The Business of Being Small:
A Study of Family-Owned Small Businesses in the United States

An Honors Thesis (HONR 499)

by

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Abstract

A common misconception in public thought is that the United States business world is dominated by large public corporations. The reality is that United States business is comprised of an enormous number of small family-owned firms. However, much of the curricula taught in business schools today relates to issues faced by large businesses and overlooks the large portion of the nation's small businesses. Small family-owned businesses face many different challenges and obstacles that large businesses do not. In the following study, I take an in-depth look at a small family-owned business, Cossairt Florist and Greenhouse, and the specific challenges the company faces both as a small family-owned business and as a business in the floral industry. Following this example, I explore many of the organizations and initiatives devoted to serving the needs and promoting the growth of small family-owned businesses in the United States. Finally, I discuss the opportunity business schools have in catering curricula to the needs of this segment of businesses.

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Introduction

Nearly all businesses start out small. A few minds come up with the next great idea. A single person develops a solution to some problem and wants to share that solution with others. And in fact, most businesses stay small. According to United States Census Bureau data, there were 27.9 million small businesses in the United States in 2010. The number of firms with 500 or more employees, on the other hand, was 18,500 that same year (“Frequently”). Whether or not a business is classified as small is determined by the Small Business Administration (SBA) size standards. These standards are determined, in part, by the North American Industry Classification System (NAICS) Codes. Every business, large or small, is issued an NAICS number. The purpose of these identification codes is to classify “business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the US economy,” (“NAICS”). Businesses are categorized according to the primary activity in which they are engaged (“NAICS”). Using these codes, the SBA has determined various standards by which to judge the size of a business.

The classification varies depending on the type of business in question and can be measured on either average number of employees or sales volume. For example, in the manufacturing sector a small business may have up to 1,500 employees for some products and a maximum of 500 employees for the manufacturing of other products. A wholesaler may have up to 500 employees depending on the product being handled or a maximum of 100 employees when dealing with a different product. A retailer may not have annual receipts over $21 million, again, depending on the product or, when dealing with a different product, a maximum of $5 million in annual receipts (“What is SBA”). While the classifications vary greatly by industry and type of business, there are several common attributes the businesses must have in order to be classified as a small business. The business must be independently owned and operated, organized for profit, and must not be dominant in its field (“What is SBA”). A small business, as defined by the SBA Office of Advocacy, is “an independent business having fewer than 500 employees,” (“Frequently”).

While the businesses may be classified as small, their economic and social impact is great. Ninety-nine percent of United States employer firms are small businesses. Small businesses account for 64% of net new private-sector jobs, 49.2% of private-sector employment, and 42.9% of private-sector payroll (“Frequently”). Another aspect to be considered is the sector of family-owned businesses in the United States. Family-owned companies represent all aspects of American business, from small business to major corporations. “Family businesses account for 50% of United States gross domestic product, generate 60% of the country’s employment, and account for 78% of all new job creation,” (“Family”). Research by the Conway Center for Family Business has also suggested that “family businesses are less likely to lay off employees regardless of financial performance,” (“Family”). Small businesses in general, including many family-owned firms, employ over half of the workers in the United States with firms employing fewer than 20 employees accounting for 21.6 million of those jobs in 2006 (“Family”). These small family-owned businesses, then, create significant value to the US economy and way of life.
Small family-owned businesses make up a large portion of businesses in the United States and provide considerable benefits to the economy and their communities. Some of these benefits include meeting local needs, developing personal relationships with customers, adapting to local markets, keeping money in local communities, and hiring locally. While these businesses make substantial contributions to their communities in all of these areas and more, they also face many unique challenges.

The following study will explore the challenges and benefits of operating a small family-owned business. The focus will be on the floral and horticulture industries through the in-depth example of Cossairt Florist and Greenhouse of Shelbyville, Indiana. Following the example will be a description of many of the organizations and initiatives devoted to serving the needs and promoting the growth of small family-owned businesses in the United States. Finally, the discussion will conclude with the opportunity business schools in the United States have to cater curricula to the needs of this influential segment of businesses.

An Example from the Floral Industry

Brief Introduction and History

Cossairt Florist and Greenhouse is a small family-owned business located in Shelbyville, Shelby County, Indiana. The business began as a vegetable cart in the 1890s with what was known as truck gardening. This means the family grew products with the intent to sell them for profit. The vegetables the family sold were grown in the family garden; this garden also happened to include many flowers. Simon Peter Cossairt would sell vegetables from the cart to neighbors and friends. Family legend tells that one day, his wife Elizabeth put some geraniums from her garden on the cart alongside the day’s vegetables and they sold better than the vegetables did. Thus, the Cossairt family entered the flower business.

The business has been in operation continuously since its inception in the 1890s. The earliest records to be found are from the year 1896. The greenhouse was opened at roughly this time in the same general location that it remains today. In 1914, the flower shop was opened at the corner of Jackson and South Harrison Street in Shelbyville. This was the front of a Western Union office. This location was chosen, presumably, to be located near the telegraph office in order to transmit orders more easily to other cities. Location is a decision of utmost importance for the success of a retail operation and, in fact, remains a crucial component of the company’s strategy.

In 1919, the flower shop built and opened a store on West Broadway, relocating the existing business there from the telegraph office. This is also the year the shop joined the Florists’ Transworld Delivery (FTD) network. FTD is a network of florists across the country that sends, receives, and delivers floral orders in cooperation with one another. Cossairt Florist remains a

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1 This example is taken directly from the author’s personal experience and knowledge. Cossairt Florist and Greenhouse is the author’s family business. The author has been working in the business for nine years and has accumulated a great deal of knowledge and insight through employment at the business and from being a member of the Cossairt family.
member of FTD today. In 2014, the company celebrates its 118th anniversary as a company and the 100th anniversary of the flower shop.

Simon Peter Cossairt, the company’s founder, transferred ownership of the company to his sons William Henry and Fredrick. The brothers ran the business their entire lives until ownership was transferred to William’s son John and John’s cousin-in-law Kenneth Thomas. John worked in the business his entire life; he was even still working part-time when he passed away in 1994. His wife Alice also became an integral part of company operations. Before his death, John transferred main ownership and control of the company to his son James Cossairt, the great grandson of Simon Peter, making him the fourth generation Cossairt to own and operate the business. James has owned and operated the business now for nearly 30 years.

Being a family business, many family members have been involved in company operations for different lengths of time and to varying degrees. Over the years, as technology has changed and social patterns have changed family dynamics and behaviors, fewer family members have remained in the business for the duration of their working careers. Currently, James and his wife Nancy own and operate the business, which includes both the flower shop and greenhouse, as a limited liability corporation and partnership.

The two components of the business are now physically located together. In 2005, the flower shop’s location on West Broadway was seized by the city of Shelbyville under the threat of imminent domain in order to expand the neighboring fire station. The shop temporarily operated from the greenhouse while the new building’s renovations were completed. In January 2006, the shop relocated to its current location next door to the greenhouse on Boggstown Road in Shelbyville. This change of location was critical for the company, especially because of the importance of location to a retailer. It required a change in both strategy and overall company operations.

Cossairt Florist and Greenhouse, known for many years as Cossairt Company, currently serves the Shelbyville and Shelby County, Indiana area year-round with products from both the flower shop and greenhouse. The company is categorized as a ‘full-service’ florist. Examples of services the company provides include: same-day delivery of fresh floral arrangements; transmission of floral orders nationwide; maintenance of standing orders for fulfillment at the local cemetery; and on-site garden plantings of spring bedding plants. The flower shop component of the business also handles other traditional roles of a florist such as wedding, prom, and funeral flowers as well as stocking a wide array of gift-like inventory. However, the flower shop and greenhouse work very closely with one another, often integrating greenhouse inventory, like planters and blooming plants, into the flower shop displays and sales.

