



POWER COUPLE James and Christine McArdle have transformed just about every aspect of their business, and invested heavily in staff education, to make their business more profitable.

PHOTOS BY DONNELLY MARKS

To become a more profitable business, a florist changed his own leadership style and discovered the powerful effect of a well-trained, motivated staff.

UNLEASHING THE POWER WITHIN



BY MARY WESTBROOK

Wanted: Team player. Sales or floral design experience preferred — but if you have the right attitude and drive, we'll help you learn those skills. (Heck, we'll pay for you to learn those skills.) And once you learn them, we'll make sure you have ample continuing education opportunities to hone your craft. Must be willing to work in a dynamic retail environment, fully supported by a management team that consistently presents clear expectations and detailed feedback. When you're promoted — and there will be actual opportunities to advance — you'll be trusted to make decisions quickly. Exceed your goals, and we'll give you a bonus, and even throw you a party. Serious inquires only.



SPEED MEETING James McArdle, ditched informal meetings (and ineffective notes in POS systems) in favor of weekly management meetings and daily, 5-minute all staff huddles. Clockwise, from bottom left John Gulias, Mark Sandstrum, Christine McArdle, Lauren Hunt, Michael Derouin, James McArdle, Denise Cogliandro, Caitlin Clonan, Craig Standish, Heather O’Gorman, Goerge Von tobel and Sari Verrilli.

The job posting above may be a slight exaggeration, but for employees at McArdle’s Florist and Garden Center in Greenwich, Conn., it’s not actually that far from the truth. In an industry where it’s notoriously hard to find and keep great workers (low wages, long hours, physical labor — Sign me up!), James McArdle, the business’s fourth-generation owner, has created a coveted work environment — a place where his 25 year-round employees feel valued, committed and empowered.

The feat is all the more impressive since it wasn’t (exactly) what McArdle set out to do three years ago when he purchased the business from his father, after serving as general manager for more than two decades. At the time, the 104-year-old business seemed healthy from the outside, but the lingering recession was draining resources, fast: McArdle knew the shop had far fewer customers in 2011, down about 16 percent compared to pre-recession

levels, and that costs had ballooned to 45 percent of annual sales. The business was surviving but it wasn’t profitable. So when McArdle took over, his main thought wasn’t teamwork, morale or whistle-while-you work employees, but profitability. Namely, how to improve it. Little did he know the role employees would play in making that happen.

Build the Right Structure

As McArdle transitioned from general manager to owner, one of his first priorities involved rethinking the setup of his staff. He realized the business’s decades old top-down structure — three managers to oversee five areas — didn’t give key employees with proven or potential leadership skills much autonomy. Staff didn’t always understand “important details, like what our goals were and how we were going to meet them,” McArdle said. “Along with goals not being communicated, at times there wasn’t a clear sense of what my expectations were.”

Added to that, the existing structure ensured that “unmanaged” areas fell onto McArdle’s already full plate. He needed more time to see the big picture, and craft a vision for his business, and that meant less time in the trenches.

“If you’re always working in your business, you can’t work on your business,” McArdle said. “We needed to empower our management and take some of the responsibilities off me, and I needed to communicate my vision and goals to my directors, so they could have ownership over the parts that affected their profit center. Then, I could hold them accountable. In turn, they impart the goals and expectations to their flock, and hold them accountable.”

McArdle’s solution was to create nine directorships. The directors have more authority (and responsibility) and their positions have streamlined the layers of management, giving McArdle the time he needed to reimagine standard operating procedures (including

compensation and sales techniques — more on both later) and put energy into growth areas, including the company's AtHome Division, an increasingly popular consultation service for home décor, holiday decorating, gardening and more.

In some cases, McArdle moved long-time employees into new jobs, solving an age-old small-business riddle: How do you reward and keep great employees when opportunities for advancement are limited? Ed Brown, for instance, moved from being the manager of the Garden Center to the director of AtHome. The change gave Brown, a 16-year veteran at McArdle's, an opportunity to flex new creative muscle.

