



# Wired Up and Ready to Serve

By Cathy Kohler

**Walter Knoll Florist uses technology to fuse customer connections.**

**Ask** customers of Walter Knoll Florist, St. Louis, what Voice Over Internet Protocol (VoIP) is, and they'll likely give you a blank stare. Ask vice president, Walter Knoll III, (photo above) the mastermind behind the technology-savvy flower business, and he'll tell you it's one of his many tools for giving customers personalized, small-shop-style service within a huge operation. Something customers of the nine-location floral business have been receiving since Walter Knoll's beginning in 1883.

The fifth-generation florist's strategy is working — its customers have voted it one of the top St. Louis florists for the last 15 years. The business has enjoyed a 30 percent growth rate for the last five. Plus, Knoll's ranking as a top Teleflora florist, in charge of testing new programs for the wire service's RTI system, has piqued the interest of other florists, who wonder "How does he do it?" Knoll answers, "It's what we do, it's what we've always done." But Walter Knoll Florist, run by eight adult Knolls (Knoll, his parents, two brothers and their wives) hasn't thrived on brand recognition and loyalty for the past century by sitting back and basking in their business' reputable history.

Known as a technological guru among colleagues and industry members, Knoll never loses sight of what's at the heart of running a flower business: making sure the customer is happy. And that's just what he does by implementing technology systems and software into almost every aspect of the business — the phone system, coolers, deliveries, payroll, marketing and more. Knoll says he uses technology "as a competitive sword," metering out what systems and devices he implements so that he's always one step — and not five — ahead of the competition. "There are a whole lot of things we don't do that we could be doing," says Knoll, who left the family business for almost a decade to work at '80s computer giant Wang Laboratories and build MCI call centers. He uses technology not to wow customers or the competition, but to better do what Walter Knoll Florist is known for: personal service, beautiful product and an experience that leaves customers wanting more.

## Tech-Enhanced Service

Despite its seven retail locations, garden center and wholesale operation, Knoll provides mom-and-pop style services that defy its size, like ensuring a live voice is on the receiving end of every customer call.

If phone lines get tied up at Walter Knoll's call center, employees either at one of the remote stores or working from home can pick up the call, thanks to the Voice

Over Internet Protocol phone system (VoIP) the business installed in November 2002. With VoIP, incoming calls are transmitted via the Internet, rather than phone lines. All phones are connected via Ethernet, a local network, using TCP/IP, the language used over the Internet. Phones can be placed anywhere there is an Internet connection — including every Knoll location — at no additional cost.

Thanks to VoIP's flexibility, Knoll has hired five work-at-home (mostly part-time) employees who, equipped with just a computer, can answer incoming calls and take orders from their homes. To minimize training, he hires already qualified employees, such as stay-at-home moms who have traded their M.B.A. high-power jobs for diaper changing and part-time work. Work-at-home employees typically work about three hours a day, receiving customers' calls as though

they're physically in Walter Knoll's call center. Before Knoll implemented VoIP, he paid a monthly fee for Voice Over Frame Relay, a technology that transmits calls on phone lines between stores. In order to connect and set up phone lines for work-at-home employees, the cost would've been too high — a steep \$8,000 a month. Hiring work-at-home employees is really only possible with VoIP. "Technology is coming down in price and things that weren't cost-effective now are," Knoll says. He pays about \$800 to \$900 monthly for each remote-store and work-at-home application.

