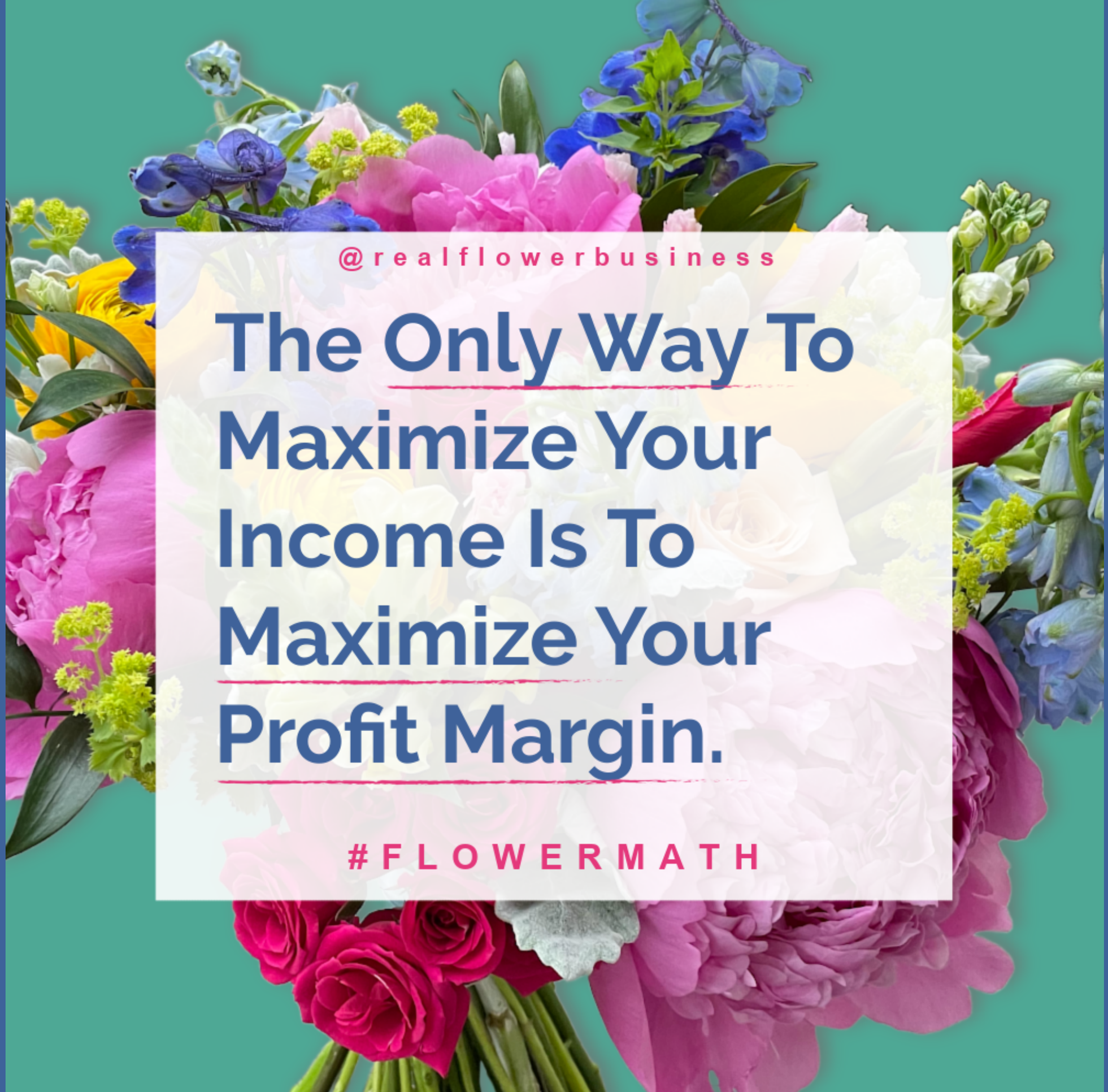


REACHING PROFIT GOALS WITH ALISON ELLIS

realflowerbusiness.com

CREATIVITY + PROFITABILITY ARE EQUALLY IMPORTANT TO YOUR SUCCESSFUL FLORAL BUSINESS.

They help support each other!


@realflowerbusiness
The Only Way To Maximize Your Income Is To Maximize Your Profit Margin.
#FLOWERMATH

Floralpreneur® Fundamentals

Your Path To Maximize Profits, Book Great Clients & Find More Freedom In Your Flower Business!

realflowerbusiness.com



1. Floristry Skills & Knowledge

2. Pricing for Profitability

3. Booking & Sales Skills

4. Building Brand Reputation



IF YOU WANT TO PAY YOURSELF MORE...