The greenhouse has traditionally played more of a supporting role for the flower shop by growing and maintaining plants to be sold through the flower shop. In past years, this included not only green plants and seasonal blooming plants, but also cut flowers to be used in fresh cut arrangements. During the spring planting season, the greenhouse draws in its own customers with its wide offering of bedding plants and outdoor decorating materials.
Current State

Employees. In years past, the greenhouse and flower shop have each had their own staffs due to the locations being completely separate. Top management was shared, but the daily routines were carried on by employees who worked at one place or the other. When the flower shop relocated to its location next to the greenhouse, human resource management became much easier and more efficient. The two buildings share a parking lot, across which employees and product can now be transferred with much greater ease and speed.

The company currently employs three full-time employees and several part-time employees. The number of part-time employees increases and decreases according to the season as business in the floral and horticulture industries fluctuates dramatically with the season. There are two employees on the part-time staff year-round. In a typical spring season at the greenhouse, however, the number of part-time employees ranges from three to twelve employees. These employees work at various times and to various capacities throughout the season. During this busy season, every week sees changes in staff. Employees are gradually brought in to begin working and their hours gradually increase by the week as demand increases. For example, one particular employee with many years of experience with the company will begin work in early April with 10-15 hours per week. Her schedule will gradually increase to the point of full-time work by the busiest point in the season, generally around the beginning of May.

Over the past few years, especially with the struggling economy, the company has come to rely much more heavily on part-time help. However, since the work is generally seasonal, many of these part-time workers are unable to maintain the job for multiple seasons as they find full-time positions or life circumstances prevent them from returning. For these reasons, part-time employee turnover is actually somewhat high. This aspect of the business brings with it both advantages and disadvantages which will be discussed in further detail later.

Community Involvement. There are many opportunities for small businesses to be involved in the local Shelbyville community. Cossairt Florist takes advantage of these opportunities and consistently provides support for local causes through donations, involvement in trade shows, and through the hiring of local companies for contracted work.

Donations and sponsorships. On average, local groups contact Cossairt’s for donations several times a month. Some weeks see requests from four to eight different groups, while others are relatively quiet with no requests. Company policy requires any group or person inquiring about a donation to complete a form specifying information such as the group requesting, whether or not the group has previously done business with the company, and whether or not the company will receive recognition for the donation. Management reviews these completed forms and makes the decision to donate or not and, if yes, what to donate. More often than not, the forms are approved and a donation is given to the requesting group. Generally, the requesting group provides some form of recognition for the donating companies, providing benefit for both parties through the transaction. Groups who request donations range from churches to civic organizations to private individuals holding fundraising events. A company participating in these events derives the benefits of exposure to the community and the reputation as a charitable, local company.
Cossairt’s also donates product to various organizations on a temporary basis. Local schools and the local parks department are examples of organizations with whom the company has built goodwill through temporary use of products. These organizations borrow plant material and decorations for short periods of time. This type of transaction is meant to build goodwill with these organizations and those individuals involved in order to enhance the opportunity for business at a later time. In this way, these transactions are beneficial to both parties. The company relies on positive relationships with individuals and organizations to maintain favorable public opinion and status in the community.

Sponsorships are another strategy employed by small businesses to enhance goodwill and benefit the community. It is important that companies show support for local events and organizations because those organizations are comprised of individual people. Through acts of goodwill, such as sponsorships, the individual people are exposed to the company. Though they may be exposed to the company as a member of an organization, these individuals also make personal purchasing decisions. Cossairt Florist attempts to capture some of this goodwill through sponsorships for the yearbooks of the five local high schools and for events such as movie days out for senior citizens.

Trade shows. Cossairt Florist is also involved in community events such as the annual business and trade fair hosted by the Shelbyville Chamber of Commerce, of which the company is a member. The trade fair is an opportunity to improve relationships with other local businesses as well as the general public to whom the show is also open. In addition to having a booth at the show, the company provides decorations and decoration placement for the event free of charge. Also, as is standard at this particular show, a door prize is given away to an attending member of the general public. The company has also participated in other minor shows over the years, including several wedding shows.

Local contracts. Another benefit of small businesses to communities is that not only do they often hire local residents as employees, but they also contract outside work with other local businesses. For example, at Cossairt’s it is company preference to always contract with a local business when given the opportunity. For this reason, the company’s accounting firm is local. When contracting a builder to construct a structure at the greenhouse, the contractor is local. The firm hired to install new heating into the greenhouse was local. The company that was in charge of the renovation at the flower shop in 2004-2005 is a local company. Even the disposal of waste is kept as local as possible. The company recently underwent a change from an out-of-town waste service to one which operates within Shelby County. When questioned about the switch by the former supplier, Cossairt’s replied that the company was attempting to be more influential in the local community and that includes working with as many local companies as possible. The local company and current supplier is a customer of Cossairt’s, making this an ideal switch. By working with local companies, Cossairt’s is attempting to positively impact the community. The money paid to these companies stays local and can be paid forward locally. The employees of these firms are often people from the community as well. The more successful their employers are, hypothetically, the better it is for employees. This cycle is important when considering the impact local businesses have on their communities.
Problems

Uncontrollable factors. There are many factors that affect businesses in the floral and horticulture industries. Because Cossairt Florist and Greenhouse is involved with both, the problems and issues that arise in both industries impact the company. Many of these issues are uncontrollable. Uncontrollable issues specifically affecting Cossairt’s in the past few years are the weather, various industry issues, government intervention, and social changes.

Weather. There are many ways in which the weather can affect the floral and horticulture industries. There is an ever-increasing dependence on fewer and fewer suppliers of floral and horticulture products. For the channel to be most efficient and productive, fewer suppliers serve the industry. It is more cost-effective for Cossairt’s to purchase most of its products from outside sources rather than attempt to grow everything on site. In regards to the flower shop, nearly all of the cut flowers are purchased from wholesalers out of Indianapolis. Greenhouse products are purchased from numerous suppliers throughout the state and region. These wholesalers receive their supply from all over the world. For this reason, world-wide weather patterns affect the industry directly. Flooding in the fields in Holland affects cut flower and bulb supply in the United States. Severe weather in South America or drought in California affects the availability of products in Shelbyville, Indiana. Not to mention, the product in question is perishable. Many factors impact the production of floral and horticulture products including temperature, amount of sunlight, and moisture. These variables are regulated as best as possible, however most large-scale production facilities are open to the elements. When any one of these factors is out of balance, any number of problems can occur with the plants and affect production. Unstable weather patterns are of growing concern as dramatic and bizarre weather events are becoming more and more common worldwide.

Not only does unusual and severe weather affect the supply of various products, but weather also impacts local sales on a year-to-year basis. The success of the spring planting season, at least at Cossairt’s, is highly contingent upon the weather for a few key weeks in the spring. An abnormally rainy April or May deters planters from working in their yards at the normal time. Often, if they are not able to follow their usual pattern, customers lose interest and do not care for the yard as they generally would; the sales to those customers are lost. On the other hand, beautiful sunny weather in April and May encourages people to be outside, especially after a particularly brutal, cold winter. Customers are ready for the warm weather and for their annual gardening, driving greenhouse sales in a positive direction.

A final weather-related issue faced recently by Cossairt’s deals with the harsh winter of 2014. Cossairt Greenhouse still operates in its original building with very few modifications made over the years. There have been some technological advances, but some of the cooling vents are still operated by hand. The building is well over 100 years old and still uses some of the original heating pipes. That is, the original pipes were intact until the winter of 2014. The extreme bitter cold was so difficult on the old building that things began to fall apart. Pipes in some of the greenhouses got so cold they broke completely apart, making heating those greenhouses without major structural renovation impossible. Fixing or replacing the pipes is not really an option because much of the pipe system is actually underneath the foundation of the building. The frozen pipes have required a dramatic change in processes already. As long as the weather is
cold, the affected greenhouses can no longer be used to store plants. This has affected the shipment of materials for the spring season and the planting schedules. In addition, the heating system has become unreliable in heating the remainder of the greenhouses, so other measures have been taken to heat the building. The issue was induced by the weather but points out challenges many small businesses face. Remedy is difficult due to lack of resources, both money and time, and operations have been dramatically affected. Small business management must handle such situations delicately and balance the costs and benefits of all available alternatives with the company’s needs and means.

