The average employed American puts in nearly eight hours a day at work, according to the Bureau of Labor Statistics’ American Time Use Survey. The annual survey charts how workers divide time between home and household demands — what they’re doing and where they’re doing it — but the survey doesn’t provide much information on one important question: Just how effectively is each working hour used?

The question of how to best use a finite resource, such as time, is familiar territory for most small-business owners. As a florist, you’ve probably wondered how your sales might change if you adjusted your hours. Would you be better positioned to work with corporate clients if you opened early enough for an executive assistant to dash in before that big morning meeting? Could you catch more young couples if you stayed open until the dinner crowd rolled into town Friday night? Are your abbreviated weekend hours costing you weekend warriors? Should Sunday still be reserved for your day of rest?

Each hour that your business is open carries a range of costs, including wages for employees and utility bills for your workspace. Each hour also presents an opportunity for sales and customer interaction. In that respect, not all hours are equal.

As the owner, it’s your job to determine your shop’s unique “prime time” — those hours when your resources are most effectively utilized and your sales are maximized. Studying your hours requires — you guessed it — time, but the pay-off is worth the trouble.

Begin with POS Reports
Before you change any hours, take a critical look at your shop activity. You’ll want to examine transactions in minute detail: When are most of your customers shopping? Are certain days always slow? When do Web sales spike??

Your point-of-sale (POS) system will give you a wealth of data. Start your research by printing a report that details the dollar amount or number of sales by hour for an entire year, from Jan. 1 to Dec. 31.

POS reports can shine a light on obvious trends. If your shop closes at 6 p.m. for instance, but your annual sales breakdown tracks only a few hundred dollars in sales for the 5 p.m. to 6 p.m. block, you may want to consider closing at 5 p.m. Think about it this way: One hour per day, six days per week, 52 weeks per year equals 312 hours. If you’re paying just $10 per hour for an employee to work from 5 p.m. to 6 p.m., your investment, in wages alone, is more than $3,000.

Go Deep
A POS report is a sound starting point, but for a more precise picture of hours-to-sales relationships, most shops will need an in-depth analysis that takes into account-specific events, including holidays.

Start by setting up a spreadsheet. List your shop hours down the left-hand column. Use one row per hour. Add a row for the hours before you open and a row for the hours after you close.

Next, number columns 1 to 28 — one column for each of the first 28 days of a month. Select a non-holiday month to analyze. Print an hourly sales report for each day of that month. (Remember, you’re only analyzing the first 28 days of the month.)

When you look at the data, study the number of orders, not the amount of the sales. (The number of orders is, after all, a better indication of your sales team’s level of activity.) Do not include orders from your Web site or electronically from a wire service — only count those taken by your staff. Fill in the spreadsheet columns with the number of orders per hour, each day.
In the first column, below the information you gathered, repeat the number of hours you’re open for each day again. Then label the next seven columns as days one through seven (See chart). In the column for day one you will want the spreadsheet to add the data for each hour from days one, eight, 15, 22 and then divide that total by four, and fill in your day one column for each hour of the day. For day two, you will summarize the data from days two, nine, 16 and 23. When you complete all seven days, you will have an average activity level for each day of the week during that month.

Look at your calendar to determine which day of the week landed on the first day of the month. Write that day above the day one column and then fill in the days for the final six columns.

This summary reveals the average number of transactions per hour, day and month. Review the data, paying close special attention to transaction counts at the days’ beginning and end. If you spot a flurry of activity in the first and last hours, consider extending your hours. If the first and last hours of your day are consistently slow, ask yourself whether it makes sense to stay open at those hours. For day two, you will summarize the data from days two, nine, 16 and 23. When you complete all seven days, you will have an average activity level for each day of the week during that month.

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A good rule of thumb: Add up the payroll expenses you incur to stay open an extra hour. Multiply that by 1.67. The result is approximately the amount of sales you will need during that hour to break even.

Test Drive Your Hours
If you decide to extend your hours, you’ll need to test the new policy. Simply keep your doors open and lights on for an extra hour and see what happens. Social networking sites and your own Web site or e-newsletters make it relatively easy and cost-effective to alert customers to a change in hours, even if the change is temporary. Test out your new hours for a few weeks, and track exactly how much business you get during the extra hour. Use the rule above to see if it is worth your while or you're just whiling away the hours.

Remember that your hours aren't written in stone (you can buy a new sign for your door!). If after a month or two, if sales do not justify staying open, you can revert to your old hours. If it works out better than you expected, you might want to consider adding another hour. Check in annually to see if tweaks are warranted.

If you have an hour or two in the middle of the day that shows very low activity, you can save payroll dollars by scheduling part-time employees to leave before the slow hour or come in after the slow hour.

If hours must be cut, employ an anemic staffing. You will need to have dependable employees working during extra hours. You won’t want to work all those hours yourself.

Safety. Precautions must be taken if employees are working late or coming in early. Lock back doors. Extra cash should be deposited, not left in the shop. Post emergency telephone numbers and have the numbers on the shop’s speed dial and saved in employees' phones.

Beyond Number Crunching
When you’re open depends on where you’re located. Shops surrounded by businesses or in high-traffic areas often benefit from increased hours. Parking and pedestrian access also play a role.

Try analyzing traffic patterns. When is traffic the heaviest? How do weekdays compare to weekends? You can conduct your research informally, or ask your city or state government for the information. Chambers of commerce and economic development agencies may also have traffic data.

You’ll also want to think critically about the nature of your area. New York has round-the-clock opportunities, as do many college towns (where weekend hours pull in parents). Where are you in relation to hospitals, funeral homes and wedding venues? Also consider how seasons and your specialties affect sales. For example, ski resorts typically have very slow falls and springs compared to the summers and winters. If you do a lot of bridal business, especially if you’re in a destination wedding location, you may need to open on the weekends for brides scopeing a venue.

Remember, your hours reflect the needs and wants of your customers. You need to be there for them.

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ON-THE-CLOCK CONSIDERATIONS
If you decide that it’s worthwhile to try longer hours, make a checklist of concerns. You’ll want to consider:

Staffing. You will need to have dependable employees working during extra hours. You won’t want to work all those hours yourself.

Safety. Precautions must be taken if employees are working late or coming in early. Lock back doors. Extra cash should be deposited, not left in the shop. Post emergency telephone numbers and have the numbers on the shop’s speed dial and saved in employees’ phones.

Depending upon your location, you might need a minimum of two employees on duty. No amount of added sales is worth putting your employees at risk.

Competition. If your competition (that cute gift store next door counts!) is open late, you may decide to follow suit to compete — or decide to focus your energies and your marketing elsewhere. — PG.