Raising your prices isn't the only way.

Just remember the Flower Math motto...

realflowerbusiness.com

It Doesn't Matter What You Charge If You Overbuy!



THE #1 WAY I GREW MY BUSINESS IS BY KEEPING AS MUCH PROFIT MARGIN AS POSSIBLE.

#FlowerMath

WHEN FLORISTS DON'T MAXIMIZE PROFITS...



IT'S LIKE THROWING MONEY DOWN THE DRAIN!

The Extras Are Costing You Money!

#FlowerMath
realflowerbusiness.com

TAKE NOTE…

Every additional stem = money down the drain.

Whether it's YOU adding extra flowers or your employees, adding one single extra flower starts to add up quickly!



LET'S DO THE MATH…

If a designer adds one EXTRA stem at $1.80 wholesale to centerpieces in a wedding or orders that go out of your shop daily, what does that really cost?

15 arrangements x $1.80 = $27 wholesale

After markup of 3x or 4x = $81 to $108 retail

That's at least $54 to $81 in lost profit on extra stems.

EXTRAS COST MONEY!

Multiply by 30 events (or 30 days in your shop) and you're giving away 450 EXTRA stems!

That's $810 out of your pocket.

Which comes to $1,620 - $2,430 in lost profits.



Don’t give money away.

3 Steps To Maximizing Your Profits

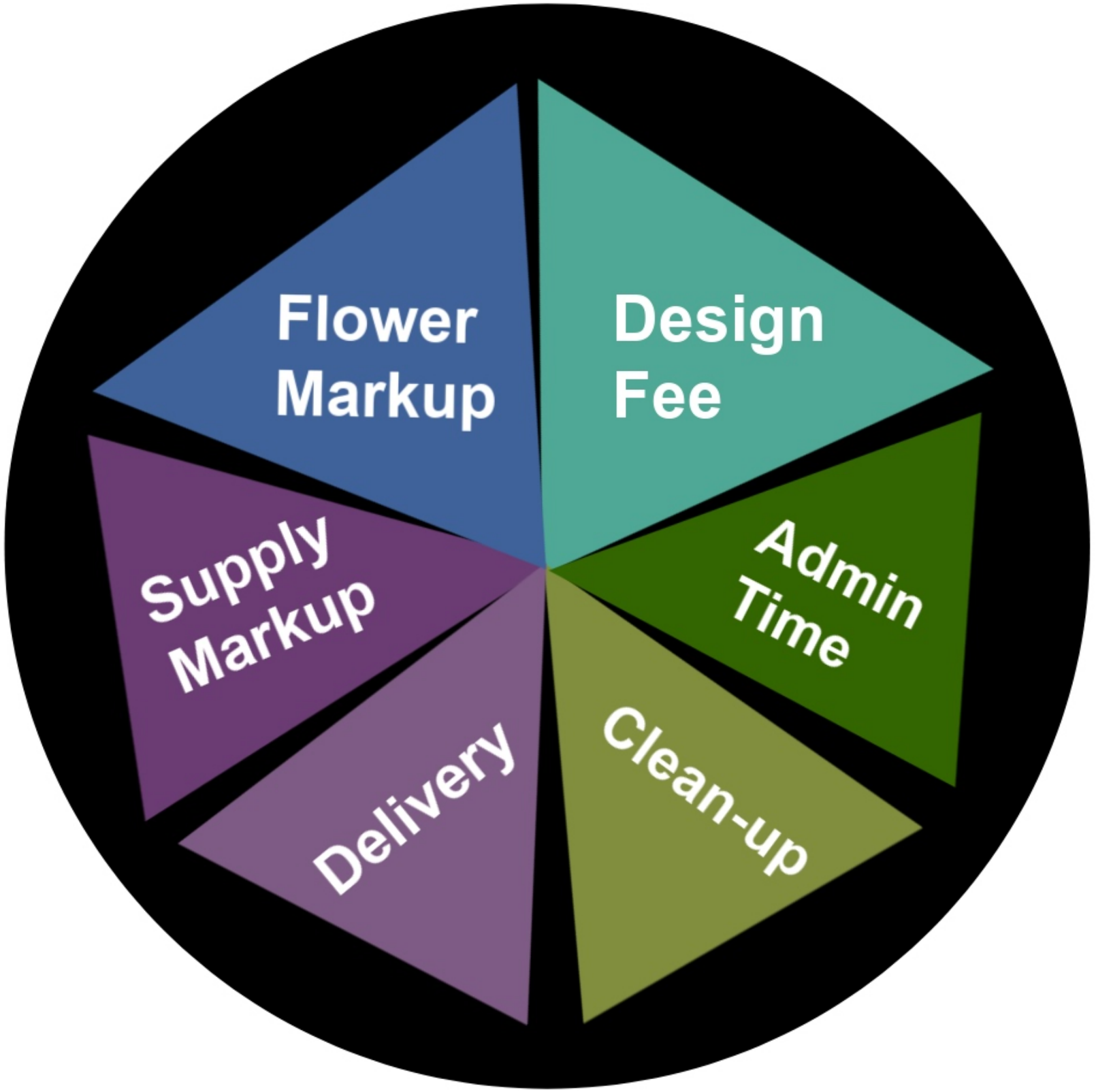
- Follow Proven Formulas
- Create Profitable Recipes
- Set A Profit Goal

