

Creating Meaningful Relationships

An Interview with Jim McCann, Founder, Chairman, and Chief Executive Officer, 1-800-Flowers.com, Inc.

EDITORS' NOTE In 1976, Jim McCann bought his first of many retail flower shops in the New York metropolitan area. As his company expanded, McCann focused on innovation and being an early adopter of new technologies that enhanced customer engagement to grow his business. As a result, 1-800-Flowers.com, Inc., was among the first to offer 24-hour service through an 800 phone number and to use the Internet for direct sales to customers, becoming AOL's first merchant partner of any kind in 1994.



Jim McCann

How do you describe 1-800-Flowers' culture and values?

Our culture is all about fostering innovation and inspiring others. We encourage our employees to think big, take risks, and experiment without the fear of failing. It's a collaborative environment where giving is at the heart of what we do. We believe that giving is the gift, and that inspiring others is our superpower. Our goal is to make gifting easy, engaging, and enjoyable for everyone.

Our values guide everything we do.

We create moments by empowering our customers to deliver just the right sentiment for every occasion. We build relationships by finding unique

COMPANY BRIEF 1-800-Flowers.com, Inc. is a leading provider of gifts designed to help customers express, connect and celebrate. The company's e-commerce business platform features an all-star family of brands, including: 1-800-Flowers.com®, 1-800-Baskets.com®, Cheryl's Cookies®, Harry & David®, PersonalizationMall.com®, Shari's Berries®, FruitBouquets.com®, Moose Munch®, The Popcorn Factory®, Wolferman's Bakery®, Stock Yards® and Simply Chocolate®. The company also operates Bloom.Net®, an international floral and gift industry service provider offering a broad-range of products and services designed to help members grow their businesses profitably; NapcoSM, a resource for floral gifts and seasonal decor; and DesignPac Gifts, LLC, a manufacturer of gift baskets and towers. 1-800-Flowers.com, Inc. was recognized among the top 5 on the National Retail Federation's 2021 Hot 25 Retailers list, which ranks the nation's fastest-growing retail companies.



What have been the keys to 1-800-Flowers' strength and leadership in the industry?

Our strength comes from our deep focus on building relationships with our customers and finding ways to inspire them to connect with others and build more meaningful relationships. 1-800-Flowers started as a single floral shop in Manhattan, where I developed one-on-one connections with customers on the shop floor. As we've grown, we've prioritized recreating those personal interactions at scale through deep consumer engagement and personalization. I remember when customers would approach me, struggling to find the right words for sympathy cards. They'd tell me their friend was experiencing a loss or a close family member had passed away, and they didn't know what to say. In those difficult moments, it can be tough to find the words. We're there for our customers, providing guidance based on the situation, religion, and more. We create content to help them express their feelings during these important moments.

We're focused on understanding what our customers want and need throughout their journey with us, and we build content and experiences around that. Listening to our customers and delivering personalized experiences has been key. We're building a community where customers feel empowered to connect with others in meaningful ways. By supporting them at every step, we ensure they have the tools and resources to nurture their relationships, helping us maintain our leadership in the industry.



ways for customers to meaningfully engage and connect with us and each other. Innovation is key for us; our culture of constant reinvention helps us continually find impactful new ways to elevate the experience of both the giver and the receiver. It's this spirit of innovation and collaboration that drives us forward and helps us create meaningful experiences.

We celebrate the uniqueness of everyone, embracing diversity and different perspectives to become a more inclusive company. And we believe in the power of community, whether it's our community of customers and employees, or the communities where we live and work. We strive to listen, care, and contribute every day.





Products from across the 1-800-Flowers family of brands (all pages)

What are the keys for a brand to stay relevant and current with all the disruption taking place across all industries?

Innovation and adaptability are at the heart of what keeps us relevant in today's fast-paced world. At 1-800-Flowers, we've transformed from a collection of specialty brands into a unique e-commerce platform that inspires our customers to give more, connect more, and build meaningful relationships. Since starting this company, we've always been committed to innovation. We want to be there for our customers whenever and wherever they need us, and we stay ahead of the curve by understanding that technology drives consumer behavior. We keep a close eye on new innovations to better engage with our customers. AI plays a big part in personalizing the customer experience, and helping people to connect and build better relationships. For instance, our automated reminders ensure customers never miss important milestones like birthdays and anniversaries. We've also introduced fun AI tools like MomVerse and DadJoke GPT, which let customers create personalized songs, poems, verses, and jokes for Mother's Day and Father's Day.

