



SAF *Amelia*
ISLAND **2015**

SEPTEMBER 9-12

131st ANNUAL CONVENTION

Ritz-Carlton Amelia Island | Amelia Island, Fla.



Society of American Florists

Digging For Income On Incoming Orders

HOW TO FILL IN-WIRE ORDERS (AND ACTUALLY MAKE MONEY)



Rutland Beard Floral Group

Skip Paal, AAF

This Program Is Not About...

- Are online marketers, E-Tailers, or order gatherers good for the industry?
- Should you fill in-wire orders?
- Is fulfillment of in-wire orders something you agree or disagree with?



This Program Is About...

- How to make your in-wire order fulfillment more profitable, if you choose to fill in-wires
- How to calculate your in-wire profitability
- How to differentiate between per-order metrics and average metrics
- How to add value to in-wire fulfillment



For Today, We Will Stipulate...

- Online marketers are a part of this industry
- Filling shops will comply with time frames for rejections and delivery confirmations
- COGS and other costs are reasonably within the control of the filling shop
- Unless operating in a fulfillment center capacity, in-wire orders do not create need for additional rent, insurance, vehicles, or utilities



A Brief History Lesson On Wire Services...



teleflora®

Four main wire services in existence now

May They Rest In Peace...



Carik



A Review Of The Players...



Tips For Selecting Partners

- Develop a mutual priority relationship with several key senders
 - Sender agrees to send bulk of orders to your shop
 - You agree to fill sender's orders at all price points
 - Sender should have a contact person or team to assist with customer service and accounting issues



Tips For Selecting Partners

- Select senders who treat you as a valued partner
- Block or reject orders from senders who you don't want to work with. Be polite and professional, but firm.
- Select partners who send mainly clear glass items or who actively monitor inventory of codified containers



WATCH OUT!!!

- Senders who use unscrupulous practices, such as...
 - Sending orders below their SRP
 - Canceling orders or sending price changes on the last day of the month
 - Canceling orders without allowing a pickup of the item
 - Passing promotional discounts on to the filling shop

WARNING

How Much Profit Is In The In-Wire Order?



Which Would You Rather Fill?



Which Would You Rather Fill?



- 3 Roses
- 1 Asiatic/LA Lily
- 2 Alstro
- 1 Wax or 2 Purple Monte
- Greens
- Purple Vase



- 3 Roses
- 1 Asiatic/LA Lily
- 2 Mini Carnation
- 2 Queen Anne's Lace
- Clear Gathering Vase
- Greens
- Raffia

Which Would You Rather Fill?



- 3 Roses @ \$0.79
- 1 Asiatic/LA Lily @ \$1.19
- 2 Alstro @ \$0.39
- 1 Wax or 2 Purple Monte @ \$0.39
- Greens @ \$1.00
- Purple Vase @ \$3.25



- 3 Roses @ \$0.79
- 1 Asiatic/LA Lily @ \$1.19
- 2 Mini Carnation @ \$0.39
- 2 Queen Anne's Lace @ \$0.69
- Clear Gathering Vase @ \$1.71
- Greens @ \$1.00
- Raffia @ \$0.15

Which Would You Rather Fill?



TOTAL COST OF GOODS...

\$9.37



TOTAL COST OF GOODS...

\$7.99

Which Would You Rather Fill?



TOTAL COST OF GOODS = \$9.37

ITEM PRICE = \$39.99

COGS % = 23.43%



TOTAL COST OF GOODS = \$7.99

ITEM PRICE = \$39.99

COGS % = 19.97%

Calculating and Maintaining Profitability

- Consider using a monthly average based metric system rather than an individual order metric system
- Select proper in-wire delivery area/zip codes
- Order fulfillment should be added business and should not increase your overhead
- Use data from wire service statements and your shop's financial statements to complete monthly worksheet
- Main components in most in-wire orders are high margin and readily available on a year-round basis

Monthly In-Wire Profitability Tool

In-Wire Profitability Calculator

Take Directly From Wire Service Statement

Wire Service:	FTD
Month:	Aug-15
Total Monthly Fees:	\$149.99
Total # of In-Wires:	97
Gross \$ of In-Wires:	\$5,879.76

Shop Specific Variables

Cost Per Delivery:	\$8.10
COGS %:	25.00%
Designer Labor %:	10.00%
Credit/Replace Rate:	1.50%
# of Days Open:	26

Monthly Average

Order Amount	73% To Shop	Monthly Fees	Order Transmission	Delivery Cost	Merchandise COGS	Design Labor	Replace/Credit	Net Profit/Loss
\$60.62	\$44.25	\$1.55	\$1.75	\$8.10	\$15.15	\$6.06	\$0.91	\$10.73

