



"California Association of Flower Growers & Shippers"

Transportation Corner By Chris Johnson

*This week's
Transportation News!*

- For the Valentine's Day shipping period, FedEx is asking shippers to be ready at their designated pick-up time, and to please notify their local terminal with any shipping volumes that are unusual or larger than normal. This will help them plan and send the correct sized pick-up vehicle. Also as a reminder, on February 13, FedEx has waived (100%) of the Saturday Delivery Surcharges. Should you have any questions, please contact me anytime (760)-533-5580.
- In Airline news, bad weather continues across much of the nation. Airline schedules and operations have been significantly affected. Be sure to check with your airline regarding cancelled flights or delays. Many carriers have info available on their websites.
- For our San Diego Members using Prime Floral, Growers Logistics wanted to thank San Diego shippers for adopting the holiday procedures and making last week's operations as smooth as could be expected. Operations will return to normal after Valentine's Day. Please call 831-786-1715 for more information.

*Our Mission Statement:
"To get more flowers from California to their destination fresher and faster"*

Recipe for Surviving a Recession

By Don Manor MBA—San Diego Wholesale Florist

In another life I was an instructor at Palomar College in the Business Department. One of the subjects I taught was Small Business Management. The purpose of the course was to teach aspiring entrepreneurs how to start a small business and if you had a small business how to manage it.

In today's environment management of our small businesses is truly a challenge. To survive in a recession I have four simple rules.

- #1 Maintain margins
- #2 Cost control
- #3 Resize your business to the business you are doing
- #4 Preserve capital

The rules are the rules; it is not a buffet.

Maintaining your margins is a key to your survival. The temptation is to reduce price to maintain market share. This is a false assumption. If you continue to do the same volume your cost remain constant, meaning all the cost associated with the sale remain the same, but your margin will be drastically cut. If you sell a widget for \$1.25 and your cost base is \$.75 your gross profit is \$.50. When you chose to lower your price to \$1.00 to maintain market share, you now must sell twice the amount you sold before to maintain your margin and on top of that you will incur increased handling cost. It is a squirrel cage mentality.

Cost Control: if it's not paying for itself or making money for you sell it, lay it off, or give it away. Every penny you save falls directly to the bottom line.

Resize your business to the business your doing. If you were doing 3 million 3 years ago and you doing 2 million now, make it a 2 million dollar business.

Preserve Capital: if and when we come out of the mess we are in, money will be the key to your survival. Money is what you will need to rebuild, to finance your increased receivables, to increase your inventory, and bring new people on board. Remember more businesses go out during a recovery than during the down turn. Why? A lack of capital to sustain growth.

The floral industry, I think, is fairly resilient and most of us will live through this and those of us who are preparing now will be the strongest.

Contributors Corner

San Diego Wholesale Florist is a flower shipper located in San Marcos, California. Family owned and operated since 1982, we specialize in custom packed boxes for the Wholesale flower market.

NORCAL

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