advertisements and sales announcements of plant stores in your area. Compare these advertised sales. What types of sales are they? What kind of price markdowns do they offer? What kind of merchandise is on sale?

UNIT 7

Advertising and Selling

Goal: To help you learn ways to sell your merchandise and advertise your flower and plant store.

Objective 1: Pick one way to advertise your flower and plant store.

Objective 2: Design a printed ad for your flower and plant store.

Objective 3: Describe one way to sell merchandise to your customers.

JOHN AND CHARLES "SPREAD THE WORD"

During their first year, John and Charles advertised their Living Interiors store in the local newspaper. They designed a distinctive logo that they used to announce special events, sales, and the services of the store.

During the second year, they added a wire order service for their customers. A number of other florists in the area also used this service. The ad they designed to tell people about this service was very simple and to the point. Under the logo, they listed all the florists who cooperatively offered this service to their customers.

As time went on, however, more and more of the business at Living Interiors started coming in through personal references. Customers liked how they were treated and would tell their friends about the store. This word-of-mouth advertising really paid off when there were special occasions like weddings and parties. For example, before creating a bridal bouquet, John would try to see the bride's wedding dress and then would specially design bouquets that would complement the color and cloth of the dress. Customers really liked this special attention to detail.

The store had developed a strong reputation for quality products and personal service. Also, John and Charles started becoming very active in community social events and politics. They often donated plants for local charity auctions and benefits. In this way, not only did the charities get money, but people were introduced to the store. Living Interiors was well on its way to becoming a successful and profitable flower and plant store.

Advertising and Selling

Advertising and selling are very important to the success of a flower and plant store. Advertising is a way of telling people about your store--the plants and flowers you carry, store services, special sales, and prices. Selling is done person-to-person with the customers you have attracted through advertising. In this unit you will learn about the best ways to advertise, the qualities of good advertising, and the basic steps in selling.

Advertising

The purpose of advertising is to attract customers. When you have decided on your store image, price range, and customer services, you are ready to tell customers why they should shop in your store. What are the most effective ways to advertise your store? You may want to ask yourself these questions before you put your ad campaign together.

- What business am I in?
- How is my store different from my competition?
- What quality merchandise do I sell?
- What kind of store image do I want to advertise?
- What customer services do I offer?
- Who are my customers?
- What are their tastes, and why do they buy plants and flowers?
- Why do they buy from me?

Choosing How to Advertise

Before you set up your advertising campaign, you should:

- identify the customers you want to reach; and
- decide how you can best get their attention.

There are advantages and disadvantages to the various advertising media you can use to tell people about your store.

Although direct mail is expensive for the number of people it reaches, it:

- reaches a select audience (your target customers);
- is likely to be noticed and kept;
- is effective for attracting mail order business, announcing new products and/or services, welcoming new customers, and announcing special events and sales; and
- offers a great range of different formats (catalogs, letters, fliers, coupons, brochures).

Ads in newspapers get the message to many different groups of potential customers. Prices will vary, depending on the circulation and size of your ad. Although these ads have relatively short lifespans, they:

- reach a large number of people;
- are relatively inexpensive for the large number they reach;
- are easily and quickly changed;
- can be placed in a particular section or paper to reach a select audience; and
- are available in various formats--as classified ads, inserts to regular editions, and special editions such as shoppers' guides.

Television commercials are very expensive; local radio announcements are more reasonable and hit more defined audiences.

In addition, directories (such as the Yellow Pages) can be used to advertise your store. Directories usually offer little variety in the format of the ads, but they:

- have long lifespans; and
- are easily available to the public.

These are some of the ways stores tell the public about themselves. In addition, you may consider transit advertising in buses or trains and

specialty advertising such as calendars, T-shirts, balloons, buttons, and matches.

Many plant stores use effective and imaginative advertising gimmicks that cost very little. For example, on special days, pass out carnations to passers-by. Become active in community affairs such as neighborhood cleanup and beautification projects. Donate flowers and plants to public service and charity auctions, as John and Charles did. Give floral arrangements to local social and political events. Keep a mailing list of your loyal customers, and send each a coupon for a free flower on their birthday.

