

CORPORATE TAKEOVER

By Mary Westbrook

Florists are holding onto business customers — and bringing in new ones — with creativity and old-fashioned salesmanship.

If you call Don Phillip to talk about the corporate work at Phillip's Flowers & Gifts in Chicago, he'll fire a question right back at you.

"Now, what exactly are you talking about?" he asks quickly. "Because corporate can be broken down into lots of different segments these days — standing orders, 'interiorscaping,' landscaping, events, birthday orders, get well bouquets, sympathy designs ..."

The list goes on ... And on.

Welcome — if you're not already here — to the world of modern corporate accounts, a place that overlaps and pulls substantially from other segments (particularly sympathy, events and weddings) but remains decidedly — stubbornly — unique.

"It's not an easy segment of the business," explains Kevin Byerly of Lehrer's Flowers in Denver. "These are people who like to know that they can get a hold of the owner at any time. I deal with my corporate accounts 24 hours a day, seven days a week, on weekends and at night. They're high-touch customers."

Corporate accounts also are, potentially, high-volume customers, words that are music to almost any florist's ears. Like sympathy work, corporate accounts can bring valuable year-round business to shops, often in the form of standard, low-labor designs. At the same time, the post-9/11 economy and a string of corporate scandals involving lavish spending have forced some national companies to rethink how and where they spend their discretionary funds, while local companies struggle just to survive, let alone furnish their lobbies with flowers.

Also putting the squeeze on florists' traditional corporate work is a steady stream of new competition from Internet-based floral providers.

To find out how florists are breaking into — and holding onto — this challenging segment, Floral Management editors tapped into the strategic plans of four shops. Here's a rundown of the top issues on their collective agenda.

ACTION ITEM: DEDICATE SOMEONE TO THE JOB.

Corporate accounts are demanding, and you'll want to have at least one staff member — even if it's the manager or owner (read: you) — committed to serving these customers specifically.

"It's a huge job because these accounts are a lot of babysitting and a lot of upkeep," says Byerly, who usually has a full-time corporate accounts manager on staff. (At press time, he was working to fill the recently vacated post.) **"It involves a lot of shaking hands and networking."**

INFLUENCE THE INFLUENTIAL Don Phillip, pictured with Ivone De Silva, assistant manager at Phillip's Flowers & Gifts, says there has been a gradual shift in the person behind corporate orders. Receptionists and business owners used to place the orders. Now, it's event planners and caterers, working on behalf of other businesses.

1/2 DOZEN	VASED \$149.95	1/2 DOZEN \$129.95	1/2 DOZEN \$119.95
1 DOZEN	VASED \$299.95	1 DOZEN \$259.95	1 DOZEN \$239.95
1 DOZEN	BOXED \$169.95	1 DOZEN \$159.95	1 DOZEN \$149.95
1/2 DOZEN	VASED \$44.95	1/2 DOZEN \$39.95	1/2 DOZEN \$27.95
1/2 DOZEN	BOXED \$39.95	1/2 DOZEN \$34.95	1/2 DOZEN \$19.95



TO MARKET, TO MARKET

When it comes to marketing your corporate work, traditional techniques such as direct mail, e-mail, advertising and samples can work, but one of the best courses of action is simply to meet the clients in person, says Randy Oberer of Oberer's Flowers in Dayton, Columbus and Cincinnati.

"There [are] all kinds of ways to market and all kinds of tricks," he says. "We've done all of that, but I really firmly believe that doing an outstanding job, people flock to you. The best way to maintain [corporate accounts] is through recipient feedback."

Networking in the community through groups such as the Chamber of Commerce and word-of-mouth referrals are crucial, says Kevin Byerly of Lehrer's Flowers in Denver, who usually focuses on one industry at a time (restaurants, for instance) when he's trying to build up corporate work. (Read more about business networks, on p. 35.)

"But in the end, it's a lot of handshaking," he says. "That's really what it comes down to." 🌿 — *M.W.*

Large shops generally have the luxury of assigning multiple people to the task of managing corporate sales. On the fresh flower side at Phillip's, outside sales representatives respond to leads and pitch the shop's programs to potential corporate customers. As soon as a business comes on as a client, the shop assigns an inside representative, often a designer, to service the account. At Phillip's Interior Plants & Displays Division, the initial salesperson continues as the representative but is supported by service technicians and regional service managers who service the account.