Industry issues. A second category of uncontrollable factors with which the floral and horticulture industries must contend are various issues that occur within the industry. These include issues related to plants, the general industry health and environment, and other various uncontrollable, yet incredibly influential, issues affecting sales in the industry.

Plant-related Issues

The first category deals with issues regarding plants and supply of product that are unrelated to weather. There have been many instances of disruptions in supply due to unforeseen, extenuating supplier circumstances, product recalls, and changing plant genetics.

Unforeseen Supplier Circumstances

For example, on March 6, 2014, a massive fire destroyed the greenhouse, offices, and cooler facility of North America’s largest gerbera daisy farm (Firth). Rosa Flora, located in Dunnville, Ontario, Canada, supplies “floral wholesale distributors in the Niagara region and other areas of southern Ontario” as well as “southwestern Quebec and the northeastern states of the USA” (“Over”) with gerbera daisies, mini gerberas, large gerberas, alstroemeria, and snapdragons (“Welcome”). The company operates in 1.5 million square feet of greenhouse (“Welcome”). It is estimated that approximately 15 of the company’s 40 acres were destroyed in the fire, accounting for 30% of the company’s production. Gerbera daisies are the product for which Rosa Flora is most known. Luckily, the area in which much of the gerbera production takes place was undamaged. The company is taking every measure possible to ensure uninterrupted service and supply of their other products (Firth). However, this incident will not likely go unnoticed. As a large supplier of cut flowers in North America, the effects of the fire are likely to cause a disturbance in the supply of flowers. Other growers will have to make up for the demand, even if demand remains constant. Prices could go up and all channel members, including the final consumer, will pay more for these products. Demand for substitute products may also increase as a result of this incident.

Plant Recalls

Another example of complications regarding the supply of plants comes from the Dummen Group. Dummen Group supplies Cossairt’s, and many other greenhouses, with Red Fox brand products. The basic supply chain is this: Cossairt’s buys Red Fox brand products from Dummen Group who purchases and/or grows the product at any of its multiple farms around the world. Some of the farms that supply these products are owned by Dummen and some are partners of
Dummen. These facilities around the world provide unrooted cuttings taken from stock plants. A stock plant is one which is kept solely for the purpose of providing cuttings. The cuttings will later be grown separately into individual plants. The facilities that provide Dummen’s stock plant cuttings are located in places such as Guatemala, Ethiopia, and El Salvador. Because of the climates in these locations, they are able to produce the cuttings at the appropriate time for American growers to begin growing for the spring season (Drotleff). These farms take the cuttings from the stock plants and ship them to Dummen who then ships to its customers in the appropriate quantities and varieties. The grower then roots the cuttings on-site once the cuttings are closer to their final destination. This is a cheaper option for a grower or retailer to obtain plants, as much of the cost associated with the process is in the maintenance and care of the plants at the beginning stages of the growing process.

Generally, this process works according to plan. However, issues do arise. One particular instance is disease-related and deals with the Red Fox brand petunia cuttings from Dummen’s Las Mercedes, El Salvador facility. The stock plants at this facility became infected by tobacco mosaic virus (TMV). Unfortunately, the issue was not discovered until after many cuttings had already been distributed to customers. More than 20 million Red Fox petunia cuttings come from the El Salvador facility annually. The infected plants must be destroyed, causing a major reverse distribution issue for those who had already received the cuttings (Drotleff).

The disease originally had affected only one specific petunia variety which Dummen identified, took off the market, and uprooted the mother plants. To be safe, they also uprooted the mother plants in nearby beds to be sure the disease hadn’t spread and didn’t spread further. These events transpired at the end of the year in 2013. A few weeks later, the same procedure was repeated when additional mother plants, near the original site of the affected mother plants, tested positive for TMV. In total, about 20% of the mother plants were uprooted, causing Dummen to face a shortage from the El Salvador facility. Orders were reallocated to other production facilities to make up for this. Yet again, Dummen found the situation was not under control as they’d originally thought. Customers had been reporting cuttings with TMV several weeks later. At this point, it was decided that all of the orders for the Las Mercedes facility would be reassigned to the other production facilities. No petunia cuttings would come from Las Mercedes. All petunia mother plants at the facility had to be uprooted and destroyed (Drotleff).

Dummen is now working with customers to handle the cuttings they may have received. Those customers who had received the cuttings several weeks before the disease was identified, may have plants close to finish. The virus will spread, but only in young plants. Those plants closer to finish, if not showing symptoms, probably do not have the disease. However, a great deal of Dummen’s customers had just received their cuttings and had already planted them. While it may be too early in the growing process to know if the cuttings were infected, Dummen is recommending customers throw out the young plants to be safe (Drotleff).

In this case, Dummen is helping customers find replacement product. For Cossairt’s, luckily, the cuttings had not yet arrived; they were scheduled to come in the week after shipping stopped from the El Salvador facility. If Cossairt’s had received the cuttings, they would probably already have been planted and the process of getting rid of them would have been time consuming, costly, and potentially dangerous in regard to the virus spreading to other products.
Cossairt’s receives the cutting in a form known as a “Confetti Garden.” The Confetti Gardens combine multiple plants of different varieties and color combinations to grow together well and in a single planting. They have become a staple in the spring selection at Cossairt’s due to their beautiful, striking color combinations and the ease with which the average consumer can maintain them. The company ordered many Confetti Garden varieties for this growing season. Nearly all of Cossairt’s order with Dummen contained the TMV-affected petunias from El Salvador. The order simply could not be fulfilled with supply from alternate facilities due to the increased strain on those suppliers to fill other customer orders. The number of plants and the color combinations Cossairt’s had ordered had been very carefully calculated and selected after research of the past few years’ sales data.

At this time, Dummen is assisting in filling the order to completion with plants from other sources and partners, however, there is no guarantee as to what will actually be available. There will probably not be any petunias available in Confetti Gardens, which is unfortunate as customers tend to love them for their consistent display of big, full flowers. The order, since it was meant to arrive only a week after the news broke about the TMV, was delayed two full weeks, causing a delay in the growing process, and ultimately, a delay in readiness for sale. This is a key point in every spring season. When a product is not ready for sale at exactly the right time, it often does not sell at all. The prime time to sell is generally around Mother’s Day every year. A few weeks definitely make a difference in the ability to sell a product. Coupled with the last-minute scrambling to fill the order with some mixture of color combinations, the effect of the TMV outbreak could have a dramatic impact on Confetti Garden sales this coming spring at Cossairt’s and other small greenhouse operations affected by the Dummen supply problem.

This has not been an isolated incident. There have been problems with geraniums in the past several years as well, prompting recalls of the product. At least twice in the past few years, the products had reached Cossairt’s before the recall was placed on the product. In the first instance, the disease was not so harmful that the plants had to be destroyed. Everything the plants had come in contact with had to be sanitized thoroughly, including pots, tools, soil, and benches. The other case was a different organism causing the problem. This specific organism was so potentially dangerous, that it threatened the food supply of the United States. It was such a serious issue that Homeland Security visited Cossairt’s to watch firsthand that the infected plants were properly destroyed and disposed of. Both cases involved plant material imported from other parts of the world.

Because the products with which the industry works are perishable and, therefore, susceptible to disease, situations such as this are not uncommon. These issues have become much more frequent and widespread as the industry has changed. Many years ago, when Cossairt’s entered the horticulture business, everyone kept their own stock plants from which to take cuttings. The only diseases that travelled through the greenhouse were what came from those stock plants. It was easier to ascertain the source of the problem and target the problematic plants. Now, however, these issues arise and are much more difficult to contain because the nature of the industry has changed. The cuttings and various other plant material come from all over the world. With the efficiencies and incredible benefits a unified channel brings, there are also drawbacks, such as foreign diseases spreading around the world.
Changing Genetics

As technology continues to improve, so do the abilities of geneticists to improve the plants available on the market. Improvements are constantly being sought in certain areas. For example, it’s becoming more and more common to develop plants that require less water as concern grows over the availability of water in certain parts of the country. As the industry has consolidated, larger breeders are buying the smaller breeders, and therefore, their genetics. There are fewer breeders, but they have massive amounts of genetics to work with and use in breeding better plants. They even breed various products that don’t inherently need improvements. For example, they will breed a smaller variety of an existing plant so that the plants do not grow so big, meaning they take less space on the bench and are cheaper to produce.