As we look to the future, we'll keep exploring new opportunities to leverage innovative technologies, always focusing on how they can bring more value to our customers.

Our commitment to innovation, understanding customer behavior, and using technology helps us stay ahead of industry changes, ensuring we continue to meet and exceed our customers' needs.

1-800-Flowers has continued to broaden its product offerings. Will you provide an overview of these offerings and where you see opportunities to expand into new product categories?

Our mission is to help our community of customers create better and more meaningful relationships. We're always looking for ways to help people express themselves with their loved ones. Giving is the gift, and we're creating a platform that inspires connection and meaningful relationships. We've been expanding our offerings in many exciting ways.

We've introduced curated bundles like Blossoms & Wine, Gourmet Drizzled Strawberries & Wine, and Cake Pops with Drizzled Berries. We

also offer gifts at varying price points to make gifting accessible for everyone, with options ranging from free e-cards and Cheryl's Cookie Cards starting at \$8.99 to custom bouquets and gourmet meals, such as the Pumpkin Sampler from The Popcorn Factory at \$24.99, custom bouquets from 1-800-Flowers.com starting at \$39.99, embroidered backpacks from PersonalizationMall.com for \$59.99, and Gourmet Prepared Meals from Harry & David with USDA Prime meat for \$399.99.

Our relationship marketing capabilities are expanding through exciting collaborations with brands like LoveShackFancy, Lionsgate, Barbie, NFL, and NCAA. We're experimenting with new formats like live shopping events and leveraging emerging technologies such as AI. We see great potential in positioning ourselves as a 365-day gifting destination and continuing to educate consumers about our multi-brand offerings.

Long-term, we're focusing on growing our Gourmet Food & Gift Baskets and personalization businesses as everyday gifting options. On the floral side, we continue to lead the market and seek to grow our share. We're also excited about the potential in our cross-brand purchasing capabilities on our platform, which will continue to be a key driver of growth moving forward.

Would you discuss 1-800-Flowers' investment in its workforce and focus on customer service?

Investing in our workforce and prioritizing customer service are fundamental to our success. I've recognized the profound impact of the loneliness epidemic among our community of customers as well as within our own workforce – and I've made it my mission to help address and combat this issue. One significant initiative we've implemented is providing our employees access to a virtual mental health provider. This decision stemmed from comprehensive employee feedback through an anonymized survey, which highlighted mental health, particularly loneliness and connection, as a critical area needing attention. The data revealed a significant need for enhanced mental health support and resources.

About a year and a half ago, we also launched a program where "emeralds" – employees with promotion potential – lead small groups of around 6-10 workers from different areas of the company.



These “emeralds” serve as designated hosts during lunchtime, encouraging employees to sit with people they don’t know in common areas and engage in conversations with suggested topics. This initiative aims to foster a sense of community and connection among our staff. Additionally, we introduced a salad bar gathering on Mondays, where employees bring different ingredients to create a collective lunchtime salad bar and sit and chat with colleagues they don’t know well. This simple yet effective activity helps break down barriers and build stronger relationships within the company. Earlier this year, we increased our in-office days from three to four per week to boost a sense of connectivity and purpose among our workers. This change aims to enhance collaboration, foster stronger connections, and create a more cohesive work environment.

Our commitment to our employees’ well-being and our focus on customer service go hand in hand. By investing in our workforce and ensuring they feel connected and supported, we can provide the best possible experience to our customers.

1-800-Flowers has a long commitment to giving back and supporting the community. How deeply ingrained is corporate responsibility in the culture of the company?

Giving back and supporting our community is truly part of our DNA. We’re dedicated to being good corporate citizens by fostering inclusion, supporting local communities, and embracing sustainable practices. You’ll see this in our partnerships with various charitable organizations and our ongoing efforts to reduce our environmental footprint. We believe in breaking barriers to employment, which is why we partner with organizations like Smile Farms to create job opportunities for adults with developmental disabilities, and First Step Staffing to help homeless individuals find work and support. We’re also proud to support the

LGBTQ+ community through our collaboration with the Point Foundation, earning us a high score in the 2023 Corporate Equality Index by the Human Rights Campaign.

Fighting hunger is another passion of ours. We make regular donations to food banks across the country, including monthly contributions of non-perishable items to the Ronald McDonald House in New Hyde Park. Sustainability is key for us, so we’re converting food waste into energy, participating in demand-response programs, and powering our facilities with renewable energy. Our BloomNet scholarship and research underwriting program supports the floral industry, and the Teresa McCormick Center on our Harry & David campus helps those in need in Oregon’s Rogue Valley.