"The best part of [my new position] is the acknowledgement and trust [our clients] have in me," as he spearheads projects in their homes, rather than serving them from the garden center, Brown said. (And McArdle couldn't be happier; AtHome sales are up 100 percent since Brown took over last year.)

The new structure also helped make some staffing holes evident, including the team's need for expertise in web design and online marketing, areas that fed into another growth area, online sales. Two such hires included his wife, Christine McArdle, who joined the team two years ago as marketing director (after years of being involved in the family's business informally) and Craig Standish, who came onboard at around

the same time, as an in-house programmer. Working together, Standish and Christine created a new site for the business — one with fewer floral designs, higher price points, easier navigation and a far more manageable backend. (Read more about the look, feel and functionality of the new site in "Shop Beautiful," p. 30.)

"I love the way our site reflects who we are as a company," Christine said. "We have a tradition of exquisite designs, outstanding customer service and plant and floral expertise, and we want our website to show that. We want our web customers to have an experience that very closely mirrors the shopping experience of our phone or in-store customers."

McArdle "found" the money to hire these new staff members in part by shifting dollars previously allocated to print and direct mail advertising campaigns, which were doing little to grow sales. McArdle said the overhaul would have been much harder with their old structure in place (no in-house programmer, most of the decision-making power vested in one person). Instead, with full-time staff members dedicated to the work, the whole project was completed in about six months, and the investment is already paying off: Since the new site launched last year, web sales have doubled and average transactions are up by nearly 25 percent.

Tie Incentives to Performance

McArdle's biggest priority when he took over, though, was to raise the shop's average transaction on everyday sales. The number at the time (around \$95) is above the industry average, but Greenwich is an affluent area and transaction levels were stagnant. Employees didn't seem in a hurry to push it higher either. They were selling from their own pockets, suggesting designs before they'd engaged the customer or fully understood the occasion.

Initially, McArdle was frustrated with his team, but then he realized that, because it was tied to overall shop profitability, the shop's biannual bonus program for sales associates effectively obscured goals and encouraged the same-old-same-old way of thinking. (After all, how much control does a sales associate have over all factors that influence profitability — COGS, labor, building costs, etc.?) Drawing on insight from experts such as Team Floral and Floral Management contributors Paul Goodman, CPA, and Tim Huckabee of FloralStrategies, McArdle decided to scrap the bonus system and introduce new programs, for sales associates and designers, that connected directly to performance and clear, standardized goals.

"We thought the biannual bonus was too subjective," he said. "We needed to tie people's performance to



FRESH AND NEW A more efficient product rotation procedure overseen by Design Director Michael Derouin has helped McArdle's reduce its fresh COGs from 37 percent in 2011 to 25 percent in 2013.

Designers get a bonus for keeping COGS at a set percentage of arrangement sales, which they did 10 out of 12 months in 2013.

parts of the bottom line they have direct control over.”

For sales associates in both the flower shop and garden center, the new system means that employees earn 1 percent for every \$100 sold, year-round on daily orders. The tally is run through \$50 increments. (So, if a sales associate sells \$100 to \$149, she earns \$1; \$150 to \$199 will net \$1.50,

etc.) The structure rewards associates who put their training into practice and push for higher levels. Since introducing the shift in January 2013, McArdle said most sales associates have earned more overall, and, even better, the shop’s average transaction has shot up 25 percent; for the entire business, the average everyday transaction is now \$118.

But McArdle knew that increasing transactions was only one part of the equation. At around the same time, he introduced a parallel incentive system for controlling costs in the design room. Before, designers were eligible for bonuses through “a very subjective system,” McArdle said. Now, designers are on a monthly incentive system to keep fresh flower COGS at a set percentage of arrangement sales. When they hit the mark, as they did 10 out of 12 months in 2013, they get a fixed bonus. The new system, paired with a more efficient product rotation procedures overseen by Design Director Michael Derouin, has helped McArdle’s reduce its fresh COGS from 37 percent in 2011, to 29 percent in 2012 and finally 25 percent (the profitability goal) in 2013.

