Charles Be Nimble, Charles Be Quick

Gut instinct and a healthy appetite for change drive Charles Booz to try out new products and approaches at his suburban Philadelphia business.

BY MARY WESTBROOK
PHOTOS: JOHN WELSH PHOTOGRAPHY


Walk into either location of Chantilly Floral Boutique, in Harleysville or Lansdale, Pa., and you’ll quickly see these aren’t “ordinary” flower shops. Since the 1990s, Chantilly, headed by second-generation florist Charles Booz, has been expanding its product lines, online and in-store, to encompass gifts and high-end personal accessories, as well as parties and fundraisers far beyond traditional open houses. Today, you’ll find some of the best-known accessory brands — Vera Bradley purses, Brighton bracelets, Spanx camisoles — alongside fresh flowers and gorgeous, custom-designed arrangements.

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With more than $1 million in annual sales (companywide) and the business’ best year on record in 2011 — smack dab in the middle of one of the worst economic recessions in U.S. history — it’s tempting to ascribe Chantilly’s success to some kind of super-human fortune-telling ability on Booz’s part. How else has he stayed in front of trends in floral, gift and personal accessories for nearly 30 years? (Raise your hand if you still have unsold Beanie Babies or Tamagotchis deep in some storage closet.)

But the “secret” to Booz’s success is crunching numbers, not reading tea leaves. Without missing a beat — or even looking up a number — Booz, a former accountant, can tell you demographic details about the areas surrounding both shops, and why the differences matter to inventory and sales. He knows how low he can go on a discount and how often he can run a promo before he starts to lose money. He tracks how many times an accessory

FEARLESS Charles Booz doesn’t shy away from making changes at Chantilly Florist. He trusts his intuition and analysis of each decision.
sells and then makes a decision about restocking. He’s mastered cost of goods sold (COGS) calculations and will happily recite how many people checked out the shop’s blog in July 2012 (450) — and how many people he planned to reach in August 2012 (500).

Even the gradual shift to diversify into personal accessories and events was, at the end of the day, a business decision based on numbers: Booz’s clients spend more on indulgences for themselves (think: $250 for sandals) than they do on gift cards and trinkets for other people.

Everything Booz does sounds like it comes straight from the textbook of sage advice for the industry’s small-business owners. If you hired a consultant to come into your shop, she would tell you to do the same things. But would you do them? Are you doing them regularly? At a time when most florists are strapped for time, cash and inspiration, some simple best practices that combine sound financial principles with the creative instinct that drew you to the industry may be the very thing your shop needs to thrive.

Know Your Customers
Chantilly hasn’t always been a business “where flowers, fashions and jewelry come together.” For years, each shop was a traditional flower and plant retailer. (Booz took over the Harleysville, Pa., store from his mother in 1986 and the Lansdale location about four years ago.)

Like every florist, Booz has faced unrelenting competition from supermarkets, online operators and big box stores throughout the ’90s and ’00s; hence the move into personal accessories and in-store events. He needed to differentiate himself and his business, and for Chantilly and its customers, these new ventures made sense.

“Even your best customer will buy flowers at a supermarket,” Booz said. The economy cut his flower sales in half (in 2008 through 2010), but because his boutique sales were expanding, total sales increased. “Selling flowers can be punishing,” he said. “You need a plan and a way to bring people into the store.”

When it comes time for Booz to make his own plans on what to stock, promote and put on the calendar, he looks at past sale figures, event attendance numbers and the demographic details he and his staff collect in-store. Over a three-month period in early 2012, for instance, Booz asked his sales staff to keep notes on basic customer characteristics, including sex and age (based on staff estimates).

Among other highlights, the staff found that more than three-quarters of the customers, companywide, are female. Lansdale, a more urban location, skews slightly younger, with about a quarter of customers 35 or younger. Ten miles away in Harleysville, 16 percent of the customers are over 60. The Harleysville store also generates 60 percent of total sales, even though it has half the retail space, 1,000 square feet compared to 2,000. (It’s harder to attach these demographic details to online shoppers, but more on that later.)

With that (admittedly unscientific) data as a resource, Booz can tailor the services and products he’s offering, so that each store speaks directly to its base. For instance, the Harleysville shop caters to a more suburban clientele, in terms of fashion accessories, while the Lansdale location has more of an urban vibe, with, for example, commuter-style purses for women and leather bags for men.