"Once the client has a permanent contact at our store, they know [their representative] will understand exactly what they mean when they say, 'Send over a few banquet arrangements,'" Phillip explains. **"You have to organize your business to serve them."**

Smaller shops that can't afford a sales team just for corporate work aren't out of the game. At Homewood Florist and Flower Stems in the Birmingham, Ala., metro area, owner Vince Gray heads up corporate work himself — out of both necessity and aptitude.

"I'm not above doing anything in my shop," he says. "I'll clean buckets or do sales — whatever needs to get done.

The truth is that corporate clients are

spending money — maybe not at pre-9/11 levels — but events are getting bigger. You just have to find your niche in the market."

Byerly says the key, regardless of your size, is consistency. He adds: You want

corporate customers to feel comfortable contacting your shop at any time, and you want that task to be easy for them. A solid relationship with a specific employee as opposed to an endless string of faceless voicemails and e-mails — will help on both counts.

ACTION ITEM: UNDERSTAND THE HIERARCHY.

Some things in the floral industry fall into a predictable pattern: With sympathy work, you talk to families and work closely with funeral home directors. For weddings, you field calls from the bride and (sometimes) her mother or the groom. Corporate work, however, rarely has that distinct point of contact. Sometimes, you'll deal primarily with a receptionist. Other times, you'll meet with a CEO. And, increasingly, say many florists, the people you'll want to woo will be outside of the organization all together.

DESIGN RIGHT

Once you've landed a corporate account, seal the deal for the long run with creative design work. Standardized, weekly orders or routine banquet pieces don't have to look or feel generic, insists Randy Oberer of Oberer's Flowers in Dayton and Cincinnati.

"You have to hone in on what that customer wants," he says. "If you have the technology, keep track of what they send and specialize on their particular taste. You want to represent the company."

For corporate work, Kevin Byerly says his company, Lehrer's Flowers in Denver, "focuses a lot on getting as creative as possible using as little flowers as possible."

"You don't necessarily need to use 30 stems of something to make an impact," he says. "Less is more. Think about product selection and choose flowers that can create a big focal point [without many insertions or labor]. Also, two extra stems here and there add up so you really have to watch your designers." (See Business of Design on p. 54 for design ideas.)

Another point? You may need to factor in the cost of mid-week visits to clients to spruce up plant and flower designs, particularly if the customer is a big spender, says Russ Phillip Jr. of Phillip's Flowers & Gifts in Chicago.

"You have to factor that into the cost because you'll be paying for an employee's time, labor, gas to drive out there — all of that," he says. "But for good customers, it's usually worth it." 🌿 — *M.W.*



PRICED RIGHT Pricing is a major issue when it comes to corporate accounts, says Russ Phillip Jr., of Phillip's Flowers & Gifts in Chicago. "You have to make sure you price your products and services to make money," he says.

Name: *Phillip's Flowers & Gifts*
Web site: www.phillips-flowers.com
 and www.phillipsinteriorplants.com/phillipsinteriorplants.htm
Locations: 11 total facilities in the Chicago area
Vital corporate stats: Corporate work is 20 percent of business. The shop's interior plant and holiday display division handles 150 holiday display clients each year.
How they seal the deal: "We're selling one-stop service — occasion, weekly orders, plants in the lobby and at the holidays — that's all part of our pitch," says Don Phillip.

"The thing that we're seeing now is that a higher percentage [of our corporate orders] are coming through a third party," Phillip says. "We're finding ourselves more and more in the fulfillment business, fulfilling for a third-party [such as a caterer or event planner]. And that means you have to know who to pitch to."

In Alabama, Gray says he sees a crossover between the shop's bustling event and wedding business and corporate work, often because businesses are either exposed to the shop's work through events or hear about the company through outside event planners.

"Networking is really important,"

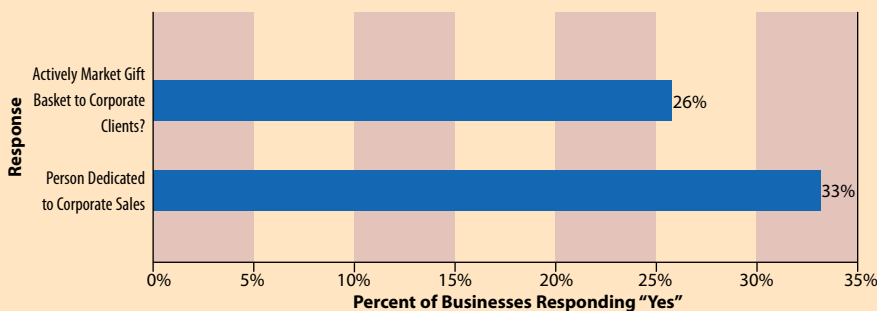
Gray says. "We get a lot of business from hotels and conference centers. It's a 'you scratch my back, I'll scratch yours' proposition."