Monthly Total In-Wire Profit: \$1,040.67

Average Orders/Day: 3.73

Daily Average In-Wire Profit: \$40.03

Order Amount	73% To Shop	Monthly Fees	Order Transmission	Delivery Cost	Merchandise COGS	Design Labor	Replace/Credit	Net Profit/Loss
\$29.99	\$21.89	\$1.55	\$1.75	\$8.10	\$7.50	\$3.00	\$0.45	-\$0.45
\$39.99	\$29.19	\$1.55	\$1.75	\$8.10	\$10.00	\$4.00	\$0.60	\$3.20
\$49.99	\$36.49	\$1.55	\$1.75	\$8.10	\$12.50	\$5.00	\$0.75	\$6.85
\$59.99	\$43.79	\$1.55	\$1.75	\$8.10	\$15.00	\$6.00	\$0.90	\$10.50
\$69.99	\$51.09	\$1.55	\$1.75	\$8.10	\$17.50	\$7.00	\$1.05	\$14.15
\$79.99	\$58.39	\$1.55	\$1.75	\$8.10	\$20.00	\$8.00	\$1.20	\$17.80
\$89.99	\$65.69	\$1.55	\$1.75	\$8.10	\$22.50	\$9.00	\$1.35	\$21.45

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TELEFLORA STATEMENT


**Monthly Fees
(Membership Services)**

**Total # Of In-Wires
(Current Month's Orders)**

**Gross \$ of In-Wires
(Current Month's Gross)**

Page 2 of 11

Member Statement



Call us at (800) 421-2815
if you have any questions

Member Number 00-000000	Statement Month July 2014	Statement Period July 6 - August 5
----------------------------	------------------------------	---------------------------------------

Anytown Florist
123 Main Street
Anytown, USA

Quick Cash
\$\$, \$\$\$, \$\$
Deferred
\$\$, \$\$\$, \$\$

Remember to check the back page for
IMPORTANT MEMBER INFORMATION

Account Summary

Previous Balance	\$\$\$.\$\$
Payment Activity	\$\$\$.\$\$
Customer Credits	\$\$\$.\$\$
Credit Card Summary	\$\$\$.\$\$
Orders Received	\$\$\$.\$\$
Orders Sent	\$\$\$.\$\$
Membership Services	\$\$\$.\$\$
FlowerBuyer	\$\$\$.\$\$
theMarket Supplies	\$\$\$.\$\$
Teleflora Products	\$\$\$.\$\$
Marketing and Advertising	\$\$\$.\$\$
Teleflora Technologies	\$\$\$.\$\$
Publications	\$\$\$.\$\$
Dove and Member Directory Advertising	\$\$\$.\$\$
Financial Services	\$\$\$.\$\$
Other Member Services	\$\$\$.\$\$
=====	
Amount Due Teleflora (Deferred)	\$\$\$.\$\$
Amount Due You (Quick Cash)	\$\$\$.\$\$

Past Due \$\$\$.\$\$	Due By (03/25) \$\$\$.\$\$	Deferred Amount \$\$\$.\$\$	Daily Deferral Amount \$\$\$.\$\$
--------------------------	--------------------------------	---------------------------------	---------------------------------------

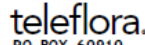
Order Activity Summary

	Current Month Orders	Current Month's Gross	Year-To-Date Orders	Year-To-Date Gross
Received	###	\$\$, \$\$\$, \$\$	###	\$\$, \$\$\$, \$\$
Sent	###	\$\$, \$\$\$, \$\$	###	\$\$, \$\$\$, \$\$

Teleflora Payment Coupon

Member Name Anytown Florist	Member Number 00-000000	Statement Month July 2014
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Quick Cash
\$\$, \$\$\$, \$\$
Deferred
\$\$, \$\$\$, \$\$



PO BOX 60910
Los Angeles CA 90060-0910

BLOOMNET STATEMENT

How to Read BloomNet's New Clearinghouse Statement

The following chart explains the items that appear on the new monthly Clearinghouse Statement. It details the products and services on the Account Summary section on the front page of your Statement.

Account Summary	
1	Previous Statement Balance \$1,000.00
2	Payments Received \$1,000.00 CR
3	Payment to Florist \$0
4	Beginning Balance \$0
5	1-800-Flowers.com Orders Received \$800.00 CR
6	1-800-Flowers.com Orders Adjustment \$0
7	BloomNet Florist 2 Florist Orders Received \$600.00 CR
8	BloomNet Florist 2 Florist Orders Sent \$500.00
9	BloomNet Membership Services \$129.99
10	BloomNet Technologies \$300.00
11	Supplementary Services and Fees \$100.00 CR
12	Directory & Advertising Services \$9.99
13	BloomNet Products \$200.00
	=====
14	Amount Due BloomNet \$0
	Amount Due Florist \$360.02 CR

Order Summary				
	Current Month's (Orders)	Current Month's (\$)	Year-To-Date (Orders)	Year-To-Date (\$)
Received	30	\$1,400.00 CR	140	\$7,400.00 CR
Sent	10	\$500.00	100	\$5,400.00

**Monthly Fees
(BloomNet Membership Services)**

**Total # Of In-Wires
(Current Month's Orders)**

**Gross \$ of In-Wires
(Current Month's \$)**

FTD STATEMENT

Easter and Admin Week orders!
Call your FTD Marketplace
Representative at 800.767.4000.