“We’re saving thousands of dollars now, thanks to this new system,” said McArdle. “Employees are much more aware of our goals, and why these goals are important. This, combined with the increase in average transaction, has saved us.”

Train and Support Employees

The transition process from biannual bonuses to sales incentives that appear on each paycheck wasn’t seamless. (Any conversation about employee compensation can become uncomfortable.) Kirsten Suder, a sales associate who has worked at McArdle’s for almost four years, said she had reservations about the new system. “I felt a bit nervous about” about the change, she admitted. She worried that she wouldn’t earn as much.

She wasn’t alone. But the McArdle’s team soon learned that McArdle was as serious as about supporting them as he was about turning the business into a more profitable, sustainable enterprise; in fact, to him, the two goals were intertwined.

“Employees can make or break you,” McArdle said. “They are an integral part of the operation. When you invest in them, it has a trickle-down effect. It’s good for the whole business.”

To make sure his team has every possible tool available to them as they serve customers, McArdle has turned the business into a year-round learning institution, with ongoing training, coach-



SHOW STOPPER While McArdle’s father had long displayed flowers in the showroom, James McArdle makes a point to include premium price points on the floor every day, to entice shoppers.

ing and continuing education. Among his first steps: McArdle set out to banish interactions that began with sales-limiting phrases such as, "What do you want to spend today?"

"If your first question to a caller is, 'Who is it going to?' or 'What did you want to send today?' it's really the cart before the horse," McArdle said. "Just because they call us doesn't mean we have earned their business. Not to mention that tactic does not lend itself to a higher sale, because you are relying on the customer's limited understanding of our product selection."

Instead, he encouraged his staff to view customer interactions as conversations. "The goal is to really engage the customer first, and then to drill down and find out exactly what they're looking for... what's the purpose of their call or visit that day?"

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JAMES MCARDLE

McArdle's sales associates are now trained to ask customers at least three questions (which vary by situation and include conversational openers and small talk) before moving into product descriptions or suggestions. When they do talk product, they contextualize the designs, especially for phone customers, e.g. "We can create something beautiful and large that's appropriate for a kitchen counter or... (and here the associate always pauses briefly, lest the customer say, 'Oh, great. Let's do that.')

... something medium-sized and beautiful that goes on a coffee table." (For more on the shop's sales techniques see, "Conquer the Walk-In," p. 27.)

"Before, we were basically acting like order takers," McArdle said. "Now each transaction takes longer but now we're earning the right to serve the customer."



SALES SAVVY All McArdle's employees, including Melissa Matturro, right, are trained in specific processes to greet, acknowledge and follow-up with walk-in customers.

CONQUER THE WALK-IN

They don't know it, but when customers walk into McArdle's Florist and Garden Center in Greenwich, Conn., they're entering a well-oiled customer service machine. In the last two years, James McArdle has adapted some of the best practice training techniques he's picked up from consultants, experts and webinars to create a template for exactly how customers should be greeted and served in-store. His "Greet, Acknowledge, Follow Up" system is excerpted below. You can read the full template at safnow.org/moreonline.

1. Greet the customer.

Each customer should be greeted once, when she first enters our store, generally by the middle room associate. Say: "Welcome to McArdle's" or "Hi, Mrs. Smith. How are you?" Don't forget to smile.

2. Acknowledge the customer.

Customers should be acknowledged several times each visit (in passing, when she enters a new zone/area, or every few minutes.) To properly acknowledge, look up from what you are doing (within 10 seconds or 10 feet), make eye contact and smile. Say hi or hello, but don't ask how they're doing; they've already been asked that question by the greeter. (Of course, if they ask you how you are, answer naturally.)

3. Follow up with a customer in your area.

Approach the customer about a minute after acknowledging her. Engage her in a natural way (e.g. "These pansies just came in.") Be sure to say, "If you don't see exactly what you are looking for, I have lots of other containers for you to choose." A good follow-up tactic from there: "Are you looking for something in particular?"

For tips on how to close the sale, along with ideas on three questions to ask to engage the customer and move her toward a bigger sale, read Master the Art, p. 16.

— M.W.