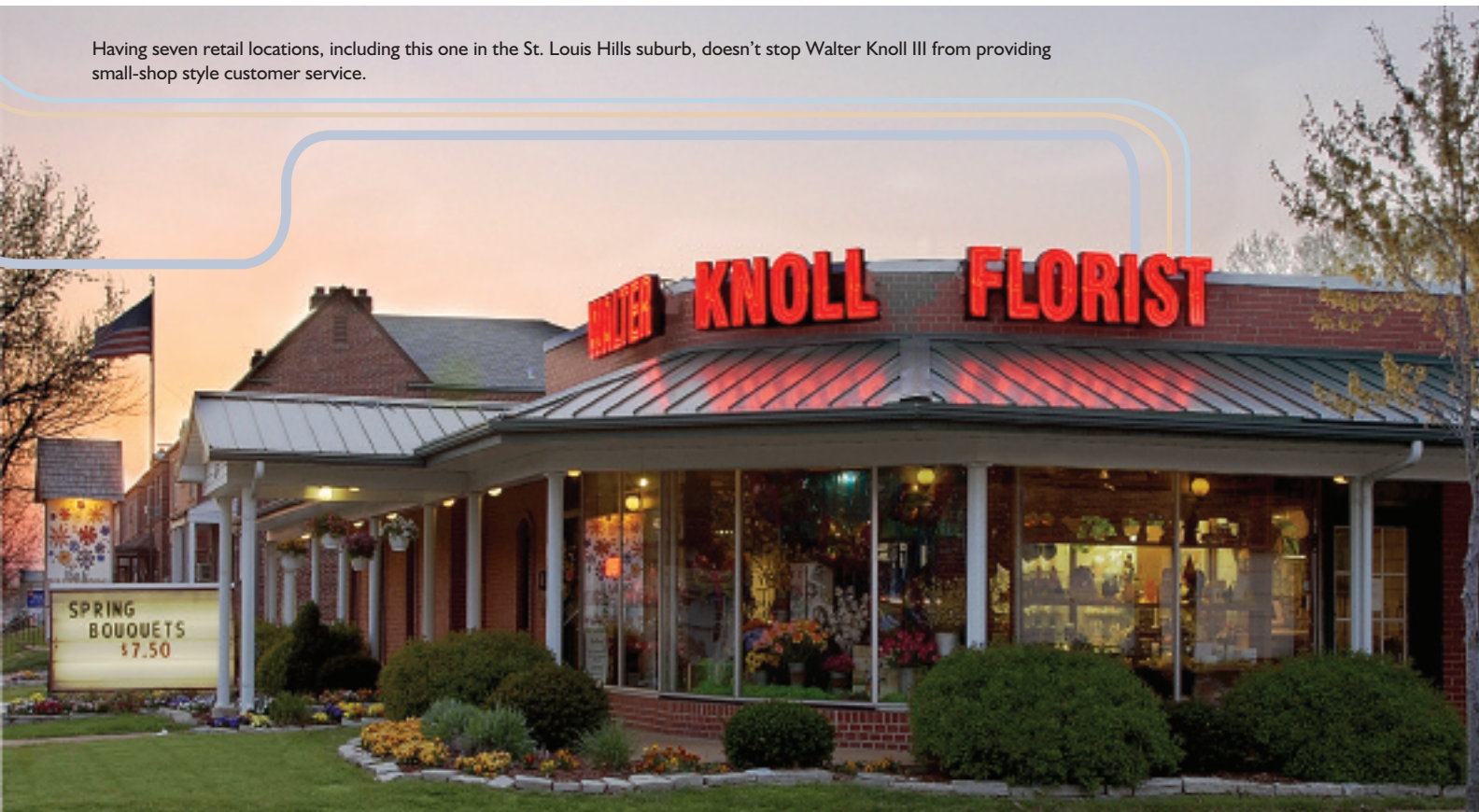
### Fancy Phone-work

The bells and whistles of Knoll's phone system run deeper than VoIP. Thanks to a large call center equipped with 75 phone lines and 17 "agent" or phone sales staff stations, Walter Knoll Florist can handle thousands of incoming calls a

day. During busier holidays, agents receive as many as 9,100 incoming calls. An average day is about 650 incoming calls total. While this doesn't sound like the makings of a typical "neighborhood" flower shop, Knoll makes sure it feels like one to customers, thanks to the numerous features of his phone system, Toshiba CTX 670. The system automatically records every caller's phone number and tracks which sales agent the caller talks to. If the customer calls again, the system's "Preferred Agent" feature automatically sends the call to the agent the customer originally spoke with, fostering a personal relationship between the two.