“Fashion is fickle and trends move faster than flowers,” he said. “We used to have all the same things in both stores but we’re trying to be more cautious with the inventory that we carry and segmenting the goods more now.” He points to grocers’ customized inven-
Stay On Top of the Competition

Speaking of the road, sitting in front of a laptop or register can only tell you so much about your customers and your competition. Booz’s advice: Drive around. Shop at other local stores. Check out what your customers are wearing. Eavesdrop. Chat. Surf the web. Investigations like these have helped convince Booz to stay away, generally, from women’s clothing (too much local competition) and they’ve alerted him to new threats online: some of the top brands in personal accessories have quietly changed their sales policies in recent years, reducing the territory of licensed retailers like Booz or even selling directly to customers (sometimes at prices Booz can’t match).

“You have to be aware of your competition, constantly,” said Booz, who counts QVC as one of the shop’s main competitors in personal accessories. “We had a jewelry line that we were really doing well with — selling and then restocking individual items six or seven times. Suddenly, other stores in town had the same jewelry. We discontinued the line.”

The bottom line: Do your homework but don’t hold your breath.

“It’s all about making an educated guess,” Booz said. “It’s educated, but it’s still a guess.”

Engage. Entertain. Review.

Knowing who your customers are is one thing. Figuring how to keep them and bring in new clients is a different story. Here again, however, data, analysis and old-fashioned follow-through can make all the difference. Chantilly shines at engaging people online and in-store because Booz is both innovative and consistent, said Frank Soucek, of Delaware Valley Wholesale.

“Charles is one of the best marketers in the business, without question,” Soucek said. “In the same way that he’s always trying out new products, he’s also constantly trying out new promotions and ideas to get people to come in and shop.”

GIVE ‘EM WHAT THEY WANT Chantilly Floral branched into personal accessories gradually, as a way to increase sales. “Women spend more on themselves than they do on gifts,” owner Charles Booz said.
While Booz is deep in his shops’ sales numbers “all the time,” at least once a week he sits down to plan promotions with his two managers. The shop runs promotions all the time and aims for at least one big in-store event per quarter, featuring food, beverages and flower giveaways (subsidized by Booz’s wholesaler, Delaware Valley). In recent months, they’ve hosted a bridal forum and collaborated on a Gardeners’ Day that featured a guest presenter from HGTV, along with an appearance by Vera Bradley’s daughter at the shop’s annual Bras for a Cause charity event, which supports a local hospital’s cancer center. They’ve also run seasonal specials (discounts on tropicals for summer and jewelry for the New Year.)

Promotions and events can bring much-needed awareness to a small business and generate goodwill but, if you aren’t careful about your margins and timing, they can also be a profit drain. To prevent that from happening, Booz’s general ledger is broken into departments and then subdivided. So, flower shop sales are divided into categories such as cut flowers and plants; gift shop sales include greeting cards, plush and candles; and boutique sales are broken down to sub-categories (jewelry, for instance) and then specific brands. In that way, Booz compares “apples to apples” year-to-date whenever he needs to do so. Consistently calculating COGS also becomes especially important with the shop’s promotions and discounts, because that’s the only way Booz can ensure he makes money on the special deals, whether he’s dealing with personal accessories, flowers or both.

“Two weeks out, we know what we want to push in our promos, because we try to plan ahead and because we need to put it on the website,” he said. “And we always include an expiration date and quantity limits. You don’t want discounts hanging out there indefinitely against (your balance sheet).”

**Relationship Building Exercises**

The shop uses its website, blog, customer emails and Facebook page to cultivate relationships, not just sell. On the blog, customers are likely to find a “featured flower of the week,” with trivia or care-and-handling information. Quizzes and contests are also popular. In

**READY TO ACCESSORIZE?**

Vera Bradley. Brighton. Spartina. You love the brands; why not sell the products? Not so fast, said Booz.

“The two industries — personal accessories and flowers — are just that, two different industries,” he said. “You have to find the right product mix. Some things you can find all over the place and especially online. Other things, like Spanx (shapewear), people still want to see before they purchase.”

To make branching-out work in your shop, you’ll need to do your homework, which includes researching the competition and the brand’s extensive sales agreements. (Vera Bradley’s is nearly 20 pages long.) Many include stipulations on price points that may tie your hands. Added to that, you’ll need to train your staff and invest in infrastructure, including security cameras if you’re selling mid-to-high-end goods, and specialized display cases for items like jewelry. Booz, a self-described scavenger, scored his cases at a department store liquidation sale for “pennies on the dollar.”

