FLOWER SHOP DELIVERY CONCEPTS — A COURSE IN MANAGEMENT

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Professional Certified Florists' Program

Flower Shop Delivery Concepts — A Course in Management

Course Outline

I. INTRODUCTION

Today, in the shear business realm of existence, most businesses have dropped personalized services for the quicker, more efficient and profitable systems of automation. With technology, everything that can be automated has been done so to streamline operations and increase profits. However, automation often comes at the expense of personalized, customer service. Automation with out personalized customer service can have the undesirable effect of driving the consumer away or to the business down the street. The floral delivery process is no exception for the brick and mortar florist. Technology has made floral delivery much more efficient, smoother, and if done right, a true source of income as well as a service almost every purchaser of flowers has come to expect. However, the key to successful delivery and the ability to grow the business as well as the bottom line profit depends on one's ability to implement modern delivery technology with out loosing sight of personalized customer service. The floral industry is one of the few remaining industries where technology can be integrated to streamline delivery operations and increase profits without having to sacrifice personalized customer service. The purpose of this course is to examine current delivery concepts along with the implementation of ongoing technology into the delivery process while continuing to maintain the highest level of personalized customer service.

II. THE DELIVERY ORDER

Today, almost every floral order winds up being imput into a computer to generate the invoice for billing, design, and delivery. The most important step to achieving customer delivery satisfaction is correctly getting the delivery information from the customer and onto the delivery envelope or slip. Not all customers have that information or have it correct and not every sales person takes down the delivery information from the customer accurately. Technology and today's software allow the savvy florist to be on top of this. In a lot of shops, phone and walk in orders are often still taken by sales people and

floral designers who have little computer experience, but help with the sales process by interacting in person with the customer. There is nothing wrong with this. In fact, this is often much more personalized service than having someone who knows very little about flowers and design answering the phone and just walking the customer through the blanks on a computer screen to be filled in. We've all experienced the sales person who can't listen or make suggestions because they have to "fill in the blanks" on the computer screen, and if it's not a choice on the computer screen, then they don't know what to do. When this happens, customer service is lost and more often than not, so is the sale and customer. Once the hand written order is completed in person or over the phone, the sales slip should, and often does, go to a person who is trained on the computer system to quickly and accurately input the order. A hand-written credit card number is sensitive information. Internal procedures should be in place to safeguard the credit card written information. This is where technology comes into play for the tech savvy florist saving time and money by insuring an accurate address and a delivery that can actually be completed.

Software today, will allow the florist to accurately generate the invoice delivery address or slip pointing out address conflicts and missing information before the driver ever leaves the shop. Thus, making the delivery process more efficient and almost effortless for the driver. Software can verify the following before the driver ever leaves the shop: address, zip code, suite, apt, and business name. It can alert you in advance that critical delivery information is missing from the address before the driver gets there to find out that the address is missing a digit or a suite or apartment number is needed. This in itself, will save the driver time and the shop money. In fact, it has often made the difference in whether or not the delivery could be completed on a timely basis. Delivery software can also pull up an address from just imputing the customer's phone number thus saving precious time if there is a mistake or missing information on the hand written invoice. Delivery software will flag timed deliveries and make suggestions as to the most efficient route based on the actual deliveries, time and road traffic conditions at the time of delivery. All of this can often be done after the sales person is finished personally interacting with the customer. Personalized customer service today is generally lost when the sales person just stands at a computer screen, asks a few questions and inputs the information. In a lot of shops, the designers and sales people are excellent in customer service and selling but lacking in data entry, while those who are tops in data entry are often lacking in personal customer service skills. You have to find a balance in what works best in your situation. Just don't be afraid to use the address verification and routing software. It will save you money and make your delivering go much smoother and more efficiently by eliminating careless address mistakes that cost time, money and often a missed delivery and unhappy customer.

In short, one does not have to sacrifice personalized customer service when introducing technology into the delivery order taking process.

III. THE DELIVERY DRIVER

The delivery driver is "the face" of your business. This person is often the only personal contact the consumer will have with your shop. More often than not, your shop and product will be judged on the image your driver puts forward when making the delivery. Many future customers are gained or forever lost based on the experience they had with the driver. For that reason, one must very carefully select the delivery personnel.