Breeders also attempt to develop plants that will be resistant to various diseases. As previously mentioned, disease can be detrimental to a product and cause serious consequences in the channel. The best example of a common bedding plant with a significant disease problem for which new genetics are being developed is impatiens and a disease called downy mildew. A relatively new disease to the United States, downy mildew can be devastating to a crop of impatiens. Downy mildew originated in Europe and made its way to the United States by 2004, first appearing in California. It is an unbelievably aggressive disease that has spread around the United States over the past few years (Gregory). Many growers and retailers around the country have discontinued their production of impatiens entirely because of the downy mildew. The disease is not yet as prevalent in Indiana as it is in many parts of the country. For example, Cossairt’s has yet to experience an outbreak. However, there will probably come a time in the near future when, if new genetics have not been developed for impatiens, the availability will be extremely limited, if not nonexistent. The inconvenience of a disease-ridden crop is so tremendous, growers will simply not grow impatiens. This affects consumers’ buying at the retail level. Impatiens are a very traditional choice for shade plantings and a staple in many consumers’ gardens. Consumers are not always willing to immediately buy a substitute product. If the impatiens the consumer is familiar with are unavailable, they may not be willing to purchase a substitute product and may not buy anything at all.

Additionally, changing genetics and consumer resistance to change play a role in inventory at the retail level. As new and improved genetics become available, it is tempting for a retailer to carry the new products. It is often advantageous to the grower to grow the new products to take advantage of new features such as drought-resistance or smaller plant size. However, customers are not always willing to purchase the new products. Many prefer to “stick with what they know,” no matter how many times the sales clerk informs them of the benefits of the newer products. Of course, this type of problem is not specific to a small business. However, customer relationship management is an area in which small businesses may have an advantage over larger businesses. The close contact and personal relationships with customers that many small businesses experience is not easily replicated. It should, however, be taken into consideration. Customers ultimately decide what they will and will not buy. If a company’s customers are asking for the begonias with 40-50 year old genetics, then that is what the company should offer.
Industry Health

The floral industry was not immune to the effects of the 2008 United States’ economic recession. As the Society of American Florists (SAF) states, “The floral industry has experienced considerable consolidation since the economic recession began in 2008. Businesses have learned to thrive by keeping their operations ‘lean and mean,’ keeping costs in line and developing new markets and ways of conducting business. Today, consumers have many additional gifting options, so the challenge remains for the industry to keep flowers and plants top of mind,” (“Floral”). However, 2008 was not the beginning of the recession in the floral industry. In 2010, the industry experienced the 14th consecutive year of decreases in “both the number of retail florist establishments and the number of floral employees,” (Silvergleit), making 2010 an all-time low in these areas. The impact can be seen all over the industry. Fewer shops, 16,182 in 2010, means fewer options in sending flowers across the country. It has become increasingly difficult for Cossairt’s, and other small florists, to find flower shops able to fill customer orders in many parts of the country. Sometimes, there are no choices, sometimes only one to deliver to a particular area. However, SAF President Robert Williams II states that the floral industry is not going away entirely, but is changing. According to the US Census Bureau’s County Business Patterns, Indiana is one of four states that actually experienced an increase in number of floral employees from 2009 to 2010. Overall, Williams says the nature of the industry has changed and “each shop is healthier than it was 10 years ago; there are just fewer of them,” (Silvergleit). Nevertheless, this does not mean the transition has been an easy one for small family-owned florists. For example, Cossairt’s began noticing declining sales several years prior to 2008. Contact with channel members and other similarly positioned shops in the region led to the realization that Cossairt’s was not alone in this declining state. No matter how optimistically the SAF views the situation, the industry experienced decline prior to the economic recession in 2008. With the economic changes driven by the recession, the problems were magnified. This led to some very serious and uncomfortable decisions made by Cossairt’s, and undoubtedly other small businesses in similar circumstances, in order to maintain the business. The difficult environment forced companies to reexamine their current strategies and business practices and become more efficient, adaptable businesses.

Other Issues

In addition to plant-related and industry issues, there are several uncontrollable factors which impact business in the floral industry. The root of the problem actually comes down to human nature and thought processes. The first issue revolves around holidays, specifically Valentine’s Day. While Valentine’s Day sales have been gradually increasing over the past few years at Cossairt’s, as mentioned previously, there are so many gift options available to consumers today. It is a challenge for businesses in the floral industry to keep flowers and plants at the forefront of consumers’ minds when they deciding on a gift to give. On top of that challenge is the added challenge of the calendar. Valentine’s Day sales depend tremendously on the day of the week on which the holiday falls. The primary customers for this holiday are men sending flowers to their wives or girlfriends. The men tend not to send as many flowers when the holiday falls on a weekend. This is most likely due, partly, to the possibility to have other plans for the day when the holiday is over a weekend. It is also probably partly due to the fact that men enjoy sending the flowers to the woman’s workplace. The flowers could be delivered anywhere; it’s not as
though florists don’t deliver to homes. However, it is only at the workplace that the woman is seen by others when receiving the flowers. Other people now know that her significant other has sent those flowers. It is a combination of these factors that make a weekend Valentine’s Day undesirable in a retail flower shop.

There has also been a shift in recent years to a new style of funeral service. For whatever reason, expense, the wishes of the deceased, delay of the service for some reason, the traditional funeral visitation and service have seen a decline. There are more cremations and celebrations of life held at venues away from a traditional funeral home or church. Another recent trend is for a person to request donations to a specific cause ‘in lieu of flowers.’ Funeral homes have also started scheduling services with very little time between the death and the service. This allows the funeral home to process more services but leaves little time for the public to learn of the death, through word of mouth or the newspaper, and call the flower shop to place an order. All of these factors amount to people not sending as many flowers to funerals or for holidays as in the past. The challenge to florists is to convince consumers that it is still worthwhile to send flowers to these events and to adapt to these new social behaviors and the new conditions of the industry.

Government intervention. A final area in which Cossairt’s and other small businesses have experienced tremendous difficulty in the past few years relates to government intervention in the business. In the Cossairt’s case, as mentioned previously, the City of Shelbyville threatened to invoke the right to imminent domain on several businesses, including Cossairt’s flower shop. In 2005, the flower shop was forced to move out of the building it had occupied for 86 years to make way for a new fire station. The location of the new shop was of utmost importance. While the previous location had been prime real estate downtown, many other locations in such high traffic areas were out of the company’s price range at the time these events transpired. The decision was made to renovate near the greenhouse on an adjoining property in a house that James and Nancy Cossairt already owned.

The relocation of the flower shop caused numerous problems and provided many benefits for the company. Many of these benefits would not manifest until several years later. The first and most obvious detriment to the flower shop was the location. The new location is situated slightly out of view on the edge of town. It is by no means in the ‘middle of nowhere’, but the passing traffic is definitely not as high volume as it was at the downtown location. This is a detriment to business in that it decreases the number of customers stopping by to make impulse purchases. It also reduces the effect of customers seeing the shop and signage on a regular basis to build brand recognition and keep the company in customers’ minds. Since the shop is no longer in easy view of many customers, the problem arose that people thought the business had closed altogether. No matter how much the new location was promoted, many years passed where customers would announce upon their arrival how relieved they were to find the shop because they had assumed it was closed. While the city compensated the company for the property downtown, the amount of compensation did not cover the location’s worth to Cossairt’s. The company had spent 86 years of its life in that location. The loss of that location forced the company to reexamine its strategy. The company now had to focus on becoming a destination shopping experience as opposed to relying on impulse purchases. In addition to these issues, the new building renovation was not complete at the time the company had to be out of the building. The flower shop was forced to set up inside the greenhouse for several weeks while renovations on the new building were
completed. This time of sharing space spanned across the busy Christmas season, causing a great deal of tension for employees of both the greenhouse and the flower shop. The whole situation was very stressful for all involved which, ultimately, affected morale and productivity.

