



October 17, 2008

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PERFECT 10: Industry Experts Explore Where Technology Will Take Florists in the Next 10 Years

by Mary Westbrook and Renato Sogueco

Think back to 1998. What did your business look like? How did you send and receive orders, stay connected to customers, organize your staff and keep yourself on track? Chances are, you still used pen and paper for at least some of those tasks. Today? You're fully digital, integrated, online... right? Maybe not (yet), but one thing is clear: The creative, hands-on, tactile world of flowers has become increasingly high tech.

For this edition of Trend Tracker, SAF editors tracked down experts — from within the industry and beyond — to talk about what florists can expect to see coming down the technology pipeline, and how they can better prepare themselves for the cutting edge processes, systems and gadgets that soon will be commonplace in shops across the country. For florists struggling to bring in new customers and hold onto existing customers in a tough economy, the stakes are high.

"Every customer, every day, every dollar counts," says Jim Dion of [Dionco Inc.](#) in Chicago, a retail consultant who presented information on new technology last year at SAF Palm Springs 2007, SAF's annual [convention](#). "When you're not focused on that, gosh help you. Tech really does help you, if you want to take advantage of it."

Back to Basics: The Minimum to Get in the Game

Ask a handful of savvy florists about the "must-have" technologies for the average retail flower shop today, and their answers will vary -- significantly. And yet, while there is no minimum technology requirement to run a flower shop these days, customer expectations and cut-throat competition have compelled florists nationwide to "step up" their technological know-how and implement new processes and systems to stay competitive.

"A POS system was very important 10 years ago, but now they are more powerful, having added various marketing programs along with



A shift from walk-in and phone orders to web-based transactions has made Phoenix Flower Shops' online storefront more critical in the past five years.

the accounting, order transmission, and other features," says Ken Young AAF, CEO and owner of [Phoenix Flower Shops](#) in Phoenix. "The Web site has become more critical during the past five years" because of consumers' purchasing habits shifting from walk-in and phone orders to Web-based transactions.

Indeed, e-commerce is critical to retailers in just about every industry, says Michele Harris, founder and CEO of [Smarti Solutions](#), a marketing agency search firm based in New York. In the past 10 years, brochure-style sites — the kind that merely give the shop's contact information without offering e-commerce functionality -- have been replaced by smooth, easy-to-navigate online shops, and customers are coming to expect the bells and whistles (even if they're subtle).

"It's essential for any retailer to have a well designed Web site that effectively takes orders, as well as just showcases product," Harris says. "The site needs to be professionally designed, and make the user feel comfortable purchasing from the store."

Likewise, John J. Higginson, vice president of Software Development at [FTD Inc.](#), says the list of essential technologies is small, but specific: A POS system, a shop Web site and broadband connection.

"Think about the attitudes of Gen X and Gen Y consumers... They were raised with this technology, and they're not only accustomed to using the Web to find information and to make purchases, they expect it," he says. "Having a Web presence is obviously the biggest change in the last decade. Ten years ago one of the most effective ways to generate new business might have been a Yellow Pages ad; today it's a Web site or localized online advertising."



The wedding page on Memorial Florists' independent website includes an online wedding quote system which has been used by some 250 brides since it went live two years ago.

[Memorial Florists & Greenhouses Inc.](#) in Appleton, Wis., that has meant supplementing its wire service Web site with an independent Web site.

"I think the No. 1 'must-have' technology is a stand- alone Web site," says Bob Aykens, the company's vice president of marketing and sales. "In today's economy, it is a no-brainer where to allocate your money. Web sites have low overhead, usually take one person to maintain, and most people see a 15 percent to 50 percent increase in sales annually. We average 30 percent."

The shop launched its first fully functional e-commerce site in 1995, long before other competitors got online, and for Aykens, the site is a sales powerhouse with an ever expanding reach: In April, the company introduced a customized site to a local corporate customer, enabling the shop to reach the entire company through its HR department. (The customized site was based on the company's main

**More Sophisticated:
Taking Steps to
Bypass Competitors**

Still, with competition growing, more florists are going beyond the basics and implementing systems that help them offer the kinds of impressive services only national companies with deep pockets could offer just a few years ago, including order tracking, delivery confirmation and other highly personalized service options. For

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site, but geared specifically to the customer's common needs and interests.) And two years ago, the shop went live with an online wedding quote system — a tool some 250 brides had used at press time. The Web site, however, remains a resource supported by other, equally important and complementary initiatives, Aykens says.