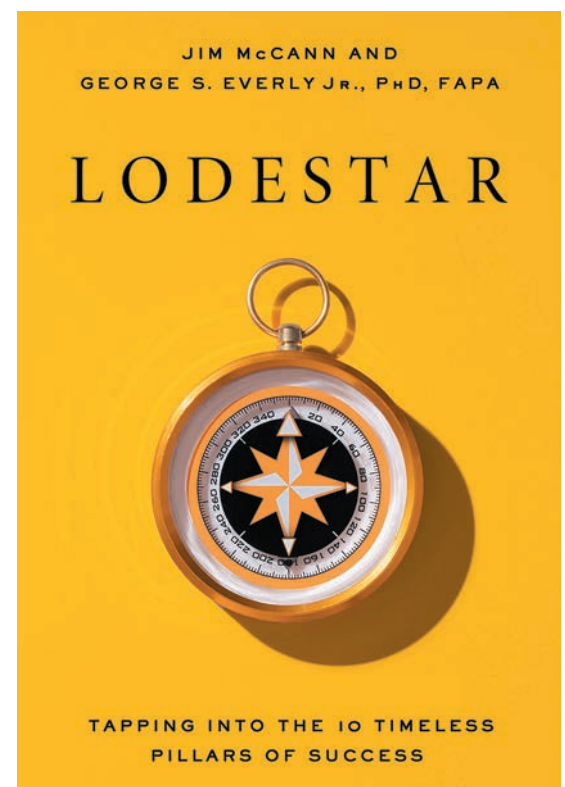
We also address the loneliness pandemic by connecting with our community of customers weekly through my Celebrations Pulse newsletter. These letters aren’t about selling anything; instead, they focus on sharing ways for our customers to build better relationships. I offer tools, advice, and ideas to bring communities together and combat loneliness. We regularly invite readers to share their own stories, and I often highlight many of them in subsequent letters. Over the past three years, we’ve built a community that’s growing stronger and stronger.

Being committed to corporate responsibility isn’t just about programs; it’s about making a positive impact every day. We’re proud to be a part of our communities and help make a difference.

Did you always know that you had an entrepreneurial spirit and the desire to create your own business?

Entrepreneurship runs in my blood. My father and grandfather were both entrepreneurs, so you could say I grew up surrounded by the spirit of innovation and the drive to create something of my own. I’ve also channeled this entrepreneurial spirit into writing. My latest book, *Lodestar*, is a one-stop shop for ultimate self-help. I wrote it with George S. Everly Jr., PhD, FAPA – an esteemed Johns Hopkins clinical psychologist – and we researched what we consider to be the most impactful self-help books ever written, based on their sales, originality, potential for game-changing impact, and scientific credibility. We then distilled the common themes into 10 Timeless Pillars of Success. These pillars range from harnessing the power of optimism, cultivating resilience, and building a strong and supportive community, to improving time management, embracing happiness, and more. Our goal is to help readers implement these tenets in their own lives.

Entrepreneurship has always been a part of who I am, and I’m grateful for the journey it has taken me on.



Jim McCann's latest book

What advice do you give to young people beginning their careers?

I often tell young people starting their careers about my first job in social services and how much it taught me. I worked at St. John’s Home for Boys in Rockaway, New York, helping underprivileged kids deal with the challenges of their environment. As a night counselor, I’d come in at four in the afternoon, help the house mother get the boys fed, and then get them to bed and ready for school in the morning. To be honest, I felt pretty useless and even scared at first. After a few months, I decided I was going to quit. I told Brother Tom, a mentor at the home, that I was no good at the job and was thinking of moving on. He could sense my frustration and told me, “You’re not doing much good because you’re just reacting.” When I asked him how he did it, he said, “I try to engage the kids, get them interested, establish contact.” Those words changed my life. Brother Tom also told me to stop just reacting all the time and to come up with a plan, not for the rest of my life, but just for the day. He shared his unique approach of challenging the boys to memorize poetry for cash prizes – prizes that were tough to win but got the kids interested. Inspired, I asked my mom for some extra tomato plants she had grown. I brought them to the group home and planted them in the backyard. One boy, Norman, took an interest, and together we planted rows of tomatoes. Just like Brother Tom advised, I had made contact and formed a relationship.

From that first tomato plant, a whole philosophy for 1-800-Flowers emerged: First, develop a relationship, then do business. Show people you care about their problems and about them. This way, you don’t just make a sale – you create a loyal customer.

So, my advice to young people is to focus on building genuine relationships. When people feel you truly care about them, everything else falls into place. ●