Despite all of the problems a situation like this causes, the company did realize several benefits from this forced location change. Locating next door to the greenhouse provided many of these benefits. With the two components of the business now located physically together, it was easier to use labor and product more efficiently. Employees could now move back and forth from one building to the other, doing the work that needed to be done, regardless of if it was technically “greenhouse work” or “flower shop work.” Employees became better trained in multiple areas of the company and, if not appreciated, at least respected what the other half of the business dealt with on a daily or seasonal basis.

This move was also beneficial in regard to product and inventory movement. The efficiency of the physical movement of inventory was greatly increased. Prior to the move, product had to be moved across town from the greenhouse to be sold in the flower shop. The driver would spend countless trips running across town moving inventory from one place to the other. The capacity at the flower shop for greenhouse inventory was limited. Not only would items sell out, but also not every item from the greenhouse could be represented in the limited show room at the flower shop. In the new location, product is just across the parking lot. This makes stocking the flower shop with product easier and makes it easier to sell the product in the first place. If a certain type of plant in a certain color was out of stock at the old shop, the salesperson could ask the customer to come back later or to visit the greenhouse on their own to purchase it. It was very difficult to make these sales because the customer was forced to complete some other action. Many of these sales were probably lost entirely. Now, the salesperson can call to the greenhouse and have a product brought over or walk the customer over personally and attend to the sale in a matter of minutes rather than depending on the customer to drive to another location or come back later. This sharing of inventory makes cross-selling across the two parts of the company much easier. Additionally, it is more effective for a salesperson on the phone to be able to tell a customer about a product they can physically see across the parking lot at the greenhouse rather than attempt to describe what is in stock across town.

Another benefit of relocating the flower shop is that the owner is now on-site every day. Prior to the move, owner James Cossairt spent a majority of his time at the downtown shop since the greenhouse had its own set of employees and a manager to take care of the day-to-day decisions. With the flower shop relocation, overall management improved because James was able to be more involved in the operation of the greenhouse and integrate company policies and operations with the flower shop. It was also a morale booster for employees knowing the boss was around and taking an active interest in all aspects of the company. Many small family-owned businesses benefit from employees working in close proximity with management.

Additional benefits of the relocation include a better showroom for the flower shop and a workspace designed specifically for the needs of the company. While superficial on the surface, these benefits translate into increased productivity and efficiency of workers and more space to display inventory for customers to purchase. The overall shopping experience is improved in this new showroom with more space for customers to browse without feeling crowded or
overwhelmed. In addition to this, the parking is infinitely better at the new location than the old. While downtown provided excellent visibility, it did not provide a great deal of parking for customers which became a problem at peak busy times. At the new location, the company is able to serve customers with ample parking.

While the whole relocation situation was a source of tension and anxiety for a few years, ultimately, the decisions made during the transition are probably what saved the company during the recession in 2008. Had management not chosen to renovate a building the Cossairt family already owned, the financial burden of the relocation would have put the company out of business. While the company wouldn’t have had outstanding loans from the renovation had the flower shop remained downtown, the benefits of increased efficiency and employee management allowed the company to make it through several economically difficult years. Many small family-owned businesses have had to make similar decisions as well. As mentioned before, many florists have been closing in recent years. Had the flower shop relocated to another part of the city and not in the building that was already owned by the Cossairt family privately, it is hard to tell what might have become of the company. The combined location allowed decisions to be made during the tough years of the recession that probably saved the company.

**Controllable factors.** Along with all of the uncontrollable factors faced by Cossairt Florist and Greenhouse, there are also many other areas in which issues arise for a small family-owned floral business. These issues arise in the areas of family, resource availability, and employees. Issues in these areas are much more personal in nature and careful consideration must be taken when dealing with them. The fact that they are, hypothetically speaking, controllable makes the situation more difficult at times because it can often feel that there is nothing that can be done to change the situation.

**Family Issues**

It is a delicate balance to work well and for prolonged periods of time with family members. The family dynamic can cause complications due to blurred lines between personal and professional settings. In many cases, particularly spousal situations, the family members not only work together, but also live together. Inevitably, business is discussed at home and home life seeps its way into the business setting. Honestly, many people are not suited to this lifestyle. It takes a very special dynamic and a lot of hard work to be successful in balancing the family and the business. As more and more businesses have moved away from the family-run business, expectations of the workplace have changed. Employers are more removed from employees’ lives than when most businesses were family operations. In a family business, the boss is not only the boss but also a member of the family. In non-family operated businesses, an employer can expect more separation of professional and personal life from employees. This area is covered in shades of grey for a family-run business.

The issue also arises that the services of certain employees, who also happen to be members of the family, are no longer required by the company. While letting employees go is rarely a pleasant experience, this is one of the incredibly delicate situations that emerge when working with family members. Managers must ascertain how to fire family members to do what is best for the company while maintaining an amicable relationship on personal terms.
Leadership also arises as an issue in some family-run business operations. Because of the blurred line between personal and professional settings, it might be hard for the owner or manager in charge to establish the position of authority over family members who may be older and/or have worked in the business for a longer period of time. Establishing authority as the boss, while maintaining respect for family members, is a critical issue and can become a source of tension in the family if not handled properly. Not to mention, business can be affected if personal issues inhibit the business from its normal operations.

A final issue regarding operating a family-run business is the general sacrifice and effect on the family. While it is true that many employees, regardless of whether or not they work for a small business, must do some work at home or check their e-mail while out of the office, it in no way compares to the time and energy expended by operators of a family business. The blurring of personal and professional settings is very evident in this area. A self-employed person must be available at all times to attend to certain aspects of the business. For example, in December 2013, there was massive flooding in much of central Indiana. As the Cossairt property is located along the Blue River in Shelbyville, there was the potential for property damage to the greenhouse and flower shop. James and Nancy had to spend much of their evening checking in on the property and making preparations for the worst case scenario. When the homes along the same road were evacuated, it became unclear whether or not work would proceed as usual the next day. However, there were still obligations that needed to be met. So, around 10pm, five hours past closing time, they went back to the shop to deliver funeral work that had been promised for early the next morning. No one else was going to do this work, yet it had to be done.

The flooding situation is an extreme example, however other minor instances of required work being done while technically “off duty” occur frequently. A self-employed business owner is never really “off duty.” This requires great flexibility on the part of the family. Work might require staying an hour late or going back to work after dinner to get everything done. It might require an hour or two of running deliveries in the afternoon even when you weren’t scheduled to work. Dinners and car rides are often filled with business discussions. A family member might schedule a wedding consultation with a bride for after-hours because it works best for the bride, but that means that family member will be missing dinner with the rest of the family. The family learns to accommodate to the needs of the business. Sacrifice on behalf of the business becomes quite normal and uninterrupted family time becomes much more precious.

Resource Availability Issues

An advantage big business has over small business is a greater abundance of resources. In this case, the term “resources” refers not only to cash flow and availability of funds, but also to labor and human capital. In the case of Cossairt Florist, resource availability issues resulted in decisions causing more resource availability issues. A few years after the relocation of the flower shop, the decision had to be made to let go most of the full-time greenhouse staff. At that time there were four to five employees around whom the decision was made, but it affected the entire organization. The recession and slowing sales prompted the change and it was not a pleasant experience for anyone involved. Management put off the inevitable decision for as long as possible, but, in order for the business to survive the tough times, it had to be done. This freed up
resources financially but put a strain on the remaining employees. Remaining employees had to adjust to covering greenhouse duties as well as their previous duties. This included learning new aspects of the business and developing the skills to perform new tasks. Not to mention the morale around the company was low for quite some time afterward. Again, as when the flower shop relocated, rumors spread that the business was closing. This was by no means the case, but several of the employees who were let go became bitter about the situation and began spreading unfounded rumors. The power of word-of-mouth was very evident in this situation. Fortunately, the turmoil didn’t last forever. Employees learned to cope with the new way of doing business at Cossairt’s and customers learned the greenhouse did not actually close. The relocation allowed this change to occur because the close proximity allows employees to travel easily between the buildings to do jobs at both places. Overall, the feeling of the business is much more unified at this point due to all of these changes. When a small family-owned business makes personnel changes, the impact is often greater than when a large business makes personnel changes. Because the company is smaller, the decisions feel more personal; this can make the changes more difficult to enact.