Before You Ever Hire

Not only is the driver "the face" of your business, but this driver is also your greatest risk for an auto liability claim. Therefore, it is most important that you take the time to adequately screen the driver applicant before you ever hire your new driver. It takes more time and often means delays in hiring, but thorough screening saves you time, money, headaches, and more often, legal liabilities in the long run. Today you just can't hire anyone who comes in off the streets.

You have a legal responsibility to hire wisely. The first step is to get a completely filled out and signed application from the prospective driver. This application is to be filled out in person while in your shop. Do not let someone take the application out of the shop to fill out and bring back as you have no control over who actually filled out the application. Go over this with a fine toothed comb. If spaces are left blank, any information missing, if there are questions on accuracy, or things simply don't seem right, then go no further with this applicant. Take the time to call the place the applicant last worked to see if work dates and hourly wage actually match. If not, it is suggested that you go no further with this applicant. If one cannot be honest and accurate in filling out an application, it only means trouble down the road for you.

Once you get an application that you are comfortable with, the next step is to get the driving license record on the applicant. This report can usually be gotten instantly online from the state that issued the license for around $10.00. In Texas, this report can be secured instantly online from the Texas Department of Public Safety's web address — www.texasonline.com. Once on their web page, select driver records and you will have the choice of downloading a form to fill out and mail in or printing out the report immediately if you have a credit card to pay with. Do not skip getting this report. It will give you a wealth of information that you can use to validate the application as well as a legal tool of due diligence should a negligence accident case ever arise. Once you get this report, it will list the type of license issued, expiration date, restrictions, moving violations, DWI, DUI, suspended, revoked or lapsed license as well as applicant's full name, date of birth (age), and address as of the time the license was issued. If all this seems in good order, then forward this applicant's information to your vehicle insurance liability carrier to get them to sign off that they will cover and add this person to your approved driver's list for full coverage.

Another area of concern is drug testing. Many operators of delivery fleets will not hire a driver unless they can successfully pass a drug-screening test. This is well worth considering, but there are lots of legal issues that you must first address before implementing a drug-testing program for delivery applicants. It is a well worth doing, but first check with your attorney and/or insurance company on the steps to follow.

In conclusion, the hiring process is a very complicated process and in our society where suing is a common every day practice, you can never be too careful. Take the necessary time and steps to hire a driver wisely.

The Contract Delivery Person

In an effort to control delivery costs, some shops will classify their delivery driver as a contract employee. If you truly contract out your delivery service, that's great. But if you

own the vehicle, you hire and can fire the driver, you tell the driver when and where to come to work, or you set their hours, then the IRS will classify this person as an employee and your business must treat him as such. The main reason for hiring a person as a contract employee is cost savings to avoid having to withhold the standard payroll taxes and pay workers comp insurance. Don't go there. Once the contract employee files an unemployment claim, gets hurt on the job, or you are audited, you will wish you had never done it. Play it safe, be honest. Don't mis-classify any of your employees. The savings to your business is not that much anyway and generally won't make a substantial difference to the bottom line.

After You Hire, Train

As with every new employee, proper training is important, perhaps more so with the position of delivery. Areas to train in include:

1. The company policy manual
2. Dress Code — For security and professionalism, it is essential that the driver be in a uniform that clearly identifies him as an employee/representative of your business. Not only does this add professionalism to your business, but the floral recipients feel more secure in opening the door to a uniformed driver that clearly displays the name of the business on the shirt
3. How to care for and handle the floral items during delivery
4. Procedure for returning damaged or non delivered floral items to the shop
5. Routing and timed delivery procedures
6. Personal attitude and acceptable/non-acceptable behavior when relating to customers and receiving personnel at businesses, hospitals and funeral homes
7. Vehicle safety and driving policies — parking, backing, weather conditions, speed, vehicle maintenance and logs, drink and food stops and eating/drinking while driving
8. Personal cell phone use and texting procedures while driving on the job
9. No rider policy and no personal business to be conducted while on company time
10. What to do in case there is ever an accident – no matter how minor it may seem at the time — today, attorneys advertise on the T.V. that if you are ever in an accident with a vehicle owned by a business, no matter how minor, call me for free advice. In other words, businesses tend to be an easy target and it's often cheaper in the long run for the insurance company to offer a cash settlement rather than enter a long drawn out and expensive legal process.