LIFELONG LEARNER. Noel Lazzo joined McArdle's in 2012 as seasonal help. He's since become a sales associate, showing so much potential that James McArdle sent him to New York for an all expenses paid training series at the famed Botanical Garden.

We're figuring out what it is that they want to accomplish."

They've also expanded their vocabulary beyond "pretty" and "nice" to better serve customers and keep expectations in line: designs are often described as either "tall and elegant" or "low and lush." It's only at the end of the call, after they've talked occasion, color preference, etc., that sales associates talk price, and then they often start with (the large) \$200; if that's more than the customers want to spend, they drop to the next price level (medium), at \$100, which the customer has already heard about.

"All the training, all the selling tactics and techniques really helped," said Suder, whose own average transaction is up by \$20; her bonuses have also doubled in the past year. "They made sense and were easy to implement, once we learned them. I've learned that you can always go lower if the customer

wants to spend less — she'll still feel like she's getting something great. It's much harder to start low and try to go higher."

With walk-in customers, McArdle's team members work tag-team with each other to make sure all customers receive a greeting ("Good morning!"); a second

acknowledgment (sometimes as simple as eye contact and a smile) and then a follow-up that let's the customer know the associate is present and ready to help without making her feel pressured ("I'm going to be tending some plants right over here; please let me know when I can be of assistance.")

Training isn't a one-and-done affair at McArdle's either. McArdle and his team are constantly honing and refining their skills; one technique that's proved especially popular has been role-playing. About once a month, the team practices together on new product lines or seasonal items, batting around questions and trying to throw each other for a bit of a loop — so that when customers come in with questions (how much light does that schefflera need?) the team is ready to provide the highest level of service possible.

"[The role playing] makes the staff more successful," McArdle said. "They feel more empowered and equipped.



We're giving them the tools and they're practicing to get their tools. They feel better and they aren't selling from their own pockets anymore."

Training is also about investing in employees who have loads of potential, even if they don't have all of the skills yet. That was the case with Noel Vizzo, a garden center associate who came to McArdle's as seasonal help in November 2012 after working in tech sales and the automotive industry. Recognizing that Vizzo had excellent customer service and sales skills, McArdle was more than happy to foot the bill for a series of courses at the New York Botanical Garden, a bill that included time, travel and the education itself.

"[I've been] given the opportunity to learn a new industry and found myself working for a small business that employs a large business mindset in its application of customer service and... its investments in its most valuable resource...people," Vizzo said.

The shop's push for higher transactions is also evident in their visual merchandising, managed today by Creative Director Caitlin Clonan. While McArdle's father had long displayed flowers in the showroom, outside of the cooler, McArdle has made a point to include at least three large (\$200), three medium (\$100) and three small (\$50) designs on the floor every day, so that customers can actually see their options (and of course the shop will custom design anything they dream up, too). The main design room is on a separate floor, but a designer also works in the showroom now (to create drama) and in the garden center, where she creates container gardens while chatting with customers. (For more on updates to the shop's visual feel, see "Shop Beautiful," p. 30.)

Praise, Correct and Talk Regularly

Along with the staffing changes, McArdle also revamped communication among staff. In the past, the business didn't have formal-



SHOW AND TELL Specific directors and employees are now tasked with making sure that the showroom and garden center showcase dynamic offerings at all price points.

HEY, GOOD LOOKING!

In Fall 2012, McArdle also introduced uniforms to his team — "a totally new thing." To ease the transition — some employees immediately identified the idea of wearing uniforms with working a fast food line — McArdle built in a large degree of flexibility. Employees now receive \$100 to shop through one of two vendor portals, including Land's End.

Men and women have different options; items incorporate the logo and company colors (green, brown and white). The more professional look helps customers quickly identify employees and it's taken care of the occasional, former problem of tattered jeans and Budweiser ball caps on the job.

"The uniforms position us as professionals, and they make the customer feel comfortable, because our sales associates are dressing just like they do," in khakis and polos, McArdle said. "It basically makes them feel at ease. It's one less barrier."

Read the full dress code at safnow.org/moreonline.