Another issue for small family-owned businesses is dealing with a limited cash flow. There simply isn’t the money to make larger investments. For instance, in the Cossairt case, greenhouse is a very old building and is in desperate need of updates. Things are wearing out from both use and age. The nature of the greenhouse makes it that it is difficult to replace only some parts at a time. Updates require a large-scale project which requires large-scale amounts of cash. Often these projects are simply not viable for the company to undertake which results in many temporary fixes, making do with what’s available, or improvising new ways to work around the issues.

Employee Issues

Many issues arise when human beings are involved. This is not a problem specific to small businesses; large corporations have entire departments dedicated to solving the problems associated with employees. However, this is one of the disadvantages of small business. There are not formal human resource management techniques in place, yet the functions of a human resource department must still be performed.

There is also the issue of training. In a small business with few employees, the training of new employees falls on existing employees, and often, on management. Since Cossairt’s has a very seasonal workforce, training becomes critical. Even if an employee from the previous season is returning to work, policies, procedures, and products may have changed in the time they’ve been away from the company. They must be re-trained in many areas. In some cases, the employees may even be resistant to change, compounding the problem. New seasonal employees must be trained in nearly all aspects of the job. Management must train employees and reinforce changes in order that the desired employee behaviors are achieved. The downside of a seasonal workforce is that the employer spends the time and effort to train the employees and then they leave after a short period of time. The returning employees are often very influential on the new employees since they are working in such close proximity. When returning employees are change-averse, they influence the new employees to learn the improper procedures.
Universal factors. There are many problems specific to a small family-owned business, but there are also many factors that influence business on all levels, regardless of size or management. The size of a business may influence the impact of some of these issues, but businesses must all deal with them in some way or another. These factors are changing technology, the emergence of e-commerce, legislation, and sustainability.

The rapid pace of technology changes requires businesses to monitor the environment constantly for advances which could alter their industry or course of business. One such development that is fairly recent in the United States revolves around the future of credit cards and is known as “chip and pin” technology. According to the Wall Street Journal (WSJ), by October 2015, the days of swiping a credit card will be gone, making way for this new chip and pin system. Instead of a magnetic strip that requires a swipe, credit cards will be equipped with an embedded microchip instead. This system uses PIN numbers in place of a signature in most of the rest of the world. However, at the start of the switch, customers in the United States will still be signing their names. Nearly half of the world’s credit card fraud happens in America but only about a quarter of credit cards transactions take place here (Gara). “The United States is the last major market to still use the old-fashioned swipe-and-sign system,” (Gara). The new system is much more secure and has been in use in much of the rest of the world for many years.

The first of the major implications for businesses is the shift of liability. Someone must be responsible for the costs associated with credit card fraud. With the new system, liability will fall on the party using the lesser technology. If a retailer is still using the swipe-and-sign system and the customer’s bank has issued chip and pin cards, the retailer will be liable. The opposite is also true. If a merchant has the new technology but the bank has not yet switched, the bank will be liable in cases of fraud. The goal is to encourage all members, banks and retailers alike, to make the switch at the same time (Gara). “This way, we’re not shifting fraud around within the system; we’re driving fraud out of the system,” (Gara).

Another implication for businesses is the cost associated with switching to the new system or remaining with the old. The WSJ reports that many retailers already have the technology or have it readily available to them to be able to accept the new chip and pin cards. Another potential cost is, if the retailer decides not to move to the new system, any fraud cases in which the retailer has the lesser technology would result in their liability for the costs (Gara). This example of chip and pin technology is just one of many in the changing technology category but represents retailers’ and business owners’ responsibility to stay up-to-date with market technology.

Along with changing technology has come the emergence of e-commerce. Using the internet to do business has revolutionized many industries and many businesses. It has created new opportunities to connect with customers and provide the products and services consumers desire. Many small businesses are taking advantage of e-commerce, including many family-owned floral businesses. For example, Cossairt’s operates a company website similar to many businesses in the floral industry. The website offers customers ideas of various floral arrangements that are available to order and provides information about the company. Customers can also order directly from the website. While this is an excellent way to allow customers to place orders during the hours the physical shop is closed, it does lead to several issues. The products displayed on the website are examples of potential arrangements that the floral
designers can make. The problem with this system is that, often, the customer will choose an
arrangement containing flowers which are unavailable due to seasonality or are not in stock at
the time. The customer will choose a delivery timeframe which doesn’t allow adequate time to
acquire the desired product. The advantage of speaking with a salesperson directly as opposed to
ordering online is that these issues can be resolved much faster because the salesperson will not
sell what is not in stock.

Another potentially problematic situation that arises is when customers call to speak with a
salesperson but are simultaneously looking at the website. The problem this creates is that the
customer expects a very specific item to be delivered to the recipient. This does not allow
designers the freedom to utilize the freshest flowers available or create unique products for
customers. If a customer sees and likes the look of a specific arrangement, the designer must fill
that order as closely as possible which may mean using flowers that are a few days older than
what they might have used had they been given the choice. The main issue faced here is dealing
with customer expectations and continuing to meet and exceed them despite a changing
environment.

Another area in which businesses must remain diligent in their efforts to be informed of the latest
developments is the area of legislation. Failure to abide by changes in this area could result in
serious problems for a business. A recent development in legislation that resulted in major
changes for some businesses is the Affordable Care Act. The Affordable Care Act, also known
as “Obamacare”, was signed into law by President Barak Obama on March 23, 2010. The new
legislation is meant to be a reform of the nation’s health insurance system. The law makes
several changes in regard to the responsibilities of businesses and the health insurance plans
provided to employees. In this case a small business is defined as having fewer than 50 full-time
employees. Companies that fall into this category are not required to offer health coverage to
employees. However, for some small businesses, those with fewer than 25 full-time employees,
the health care act offers an extra incentive of a small business health care tax credit (“What Do
Small”). While Cossairt’s and many other small family-owned businesses are not affected much
by this change in legislation, as number of employees is below the required minimum, it is still
necessary to monitor changes in the legal environment.

Sustainability is another issue that has seen many major changes in the past several years. As
customers begin to “think greener,” so must small businesses. Companies are continually
thinking of ways to reduce their impact on the environment. In the case of Cossairt’s, the
company begins sustainability efforts with the simple steps of company-wide recycling and using
energy-efficient light bulbs. The larger issues of heating the greenhouse and water usage take
more careful consideration and planning. In the floral and horticulture industries, the product is
dependent upon sufficient water, this is a difficult area in which to be more sustainable. Another
way Cossairt’s and other floral shops have attempted greater sustainability is through changing
delivery schemes to be more efficient in terms of both time and fuel. While larger companies
may have the resources to invest heavily is sustainable practices, the issue is not something that
can be ignored by small businesses due to lack of resources. The initiative to create a more
sustainable world has arrived and does not appear to be going anywhere. Businesses, especially
small family-owned businesses that are in such close contact with the final consumer, must
adhere to the social changes taking place in the environment and be active participants in the changing environment.

**Current Support**

With all of these issues and considerations that must be made in the floral and horticulture industries and in operating a small business, business owners inevitably need some assistance from time to time. There are many resources available to businesses in this position. One such system to which Cossairt's belongs, as previously mentioned, is the FTD network. FTD is a self-described "premier floral and gifting company" that provides "floral, gift, and related products and services to consumers, retail florists, and other retail locations primarily in the United States, Canada, United Kingdom, and the Republic of Ireland," ("About FTD"). The FTD network connects florists around the country and world to send, receive, and fill customer orders. FTD also provides other support services to florists such as credit card processing, management of company websites, some limited advertising, sale of containers and hard goods for nationwide product specials, training, point-of-sale and order entry technology, and social media coordination.