As with each new employee, training is essential if the employee is to learn what the shop expects of him. It is highly recommended that the owner or manager, not another delivery driver, train the new delivery person. Concerning delivery, the new driver will benefit greatly by riding several days with the owner or manager on deliveries to learn first hand how deliveries are made and what is expected from him. As an owner, remember the delivery driver does not have a second chance to make a good first impression. The impression the driver makes on the customer ultimately depends on how well they were trained.

IV. PREPARING THE DELIVERY ROUTE

The key to a successful and efficient delivery program is organization. Your delivery program is not only a service, but a marketing tool and an extension of your shop's public relations image. Your driver can insure a positive experience for each recipient and be a source of new customers on a daily basis. In order to do that, the driver must understand that he is first, an ambassador for the shop. Lets look at how to prepare for delivery.

Organizing the Route for Delivery

Organizing the route for delivery is a responsibility that falls to the driver. Depending on how large your delivery area is, it may be necessary to have delivery zones or geographical areas that you deliver to certain times of the day. These can be coded by zip codes or quadrants of the city and the information entered into your computer system for seamless breakdown and routing of your deliveries for each run or each driver. Many shops still find it helpful to have a wall map or sheet with the city delivery zones and boundaries broken down for visual reference. It is advisable to keep the runs down to 8-10 stops per run if possible. By doing so, you make each run manageable and the drivers are not out more than a couple of hours at a time. Deliveries should always be clustered in groups of close proximity, no matter the number, to keep fuel cost down and delivery time efficient.

Specific Delivery Issues

Deliveries to businesses, funeral homes and hospitals often require that you be familiar with their specific guidelines/terms for delivery. Some funeral homes and hospitals have flower rooms, and some hospitals have volunteers that will take the flower delivery to the room but only during certain hours. Due to security issues, some businesses will only accept floral deliveries at shipping/receiving or security desks and then only during certain hours, while other business will gladly allow flower deliveries in through the front door at any time. Apartment offices, often, will no longer accept flower deliveries for their residents unless the resident has notified them in advance that it is OK for them to accept and hold the delivery. Many neighborhoods are now behind gated entrances and require that the recipient be at home in order for you to be let in. Some gated communities are accessible with a gate code and some guard houses will accept flower deliveries if the recipient is not home while others will not. Knowing these specific issues in advance will make your delivery run go much smoother and more efficiently.

Mapping Out the Route for Delivery

Each vehicle and driver should have a map of the overall zone or area they are delivering in. Cell phone mapping and GPS can assist with turn by turn directions, but the driver will still need an overall feel of the area they are delivering in. If you deliver in zones or quadrants, it will increase overall delivery efficiency if you keep the same driver in the same zone. Over time, the driver will learn traffic patterns and times and problem areas to avoid thus greatly increasing delivery efficiency.

Once all the deliveries for a zone are ready, the actual routing can be done by computer software or manually by pinning the stops into a map of the area and then listing them in the actual order in which they will be delivered. Remember that a smooth circular pattern will produce a more efficient delivery run. Often, drivers will take a computer generated

route and pin it into the map for a more efficient and overall feel of where they are and where they are going next. You should never let a delivery person just grab up deliveries and go without getting everything for that zone and making a list of the deliveries in the order in which to actually deliver them in. To do so, will cost you a fortune in gasoline, salary and wear and tear on the shop delivery vehicle.

The Delivery Process

With efficient computer mapping software and address verification, there is no excuse for a driver to leave with a bad address or not know how to get to each stop. Should a problem arise while out on delivery, a cell phone will allow the driver to contact the recipient for further information or the shop in case of a delivery question or problem. Do not send your driver out without a cell phone or a way to contact the recipient or the shop in case of a question. Most delivery problems can be solved quickly and efficiently while the driver is still in the area if a cell phone is available. It becomes very expensive to bring the delivery back to the shop, just to have to take it all the way back out the same day. Use of a cell phone or smart phone with Internet data access can solve many delivery problems right on the spot.

The delivery vehicle should be equipped with the means to secure all types of floral items for safe delivery. Properly packed and secured arrangements will arrive in good shape. No one really wants the driver to have to re-design the arrangement or bring it back to the shop to be re-done. The vehicle should also include door tags that can be placed on the recipient's door when a delivery has to be brought back or left with a neighbor. A container of water is also helpful for assuring the arrangement is taken to the door full of water.