In a similar situation, a smaller shop could just holler a name and put the appropriate salesperson on the line. Knoll uses technology to do this. The feature is designed so that if the original agent is busy, the system waits 20 sec-

Having seven retail locations, including this one in the St. Louis Hills suburb, doesn't stop Walter Knoll III from providing small-shop style customer service.





Sales agents at Knoll's call center take an average of 650 incoming calls a day.

## Signed, Sealed, Delivered

Knoll knows a smart flower shop makes sure both the sender and recipient are happy. "Florists are dealing with two customers for almost every order — the person getting the flowers and the person paying money to send flowers, who wants that positive feedback that shows his or her friend is happy," he says. And that's why his shop has used RTI's E-delivery to provide e-mail delivery confirmation for the past two years. With Web-enabled cell phones, Walter Knoll drivers can log onto the business' internal Web site, put in an order number and confirm delivery. That information is updated on the RTI order system and the shop's Web site in real time, and an e-mail confirming delivery is automatically sent to the customer. Customers without e-mail access can check delivery information on Knoll's consumer Web site. He estimates that about 20 to 25 florists use E-delivery nationwide, a number he guesses could shoot to about 5,000 in the next year once Teleflora makes it a standard RTI feature in January. "Customers are demanding it," Knoll says. And when their demands are met by most florists, Knoll has a new idea up his sleeve to improve and expand his delivery confirmation service. (See sidebar, p. 26.)

Not only does the instant delivery confirmation make the customer happy, it also helps Knoll compete with direct shippers. "At Proflowers.com, the customer service representative can look on the Web site and tell [the customer] right away if [the arrangement] was delivered," Knoll says. For most florists, who have to call the affiliate to get the details, it's not that easy. "The bottom line is that transaction takes at least six minutes. [Direct shippers] appear much more professional," says Knoll, who tops that professionalism with e-mail delivery confirmation.

When Knoll incorporated E-delivery to track his drivers, he passed up more

onds and checks again. Depending on the length of the agent's current call, the system either waits again or transfers the caller to another line. "Florists have such an important job. If you're trusted to deliver flowers that say 'I'm sorry about the fight last night,' those flowers could affect whether that couple gets married. It's the message transmission that matters, and the florist has to get that right," says Knoll, which is why he has invested about \$125,000 in his phone system. A worthwhile investment since "every order that comes through [Walter Knoll] is touched by [the phone system] two or three times," he says. Agents can give even more personalized service since Knoll's phone system is integrated with his RTI shop management system — when a call comes in, the customer's profile appears on the agent's screen, with a list of previous orders and account information.

The one exception to Knoll's "live voice" rule is during busy holidays — but Knoll says the exception ultimately makes for better customer service. During hectic holidays, the phone system routes incoming calls according to the complexity of the request. When a customer calls during Valentine's Day, for example, an automated system offers a menu of three options: "Press

one for a new holiday order, two for an existing order and three for any other order." The phone system then routes the call to the first available qualified agent. If the customer is just placing a Valentine's Day order, the call is automatically transferred to a holiday hire, who has been trained (for four hours) to take holiday orders. If the customer is calling about an existing order or sympathy order, the call is transferred to a veteran salesperson. If a customer is on hold for more than a minute, the phone system automatically offers to have someone call him back. Knoll limits using the automatic system to holidays so as not to lose "the personal touch" his business is known for. Florists call on a dedicated line that connects to an appropriate sales agent.

Another fancy phone feature, "Call Return," automatically notifies an agent if a call is abandoned and calls the customer back when an agent is available. Using software from TASKE Technology Inc., a communications management company, Knoll can monitor call data, including average wait time before an agent picks up, average length of the call and average abandon time when someone hangs up. His goal is to have incoming calls answered within nine seconds, he says.

# A Techie Tells All

Walter Knoll III's technophile tendencies touch almost every nook and cranny of the century-old family floral business. Check out Knoll's extensive resumé of technology projects that he implements at Walter Knoll Florist.

