

GROWERTALKS

GT in Brief

1/31/2017

Sales Up at Auction

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Royal FloraHolland, the big Dutch auction (and owner of *GrowerTalks*' sister publication *FloraCulture International*) has just released their 2016 numbers. They reveal that flower and plant sales were up 3.8% over 2015, to 4.6 billion euros.

And yet, oddly enough, when we checked their 2015 annual report, 2015 sales were also 4.6 billion euros. So we're trying to get to the bottom of that discrepancy.

However, both numbers are higher than 2014's 4.5 billion euros in turnover, which indicates that perhaps the negative slide the auction had been facing, due to the changing global flower market, is being turned around. More and more of the global flower business bypasses the Dutch "clock" (as the auction is called) with more sales going direct or taking place through new digital channels.

Which is why in late 2014, Royal FloraHolland announced a "2020 Strategy," with the goal of "Flowering the World Together, Planting Seeds of Opportunity for our Members."

Lucas Vos, CEO of Royal FloraHolland, states, "Next year we will again accelerate the execution of our strategy towards 2020. We are investing heavily in digital solutions, bringing order to our services and fees and will start working more efficiently for our members and their customers."

The goal? Increase margins for members and customers, and also encourage more consumers to buy flowers and plants. And they'll reduce their own operating costs by one-third. All this by 2020, they hope.

A few specific things they're investing in: boosting sales in new markets and investing in sustainable start-ups; improving the auction process and the logistics surrounding it; renovate the halls and offices of the auction headquarters in Aalsmeer; and invest 14 million euros in IT, most of which will go towards developing a digital trading platform.

They also plan to cut operating costs by 8 million euros in 2017 by increasing efficiency, discontinuing some operations and outsourcing others, and reducing staff by about 100.

All this should lead to an increase in turnover of about 170 million euros in 2017, to 4.8 billion, in spite of sales

via the clock being expected to fall slightly. **GT**