Each delivery driver should have a computer generated or hand written route sheet with the recipient's name, address, and any special instructions for the delivery as well as a signature and delivery time line. It is not always necessary that the recipient "sign" for the delivery in person, but it is critical that the shop know the name of the person the delivery was left with and the time it was delivered. This information is far more helpful than a scribbled signature that no one can read. If a delivery has to be left, it should be noted on the delivery sheet exactly where the delivery was left or whom the delivery was left with. A door tag placed on the recipient's door giving this information is most helpful. When a delivery has to be left, once back at the shop a follow up courtesy phone call to the recipient, even if you have to leave a message, goes a long way in assuring the recipient gets their delivery and is satisfied with your service. Today, many people go into their home through a back drive way and often never venture out the front door to find that flowers have been left on the porch until the sender calls to see if they "like" the flowers.

To Call Ahead or Not

To call ahead or not — that's a tough question. Many florists in large metro areas drive 20 or more miles in one direction to make a delivery only to find the subdivision is gated and they can't get in, no one is home and the delivery has to be left somewhere, the recipient did not come to work today, the patient has just been released or transferred to a different hospital or the employee is working at a different branch today. All these examples are good reasons for calling ahead to confirm that the recipient will be available to accept the delivery. It is becoming more and more common for people who are actually home to not open the door because they are not expecting anyone to visit. If you call ahead, you generally operate much more efficiently, and most people appreciate the advance notice

that you are coming. If they are not going to be at home, then you can make arrangements with them on where they would like the delivery left. It's a decision each shop will have to make.

When the Driver Gets Back to the Shop

The completed delivery needs to be logged into the shop's computer system once the driver is back. A lot of shops like to use e-mail delivery confirmation, and it has it benefits. However, if not done with consistency, some shops report that it can create more trouble than it is worth by causing customers to assume their flowers were not delivered simply because someone failed to timely confirm the delivery with an email. At any rate, once a driver is back to the shop they need to log in the delivery. This should include the time the delivery was completed, who accepted or signed for it, and any special notations such as where it was left so that if the sender calls wanting delivery confirmation the information is in the computer and you're not having to go track down the driver for the answer. A lot of shops find that this process takes just a few minutes and is most helpful when someone needs delivery confirmation or has a question about a delivery several hours or days later. It's all at your fingertips if your deliveries are computerized.

Another service many shops use is following up with a courtesy call if the delivery was not left with the recipient or had to be left on the porch or with a neighbor. Even if the person is not home, most have an answering machine and you can inform them where the delivery was left and if any questions about the delivery, how to get in touch with your shop. The shops that follow this procedure have reported it goes a long way in the recipient's mind that your shop goes above and beyond when it comes to providing personalized customer service.

If all these steps are followed or expanded on, the delivery process will be quick and efficient and save you many headaches down the road.

V. THE DELIVERY VEHICLE

Today, it is more important than ever to put forth a professional appearance not only with the driver but the delivery vehicle. The vehicle is a marketing tool and reflection of your shop whether you acknowldege it or not. Vehicle wraps are very affordable and you can have them custom made to reflect your image and logo. A properly designed and wrapped fleet of vehicles will turn heads in your community. And, there's no better way to market, advertise and promote your shop. Just think, would you rather receive flowers delivered in an eye catching vehicle wrap or in a white, un-marked, often banged up and spewing smoke worn out looking delivery van? Remember, your delivery vehicle, as well as the driver, is a reflection of your business.

With a little care, a delivery vehicle should run 125,000 – 175,000 miles with no major engine trouble. Changing the oil and filter regularly as specified in the owner's manual and monitoring the tire pressure will go a long way in insuring you get maximum life out of your delivery vehicle. Any vehicle will have to have the wear and tear items replaced – wiper blades, brake linings, tune up, tires — but the engine and transmission should run trouble free for well over 125,000 miles if driven properly and the manufacturer's recommended service schedule is followed.

Vehicle operating costs need to be monitored. A lot of shops find it very easy and convenient to monitor what is going on with the vehicle and driver by putting their delivery vehicles on a gasoline fleet card account. Each vehicle will have its own gas card, and each employee or driver will be assigned a driver number and personal pin that allows them to purchase gasoline at any number of stations across the city. Each month you will get a report on each vehicle that details such things as who bought the gas, at what time of day and which location the gas was purchased, gallons bought, miles driven between fill ups, cost per gallon and cost per mile, and average miles per gallon both monthly and annually. The card can also be restricted as to how many times per day it is used, maximum amount of fuel that can be purchased, and whether or not the driver can purchase items other than gasoline. A gasoline fleet card is a very easy way to monitor and control what's going on with your delivery vehicles.