Word-of-mouth, however, is the best way of advertising your store. Satisfied customers will spread the news of your store's quality and services to their friends. If you really want to advertise effectively, spend time with each customer in your store. Give your customers the personal attention and service they appreciate. John and Charles found that this type of advertising worked best for their Living Interiors store.

Qualities of a good ad. Here are some tips you can use when you begin to work up your printed ads. These can help you put "punch" into your advertising.

- Make your ad simple, informative, and truthful.
- Use an attractive layout and dramatic illustrations, if possible. Develop a logo--a distinctive sign--that can be identified with your store. Use it in ads and on shopping bags and wrapping paper. That way people will be able to recognize your store at a single glance.
- Show the benefit of shopping at your store to the reader. Customers want to know "what's in it for me?"
- Feature the "right" item. Show merchandise that is timely, wanted, in stock, and typical of your store.
- State a price or range of prices. If prices are low, tell people why--because of sales or special purchases. Consider including discount coupons.
- Make sure every ad lists your store's name, address, telephone number, and store hours.

- Use words that stimulate prompt action. For example, mention limited quantities or limited time periods for a special sale to encourage people to come to your store right away.

Costs. The local media (newspapers, radio stations, and direct mail printers) will tell you about their services, costs, and the expected results. In deciding on the best way to advertise, think about the cost of each ad, the size of the audience, how many of the audience are your target customers, and how often they will see or hear the ad.

Selling

Practically everything a business owner does to make customers want to come again is a form of selling. John and Charles are "selling" Living Interiors every day through their quality products and personal service.

More specifically, however, selling means convincing the customer to buy. This involves several basic steps.

- Approach--the salesperson gets the customer's attention.
- Determining the need--the salesperson helps the customer select the item(s) that best fit his or her needs.
- Presentation--this is the part of the sales when the salesperson tries to turn the customer's interest in the plants and flowers into a desire to own them.
- Overcoming objections--the salesperson listens to the customer's objections and uses them to strengthen his or her presentation.
- Closing the sale--the customer agrees to buy the plants and/or flowers.

The development of a good sales technique requires skill and experience. To sell well, the salesperson must also be convincing, sincere, and genuinely concerned about the customer's satisfaction.

Summary

Advertising refers to the ways you let people know about your business. Whatever methods you decide to use, your advertising campaign should be well planned, distinctive, and consistent with your store's image. There are many ways to advertise your store, including direct mailing, the Yellow Pages, newspapers, and radio. Personal references from satisfied customers are your strongest advertising method. Once you've got the customers into your store, you must practice good selling techniques to get them to buy. Advertising and selling are two weapons a flower and plant store owner can use to fight competition from big stores.

Learning Activities

Individual Activities

1. Look at these newspaper ads and answer the following questions.
Indicate the letter of the ad or ads that best answer the following questions:

A.




FLOWER WORLD

WE SEND FLOWERS WORLDWIDE

MORE THAN JUST A FLOWER SHOP ...
Flowers • Dried • Fruit Baskets • Pottery • Gifts • Plants
SERVING MORE PEOPLE IN MORE PLACES

35 Country Mall
Eastside

B.




Wedding Flowers
and Others - to go

BLOCK'S FLOWERS

921 Main St.
Glenwood

REASONABLY PRICED
PROFESSIONALLY DONE

C.



FLOWERS AND INDOOR PLANTS

"Distinctively Created For Every Occasion"

- Parties • Weddings • Funerals • Homes • Offices
- Specialty Plants • Artificial • Gifts • Antiques
- Objects of Art • Cache Pots
Dried and Silk Flowers

Open Daily

497-2187

Charge by phone on your credit cards
Peninsula and Bay Area Deliveries

SINCE 1905
27 Travers Way
Oldham
New ownership

- a. Which ad includes the most information about special products and services? _____
- b. Which ad gives the least information? _____

- c. Which ad, in your opinion, has the most distinctive logo? _____
 - d. Which flower shop do you think has a wire service? _____
 - e. Which flower shop focuses on serving businesses and individuals?