Another way businesses can receive support is from industry organizations. While there are many in the floral and horticulture industries, two such organizations to which Cossairt's belongs are the Society of American Florists and AmericanHort. Society of American Florists (SAF) is a national trade association representing all segments of the United States floral industry. The ultimate goal is to create a unified industry through alliances between retailers, growers, wholesalers, importers, educators, students, and other allied organizations ("About"). The organization provides support through webinars, articles, conventions, and many other platforms. The focus is on the industry as a whole and aims to "provide insight on customer purchasing trends, the shifting industry landscape and current legislation that may affect your operations and bottom line," ("About").

A second industry organization to which Cossairt's belongs is AmericanHort. AmericanHort itself is relatively new. On January 1, 2014, the American Nursery & Landscape Association and OFA (formerly the Ohio Florists Association which shortened its name to simply OFA) consolidated to form AmericanHort. Prior to the merge, Cossairt's was an OFA member. The goal in this consolidation was industry unification and improved collaboration throughout the different areas of the industry. With the merge, all aspects of the industry are now represented in one organization. Breeders, growers, retailers, landscapers, florists, researchers, and students are all represented in one organization ("Our History"). The focus of AmericanHort is "to unite, promote, and advance our industry through advocacy, collaboration, connectivity, education, market development, and research," (Our History"). Members have access to industry newsletters, free educational opportunities, resource and member directories, conferences and events, including the international convention held annually in Columbus, Ohio, access to other publications, as well as services such as energy and utility audits, credit services, and credit card processing ("Features"). Both SAF and AmericanHort also monitor the legal and political environments on behalf of the industry. They maintain advocacy groups on behalf of the floral and horticultural industries and small businesses as well as providing ample opportunities for members to be involved in advocacy for the industry.
Finally, like many small family-owned businesses, Cossairt Florist and Greenhouse is a member of the local Chamber of Commerce. The Shelby County Chamber of Commerce provides many benefits to members such as advocacy to the community, networking opportunities, countless community events in which to take part and/or sponsor, seminars, business referrals, and volunteer opportunities ("Member"). Like most local Chambers of Commerce, the Shelby County Chamber’s mission is to “provide value-added services and programs, creating opportunities for our members and improving the quality of life in Shelby County,” ("The Chamber"). The Chamber attempts to “build a healthy economic environment and to promote our membership and our community,” ("The Chamber"). Cossairt’s takes advantage of the opportunities provided by the Chamber, SFA, AmericanHort, and FTD to strengthen ties within the local community and overall industry and provide support for an ever-changing business.

Motivation to Continue

Listed above are a plethora of problems that small businesses in the floral and horticultural industries face. While there are many helpful support organizations a business can utilize, the fact remains it is a demanding job. The question then arises, why continue to operate a business in such a difficult environment? Why would a person even bother trying to compete in this industry and community? The reasons go far beyond making a profit. While profit is a part of the ultimate goal, there are many other motivations for a small family-owned business to continue serving its community. For Cossairt’s, the first reason is simply the family legacy. The company is currently under its fourth generation owner. Having the business as an integral component of the family history and seeing it strong and thriving today brings a huge sense of family pride and unity. This company has been passed down through generations and, in that way, connects those in present time to the ancestors who also built their lives around the company. A strong company today can continue to be passed on to the next generation to continue the family legacy.

In addition to the personal, familial reasons to persevere through all of the difficulties, there is also the motivation to provide a valuable service to the customers. Shopping at a small florist, like Cossairt’s, is a personal experience for many customers. The salespeople know many customers’ names when they walk in the door or call up on the phone. The human element becomes an advantage when the customer feels very welcomed and appreciated by the company. Often, Cossairt’s knows the recipient of the arrangement as well as the sending customer. The company can provide a service to the customer that is completely unique. A salesperson may just happen to remember that a certain customer hates purple flowers or works until 3pm so the delivery should take place after that time. Salespeople can advise customers how to order for specific recipients because the salesperson often knows the recipient’s likes and dislikes as well. If a delivery is missed, there are other avenues to get the recipient their flowers. The connections of a small town are an incredibly valuable asset and help Cossairt’s satisfy customers’ needs in a very unique way that the customer sometimes doesn’t even realize. Also, customers enjoy the small business feel of the company in that they often get to talk directly with the owners. When a customer calls or comes in and speaks directly with the owner, they often feel that they’ve gotten special service and enjoy being treated to such services. All of these services add up to Cossairt’s being able to provide real value to customers. The company and employees work hard to make sure flowers are delivered fresh, on time, and to the right people. Whenever an issue arises with
an order, they work even harder to make sure the order is still filled according to customer expectations. Customers appreciate this and it has made the company a worthwhile member of the community.

Current Support and Why It’s Important

Society has begun to recognize the tremendous impact of small businesses. There are governmental initiatives and countless organizations whose sole purpose is to provide support and advocate on behalf of small family-owned businesses.

Governmental Support

Two of the main governmental initiatives supporting small businesses are the small business committee in the House of Representatives and the Small Business Administration.

The first initiative is the House Committee on Small Business. The committee was created on December 4, 1941 by the United States House of Representatives. The committee “was established in response to a growing number of small business activists and organizations advocating for more protections and better government policies for America’s small businesses,” (“Committee”). When the committee was first created, it had no legislative authority. However, it quickly gained popularity among House members. The committee was re-approved every Congress until January 5, 1975. At this time, it was made a permanent standing committee (“Committee”). Once it was a permanent committee, the committee was granted “certain areas of legislative jurisdiction and oversight functions, increasing its scope and influence,” (“Committee”). Jurisdiction of the committee includes such matters as financial aid, regulatory flexibility, and paperwork reduction. The House Small Business Committee also holds authority over the Small Business Administration (“Rules”). The committee also operates five subcommittees. These subcommittees are in Agriculture, Energy, and Trade; Health and Technology; Economic Growth, Tax and Capital Access; Investigations, Oversight and Regulations; and Contracting and Workforce (“Subcommittees”).

The second government initiative for the protection and aid of American small businesses is the Small Business Administration (SBA). Founded in July 1953, the United States Small Business Administration “provides assistances primarily through its four programmatic functions: Access to Capital; Entrepreneurial Development; Government Contracting; and Advocacy (“What We Do”). The first function the SBA performs is business financing. The SBA provides financing of all kinds to small businesses, from micro lending to venture capital. The second function is in entrepreneurial development. This area encompasses education, information, technical assistance, and training. The SBA offers face-to-face and internet counseling and low-cost training to entrepreneurs and other small businesses. The third function of the SBA is government contracting or federal procurement. The Small Business Act specifies that 23% of prime contract dollars be contracted to small businesses. The SBA works with federal departments and agencies to ensure this requirement is met. In addition, the SBA helps small businesses secure subcontracting procurement opportunities and provides outreach programs and training. The final major function of the SBA is in advocacy. The SBA provides a voice for
small businesses in regard to Congressional legislation ("What We Do"). This office represents small businesses in court and "assesses the impact of the regulatory burden on behalf of small businesses," ("What We Do"). This office also conducts research on the small business environment and on American small business in general. The President of the United States appoints the Chief Counsel of the Office of Advocacy ("What We Do").

**Independent Organizations**

There are many independent organizations and initiatives dedicated to assisting small businesses in the United States. Such organizations include local Chambers of Commerce, industry-specific organizations, business mentoring programs, and individual companies.

**Chambers of Commerce.** According to the American Chamber of Commerce Executives, "a Chamber of Commerce is an organization of businesses seeking to further their collective interests, while advancing their community, region, state, or nation," ("What is a Chamber"). These networks "advocate on behalf of the community at large, economic prosperity and business interests," ("What is a Chamber"). The missions of these organizations may vary, but tend to fall within one of five primary objectives. These objectives are "building communities to which residents, visitors, and investors are attracted; promoting those communities; striving to ensure future prosperity via a pro-business climate; representing the unified voice of the employer community; and reducing transactional friction through well-functioning networks," (What is a Chamber"). Chambers of Commerce are not a part of the government, but most chambers in the United States work closely with the government to accomplish the goals they have for the business community they represent. In the United States, there are approximately 3,000 Chambers of Commerce that have at least one full-time staff member. There are thousands of Chambers comprised entirely of volunteers ("What is a Chamber"). Local Chambers of Commerce can be incredibly influential in their communities. The networking opportunities and programs provided by the Chamber can be very beneficial to small businesses.