"When done correctly, a well executed e-mail campaign — a 'burst' or 'blast' in tech terms — can hit hundreds or thousands of your customers for next to nothing," says Aykens, who recommends services through [Magnet Mail](#) and Constant Contact.

Another technology that's gone from a wish list to reality in the past decade is immediate delivery confirmation, says Chris Drummond, AAF, president of [Plaza Flowers](#) in Norristown, Pa.



Plaza Flowers' puts detailed delivery information on its web site and automatically confirms delivery via e-mail.

"Customers expect that a florist should be able to provide a confirmation when the order is delivered, and e-mail or instant messaging is preferred," Drummond says. "Looking five years ahead, I think our software will have to have options in the customer profile indicating how each customer prefers to be contacted."

For his part, Drummond introduced automatic e-mail confirmation in 2006, and automatic call routers, managed by a browser-based phone system, last year. (He's also been using Teleflora's RTI system for "all aspects of customer service and order management" for the past 15 years.)

Mapping software and drivers equipped with cell phones also have become realities rather than luxuries, say florists. The increasing popularity of Global Positioning Software (GPS), for instance, has helped some florists streamline delivery schedules, making drivers more efficient and cost-effective, an invaluable improvement when gas prices are high.

"I think every delivery department should own a [GPS]," says Aykens, who uses Garmin. "We purchased one and came to realize the savings in gas and drive time would pay for the unit in weeks. We now own four, and some of our drivers have purchased their own."

Another advance? In the past decade alone, many businesses from a wide variety of industries have developed software specific to florists' needs - or, at least applicable to them. And for Rich Dudley, co-owner, [The Blooming Florist](#) in Butler, Pa., it's time the industry took them seriously.



"The POS needs to be a real floral POS, one that can take real floral orders, keep track of a customer's history, provide sales analysis, exports to accounting packages, support marketing efforts, and be easy to use by the staff in the shop," says Dudley, who bought a Daisy POS in 2002

and switched to FloristWare this year. "Sales and profit/loss numbers need to be analyzed with a genuine accounting tool -- no more passbook accounting."

And with competition at an all-time high throughout the industry, the difference between a successful shop and a barely-turning-a-profit outfit often is rooted in minor details. For instance, Dudley says domain-based e-mail generally present consumers with "a more professional appearance." (A domain-based e-mail is one that "uses names that conform to the domain name system, or DNS, for identifying resources," according to Techweb.com. For instance, SAF staff members have e-mail addresses that end with @safnow.org, which corresponds with the association's Web site, www.safnow.org.)

"All of our e-mail is @bloomery.com," Dudley says. "Get away from the AOL, Hotmail, etc. addresses and demand your Web site host provide e-mail services, or take control of your domain name, and update the DNS to use a hosted e-mail service."

Paying attention to seemingly small details is important because consumers are "increasingly more demanding" and discerning, Drummond says.

"The average flower shop could do OK without these technologies five years ago," he says, "but now they are needed to provide adequate customer service."

A Look Forward: What to Expect in the Next Decade

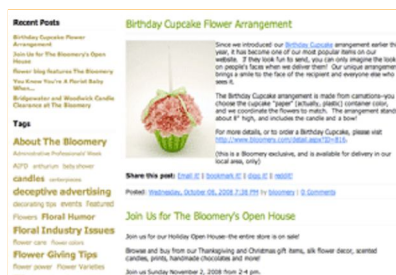
If you think Americans already are constantly connected - to work, to family, to friends - prepare yourself for what Higginson terms "ubiquitous connectivity" in the not-so-distant future.

"Through devices like mobile phones we are always 'online,'" he says.

"That changes the way people communicate. For example, e-mail is increasingly being supplanted by text messaging. It also changes the way people find services. An example of that is software for mobile phones that shows the user shops and restaurants near their current location."

Similarly, Dudley says whiz-kid gadgets such as the iPhone have "raised people's awareness of what they can do with their cell phone" and, consequently, changed their perception of how the world communicates and conducts routine transactions

"The ability for little pocket computers to interact with florists will be very important," says Dudley, who launched The Bloomey's everyday Web site in late 2000, about 20 months after buying the shop; its wedding Web site in 2003 and two blogs, one for weddings and an everyday blog, in 2004 and 2005, respectively. "Maybe it's SMS [short message services, the protocol behind text messaging] or a mobile compatible Web site, but the ability for someone on the move to quickly place an order is something I've wanted to see for years. I'm writing some of these features into the next version of our Web site's software."

