

A wedding figurine of a bride and groom stands on a large pile of various coins. The groom is on the left, wearing a black tuxedo with a white shirt and bow tie. The bride is on the right, wearing a white lace wedding dress with a green sash and holding a bouquet of flowers. The background is white.

WEDDED BLISS: PRICING AND PROFITS

BY PAUL GOODMAN, CPA, PFCI

EDITORS' NOTE *Paul Goodman, CPA, PFCI, and Derrick Myers, CPA, CFP, love a good financial management challenge, however big or small. Send your questions to fmeditor@safnow.org, and we'll challenge the experts to tackle them in an upcoming article.*



Q: How do I price wedding work to make a profit?

> The first thing to understand about pricing wedding work is that there are three different kinds of work that can be done. Each one needs a separate markup in order to be profitable.

Standard Arrangements. A lot of wedding designs, including altar pieces and centerpieces, are similar to your everyday design work. For these, use your everyday pricing formula. The most common formula for standard work is labor at 20 percent of the retail price of the arrangement, flowers and foliage marked up 3.5 times, and containers and supplies marked up 2 times.

Bouquets Using Handheld Bouquet Holders. These bouquets take more labor than a normal arrangement for the amount of product used. Consequently, you need to use a higher labor charge. Instead of 20 percent of the retail price, raise your labor charge to 35 percent. Continue to charge a 3.5 markup for the flowers and foliage and a 2.0 markup for any supplies.

Hand-Wired and Taped Items. For these labor-intensive designs, increase your labor charge to 50 percent of the retail price. Continue to charge your standard markups for flowers, foliage and supplies.

Many weddings involve highly customized or unusual designs (e.g., hanging flowers along pews, arbors and trellises). For these, the important thing is to charge the right amount for your labor. You can continue to charge your standard markups for flowers, foliage and supplies; however, labor becomes the major factor. You'll have to estimate how much design time it will take for each item and charge your appropriate hourly rate.

Q: How do you calculate a wedding delivery charge?

The answer depends on the size and number of pieces. Ask yourself: Can you fit the delivery in one vehicle or will it require multiple vehicles or trips? Take all the miles driven and charge at least \$1 per mile (round-trip mileage, not one-way).

Next, figure out how much driver time you'll need and double the hourly cost including any taxes and benefits you pay. For example: A \$12-per-hour driver will cost an additional 15 percent for payroll taxes and other fees, such as workers comp and unemployment insurance, bringing the hourly rate to \$13.60, without any other added benefits. If you double that, which is reasonable, your charge would be \$27.60 per hour. If it will take 2 hours of time to load the van and make the delivery and return, your charge would be \$55.20 for the labor.

Remember, whenever you estimate time, add an extra 10 to 15 percent as a contingency for unexpected events including slow traffic or other problems.

Q: What about set-up, teardown or other labor issues? How do I charge for those?

Again, it's all about accounting properly for your labor and time and then charging appropriately. The larger and the more complex, the more labor is involved. You can easily have multiple people working to set up a large wedding. Some clients want you to move arrangements from the church to the reception. You'll invest even more time if you need to be on hand before and during the wedding to make sure everything goes as planned.

You might want to have a standard hourly charge per person or you might want to have different rates for different people depending on their wage rate. It's up to you. The easiest approach is to have a standard rate for everyone or one rate for the lead designer and another for additional help.

How do you come up with that figure? Just like with the delivery driver, start with the hourly rate. Suppose your average designer is earning \$18 per hour. Taxes will add 15 percent. You also

need to add the cost of benefits, such as health insurance or vacation pay. Once all these are added you need to double your result. If taxes and benefits come to 30 percent, your hourly cost for the \$18-per-hour designer would be \$24, therefore you need to charge \$48 per hour. Be sure to add 10 to 15 percent additional time for contingencies.

Q: How do I handle DIY brides?

Many florists see DIY brides as a real challenge. Most of these cost-conscious brides do not fully appreciate all the work and elements they get from a florist performing the work for them. Make sure you charge for each item and service they utilize. They will undoubtedly end up with a greater appreciation for all that a florist does when it comes to wedding work. Here are some guidelines:

- **Flowers.** Price flowers at your standard loose-flower prices. If you make a special order, be sure to get your full standard loose-flower markup and make sure they take the entire amount of special product ordered. Don't sell them a half bunch of an expensive flower you may not be able to sell.
- **Design Space.** Figure out an hourly rate for bench space that gives a profit to the shop. Be sure to charge for any supplies used (including water, tools and postharvest solutions). Don't hurt yourself on this one; only rent surplus space. If the area could be better used to design a \$250 sympathy arrangement, don't "rent" it out at \$20 an hour.
- **Design Guidance.** Charge your standard hourly rate for non-design time. The rate should be at least double your hourly wage rate plus payroll taxes and benefits.
- **Cooler Space.** Get a reasonable fee for storing arrangements in your cooler.
- **Delivery.** Charge a special delivery fee based on distance and time — then, double your costs. 🌸

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