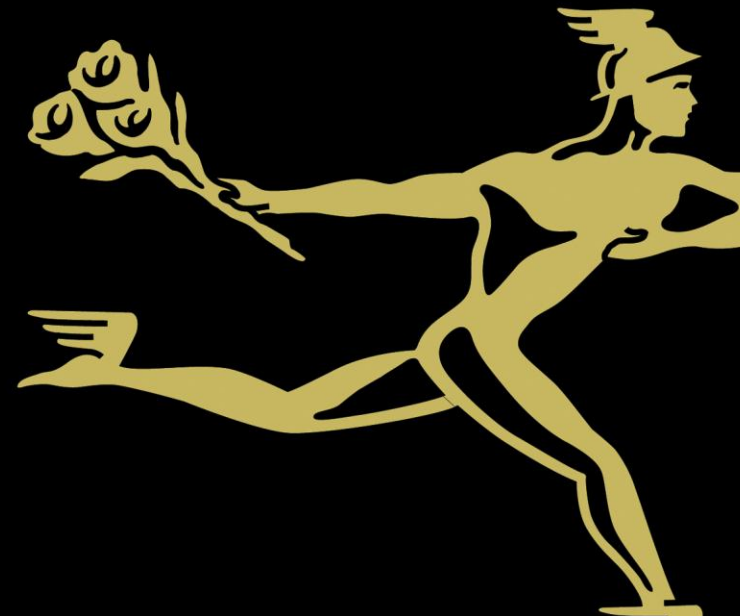


Drive Profits by Understanding Your Cost of Goods Sold

Presented by Derrick Myers, CPA, CFP
Vice President, Crockett, Myers & Associates

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Who is Crockett, Myers &
Associates, Inc.



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Establishing *your* Target COGS

Cost of Goods Sold

- **First, you need to know what “your” cost of goods sold should be.**



Sales

- **Gross Sales**

- Cash Sales
- Check Sales
- A/R Sales
- Wire in Sales
- Delivery Income
- Service & Relay Charges
- Outgoing Wire Orders

- **Inventory Sales**

- Fresh Flowers
- Plants
- Balloons
- Dried & Silks
- Fruit, Snack & Gourmet
- Gifts
- Cards

Other Income

Delivery Income

Service & Relay Charges

Outgoing Wire Orders



Target COGS Calculation

Sales Category	Sales	Sales Percentage By Category	Target Percentage COGS	Target Weighted COGS
Fresh Flowers				
Plants				
Balloons				
Dried & Silks				
Fruit & Snack				
Gifts				
Cards				
Design Materials				
TOTAL				

Target COGS Calculation

Sales Category	Sales	Sales Percentage By Category	Target Percentage COGS	Target Weighted COGS
Fresh Flowers	225,000			
Plants	35,000			
Balloons	3,400			
Dried & Silks	8,000			
Fruit & Snack	12,000			
Gifts	7,000			
Cards	2,000			
Design Materials				
TOTAL	292,400			

Target COGS Calculation

Sales Category	Sales	Sales Percentage By Category	Target Percentage COGS	Target Weighted COGS
Fresh Flowers	225,000	76.9		
Plants	35,000	12.0		
Balloons	3,400	1.2		
Dried & Silks	8,000	2.7		
Fruit & Snack	12,000	4.1		
Gifts	7,000	2.4		
Cards	2,000	0.7		
Design Materials				
TOTAL	292,400	100.0		

Target COGS Calculation

Sales Category	Sales	Sales Percentage By Category	Target Percentage COGS	Target Weighted COGS
Fresh Flowers	225,000	76.9	25.0	
Plants	35,000	12.0	33.0	
Balloons	3,400	1.2	25.0	
Dried & Silks	8,000	2.7	40.0	
Fruit & Snack	12,000	4.1	40.0	
Gifts	7,000	2.4	50.0	
Cards	2,000	0.7	50.0	
Design Materials			8.0	
TOTAL	292,400	100.0		

Target COGS Calculation

Sales Category	Sales	Sales Percentage By Category	Target Percentage COGS	Target Weighted COGS
Fresh Flowers	225,000	76.9	25.0	19.2
Plants	35,000	12.0	33.0	4.0
Balloons	3,400	1.2	25.0	0.3
Dried & Silks	8,000	2.7	40.0	1.0
Fruit & Snack	12,000	4.1	40.0	1.6
Gifts	7,000	2.4	50.0	1.2
Cards	2,000	0.7	50.0	.4
Design Materials			8.0	8.0
TOTAL	292,400	100.0		