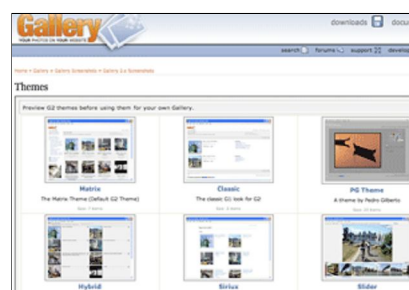


The Bloomey, which began the first of its two blogs in 2004, is already writing code for its next website that will make it easier for people to place orders from mobile devices.

Higginson offers a similar perspective: "It's easy to envision how consumers will use mobile devices to find florists, to place orders. From the standpoint of shop operations, mobile technologies have a wide array of uses, from helping drivers get to deliveries quickly to keeping florists in touch with the daily activities of their shop.

In Appleton, Wis., Aykens is focused on staying updated on current and emerging technology ideas, including some that once belonged primarily to the world of teens and tweens. While there's a learning curve to these sites, by and large, understanding how they work - and how they can help your business - is easy to grasp if you invest time and energy up front researching.

"Social networking is becoming an excellent way to reach family, friends and now customers," he says. "The age of [Myspace](#), [Facebook](#) and many others is here, however, it may take several years for our industry to grasp the usefulness of this semi-easy to use and inexpensive technology."



The Gallery2 photo gallery gives florists greater control over the look and style of the image pages on their web sites.

At the same time, both Aykens and Dudley caution that social networking sites are not quite the be-all, end-all of 21st century advertising — and potential benefits could come with strings attached

"While we're friendly with our customers, I don't think many people want marketing messages mixed in with their social interpersonal communications," says Dudley, who uses [YouTube.com](#) to promote

The Bloomery. "As Google and Yahoo are being pressured to monetize these properties [in other words, generate money from content posted], videos of your weddings may end up displaying ads for [national companies or competitors]; that's something we keep a close eye on. Florists are going to need to control their message, and that means doing more with your own Web site. Instead of [Flickr](#), florists can look to the amazing [Gallery2](#) photo gallery, which can be added to most Web sites pretty easily. If you're going to try and use sites like Facebook, you need to be very subtle with the marketing, and package it in a very attractive manner."

Digital photography also has become a mainstay for many shops, and a major component of promotions and advertising.

"As consumers become more savvy, florists will be judged by their own work, and good photography will be important," Dudley says. "I think we'll also see incremental changes in how Web sites work in the customer's browser. Too many people think that anything on the Internet is fair game, and this is leading to more and more copyright violations when one florist uses another's photos without permission. Embeddable tracking codes, such as Digimarc's, will become more common as the leading florists seek to protect that which sets them apart from being misused by others."

Of course, emerging technologies will affect more than marketing: Logistics — how flowers arrive in the shop and how they get out to customers — absolutely will be influenced by a new wave of ideas and initiatives, not to mention market demands. (For advances at the wholesaler, grower and supplier level, [read the article on GTIN in](#)

this issue.)

"Consumers will continue to want everything fresher and faster," Drummond cautions. "We may even need refrigerated vehicles on the road with our top 10 gifts on board. When the orders come in, the card message can print in the truck; then the driver won't need to return to the shop to make deliveries. Consumers value time more than money. Convenience will be key."

In Phoenix, Young argues that in the next decade, shops will be pushed to "track the status of deliveries in virtually real time.

"Florists already send updates to the customer when the delivery is completed; however, this will become more important as the larger Internet ordering sites will eventually require florists who fill their orders to provide this information," he says. "As PDAs and cell phones become more enhanced, it is likely we'll see customers wanting a quick and easy portal to place orders through those devices."

Managing information and keeping it safe also is an increasingly important task, but one that's made easier with the right technology options, Dudley says.

"Offsite backups or distributed file synchronization will become more important as we rely more and more on computerized information," says Dudley, who uses XDrive as an additional backup for Floristware data, as well as important shop files. "We've seen no shortage of fires, floods and tornadoes in the last couple of years, so having your data in a secure location away from where you work and live will go a long way to ensuring business continuity"

Hits and Misses: Sorting Out the Hype

It may be less expensive today than it was a year ago to outfit your drivers with high-tech cell phones and GPS devices, but does that mean you should? Sorting out the solid investments from the tech hype is no easy task, particularly if you're not a natural technology guru. The key, argues Aykens, is to stay focused on the return on your investment.