2. List and compare the advantages and disadvantages of newspaper advertising vs. radio advertising.
 3. List at least five "special offers" to use in ads to get customers to come to your flower and plant shop for the first time.
 4. Design a newspaper ad for the Living Interiors store announcing a special sale of red roses for Mother's Day.

Discussion Questions

1. You own an exclusive flower and plant store that caters to weddings and parties. How would you best advertise your store and your services?
2. Discuss the value of advertising special promotions and sales in addition to a daily advertising campaign.
3. Brainstorm some of the ways you can get free publicity for your store in the local press or broadcast media.

Group Activity

How many ads show men and women in stereotypical roles (i.e. women as housewives and mothers, and men as executives and professionals)? Discuss the reasons why stereotyping often occurs in advertising. What are the advantages and disadvantages of using stereotyped characters in your ad campaign?

UNIT 8

Keeping Financial Records

Goal: To help you learn how to keep financial records for your flower and plant store.

Objective 1: Fill out a customer sales receipt for a cash or credit sale.

Objective 2: Fill out a daily cash sheet for money you receive and pay out in one day.

FINANCIAL RECORDKEEPING AT LIVING INTERIORS

Charles set up the store's bookkeeping system. It was a very simple system and consisted basically of two parts. When a customer bought plants or flowers at the Living Interiors store, a sales slip was prepared. The sale was then rung up on the cash register.

However, the store also offered a wire service. Local customers could order flowers and plants by telephone. John had to set up a customer account and billing system to handle these customers.

The first type of sale provided the store with its "cash on hand." The sales slips and cash register tapes were added up daily and compared. These figures gave John and Charles a good idea of what was sold each day in the store.

Keeping track of the telephone sales, however, was a little trickier. Once a month, bills were sent to these customers, telling them how much money they owed on their accounts. When the bills were paid, the amounts were added in with the daily count of sales, but not until then. This credit billing took a lot of time and work, but it was worth it because their customers appreciated it!

Keeping Financial Records

Good financial records go together with good store operations. Planning for good recordkeeping must begin way before you buy your initial inventory. You must keep records in order to know how your business is doing. Records will help you plan wisely; keep track of your income and expenses; "red flag" problem areas; and fill out financial statements and tax returns with the local, state, and federal governments. In this section, you will learn how to keep track of your money from sales on a day-to-day basis and how to fill out a daily cash sheet.

Cash Sales

Cash sales are usually recorded on the spot when customers pay for their purchases. The salesperson fills out a sales slip. If it is a special order, the sales slip will include detailed instructions on how to fill the order. Cash sales are then rung up on a cash register. Sales slip receipts and cash register tapes form the basis of any bookkeeping system. This information will tell you the total amount of sales for that day.

When a customer makes a purchase, he or she is given a sales slip. The sales slip provides the customer with proof of payment. This proof is necessary in case the customer wants to return the purchase. A second copy of the sales slip is kept at the store. This is one way to keep track of store inventory.

To keep on top of sales, you will need answers to questions such as these.

- How many sales were made during the day?
- What types of plants and flowers were sold, and how many of each?

- What was the dollar amount of the sales?
- Did the customer take advantage of any of the special services offered in the store?
- What credit terms were given to the customer?

This is a copy of the sales slip that John and Charles use in their Living Interiors store.

SALES SLIP	
DATE _____	
CUSTOMER _____	
Description of Sale.	Price
Cash <input type="checkbox"/>	Subtotal
Charge <input type="checkbox"/>	Sales Tax
	TOTAL

On this slip, John and Charles describe how many and what kinds of things are sold.. For example, if the customer buys a flower arrangement that includes yellow roses, daisies, babies breath, and irises, this will be specified in the description of the item. John and Charles keep a record of customers' names and addresses. This is used in developing a mailing list of special customers. There are also spaces to check whether the items were bought with cash (money or check) or on credit, the day the order is to be ready, and delivery charges (if any). Each sales slip is numbered.

Credit Sales

This is an example of a customer billing form that you can use to record telephone sales and other credit sales, as John did.