Step #1

FOLLOW PROVEN PRICING FORMULAS

(proper markups & design fee)

What Goes Into Every Design You Make?



realflowerbusiness.com

Include ALL of the Pieces of the Pricing Pie:

Flowers (x markup)

Design Fee (30-40%)

Containers & Supplies (x markup)

Delivery/Set-up (time, people, vehicles, complexity)

Breakdown & Removal/Clean Up

Administrative Time (proposals, meetings, ordering)

Why it's important…

- **Pricing formulas are the building blocks of your profitability!**

- **Charging a markup of 3x, 4x or 5x on flowers is ONLY one step to the pricing formula.**

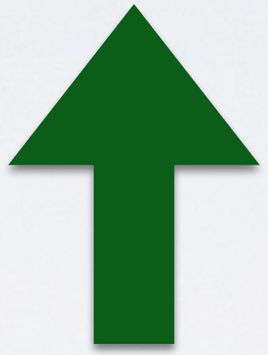
- **If you're missing out on the design fee or charging too little, you're losing out on a portion of your profit!**

Step #2

CREATE PROFITABLE RECIPES

(save time & money)

Create Profitable Recipes To Avoid Overbuying.



Don’t reinvent the wheel on every design or event.

Duplicate profitable designs to save time and money.

What are the most frequently used flowers in your shop or events?

These are the base for your recipes.







Why it's important…

Recipes are the #1 way to
<u>STOP</u> over-spending!

They're the ingredient lists that help you determine <u>how much to order</u> and when each arrangement is "filled to value"!

Recipes Create Consistency

Designs leave the shop with more consistency in style and fullness.

If you don't have "extra flowers", you have more money in the bank.

Why some florists don't do it…

Most florists who DON'T follow recipes believe it will get in the way of their creativity, <u>but that's not true</u>!

You can be SUPER creative even if you use recipes—just like you might improvise with a recipe in the kitchen!

Educate Designers on Pricing!

<u>Pricing shouldn't be a mystery</u>.

Why leave designers in the dark?

Explain why it matters to the <u>bottom line</u> of your business when orders are over-filled and make it easy to fill to value by providing the recipes and/or pricing breakdown on each design.

Step #3

SET A PROFIT GOAL

(not a spending goal)

Why it's important…

The amount you spend on wholesale orders will impact your profit margin <u>EVERY SINGLE TIME</u>.

That's why it's critical to <u>set a profit goal</u> to avoid overbuying.

DO YOU CALCULATE YOUR PROFIT MARGINS?

SHOULD YOU?

THE ANSWER IS YES!

You might be thinking:

"I didn't lose money on this order, so I obviously turned a profit, right?"

BUT if you don't know your numbers,
YOU DON'T KNOW YOUR BUSINESS.

3 EASY STEPS TO CALCULATE PROFIT MARGIN

1. Add up the amount spent on Flowers + Supplies = COGS

2. Total Sale - COGS = X

3. X / Total Sale = Profit Margin



LET'S USE REAL NUMBERS:

- Total Sale = $4,643
- Amount Spent on Flowers + Supplies = $990 (COGS)
- Sale - COGS = $3,653
- $3,653 / $4,643 = 0.78
- 0.78 = 78% Profit Margin (on cost of flowers/supplies)



WHY IS TRACKING PROFIT MARGIN SO IMPORTANT?

You cannot improve what you do not measure.