Target COGS Calculation

Sales Category	Sales	Sales Percentage By Category	Target Percentage COGS	Target Weighted COGS
Fresh Flowers	225,000	76.9	25.0	19.2
Plants	35,000	12.0	33.0	4.0
Balloons	3,400	1.2	25.0	0.3
Dried & Silks	8,000	2.7	40.0	1.0
Fruit & Snack	12,000	4.1	40.0	1.6
Gifts	7,000	2.4	50.0	1.2
Cards	2,000	0.7	50.0	.4
Design Materials			8.0	8.0
TOTAL	292,400	100.0		35.7%

Cost of Goods Sold

- First, you need to know what “your” cost of goods sold should be.
- (CMA Target COGS GeneratorTM)
- Then, you need to know what “your” cost of goods sold really are.



COGS Actual vs. Target

Sales Category	Sales	COGS	COGS Percentage	COGS Target Percentage	COGS Percentage Variance
Fresh Flowers					
Plants					
Balloons					
Dried & Silks					
Fruit & Snack					
Gifts					
Cards					
Design Materials					
TOTAL					

COGS Actual vs. Target

Sales Category	Sales	COGS	COGS Percentage	COGS Target Percentage	COGS Percentage Variance
Fresh Flowers	225,000				
Plants	35,000				
Balloons	3,400				
Dried & Silks	8,000				
Fruit & Snack	12,000				
Gifts	7,000				
Cards	2,000				
Design Materials					
TOTAL	292,400				

COGS Actual vs. Target

Sales Category	Sales	COGS	COGS Percentage	COGS Target Percentage	COGS Percentage Variance
Fresh Flowers	225,000	64,350			
Plants	35,000	11,690			
Balloons	3,400	680			
Dried & Silks	8,000	3,191			
Fruit & Snack	12,000	5,136			
Gifts	7,000	3,850			
Cards	2,000	1,142			
Design Materials		27,506			
TOTAL	292,400	117,545			

TOTAL COGS = 40.2%

COGS Actual vs. Target

Sales Category	Sales	COGS	COGS Percentage	COGS Target Percentage	COGS Percentage Variance
Fresh Flowers	225,000	64,350	28.6		
Plants	35,000	11,690	33.4		
Balloons	3,400	680	20.0		
Dried & Silks	8,000	3,191	39.9		
Fruit & Snack	12,000	5,136	42.8		
Gifts	7,000	3,850	55.0		
Cards	2,000	1,142	57.1		
Design Materials		27,506	9.4		
TOTAL	292,400	117,545			

TOTAL COGS = 40.2%

COGS Actual vs. Target

Sales Category	Sales	COGS	COGS Percentage	COGS Target Percentage	COGS Percentage Variance
Fresh Flowers	225,000	64,350	28.6	25.0	
Plants	35,000	11,690	33.4	33.0	
Balloons	3,400	680	20.0	25.0	
Dried & Silks	8,000	3,191	39.9	40.0	
Fruit & Snack	12,000	5,136	42.8	40.0	
Gifts	7,000	3,850	55.0	50.0	
Cards	2,000	1,142	57.1	50.0	
Design Materials		27,506	9.4	8.0	
TOTAL	292,400	117,545			

TOTAL COGS = 40.2%

COGS Actual vs. Target

Sales Category	Sales	COGS	COGS Percentage	COGS Target Percentage	COGS Percentage Variance
Fresh Flowers	225,000	64,350	28.6	25.0	(3.6)
Plants	35,000	11,690	33.4	33.0	0.4
Balloons	3,400	680	20.0	25.0	5.0
Dried & Silks	8,000	3,191	39.9	40.0	0.1
Fruit & Snack	12,000	5,136	42.8	40.0	(2.8)
Gifts	7,000	3,850	55.0	50.0	(5.0)
Cards	2,000	1,142	57.1	50.0	(7.1)
Design Materials		27,506	9.4	8.0	(1.4)
TOTAL	292,400	117,545			

TOTAL COGS = 40.2%

Cost of Goods Sold

- If your COGS are too high here are some places to look:
 - Pricing Models
 - Buying – Don't over pay or over spend.
 - ([CMA Buyer's Budget Calculator](#) TM)
 - Over Stuffing
 - Waste
 - Don't give away your discounts



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- **An accurate inventory is key to an accurate COGS.**
 - **A physical inventory needs to be done once a year, at a minimum.**





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Questions???

Email: (derrick@crockettmyers.com)

Handouts are available at:

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