## Internet Protocol (IP) Based Phone System

This connects all phones via Ethernet, a local network, using TCP/IP, the language used over the Internet. With it, phones can be placed at any location that has an Internet connection at no additional cost. It enables employees working from home or at Walter Knoll remote stores to answer phones as though they are physically at Walter Knoll's call center.

## Soft Phones

This additional feature of the IP phone system runs on a computer and looks like a real phone. By plugging in a headset to computer sound ports, it works just like a regular phone.

## Automatic Call Distribution (ACD)

When customers call, ACD selects who will get the call, based on agents' profiles. If all agents are busy on calls, the system will hold back the call and play an automated message while it pages remote stores and sends an e-mail notifying additional agents to help.

## ACD Reporting

With software from TASKE Technology Inc., a communications management company, Knoll can monitor how the phone system is handling incoming calls by looking at reports on the effectiveness of the call center. A playback feature lets Knoll replay a day's caller traffic.

## Call Monitoring and Recording

This feature allows supervisors and trainees to listen in on customer calls. As a rule, Knoll management listens to three to four calls weekly per agent, rates the agent and gives feedback.

## Skills Based Routing

During busy holidays, an automated answering system offers a menu of options and routes the call to the most qualified sales agent, depending upon the caller's request. Florists call on a dedicated line and are transferred to an appropriate sales agent.

## Preferred Agent

Knoll's phone system, a Toshiba CTX 670, automatically records every caller's phone number and tracks what sales agent the caller speaks with. If the customer calls back that day, the system will return the call to the same agent.

## Call Return

If a call is abandoned in the phone queue, the phone system notifies an agent and automatically calls the number back.

## Training Facility

The business features a center with 10 training stations, each equipped with its own phone and a complete duplicate set of all

software and hardware so that new hires can role-play and practice order taking and customer service skills before they're in front of a customer. The center has a cash register so trainees can practice ringing up customers.

## Delivery Routing

This RTI feature routes deliveries in order with a map and directions from each stop to the next.

## E-delivery

This RTI feature allows drivers to confirm delivery via Web-enabled cell phones. Once drivers input delivery information on Knoll's internal Web site, it is instantly updated on the RTI order system, which automatically sends an e-mail to the customer confirming delivery in real time. Customers without e-mail access can look up delivery and signature information in real time on Knoll's consumer Web site.

## "My Accounts"

This feature on Knoll's consumer Web site lets customers have complete access to their data as it is stored in Walter Knoll's order processing system. Customers can change their payment options and maintain their address book with their billing addresses and the addresses of their recipients.

## Payroll

Employees not only check in and out of work but also allocate their time to stores and departments so Knoll can figure an accurate labor cost by business unit. Knoll took payroll in-house and implemented direct deposit last year.

## Fax Gateway

This system receives faxes via a fax server and converts them to e-mails that are sent to the user.

## Heating Ventilation and Air Conditioning Control (HVAC)

With software from TCS/Basys, Knoll's HVAC company, Knoll can set a schedule and change the heating and cooling for all Walter Knoll stores via a Web site without having to be on location.

## Cooler Monitoring

The cooler at Knoll's main location has its own Web site so employees can monitor temperature and humidity. Coolers at remote stores have an electronic sensor that is connected to the alarm system and notifies the alarm company of any temperature or humidity problems. The alarm company then notifies employees.

## Backup Store Connections.

All Walter Knoll locations are connected to the Internet via a direct service line (DSL) or cable modem. Each remote store has a dial-up backup that works automatically in the event that it loses connections with the main location. 🌸

—C.K.



Product stays fresh in Knoll's state-of-the-art cooler that has its own Web site so employees can monitor temperature and humidity levels.

complex programs that enable tracking delivery truck location and speed — data he says is unnecessary. “If [my drivers] aren’t making deliveries at a reasonable rate, we know to call them right away,” he says. Monitoring deliveries with E-delivery, while a more “passive” approach, produces the most

important information: Did it get delivered and when?