(How are you going to increase your income and improve your margins if you don't track them?)

@realflowerbusiness

Florists Need A Profit Goal!

NOT A Spending Goal!

#FlowerMath



REMEMBER THE FLOWER MATH MOTTO:

realflowerbusiness.com

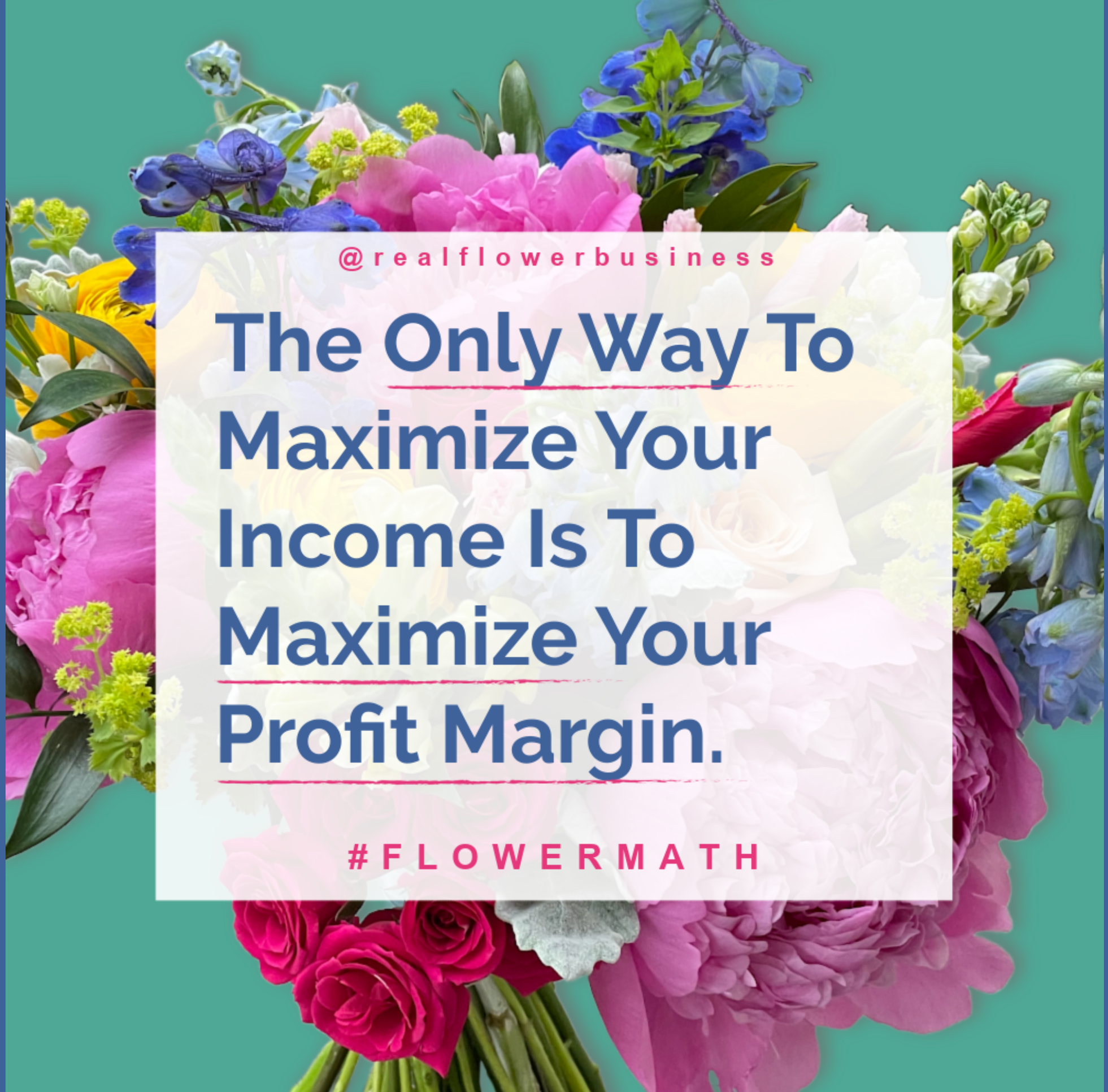
It Doesn't Matter What You Charge If You Overbuy!