Of course, the addition of a third party often means additional costs: You'll want to add any referral fees or kickbacks into your bottom line calculations.

"That's something shops need to figure out individually," Phillip says. **"But when we think of commercial sales, we think broadly.** We want the banquet manager at XYZ to call us every time he has a party. We want event planners to include flowers in their package — and we want to provide those flowers."

MAKING THE B2B INVESTMENT

One-third of florists indicated that either they or one or more of their employees is specifically dedicated to corporate sales. A slightly smaller proportion of floral businesses (26 percent) actively market gift baskets to their corporate clients.



Source: Floral Management Survey — an online survey of retail florists. SAF, May/June 2006. Based on 219 responses (6.3% response rate).

Slings the Giant

During SAF Palm Springs 2007, Sept. 26-29, Charleston, S.C., retailer Manny Gonzales, co-owner of Tiger Lily Florist, will reveal his step-by-step strategy for becoming the “go-to” florist for large businesses, during “How to Capture and Keep Big Volume Business Accounts.” Read more about this and other SAF Palm Springs 2007 sessions at www.safnow.org.



ON STAGE Manny Gonzales of Tiger Lily Florist in Charleston, S.C., pictured with his wife, Clara, will talk about capturing large corporate accounts during SAF Palm Springs 2007.

ACTION ITEM: LEARN TO SURVIVE STAFF CHANGES.

One word that doesn't come up often in florists' conversations about corporate clients is loyalty.

“Corporate stuff changes so much,” Gray says. For instance, “you'll have been working with [a person] for a while and then she moves on and you have to get to know a new person who might already have a favorite florist. **Loyalty is very hard with these changing positions.**”

That scenario — echoed by florists across the country — begs the question: How do you cultivate institutional loyalty in the face of constant personnel changes? The answer lies in hard work, high quality product and tenacious salesmanship, says Randy Oberer of Oberer's Flowers in Dayton, Columbus and Cincinnati, Ohio.

“Personnel changes are just one reason that it takes a lot of energy for a sales team to constantly maintain contact” with corporate customers, he says. “That's also why it's important to outshine competition. If you do that, when they have shuffles in their staff, you are not quite as vulnerable. **I firmly believe the real success is going above and beyond in service and quality and really wowing the customer.**”

Beware: The days of “wowing” a corporate client simply by incorporating company colors and logos or delivering arrangements by 9 a.m. sharp are gone. Phillip's Flowers has had a ‘plantscap-

ing' division, Phillip's Interior Plants & Displays, for corporate clients' interior plants and holiday displays since the late '60s, but the company is constantly updating procedures to better meet clients' needs.

“It's more competitive than ever,” says Russ Phillip Jr., head of the division.

“Twenty years ago, you could almost name your price, and when we had the big real estate boom in the '90s, the phone was ringing off the hook. It was booming. **Now, it's all about soliciting and pounding on doors. That's where it's at.**”

“For our corporate clients, it comes down to this,” Don Phillip adds. “**We're selling one-stop service** — occasion, weekly orders, plants in the lobby and at the holidays — that's all part of our pitch. That's how we've gotten a lot of our standing orders.”

ACTION ITEM: ASK FOR BIG BUSINESS.

Each week, Phillips delivers 50 to 65 arrangements as standing orders, including weekly church arrangements. The shop welcomes these orders, the traditional mainstays of florists' corporate work, but sales personnel also cast their ambitions higher, Don Phillip says.

“**We'll take a \$35 weekly order, but we'll go after the bigger accounts more aggressively,**” he says. “We're more proactive at going out and signing up with volume users. Really, you can only afford to go after the volume players.”

That may sound like common sense, but it's not necessarily common practice,

say many florists. All too often, florists assume the business already is going elsewhere, or, if it's a national company, that orders are filled through the corporate headquarters. That's not always the case, but you have to ask for the business to find out where it's going.

“You've got to be out there selling,” Phillip explains simply.

And, don't let the size of a company alone dictate your sales and customer service tactics, warns Oberer, who has corporate clients that are small businesses and Fortune 500 companies.

“**A lot of small companies do big things,**” he says. “**A lot of big companies won't budge from their budgets.** You have to tailor your services to that level. Spend the resources and energy that the job warrants.”

One more point: Don't come to the bargaining table empty-handed, warns Byerly. Scoring long-term, large accounts may require you to rethink your pricing, to a certain, reasonable extent.