One specific initiative many Chambers of Commerce have been involved with in recent years is what is known as a “buy local” campaign. These campaigns are especially important for small businesses. Many communities have begun implementing “buy local” campaigns; some are driven by other independent groups, but often are implemented with assistance and support from the local Chamber. The Institute for Local Self-Reliance conducts surveys of businesses across the country about various topics. One such survey is the Independent Business Survey which collects information about topics like the largest challenges facing small businesses and the impact of “buy local” campaigns. The 2014 survey collected data for 2,602 independent businesses (Mitchell). For a city to be classified as a “local first” city it “must have a year-round visible public-education campaign that highlights the benefits of choosing locally owned, independent businesses,” (Mitchell). According to survey results, the average change in revenue in 2013 for independent businesses in communities with a “buy local” initiative was 7.0% compared to 2.3% in independent businesses in communities without a “buy local” initiative. Additionally, 75% of respondents felt that “buy local initiatives had a positive impact on their businesses (Mitchell). As public awareness and acceptance of this idea of buying local increase, the impact these campaigns can have on communities and small family-owned businesses will,
hypothetically, increase as well, making the initiatives a worthwhile investment for Chambers of Commerce.

**Industry-specific Organizations.** Industry organizations are a bit different than some of the other support organizations in that many of them focus on the entire industry rather than the small business component. Still, these organizations are a valuable asset to small family-owned businesses, as mentioned previously with the example of the Society of American Florists and AmericanHort in the floral and horticulture industries. While the focus of these groups is the health of the overall industry, they recognize that small businesses are a vital component of the industry. They recognize the specific problems associated with their particular industry and are able to provide insight into solutions to the problems a small business in the industry might face.

**Business Mentoring Programs.** Another source of support for small businesses is business mentoring programs. These organizations may take on different forms but provide similar services. The first form is what is known as a business incubator. An example of one such organization can be found in Muncie, Indiana with the Innovation Connector. The Innovation Connector (IC) was founded in 2002 in a residential space near Ball State University. As the organization grew, the incubator expanded into additional homes in the same area. The IC finally moved into its current location in downtown Muncie in 2009. This space is large enough to provide the services the businesses associated with the IC require (“About the Innovation”). One of the reasons the IC outgrew its space quickly is because the organization rents office space to small businesses as part of the services it offers. However, the IC is more than a rental agency. The organization provides assistance in four main areas: financial services; patent, trademark, and copyright assistance; networking and training opportunities; and business consulting and coaching (“More”). The aspect most emphasized is the mentoring program where businesses can learn from experts what it takes to grow their business. The focus of the IC is East Central Indiana and creating a stronger economy through the advancement of emerging entrepreneurial companies (“About the Innovation”).

The second form of business mentoring program is much broader in scope. The organization SCORE exemplifies this type of program. The focus of SCORE is still very much on the mentoring of small businesses, but it does so on a larger scale. SCORE is a nationwide nonprofit association celebrating its 50th anniversary in 2014. Businesses that SCORE helps can receive the services at a very low to no cost. The organization offers mentors to help individual businesses, in-person or online business counseling, workshops, and webinars, among other various business tools (“About SCORE”). SCORE’s mission is to help small businesses across the United States through their highly individualized mentoring programs. The Innovation Connector shares this goal with the added incentive to strengthen its local community. In both cases, the organizations utilize expertise from members of the business community who share in the organizations’ drive to strengthen small businesses. The personalized attention that the mentoring structure provides to business is often the push they need to revive or kick start their business.

**Individual Companies.** Support for small businesses has been growing among various individual companies. In 2010, American Express launched the first ever Small Business Saturday as a local alternative to Black Friday holiday shopping. Small Business Saturday is a
day consumers are encouraged to visit independent businesses in their local communities to do some of their holiday shopping. In 2011, the United States Senate officially recognized Small Business Saturday and, according to a survey, millions of shoppers participated ("The History"). Awareness of the event has continued to rise. The campaign has garnered support from sources ranging from advocacy groups to public officials, including President Barack Obama, to cities and states to corporate supporters. These corporate supporters include such companies as AT&T, FTD, Hilton, Verizon, Skype, Dell, and Delta Airlines ("Supporting").

Many large companies have seen the tremendous opportunity in working with small businesses. FedEx has developed a Small Business Center to better assist and meet the needs of small businesses. They have realized that by helping small businesses flourish, it is beneficial to both parties. The better the small businesses do, the more they will be able to, hypothetically, do business with the larger companies. Staples is another example. The office supply giant has developed a community on the professional networking site LinkedIn to connect small business owners ("Your"). They’ve also held contests to give away start-up money to deserving entrepreneurs (McElwee). FedEx and Staples are two examples of the many large companies who have realized the benefit of assisting small businesses.

Conclusion

Small business is a vital part of the American economy and way of life. Small businesses face many unique challenges and circumstances that big businesses do not. Family-owned small businesses face an even more specific set of obstacles. Government and private organizations have shown support for small business through all of the various programs and assistance currently being offered to family-owned small businesses in the United States. This support has become more readily available in recent years as the understanding of the impact family-owned small businesses can make in communities has increased. Governmental support is provided through the House Committee on Small Business in the House of Representatives and the Small Business Administration. Non-governmental support for small family-owned businesses is provided through industry organizations, local Chambers of Commerce, business mentoring programs, and private companies.

However, this same level of support is not as readily found in the classrooms of business schools. The emphasis of business education is preparing students to be “job-ready” and to deal with corporate America upon graduation. Much of the education is based around a few core principles and related to the “real world” with examples drawn from big business. This method works well in theory. However, many of the nation’s jobs are with small family-owned businesses. Many business school graduates will end up working, not in a big business, but in a small, possibly family-owned, firm. Many business school graduates start their own companies and become small business owners themselves. They may end up taking over an existing small business. For these reasons, there should be a much stronger focus in the classroom on issues faced by small family-owned businesses in order to prepare graduates for this type business environment.

There are countless uncontrollable factors dealt with in a family-owned small business. There are issues that simply cannot be prepared for in advance. In the case of Cossairt Florist and
Greenhouse, these issues arise in the form of weather patterns affecting the supply of product, the perishability and susceptibility of the product to disease, and the intervention of local government in company operations. Not to mention, the company also manages the issues of family dynamics, scarcer resources than, say, a large firm, and the delicate balance of employee management at a small-firm level.

The issue, then, is to teach the business leaders of the future how to manage the issues that can be controlled and how to utilize the assistance and support available to small family-owned businesses. There are ways business school curricula can be adjusted to create a stronger emphasis on small business and make family-owned small business a priority. For example, a business school looking to improve in this area could use the community in which the university or college is located to find examples of these type of businesses. Whether in a large city or a smaller college town, there are sure to be examples of family-owned small businesses. Another way to incorporate this aspect of business into business school curricula is for the business school to examine the governmental and private support currently offered to this sector of American business. Drawing on what these organizations offer, the business school can gauge what these small family-owned businesses are looking for in terms of assistance and support programs. The courses and classroom content can then be better tailored to fit the needs of these businesses and train future business professionals how to succeed in this environment.

As current small business owners retire and small businesses are passed on to future generations, one would hope they are being passed on to a worthy and prepared generation. As has been discussed through the example of Cossairt Florist and Greenhouse and the floral and horticultural industries, the impact of small businesses in a community can be tremendous. The benefits are mutual. The support offered to small businesses is invaluable to the businesses and the small family-owned businesses are invaluable to society and their communities. By creating a stronger emphasis on small business, in particular family-owned small business, in business curricula, the next generation of business owners and business professionals will be better prepared to operate within this significant area of United States business.
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