PLAN FOR PROFIT:

- Include <u>all of the pieces</u> of the pricing pie/follow Flower Math formulas
- Create recipes to <u>avoid overbuying</u>
- Order from wholesalers with <u>confidence</u>
- <u>Get paid more</u> for your time & talent
- Set your <u>profit goals</u>




@realflowerbusiness
The Only Way To Maximize Your Income Is To Maximize Your Profit Margin.
#FLOWERMATH

IF I CAN DO THIS AND MY STUDENTS CAN DO THIS...

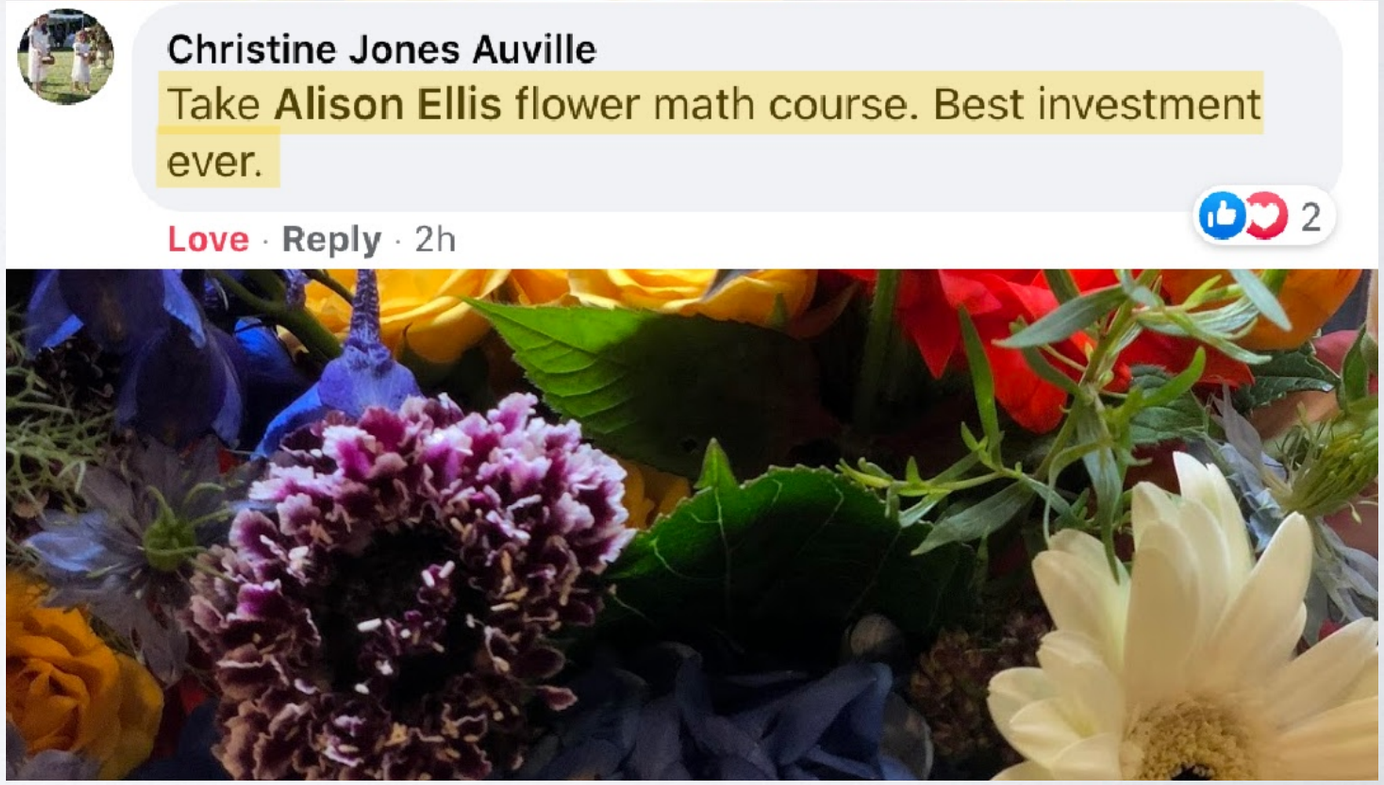
You can, too.



PRICE WITH CONFIDENCE!

- **Track profits on every wedding or event.**
- **Track profits on weekly sales in the shop.**
- **Aim for a profit goal —not a spending goal.**
- **Flower Math provides a step-by-step guide to profitability if you need help from here!**





IT'S NEVER TOO LATE TO GET YOUR NUMBERS STRAIGHT!

-Alison Ellis, creator of *Flower Math*

learn.realflowerbusiness.com/march



Stay Profitable So You Can Keep Doing Beautiful Work!