"If you see a new innovation that you feel may be helpful — and in my case, I see five or more a week — research it, find out the cost, how it is going to help your business and finally the ROI," he says. "One for me would be as simple as LCD TVs. I would love to have five or six of them around the store to display all sorts of arrangements and features; however, I know by putting those dollars into other areas of my business, I will come out better on the bottom line."

Higginson agrees. "Technology is at root just a tool, and successful applications will stand out because they make good business sense," he says. "The 'bottom line' on technology is, well, the bottom line: It is important to understand how a new technology will drive additional revenue, enhance customer service, or make a shop more efficient



Xdrive is one option florists can use to keep a secure, off-site backup of critical data.

operationally."

It's easy to be impressed by gadgetry and panache, but look for substance — and real results, Dudley says.

"The newest (operating system), the Web site receiving the current buzz and the latest processor might be enticing, but if it won't help us run the shop better or serve our customers better, we take a pass," he says. "On the other hand, updating to a POS which can e-mail delivery confirmations is a good innovation. It's all about the relationship with customer and improving our work lives."

Ironically, says Drummond, the best advice is, "don't focus on the technology."

"Focus on the customer," he says. "If a new technology provides a tool that fulfills a customer need, then investigate it."

At the end of the day, taking industry technology to the next level, whatever that may be, is necessarily a collaborative affair, say florists and industry experts.

"As an industry we have to recognize that technology is an ongoing investment," Higginson says. "That, like any other aspect of the business, we need to maintain our systems, upgrade hardware and software."

— *Freelance writer Mary Westbrook is the former managing editor of Floral Management magazine. Renato Sogueco is SAF's chief information officer.*

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I Wish I May I Wish I Might

What do florists on the front end of technology still crave? We asked some of the florists featured in this edition of Trend Tracker to outline their wish list items:

- **Bob Aykens, Memorial Florists & Greenhouses Inc., Appleton Wis.** — LCD screens, all over my retail locations, with blooms, flowers and inspirational themes and music playing throughout. I would also change my sign along the street to a 6-by-6 foot LED sign to help showcase in full color our products to potential customers driving by. I would put solar panels on our roof and install other renewable energy sources.
- **Chris Drummond, AAF, Plaza Flowers Norristown, Pa.** — Instant Messages (IM) integrated to customer and driver communications.
- **Rich Dudley, The Bloomery Florist, Butler, Pa.** — A better network with a solid intranet so our staff can share information on wedding contracts, schedule rentals and appointments better, and so on. Then, I'd buy our wholesalers better computer systems with which we can integrate our POS, to make our lives easier. I'd love to be able to look up into the supply chain and see what's available now (both hard goods and flowers), when I can get it, and what's coming on the horizon, all while I'm on the phone with a customer. I'd like to see what's available in the wholesaler's cooler and place an order from home in

the evening, rather than playing the "do you have?" game in the mornings. Likewise, I'd like our wholesalers to see what's selling in our shop, automatically replace it, and, based on our product usage, make suggestions for other things that might do well in our store. It would be great to be meeting with a bride and instantly check the farms to see if a specific flower will be available for wedding date, and reserve it right then. When the van leaves the wholesaler, we could download what was shipped, the temperature conditions between farm and wholesaler, and prepare for its arrival.

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Pilot Program Approves Bar Codes, Industry-Wide Support Still Needed

The industry is one step closer to adopting a universal protocol for cut flower identification, after more than 20 companies representing growers, producers, importers, wholesalers and supermarkets completed a pilot program in July 2008. Adoption of Global Trade Item Number (GTIN) protocols would provide the industry with one standard numbering system to help automate processes, increase efficiencies, reduce errors, cut operational and administrative costs and position companies for additional savings and a competitive advantage.

So what exactly is GTIN? Essentially, GTIN is a fundamental data language that was developed by a managing body, GS1, to describe all of the GS1 worldwide data structures. (Data language is a computer language that defines data structures, or how data is stored.) The GTIN data language is the dominate data language in use throughout the U.S. and much of the world. This umbrella data language was designed to encapsulate all products at all levels in the supply and demand cycle (e.g. selling units, boxes, cases, pallets, etc.). Each level requires a unique GTIN to correctly identify products throughout the supply chain. For simplicity sake, GTIN (pronounced "gee-tin") is often referred to as the 14-digit number used to identify a box of floral products and a UPC (also known as the GTIN-12) to identify an individual bunch or bouquet.