CUSTOMER BILLING FORM

Customer: _____

Date	Description of Sale	Amount Charged	Payment Received	Balance Due

Credit sales (in the store or via telephone) involve a delayed customer payment upon receipt of a bill. You should consider whether you really want to give "store credit" in your flower and plant store. Will it increase your store's sales? This service will let your customers telephone in flower and plant orders. However, it will involve a lot of work for you and your bookkeeping system. You may also have to wait quite a while to receive payment from certain customers.

Most business experts advise against offering your own store credit. Most small flower and plant stores do let customers use national credit cards such as VISA or Master Card, however. These credit companies guarantee payment of bills; that is, they will pay you the amount in full, whether or not the customer has paid them. The obvious advantages of this credit system are that: (1) it makes buying easy and convenient for the customer; (2) it reduces your risk of giving credit; and (3) your money is not tied up in debts and unpaid bills.

This credit plan usually costs the business something to operate. But in return for paying a percentage (usually 3-4%) of the charged sales, you will receive immediate payment. You will have to consider whether you can afford the services of a credit card company, and whether this service will be a selling point in getting customers.

Daily Cash Sheet

A daily cash sheet can be used to keep track of the money coming into and going out of your business each day. A summary of all income information, taken from each day's sales receipts, charge slips, and cash register tapes is added up and recorded on this form daily.

To be complete, daily cash sheets should include all amounts taken in from cash sales, sales taxes, and charged sales. Sales may be recorded by the type of item sold, such as plants, cut flowers, floral arrangements, or hard goods.

This is an example of the daily cash sheet that John and Charles used.

DAILY CASH SHEET	
<u>Cash Receipts</u>	<u>Cash Payments</u>
Cash Sales \$ _____	Salaries \$ _____
Credit Sales _____	Building Expenses _____
	Equipment and Furniture _____
	Inventory or Supplies _____
	Advertising _____
	Other _____
TOTAL CASH RECEIPTS \$ _____	TOTAL CASH PAYMENTS \$ _____

The sales are recorded on the left side of the form and are added up daily. On the right side is entered the money paid out each day--the money spent on inventory and operating expenses.

At the end of each month, or at the end of the year, these daily figures are added up. You will know the cost of goods, gross profits, operating expenses, and net profits. You will have detailed and accurate records that will help you fill out an income statement (also known as a

profit and loss statement). Profit and loss statements will be discussed in detail in the last unit of this module.

Summary

Keeping good financial records is a necessary part of owning and operating a flower and plant store. A bookkeeping system can be simple. Cash and credit sales should be recorded on sales slips. These sales slips will form the basis of a good bookkeeping system. Filling out daily cash sheets will help you keep track of sales (money in) and expenses (money out). Furthermore, you will be able to base decisions for your flower and plant store on solid information rather than guesswork. Good financial records will help you plan for the success of your store.

75

Learning Activities

Individual Activities

- Frankie Thomas came into the Living Interiors store on August 4 and bought two dozen red roses for \$15 a dozen, a geranium plant for \$6, and a mum for \$5. The sales tax is 5%. He paid by personal check. Complete the sales slip below.

SALES SLIP		
DATE _____		
CUSTOMER _____		
Description of Sale	Price	
Cash <input type="checkbox"/>	Subtotal	
Charge <input type="checkbox"/>	Sales Tax	
	TOTAL	

- Hilda Wagner called Living Interiors on April 15 and ordered a \$15 mixed spring flower arrangement to be sent to her mother on her birthday. The sales tax is 5%. Complete the customer billing form on the next page for Hilda's order.

CUSTOMER BILLING FORM				
Customer: _____				
Date	Description of Sale	Amount Charged	Payment Received	Balance Due

3. Complete this daily cash sheet for John and Charles. On May 10, they received \$340 in cash sales and \$250 in credit payments. They paid out \$100 for an advertising bill, \$250 for new plants, and \$150 for a utility bill.

DAILY CASH SHEET			
Cash Receipts		Cash Payments	
Cash Sales	\$ _____	Salaries	\$ _____
Credit Sales	_____	Building Expenses	_____
		Equipment and Furniture	_____
		Inventory or Supplies	_____
		Advertising	_____
		Other	_____
TOTAL CASH RECEIPTS	\$ _____	TOTAL CASH PAYMENTS	\$ _____

Discussion Question

A customer called and wanted to order \$200 worth of cut flowers. He is not one of your regular customers, and you are unsure whether you should open a store credit account for him. What would you do? What are the advantages and disadvantages of keeping store credit accounts?