VI. THE NON-OWNED DELIVERY VEHICLE

One should exercise extreme care when asking an employee to deliver in their own vehicle, when hiring someone to deliver for you in their own vehicle, or when anyone delivers or runs errands for you in any vehicle that the company does not own. In an accident, you will become a liable party if the employee was working for you even though they were in their own car. Generally, their own personal vehicle insurance will not provide you with any coverage of any type. Check with your commercial insurance policy to be sure, you have non-owned and hired liability coverage to protect you if there is an accident in a borrowed or rented vehicle. If their personal vehicle or rented vehicle suffers physical damage, you will have to carry a rider to your commercial policy adding non-owned and hired physical damage before your policy will pay to repair their vehicle or a vehicle you have rented.

In many states, your personal auto policy will generally cover damage to a rental vehicle that is rented for personal use (not business use) if you carry physical damage coverage on your personal vehicle. However, not so with a commercial policy unless you specifically add that coverage to the policy. In short, to be on the safe side, if an employee is working for you, put them in one of your owned company insured vehicles. If not, make absolutely sure your own commercial policy will cover all liability and physical damage issues that may arise out of an accident to an employee's personal vehicle or a rented vehicle.

VII. DELIVERY COSTS AND OPTIONS

It costs you to make deliveries. You have the cost of the driver's wage and benefits, the vehicle cost, license and fees, insurance cost, gasoline cost and maintenance and repair costs. No one today expects a free ride and you will not lose customers because you charge a delivery charge. Delivery is a valuable service customers are willing to pay for. They already pay for Internet deliveries, FedEx and UPS. You have many options when it comes to delivery costs and options.

What Does a Delivery Cost Me

Actual delivery costs vary and are higher in large metro areas and less in towns and communities under 150,000 people. Annual per delivery cost can be computed over a year's time. It is a product of:

1. the vehicle's cost and financing divided by the number of number of years of service you expect to get
2. delivery driver's annual salary and benefits
3. annual insurance
4. gasoline, maintenance, license, fees and toll tags, etc., over a year all divided by the number of deliveries made in a year.

This will give you what it actually costs you per delivery. It's reasonable to expect deliveries in a large metro city to cost upwards of $10.00 per delivery and $7.50 or more in cities with a population of 150,000 or less. Again, this cost per delivery will very widely depend on how expensive the vehicle is, how well paid the driver is, how far you have to drive between each delivery, and how long it takes between each delivery stop. In short, you need to charge per delivery. Delivery is a big expense to your bottom line if you don't charge for it.

Delivery Zones

Many shops that cover large areas of long distances find it beneficial to charge a sliding delivery fee based on how far out the delivery is from the shop. This type delivery fee can be easily computed for you by your shop computer system simply by imputing the different delivery zones and the corresponding delivery fee or by zip codes and the corresponding delivery fee.

Delivery and Incoming Wires

Incoming wire orders are always heavily discounted work where you have to pay a commission of upwards of 27% along with associated fees just to get the order. Non-incoming wire orders or locally generated orders are orders that generally come to you at full 100% face value unless you chose to offer a discount on the order. On wire orders, be sure to deduct your delivery fee from the total you received for the order and fill the order to value based on what's left. In some cases, if the incoming wire order is a considerable distance from your shop, you are far better to forward the order to a closer florist rather than trying to fill and deliver it yourself.

Delivery Service Options

Many shops find it beneficial to offer an array of delivery service products for a fee. You can offer "rush" service or "guaranteed" delivery within 1 or 2 hours for an additional fee of $15.00 - $25.00. Some shops charge an additional fee for deliveries out of their normal delivery area. Some shops offer "certified" delivery with a guarantee of written proof of delivery within a certain time frame. All of these services are fine and can be promoted and marketed as additional delivery services available from your shop.

VIII. CONCLUSION

Florists have the edge in retailing when it comes to same day delivery service. In fact, we are pros at it. When done correctly, it becomes an excellent advertising and marketing tool and can contribute nicely to the bottom profit line. However, all too often, the delivery person, vehicle and the whole process of delivery becomes a nightmare and a huge cost taking away precious profits from the bottom line. Delivery does not have to be that way. By understanding and putting into practice the discussed principles, one is well on their way to a profitable and cost efficient delivery service.