“Just because, as a business owner, you want to diversify does not mean everyone else is on the same page,” said Justin Green, a business coach with The Impel Group. “Make sure that all employees are trained, not only on the benefits of the new service/product offering but (that they also) understand the value to the company.”

That ability to react nimbly to new competition or disappointing sales numbers — to discontinue a line or move items off the shelf — is important for small-business owners who want to diversify, but lack the cushy margins of mega-retailers, stressed Sally Mounts, PhD, president of Auctus Consulting Group.

“Don’t put a huge upfront investment into a new product or service,” Mounts said. “Roll it out as a pilot program and see what the response is. After six months, you should be able to determine how viable an offering it is by the response you’re getting from customers.” – M.W.
mid-August, for instance, Chantilly was gearing up to host an online design challenge for its customers. The shop posted design principles (for some subtle education) and then challenged customers to create arrangements in a particular style. The winning design received a $50 arrangement from the shop.

With promotions and contests, particularly those that take place online, success can be hard to measure, since the objective is to build brand awareness, not necessarily sales. But some key numbers are encouraging Booz: the average order is right around $50 (plus $8 delivery). The least expensive arrangement on his site is $45 and Chantilly does not fill wire orders for less than $60 plus delivery fees. (In the stores, they have arrangements for as low as $29.) While Booz can’t say for certain whether his online shoppers are male/female, old/young, he can tell you that 450 visited the shop’s blog in July 2012, and that the shop’s weekly, custom-made e-mail newsletter, which uses a template from a third-party that can be updated seasonally, goes out to 3,000 recipients and has a 27 percent open rate. (The retail industry’s average is just over 12 percent, according to MailerMailer, an email marketing and newsletter service in Rockville, Md.)

What’s Booz’s secret to engaging customers online? Be consistent about updating your site and pages, try new things and always, always watch those numbers or you’ll give away the store (literally). Whether a promotion runs online or in the store, Booz starts his planning sessions by reviewing the specific project’s objectives (Sales? Awareness-building? Future sales? Charitable giving?) and then, if the project is a repeat, digging up sales and attendance numbers to set benchmarks and goals.

Another tip? Learn to delegate. Booz enlists the help of younger staff members for Facebook updates. For in-store events with more mature customers, he’ll put more senior employees front and center for meet and greets and networking.

“We work on trying to come up with new things all the time,” he said. “We recently looked at promotions for the end of 2010 and we analyzed what we did and which events were productive.”

Of course, not every take-away fits neatly on a ledger or balance sheet. Chantilly also hosts a “wish list” party once a year, in November, for its female customers, marketed as a “ladies night out.” Booz expects the 2012 events will draw about 50 people to each location and give clients a chance to shop and tick off their “must-have” items for purchase at a later date. For these events, follow-up is key: Everyone who attends a wish-list open house gets a $10 gift certificate in the mail on her birthday.

“You have to review things and be willing to make changes,” Booz said, “because what used to work doesn’t work anymore.”

The review process never ends. At press time, Booz was actually working to scale back the shop’s in-store events, as compared to 2011, so that he and his staff can focus on those that deliver the best results or have the most potential. Chantilly’s fall fashion show with a local Ann Taylor store is a good example of an especially strong event, as defined by Booz. (The shop has also experimented with a spring show, but based on attendance numbers, the fall seems to be a better fit.) In 2011, the two fall shows, one at each location, drew about 80 women to the shops, where customers were treated to a front-row seat for new fashions (accessorized with flowers and goods from Chantilly) and a take-home bouquet, courtesy of Chantilly and Delaware Valley Wholesale. This fall, Booz anticipates the fashion shows, which usually fall on a Thursday night or Sunday afternoon, bring in an even bigger crowd.
“These are investments in future sales,” he explained. Last year, he spent about $500 on postcards, invitations, food and refreshments for the two fashion show events. “The events are about getting customers into the store and establishing that relationship. Customers will fire anyone they do business with — dry cleaners, grocers and certainly florists. That’s why you have to create these friendly connections. They matter.”

Change. Shift. Make Mistakes. Move On. Though it may seem counterintuitive, Booz argues that the more time you invest in good recordkeeping, the freer you’ll be to try new ideas. When Booz discontinued newspaper ads because of disappointing results, he reinvested that money in an in-store, color laser printer ($5,000). Now the shop prints its own care tags and print materials, which Booz updates seasonally. The Harleysville shop will get a $10,000 to $15,000 facelift this year; Booz “found” part of the money for that project in his budget when he reviewed the shop’s advertising options, including spots on cable TV and banners online, and found them lacking. He decided the money would be better spent on cosmetic updates, including

**PINCH YOUR PENNIES**

Charles Booz understands that, sometimes, you have to spend money to make money. But if you can save money and make money, that’s even better. Here are some recent cost-cutting tips that have helped Booz keep business strong.