Group Activity

Many times people are refused credit just because they don't "fit the picture." Women and minorities have had a particularly hard time getting companies and stores to give them credit. Discuss this problem and any examples you may know of. What effect do you think this has on people who are refused credit? On the stores credit companies?



UNIT 9

Keeping Your Flower and Plant Store Successful

Goal: To help you learn how to stay successful.

Objective 1: Figure out the net profit (before taxes), profit ratio, and expense ratio for a flower and plant store.

Objective 2: State one way to increase profits.

Objective 3: Suggest a way to change your business to increase sales.

PROFITS AND LOSSES

John and Charles opened their flower and plant store 11 years ago. They kept detailed records of their purchases and sales and were able to see over the years how well their store was doing. Over 11 years, their gross profit figures looked like this:

Year 1	\$51,000
Year 2	\$54,000
Year 3	\$60,000
Year 4	\$66,000
Year 5	\$74,000
Year 6	\$61,000
Year 7	\$61,000
Year 8	\$62,000
Year 9	\$74,000
Year 10	\$76,000
Year 11	\$71,000

By comparing these figures, they were able to look at their business practices--what made profit and what didn't. They were also able to see how the economic situation in the community affected the success of their business.

For example, in Year 2 they added a wire service, a free delivery service, and hired one full time salesperson to work in the store. Their profits increased by \$6,000 in that year. In Year 3 they moved to a new store that had more space to display plants and flowers and a larger workroom. Their gross profit went up another \$6,000 at the end of that year.

In Year 6, however, the country was going through an economic recession. People stopped buying flowers and plants. John and Charles had to reduce their expenses. They dropped the wire service, let their full-time employee go, and reduced the price they charged for decorating weddings. In spite of all these money-saving steps, their gross profit decreased by \$13,000.

Keeping Your Business Successful

Every small businessperson wants to be successful. This is obvious. But how to be successful is not always as obvious. There are three important ways to keep your business successful:

1. make sure you have enough cash;
2. keep your profits up and costs down; and
3. improve or change your business practices when necessary.

In the last unit you learned how to keep track of your cash flow on a daily basis. A similar system can be used on a monthly or yearly basis to keep track of your business. In this unit you will also learn ways of changing your business practices in order to increase sales and show more profit.

Keeping Track of Profits

Profit is a reward for your hard work. Net profit is defined as the amount of money left over from your sales (revenues) after all your costs have been paid.

Keeping careful records of your sales and expenses is a necessary step in figuring out your profits. When you add all the figures over the whole year, you will come up with a profit/loss (P/L) statement. A P/L statement will tell you what you have brought in and spent, and how much profit you have made over the year. A P/L statement will tell you the direction your business is taking from year to year.

How to Calculate Profit/Loss Statement

A profit/loss statement consists of five main parts.

- Revenues: The money coming into your store from cash and credit sales
- Cost of goods sold: The wholesale cost of your inventory minus the wholesale amount of inventory sold to your customers during the year, or wholesale cost - goods sold
- Gross profit: The amount of money from retail sales minus the wholesale costs of the items, or revenues - cost of goods sold
- Expenses: All the money you spend on operating expenses for your store (this includes employees' salaries, rent, utilities, supplies, advertising, and so on)
- Net profit: The amount of money left over from your gross profit after all your operating expenses have been paid.

A profit/loss statement should be filled out each year. If you want to compare your income and expenses over two years, you would use a form like the one on the next page (a one-year P/L statement would, obviously, include numbers for a single year).