Leveraging the produce industry experience of a major member of this effort, the Produce Marketing Association (www.pma.com), the Floral Logistics Coalition, of which SAF is also a member, spearheaded the pilot program in the summer of 2007. The group has finalized the "Floral GTIN Implementation Guide," an informational document for industry members that incorporates the findings of the pilot program, as well as strategies on how to assign GTINs to box configurations and UPCs (Universal Product Codes) to bunches and bouquets. (At press time, the Implementation Guide was expected to be available on most coalition members' Web sites after its completion in .Mid-October)

"The major goal of the pilot was to develop a 'process' of assigning and using GTIN for boxes of flowers, and to develop a parallel process for the use of UPCs for individual selling units," says Jim Wanko, WF&FSA's (www.wffsa.org) executive vice president. "Buyers said they will use the system if the majority of their suppliers make it available to them, and the suppliers said they will do it if their customers want it and use it. It's hard to get the majority of the industry moving in one direction, but floral industry-wide there are

tens of millions of dollars to be saved if we can succeed."

Clay Sieck, the coalition chairman, agrees - but says the industry's biggest players will need to come on board before anyone can move forward.

"If the major (\$25 to \$100 million) growers, several major transportation companies, 25 U.S. wholesalers and 6 or 8 major mass merchant retailers get involved here, this will happen pretty quickly," Sieck says. "The 70/30 rule is the number I would put in place. If we can get one-third of the major floral companies selling into the U.S. and throughout the U.S. and multiple of the major floral transportation companies to adopt this, we're 70 percent there."

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SAF Technology Resources

SAF members may find these services, tools and articles useful as they assess their technology needs.

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[SoftSearch](#) assists clients worldwide in finding the business and specialty software they require. This Premier Affiliate Program provides SAF members with free access to a custom catalog of software specific to the floral industry and enables them to purchase software online. This is one-stop technology shopping, as SoftSearch handles all customer service, sales and fulfillment. Just visit www.softsearch.com/SAF to take advantage of this valuable benefit.

MagnetMail — professional e-mail newsletters and promos

Here's an easy, cost-effective way to create professional e-mail marketing campaigns and newsletters. With SAF [MagnetMail](#), all you do is insert text into a custom-branded e-newsletter template, load up your customers' e-mail addresses and click "Send." Messages are transmitted and results tracked instantly. Insert articles with a click from SAF's online library of ready-to-use flower news and photos, add your own news and pix--or both!

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THE PSYCHOLOGY RECESSION

By Robert Barr

It is too early to show up on the official gauges, but we're surely in a recession now. The economy was actually holding up through most of the summer, but the news since August has been dreary, and one-sided.

The credit turmoil, the bank failures and restructuring, and the stock market volatility has been bad enough, and the bipartisan drumbeat of "This bailout bill has to be passed now!" has to concern the most financially secure, while increasing the anxiety of the rest of us. The desperation of the nation's political leaders warning us about being on the edge of financial collapse has exacerbated the problem.

Strong Engines

The economic engine of growth remains strong — productivity growth has been vibrant, and exports have been soaring. That allows businesses to absorb higher prices on their inputs without raising the price on their output and helps maintain profit levels. If productivity growth were limping along, or declining, then firms would find business expansion much more difficult.

Moreover, a broad measure of economic activity known as real (or inflation-adjusted) final sales jumped a very healthy 4.4% during the second quarter, up from just 0.9% during the first quarter. The fact that it was so much higher than real GDP's 2.8% increase means that households and businesses bought a lot out of business inventories during the quarter (GDP equals final sales plus the change in business inventories). A big drop in inventories, as we just experienced, foretells increased production activity as businesses respond to strong demand and rebuild inventory to desired levels.

Sticky Wheels

But now credit, the oil lubricating the engine, has turned to sludge. That's meant that lots of companies, large and small, are facing

problems financing their regular operations, much less their business expansions. This troubling development will cause and prolong our downturn. Without the credit market problems, the housing market workout and the oil price shock were being handled without driving the economy into a recession. The recently passed financial bailout doesn't solve the problem, but it will help as it removes many of the toxic mortgage securities off corporate balance sheets.

We are getting a break in oil prices, and the price of gas has dropped by 20% or so since the summer. Sure, that's after a big run-up, and it's tough to know if the price decline will prove to be a brief respite or a long-lasting correction. But the lower prices are giving household and corporate budgets more breathing room.

The economy will recover when confidence replaces fear in the credit markets, as it will (it always has). We'll still be reassessing value in many housing markets, and the recovery may be subdued as consumers avoid over-leveraging themselves with the purchase of big-ticket items. But then sticking to a low-debt diet will be a good thing, as we've learned.

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