Summary of Monthly Activity

Previous Balance:	\$.00
Settlement:		.00
Beginning Balance:		.00
Current Activity:		4,938.77CR
TOTAL BALANCE:	\$.00

A BEGINNING BALANCE	\$.00
B FTD WIRE ORDERS		5,555.91CR
C FTD MEMBERSHIP		149.99
D FTD FLORAL PRODUCTS		.00
E MERCURY TECHNOLOGY		365.25
F CREDIT CARDS		.00
G ONLINE & OTHER SERVICES		78.91
H SAF SUBSCRIPTIONS		.00
I EDUCATION/QUALITY/MKTG		34.99
J FTD REBATES		12.00CR
K TRANSFERS & PAYMENTS		4,938.77
TOTAL BALANCE:	\$.00

See reverse side for continuation.



FTD University has a variety of free and low-cost programs that can help you drive local business to your shop and generate revenues. From an intensive 3-day boot camp to a quick 2-minute video about merchandising, FTD has a variety of opportunities only available to FTD Florists. For a full calendar of programs in 2015, visit www.FTD.com/FTDUniversity.

FTD Order Summary

	YTD Orders	YTD Activity	Current Orders	Current Order Values	Current Activity
1 FTD Orders Outgoing	1	\$ 149.99	1	\$ 149.99	\$ 149.99
2 Commissions earned on Outgoing FTD orders		\$ 30.00CR			\$ 30.00CR
3 FTD Orders Incoming	40	\$ 2,318.97CR	40	\$ 2,318.97CR	\$ 2,318.97CR
4 Commissions given on Incoming FTD orders		\$ 463.79			\$ 463.79
5 FTD.COM Orders Incoming	90	\$ 5,949.02CR	90	\$ 5,949.02CR	\$ 5,949.02CR
6 Commissions given on Incoming FTD.COM orders		\$ 1,189.80			\$ 1,189.80
7 Marketing and Clearinghouse Advances		\$ 578.76			\$ 578.76
8 Net Total of FTD Orders (The sum of Lines 1 through 7)		\$ 5,915.65CR			\$ 5,915.65CR

Monthly Fees (FTD MEMBERSHIP)

Total # Of In-Wires (FTD Orders Incoming PLUS FTD.com Orders Incoming)

Gross \$ Of In-Wires (FTD Orders Incoming PLUS FTD.com Orders Incoming)

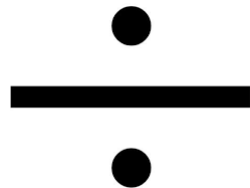
CALCULATING COST PER DELIVERY



**TOTAL
DELIVERY
COST**

CALCULATING COST PER DELIVERY

TOTAL DELIVERY COST



**COST
PER
DELIVERY**

TOTAL # OF DELIVERIES

COST OF GOODS

- Buy smart
- Avoid stuffing
- Use COGS for SKUs you are filling



DESIGN LABOR

- 10% is industry norm and target
- Consider optimizing designer time
- Did you add hours or positions to fill the orders?



CREDITS AND REPLACEMENTS



- Use data from POS or wire statements to determine percentage
- Some wire services provide this data

NUMBER OF DAYS OPEN



Monthly In-Wire Profitability Tool

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INWIRE PROFITABILITY TOOL



The screenshot shows the SAF website interface. At the top, there is a navigation bar with the SAF logo and the tagline "Your Growth is Our Business". The main navigation menu includes: Home, News/Info, Sales/Mktg, Business Resources, Events/Educ., Govt. Affairs, Flower Promos, People, and Store. The "Events/Educ." dropdown menu is open, showing a list of links: 2015 Event Dates, Annual Convention, One-Day Profit Blast, Congressional Action Days, Retail Growth Solutions, Pest & Production Management Conference, Webinars/Education, Handouts/PowerPoints, Schedule, Hotel/Travel, Outstanding Varieties Competition, Premier Products Showcase, Registration Fees and Deadlines, Sylvia Cup, and Supplier Expo. A red arrow points to the "Handouts/PowerPoints" link. Below the navigation, there is a promotional banner for the "SAF Amelia Island 2015" convention, followed by "Industry News" and "SAF in Action" sections.

Events & Education Tab

Annual Convention Dropdown

Handouts/PowerPoints Link

www.safnow.org

DO IN-WIRE ORDERS LEAD TO FUTURE CUSTOMERS?



INCREASE CONVERSION FROM RECIPIENT TO CUSTOMER



DIGGING FOR INCOME ON INCOMING ORDERS...