PROFIT/LOSS STATEMENT

	Year 1		Year 2	
	\$	%	\$	%
<u>Revenues</u>				
Cash Sales	\$ 65,000		\$ 80,000	
Credit Sales	35,000		70,000	
TOTAL	\$100,000	100%	\$150,000	100%
<u>Cost of Goods Sold</u>				
	\$ 55,000	55%	\$ 75,000	50%
<u>Gross Profit</u>				
	\$ 45,000	45%	\$ 75,000	50%
<u>Expenses</u>				
Salaries	\$ 18,000		\$ 27,000	
Rent	8,000		12,000	
Telephone	2,000		3,000	
Utilities	1,500		2,500	
Advertising	1,500		2,500	
Insurance	1,000		1,500	
Taxes and Licenses	300		500	
Professional Services	800		1,000	
Packaging and Delivery	2,000		3,000	
Miscellaneous	2,000		3,000	
TOTAL	\$ 37,100	37.1%	\$ 56,000	
<u>Net Profit</u>				
	\$ 7,900	7.9%	\$	

You can record your figures just in dollars or also in percentages of your total sales, as done here. Percentages make it easy to compare the performance of your store last year with its performance this year.

The cost of goods sold ratio, the expense ratio, and the profit ratio are computed as follows for Year 1:

$$\text{Cost of Goods Sold} = \frac{\text{Cost of Goods Sold}}{\text{Revenues}} \times 100 = \frac{55,000}{100,000} \times 100 = 55\%$$

$$\text{Expense Ratio} = \frac{\text{Operating Expenses}}{\text{Revenues}} \times 100 = \frac{37,100}{100,000} \times 100 = 37.1\%$$

$$\text{Profit Ratio} = \frac{\text{Net Profit}}{\text{Revenues}} \times 100 = \frac{7,900}{100,000} \times 100 = 7.9\%$$

These ratios are the percentages listed on the P/L statement on the previous page.

Improving Profits

If you feel your profits are too low, or that your store is not growing quickly enough, you can try to improve your business. There are three basic ways to increase profits in any business:

- increase sales;
- raise prices; or
- reduce expenses.

Changing Your Business to Increase Sales

Profits and sales may be low for any one of a number of reasons. You must try to find out why your sales are down before you decide what to do.

There are many ways to go about increasing sales in order to raise your profits. One step may be to change the image of your store. You may consider a new theme and new inventory. You'd also want to have a new advertising and promotion campaign. Another action step would be to hire more capable salespeople.

It is important to keep up with new trends. If you suddenly notice that you sell more plants and flowers on Fridays than any other day of the week, ask yourself why. Look out for changes and try to stay on top

of them. Sometimes the customers change. For example, decorating styles and tastes may change; people may start buying more floor plants rather than hanging plants.

In order to adjust to changes, a flower and plant store owner must be alert to fashion and decorating trends, seasonal changes, and customer tastes. To get this information, ask your customers and salespeople for suggestions on how your store can be improved.

You may have to change your pricing policies to make your store more competitive with other stores and bring in more business.

Look at your community and competition. Read the trade papers and magazines in your line of business. Is your inventory appropriate for your target customers? Are you advertising in the right way, in the right places?

Summary

You can calculate your store's profits and compare them year-to-year by recording income and expenses on a profit/loss statement. If you want to increase profits, you must increase sales, raise prices, or reduce your operating expenses.

Learning Activities

Individual Activities

1. List the five main parts of a P/L statement.
2. Figure out the net profit, profit ratio, and expense ratio for Year 2 on the P/L statement in this unit.
3. You can increase your sales by improving or changing the products and services you offer in your store. List two ways a flower and plant store can improve the quality of its services.
4. What disadvantages are there to raising the prices of your plants and flowers as a way of improving sales?
5. List some of the actions a flower and plant store owner may take to reduce expenses.

Discussion Questions

1. Discuss as many reasons as you can think of why sales in a flower and plant store might decline.
2. Take a look at the gross profit figures of the Living Interior store from Year 1 to Year 2. What do these figures tell you? What other kinds of information about the store would you like to have?
3. What types of information do you get from expense ratios and profit ratios? How can this information change the buying and management practices of your flower and plant store?

4. Brainstorm and list some action steps that a flower and plant store owner can take to improve profits and increase sales.

Group Activity

As a class, write down a list of at least 30 different activities that you would have to do if you were an owner of a flower and plant store. Here are some examples to help you get started.

- Check out several places for the best location.
- Decide on the image of your store. What types of plants and flowers will you sell?
- Describe the furniture and equipment you will need.
- Interview people and hire employees.