**Be a Scavenger.** Booz loves a good liquidation sale, especially when he can score a 4-foot jewelry case that usually sells for $4,000 for $250. With a little grunt work to get the case back to the shop and a new lock, the case was good as new.

“When a local department store went bankrupt, we got their cases at a liquidation sale,” he said. “I’ve been a scavenger ever sense. Whenever there’s a liquidation sale, we go check it out.”

**Set Design Rules** Keeping costs down in two design rooms isn’t easy. While Chantilly doesn’t use set recipes, they do have a basic formula that each designer is trained to use. First, calculate the cost of your container; then, add in your labor. From there, designers have some creativity when it comes to choosing flowers, as long as it doesn’t exceed the retail price. The process works for Chantilly, in part because Booz refuses to post exact pictures online or encourage customers to “order by number” based on what they see on a website.

“Within limit, I want my designers to have creative freedom,” he said. “But I never want to disappoint the customers and that’s what ordering from a photo can lead to — substitutions and misunderstandings.”

**Don’t Only Promote Promos**

Here’s a rule Booz lives by: Email promotions include both “on sale” as well as regularly priced items. That mix is important, because “otherwise, you’ll train customers only to come in for your big sales,” Booz said. Plus, if you’re constantly discounting, you’re probably leaving money on the table from customers who would have otherwise paid full price.

**Never Stop Learning.** When Chantilly started selling the Brighton line in 2010, the company flew Booz to the Los Angeles for a company tour and networking. While the hotel was “swanky” and the “wining and dining” was fun, Booz said the opportunity to talk shop with 30 other (noncompeting) retailers was the best part of the trip.

“We have to be better business people, all of us, in this economy,” he said. “On that trip, we shared a lot of ideas about what worked, and what didn’t work, in our shops.”

Booz also makes a point to attend SAF events, including the recent Retail Growth Solutions in Philadelphia, and workshops through Delaware Valley.

“That’s one thing I really admire about Charles,” Frank Soucek, a sales director at Delaware Valley Wholesale Florist in Sewell, N.J. “He’s open to advice and he never stops learning. He’ll come in prepared, but with a lot of questions.” – M.W.
Charles Nimble, Charles Be Quick

FOLLOW THAT CUSTOMER Booz has a keen sense for demographics at both of his stores — one targets a younger and more urban audience, while the other attracts a more traditional and older customer. The product mix reflects that differentiation.

dressing room areas, for the 100-year-old building.

“(The renovation work) will change things up and make the store space work more efficiently,” he said. “I think it will improve sales, too, because people will view our store from a different angle, see the shop in a new way.”

Not all of Booz’s ideas are homeruns. A year and a half ago, he cut the store’s arrangement markup significantly. His thinking: the arrangements could be ads for the company (awareness builders) and put the supermarket designs to shame (points of differentiation). For three months, Chantilly sent out the larger arrangements, and the customers who received them were thrilled. But the numbers didn’t work and Booz’s objectives fell short. The big arrangements were just too expensive for the shop. Chantilly went back to its previous three-time markup formula, with COGS back in line, and Booz set to work on the next new idea.

Running the business is a bit like a dance, according to Booz: You have to improvise and you have to react to factors beyond your control. The economy, for example, plays a big role in what the shop actually sells. Over the years, the sales breakdown has shifted. Today it’s about a 50/50 ratio between flowers and personal accessories, though in the past it’s been 30/70. Why the dip? “Fashion is fickle,” Booz said again. A hot accessory one year isn’t necessarily a “must-have” for long.

Booz takes fluctuations in stride. That doesn’t mean he takes them lying down. When one sector dips, he investigates what’s going on, and figures out what he can promote, post or plan to get people into the store and spending money.

“When an idea doesn’t pan out, don’t take things personally,” Booz said. “Take a look at your failures and ask yourself why the product didn’t sell or the promotion didn’t take: Was it you? Was it the customers? Was it the store? Your staff? Timing? Figure it out. Deal with it. Make the changes you need to make and then move on to your next project.”

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—CHARLES BOOZ
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