“I've found that in a lot of cases,

Name: Oberer's Flowers

Web site: www.oberers.com

Locations: Three locations:

Cincinnati, Dayton and Columbus

Vital corporate stats: Corporate

work is 25 percent to 30 percent

of business. Clients range from

small busi-

nesses to

Fortune 500

corporations.

How they

seal the

deal:

“Outshine

competition

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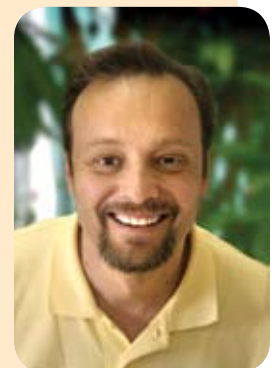
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ing the customer.”



Randy Oberer

“If people are willing to spend money [on a long-term account], you’ve got to sharpen your pencil. **Get over it.**”

— KEVIN BYERLY
LEHRER'S FLOWERS
DENVER

you’ve got to give up traditional [3.5 to 4-time] markups,” he says. “If people are willing to spend money [on a long-term account], you’ve got to sharpen your pencil. Get over it.”

ACTION ITEM: BE CREATIVE. DO MORE THAN THE CLIENT EXPECTS.

It’s a cliché but adopting “think outside the box” as your corporate segment credo will go a long way toward securing business accounts, Oberer says.

“I think some florists don’t get that when you’re dealing with just the general public that buys from you once or twice or year, you don’t have to have the same personal contact with someone that’s buying from you 10 to 15 times a year” for a corporate account, he says. “Just let them know that you know them, that they’re important.”

In Denver, Byerly expresses that importance — and his gratitude — in part by offering employee discounts to corporate clients. The Phillips send employees out

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Name: *Lehrer's Flowers*

Web site: www.thinkflowers.com

Locations: Eight locations in the Denver area

Vital corporate stats: Corporate work is about 20 percent of business. The bulk of the shop's corporate work comes from bigger, national companies although they serve smaller clients, too, including several local steakhouses.

How they seal the deal:

“In the end, it’s a lot of handshaking. That’s really what it comes down to.”



Kevin Byerly

Name: *Flower Stems and Homewood Florist*

Web site: <http://flowerstems.biz> and www.homewoodflowers.com

Locations: Birmingham and Homewood, Ala.

Vital corporate stats: Corporate work is about 15 percent of business. Flower Stems doubles as an event venue.

How they seal the deal:



Vince Gray

“Networking is really important. We get a lot of business from hotels and conference centers. It’s a ‘you scratch my back, I’ll scratch yours’ proposition.”

for mid-week interior plant spruce ups. Other florists arrange regular meetings to evaluate the customers’ experiences and future needs. Whatever you do, communication is crucial.

“You have to understand your client and what they want, the same way you’d do with a bride or a manager of a catering company,” Gray says. “You have to know what they like.”

Sometimes, that means knowing what they like before they do. About a year ago, Gray, who was considering opening a second location at the time, realized Birmingham could use a new event venue. Soon after, Gray opened Flower Stems, his second location, in a large, renovated loft space. The downtown location and modern architecture make the store a perfect event venue for parties, receptions, corporate meetings and mini-retreats. At press time, the shop was about to host 80 to 100 local architects for an architect association-sponsored continuing education

program — exactly the kind of business clients Gray would like to reel in.

“Architects are edgy people; they’re trying to keep up on the trends,” he says. “I think [referrals from the event] will probably be pretty good.”

Mary Westbrook is a contributing writer and editor for *Floral Management*.

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WORKING THE HOLIDAY SEASON

Come October, Russ Phillip Jr. doesn’t get much time off from his post as the head of Phillip’s Interior Plants & Displays, a unit of his family’s floral business in Chicago. The group handles holiday displays for about 150 customers each year, a behemoth program that requires the company to hire on 50 to 60 temporary employees each fall, as well as miscellaneous equipment for set up and display.

“Christmas can be as big as we want it to be,” Phillip admits. “But there comes a time when you have to say enough is enough.”

Still, with holiday seasons starting earlier and earlier, the display business is a good place to be for strategic thinkers willing to put in the extra hours — and stay on top of trends.

“Ethnicity is a big deal lately,” Phillip says. “I’ll have a customer who says, ‘We want a Christmas tree that doesn’t scream Christmas.’ That can be tough. All in all, everyone’s gotten more conservative” and subdued.

The bottom line for holiday work — and corporate work in general — is pricing, Phillip says. “You have to make sure you price your products and services to make money.”

— M.W.

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