After you have your list, see how you feel about doing each of these things. Give yourself three points if you think you would enjoy doing the activity, two points if you wouldn't mind doing it, one point if you would do it but wouldn't like it, and zero if you wouldn't do it no matter what! There are no "right" or "wrong" answers. It doesn't matter how many points you get. This is an exercise to see if owning a flower and plant store is for you.

SUMMARY

Starting a flower and plant store requires a lot of planning. First, you have to decide that owning this kind of business is right for you. Then you have to decide who your customers will be, what types of plants and flowers to carry, how to compete, and what legal requirements to meet. There is a lot of competition in the flower and plant business. To a great extent, the reputation of your store will depend on the quality of your merchandise, the services you offer, and the personal attention and care you give your customers.

When choosing a location for your store, a highly visible downtown spot with walking traffic will often be your best choice, even when the rent is high.

When you apply for a loan to start your flower and plant store, you will need to provide a business plan and a statement of financial need. The bank will need to know your specific financial plans in order to lend you money.

Dividing work responsibilities and managing your staff well can help your store succeed. Screening and interviewing job applicants, providing training, establishing communication channels, offering good salaries, and defining your store policies are basic to success.

It is important to find reliable suppliers of your plants and flowers. It is also very important to keep accurate and up-to-date records of your purchases and sales, using purchase orders and inventory cards.

There are four main things to consider when setting prices for your plants and flowers: wholesale costs; operating expenses; competition; and desired profit. In addition, being aware of your stock turnover is important to the success of your business.

Advertising and selling are the ways you let people know about your business and get them to buy. Your advertising campaign should be well planned, distinctive, and consistent with your store's image. There are many ways to advertise, including direct mailings, the Yellow Pages, newspapers, and radio. However, personal references from satisfied customers are your strongest advertising method; and good selling techniques produce satisfied customers.

Keeping good financial records is another necessary part of owning and operating a flower and plant store. Cash and credit sales should be recorded on sales slips and customer billing forms. Daily cash sheets will help you keep track of daily revenues and expenses. By keeping these records, you can figure out your profits and compare them year-to-year by recording your income and expenses on profit/loss statements. If you want to increase profits, you must increase sales, raise prices, or reduce expenses.

To own and operate a successful flower and plant store; you need training in ornamental horticulture, work experience, and the special business management skills we have covered in this module. You can learn business management skills through business classes, experience, or by using the advice and example of an expert.

You may not make a lot of money owning a flower and plant store. However, you will have the personal satisfaction of being responsible for your business and making your own decisions. Think about how important these things are to you in considering whether you should start your own flower and plant store.

88

QUIZ

1. List three types of businesses with which a small plant store might compete:
 - a.
 - b.
 - c.

2. List three personal qualities an owner of a flower and plant store should have:
 - a.
 - b.
 - c.

3. List three special services an owner of a flower and plant store can offer to stand out from the competition:
 - a.
 - b.
 - c.

4. Everyone running a flower and plant store probably needs:
 - a. a degree in horticulture.
 - b. a local business license.
 - c. Health Department approval.
 - d. Agricultural Department approval.

5. List three things to consider when you locate your flower and plant store:
 - a.
 - b.
 - c.

6. Maria Gomez wants to open a small downtown plant shop. Which of these locations should she choose?
- A 100-square-foot space in the front of a gift shop on a busy downtown street; rent \$200/month.
 - A 100-square-foot shop in a quiet shopping center, only five miles from town; rent \$200/month.
 - Her own home garage, on a cute street only five blocks from downtown; no rent.
7. Information that does not need to be included in your business plan is
- the number of employees you plan to hire.
 - the target customers.
 - a complete inventory and merchandise list.
 - your management and advertising plan.
8. Bob Garcia's starting expenses for his new plant store are \$43,000. He had \$7,000 of his own to invest and \$10,000 from his family and friends. How much money will Bob need to borrow?
- \$ _____
9. List three ways a good salesperson can help a flower and plant store become successful:
- -
 -