— M.W.



STANDARD STYLE A high degree of flexibility in a new dress code ensures employees such as Kenny Angarito feel confident and look professional.



DESTINATION SPOT Significant upgrades to the flower shop and garden center, including new paint and fixtures and outdoor landscaping, have helped position McArdle's as a destination for customers, not just a store.

SHOP BEAUTIFUL

When James McArdle took a good hard look at his business, he also gave his physical space and online some love. Significant updates in the building (including new paint, wall coverings, fixtures, lighting and lattice work throughout and outdoor work around the parking lot) helped convert the shop's previous look (homey but outdated — "lots of wood, kind of '70s-looking," McArdle said) to a more "modern country" feel.

Subtle refreshes, including a new logo and custom care and handling tags, created by Craig Standish, the shop's in-house programmer, also enhance the customer experience and give the staff additional tools (before, many of the plants were sold without care instructions, leading inevitably to customer frustration).

Because it was important to McArdle and his staff to have an online presence that mirrored the in-store experience, the shop's new website now aligns more closely with the look and feel of the brick and mortar. The clean design serves

customers more efficiently than the former template, thanks to an edited menu of options, beautiful pictures and language and content that are perfectly in sync with what a customer might experience in-store. "The feeling from the beginning was that we had to build a website that was up to the standard our customers were accustomed to, and that's Amazon," McArdle said. That means fresh content up at least once a quarter.

Though customers can't see it, the backend of the new site is also cleaner, and that's good for business. "The former site was locked into a set template with no room for customization," Standish said. "The new site is completely open source making customization simple and effective. We have been able to achieve things due to this that would not be possible on a closed system."

- M.W



STAY AND PLAY In-store, designers create orders while customers watch (for added drama), and coffee is always available for shoppers who want to linger.

ized meetings; McArdle wrote notes into the POS system, but those “served no purpose” when they weren’t coupled with steady, effective communication from the owner. In early 2014, McArdle introduced the idea of daily, five-minute, all-staff morning huddles — quick bursts to get the staff on board.

Two things that are always covered in those lightning rounds: highlights for the day and specific praise for employees who have done a job well. McArdle has also worked with directors to offer coaching, reinforcement and tactful corrections on the spot to employees. In addition to the incentive systems, the business also celebrates team members’ specific accomplishments every two weeks, with an award system that cuts across departments (categories include “Best Implemented Idea”, “Highest Average Sale” and “Most Productive Designer”). The winner in each category earns \$25.

“... it’s gratifying to hear a director or any associate ‘thinking like an owner.’”

JAMES MCARDLE

“The feel affirmed,” McArdle said, and because he and his directors make a point of stressing why an employee’s contribution was significant to the entire business, “employees feel important. It’s made a big impact on morale.”

Beyond those meetings, McArdle meets weekly with his directors, who in turn meet with their departments. He encourages the directors to make decisions on their own, and fast — no micro-managing or drawn-out talks. Instead, when a director sees an opportunity to coach or praise an employee, she acts. When a problem arises — a customer is left waiting too long or product goes to waste — she’s empowered to address it and fix it.

For McArdle, empowerment is also about shifting employee roles to maximize talent, which is what happened when 16-year veteran Heather O’Gorman moved

from her role as sales associate to Flower Shop Director in 2013.

O’Gorman said she likes the pressure, and the opportunity, to lead others, a sentiment echoed by many McArdle’s employees today. “I love that I have a direct influence on the staff of the floral department — whether it be through coaching, leading our weekly team meetings or working together on a beautiful display,” she said. “It’s [now] my responsibility to lead by example, so I’m always at my best, or at least I strive to be.”

That’s the attitude McArdle hoped to create when he set about transforming his business. “We’re still a work in progress, he said. “But it’s gratifying to hear a director or any associate ‘thinking like an owner.’ It makes her job more meaningful and fulfilling, which in turn trickles down to those in her department, and then to the customer. Everyone has a better experience.”

Mary Westbrook is a contributing writer and editor for *Floral Management*.
mwestbrook@safnow.org

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