### **Tech-Enhanced Product**

Knoll wants to give his customers the best of both worlds — the service of a small shop and the wide product selection of a bigger operation. And to make

sure that product selection is top-notch, Knoll invested in a high-tech cooler system (about \$100,000) when the business opened its downtown location, November 2002. The cooler has its own Web site, linked to Knoll’s internal Web site that allows employees to monitor its temperature and humidity. If the humidity is too high, employees can adjust it before flowers are damaged. The coolers at other Walter Knoll locations feature an electronic sensor connected to the alarm system that notifies the alarm company of any temperature or humidity problems. The alarm company in turn notifies a Walter Knoll employee before any damage is done to flowers. Designers work in an open-air cooler so that flowers remain refrigerated right until they’re placed in an arrangement. Since investing in the cooler and open-air refrigeration system, complaints and shrink have dropped significantly.

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## Just a Click Away

E-mail delivery confirmation may still be a rare find at flower shops nationwide — Walter Knoll III estimates that only 20 to 25 shops use it — but Knoll says the technology will likely catch on in a big way (5,000 shops is his guess) in the next year since Teleflora plans to make it a standard RTI feature. To make sure he's one step ahead of the competition, Knoll will start offering e-mail delivery confirmation with an optional photo. Using cell phones with a camera included, Knoll and his drivers have already tested the technology. "It's not a hard application," he says.

Here's how it works: the driver, using a cell phone, clicks a picture of the recipient (with their permission) with flowers. The driver then saves the picture as the order number on Knoll's internal Web site. Once the picture is on Knoll's internal Web site, the customer and recipient can check it out by logging onto their "accounts" page, a feature of Knoll's site that gives customers access to their data as it is stored in Walter Knoll's order processing system. 🌸

—C.K.

## Tech-Enhanced Marketing

Knoll uses technology to drive repeat business. Using RTP's data mining program, Knoll tracks when and what customers buy. If a customer buys sunflowers in the summer, Knoll can send a direct mail

coupon to entice more sunflower purchasing during other times of the year.

To find out what marketing medium works best, Knoll uses what he calls "passive data," rather than relying on customer input. For example, if Knoll

advertises a special Mother's Day bouquet via the newspaper, direct mail postcards and in brochures, the bouquet is given a different product item number in each medium so that when customers order the bouquet, Knoll employees know where they heard about it.

Knoll also "borrows" technology to help reduce customer attrition. Seven percent of the population moves yearly, and Knoll says he isn't about to let that 7 percent go without a fight. He runs his customer base through a national change of address system twice a year to keep tabs on customers that have moved. "I'll still send them a reminder for their mother's birthday, no matter where they moved," he says.

## Canny Connections

While Knoll has a passion for technology, he doesn't let that passion distract him from making sound business deci-

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## Photos To Go

Take a virtual visit to Walter Knoll Florist by checking out more photos online. Go to SAF's member Web site, [www.safnow.org](http://www.safnow.org) and click on the Info to Go logo.

sions about what technology to implement and how — and he cautions other florists to do the same. Knoll is committed to only using technology that helps him run a better business. “You’ve got to look at cost savings, product enhancement [and] marketing enhancement, and weigh those compared to what else you could be doing,” he says. But when weighing various technology options, Knoll is adamant about balancing a black and white, concrete analysis with an ongoing glimpse at Walter Knoll Florist’s next 100 years. “Don’t use return on invest-



New and current employees are trained monthly at Knoll’s training facility, a center with 10 training stations, each equipped with its own phone and a complete duplicate set of the business’ software and hardware.

ment as the judging factor, you have to use the future of the flower shop as a judge. You have to look at what projects you can do that make your company worth the most in the future and

you have to bring in whatever resources bring them to fruition.” 🌿

**Cathy Kohler** is the senior editor of *Floral Management*.

E-mail: [ckohler@safnow.org](mailto:ckohler@safnow.org)

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