10. The following people applied for the salesperson job in Joan Kahn's "Plants and Answers" store. On the basis of Joan's interview notes, which person was the most qualified?
- Thelma Hutton--three years of nursery experience, attractive appearance, and good listener
 - David Mower--one year sales experience selling clothing, good first impression, but references suggest that he needs a lot of supervision
 - Clarence Minor--three years' experience as a gardener, chain smoker, and untidy appearance
 - Susan Barkow--outgoing and lively, recent high school graduate, good listener but very nervous
11. List three ways a plant store owner can keep her or his employees happy:
- -
 -
12. Which factor is probably least important in selecting suppliers for your store?
- Prices and discounts
 - Quality of the merchandise
 - Variety of plants available
 - Location near your store
 - Kind of delivery service offered
13. Sal ordered the following from the Green Thumb Nursery: ten mums at \$3 each, half a dozen carnations at \$8 a dozen, and a small coleus plant for \$5. What was the total amount of her purchase order (excluding tax)?
- \$ _____

14. Sal was completely out of mums when her order of ten arrived on October 1. She sold five on October 2 and four on October 4. A new delivery of ten arrived on October 5. How many mums did Sal have after this delivery?

15. Thomas marks up all houseplants a standard 100% before selling them. What is the wholesale cost and the gross profit of a philodendron he sells for \$20?

Wholesale cost = \$ _____

Gross profit = \$ _____

16. List three reasons why markdowns and sales may be helpful in a flower and plant store:

a.

b.

c.

17. List three advertising and promotional methods that can attract local shoppers to your plant store:

a.

b.

c.

18. Which one of these suggestions would be least important in designing an ad for your plant store?

a. Tell where you get your plants

b. Use an attractive illustration

c. Include a distinctive logo or design

d. Announce sales or special purchases

19. The very first step in making a sale is to:

a. help the customer select a plant.

b. get the attention of the customer.

c. listen to the customer's objections.

20. List four types of information included on a customer sales receipt:

- a.
- b.
- c.
- d.

21. Which of the following information does a daily cash sheet include?

- a. Cash sales and payments.
- b. Cash sales, payments, and profits
- c. Cash sales, payments, and debts.
- d. Cash sales, payments, profits, and debts

22. Dan's 1981 records show total sales of \$250,000 and total expenses (including operating expenses and cost of goods sold) of \$165,000. Compute the following:

Net Profit = \$ _____

Profit Ratio = _____ %

23. Dan's profits have gone down in the last year. List three things he can do to increase profits:

- a.
- b.
- c.

PROJECT PRODUCTS

Entrepreneurship Training Components

<u>Vocational Discipline</u>	<u>Module Number and Title</u>
General	Module 1 - Getting Down to Business: What's It All About?
Agriculture	Module 2 - Farm Equipment Repair
	Module 3 - Tree Service
	Module 4 - Garden Center
	Module 5 - Fertilizer and Pesticide Service
	Module 6 - Dairy Farming
	Marketing and Distribution
Module 8 - Specialty Food Store	
Module 9 - Travel Agency	
Module 10 - Bicycle Store	
Module 11 - Flower and Plant Store	
Module 12 - Business and Personal Service	
Module 13 - Innkeeping	
Health	Module 14 - Nursing Service
	Module 15 - Wheelchair Transportation Service
	Module 16 - Health Spa
Business and Office	Module 17 - Answering Service
	Module 18 - Secretarial Service
	Module 19 - Bookkeeping Service
	Module 20 - Software Design Company
	Module 21 - Word Processing Service
Occupational Home Economics	Module 22 - Restaurant Business
	Module 23 - Day Care Center
	Module 24 - Housecleaning Service
	Module 25 - Sewing Service
	Module 26 - Home Attendant Service
Technical	Module 27 - Guard Service
	Module 28 - Pest Control Service
	Module 29 - Energy Specialist Service
Trades and Industry	Module 30 - Hair Styling Shop
	Module 31 - Auto Repair Shop
	Module 32 - Welding Business
	Module 33 - Construction Electrician Business
	Module 34 - Carpentry Business
	Module 35 - Plumbing Business
	Module 36 - Air Conditioning and Heating Service

Related Resources

Resource Guide of Existing Entrepreneurship Materials
Handbook on Utilization of the Entrepreneurship Training Components