

Are You Overstaffed, Understaffed or Just Guessing?

Key Takeaways

1. Prioritize Labor Analysis (Control what you can Control)

- Track labor with each payroll period.
 - i. Do not wait until you are cash deficient or your accountant tells you, that's too late!
 - ii. Pay attention to OT
- Measure monthly labor with analytics to track productivity and define trends. Some examples,
 - i. Sales \$/Sales Labor \$
 - ii. Delivery \$/Delivery Labor \$
 - iii. Design \$/Design Labor \$
 - iv. Operations \$/Purchases
- Keep payroll below profitable Standards.
 - i. Total Payroll as a percentage of Sales of **22%-23% without owner pay and no more than 30% inclusive of owner pay.**
 - ii. Total Payroll includes **EVERYTHING**, Wages, Payroll Taxes, OT, Sick/Vacation as well as employee benefits such as Medical/Dental, Life Insurance, 401k programs etc.

2. Use History to forecast labor needs for every day.

- Use your POS to Track Sales DAILY (dollars and units)

- i. Determine how many you need by day to meet those needs. Units are more important than \$ to define need. Heavier days should have more staff.

3. Use history AND current goals when forecasting holidays.

- **Detailed Sales and notes for prior year holiday.**

- i. How much did you do last year, and what are your sales expectations for this year, up, down, even? Take into consideration the day of the week, which matters.
- ii. Plan your program to maximize your team.
 - a. Do call outs in early January when you have available help for the phones.
 - b. Cross train team so that you can use designers to help before and after heavy design days with walk in sales.

- **Start forecasting and securing holiday team members 3-6 months in advance.**

- i. Consider providing team benefits to seasonal help. Ex. employee discounts. You want to count on them for every holiday.

4. Improve staffing and productivity without adding staff.

- **Consider Incentive Programs**

- i. Clearly defined to encourage or prevent behavior.
- ii. Tied to Sales, Productivity, Attendance, Safety

- **Cross Training**
 - i. Pay team members more that are trained to do more.
 - ii. Take advantage of slower months to cross-train.
 - iii. Focus time and energy on those that are motivated.
 - iv. Use tip pool based on the level of team member to encourage learning and advancement.

- **Important to have QUALITY team members rather than MORE team members.**
 - i. Consider higher pay scale to attract and keep the best.
 - ii. Sam's example of 2 strong workers getting paid well but doing the work of 3.

- **Outsourcing can work!**
 - i. 3rd party delivery
 - ii. Temp hiring agencies.

- **Technology and AI**
 - i. Find the right AI platforms to improve efficiency both operationally and administratively.

- **Chop & Drop Options for efficient designs during holidays.**

Sample Monthly Charting at Watanabe Floral

Delivery Department June 2025

Delivery Department	24-Jun	25-Jun	%
total deliveries made	1,938	1,798	-7.5
total delivery dollars	\$707,013	\$773,464	8.98
total delivery hours	1,886.11	2,045.52	8.11
Total delivery labor dollars	\$32,236.2	\$35,199.71	8.79
\$ generated per delivery/hr.	\$374.85	\$378.13	0.87
\$ delivered per labor \$	\$21.93	\$21.97	0.18
Overtime	77.57	53.44	-36.84

Design Center Labor Analysis June 2025

June 2025 vs 2024	2024	2025	
total arrangement units sold	1824	1916	5.0%
total arrangement dollars sold	\$ 214,691.64	\$ 248,703.75	15.8%
total DC labor hours	1746.18	1754.83	0.5%
\$ generated per labor \$	\$ 5.94	\$ 6.54	10.2%
\$ generated per labor hour	\$ 122.95	\$ 141.73	15.3%

Operations (Receiving/Processing) June 2025

Hours (including PTO): down 8% or 156 hours with 1779

Total Purchases: up 16% or \$89,100 at \$661,300

Production \$ per hour (including PTO): up 26% at \$371.73

Production \$ per labor \$ (including PTO): up 20% at \$21.40

Sales Team Labor June 2025

Sales per labor hour were down \$4.41 (1%) from last year.

- 2025 – 2051.95 hours; \$698,326 sales = \$340.32 generated per labor hour.
- 2024 – 1906.68 hours; \$640,470 sales = \$335.91 generated per labor hour.

Sales per labor dollar were down \$.05 (flat) from last year.

- 2025 - \$39,705.61; \$698,326 sales = \$17.59 generated per labor dollar.
- 2024 - \$36,315.64; \$640,470 sales = \$17.64 generated per labor dollar.

Phone Center (2025 vs 2024): .

- Jun – 1972 inbound/1731 answered (88%); up from 84.5% in 2024.
 - Down 244 calls (11%)