

rates, especially in Central Florida. Highest rates were 1.59 and 1.08, while lowest rates were 0.61 and 0.43 for Central and South Florida regions, respectively. Most profitable firms in Central Florida had inventory turnover even greater than the highest rates (1.61), while those in South Florida had below-average turnover (0.64)

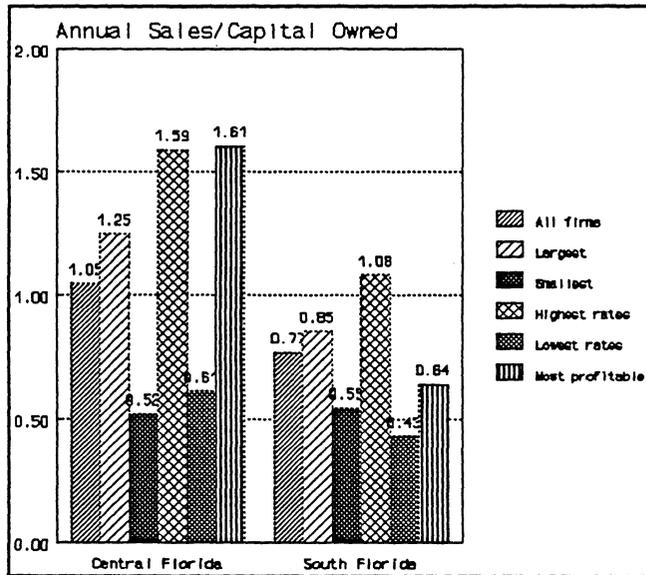


Figure 6--Capital turnover. Ratio of annual sales to owned capital. Average for most profitable firms in Cen.Fla. were higher than for the "highest" rates due to a smaller number of firms.

In general, higher capital turnover is desirable, indicating greater sales per dollar of investment. Problems that lower turnover rate include many of those already mentioned that lower production rate, and therefore lower sales volume for a given nursery investment. Low capital turnover is particularly common in new firms and in rapidly expanding firms. Excessive investments in land, labor-saving machinery and equipment also tend to lower capital turnover.

Capital Managed Per Person is an indicator for balancing capital and labor resources, calculated as total capital managed divided by employment (FTE). As shown in Figure 7, capital managed per FTE was generally lower for Central Florida firms (\$40 thousand/FTE) than for South Florida nurseries (\$61 thousand/FTE). Large firms in both regions had below-average capital managed per person: \$29 thousand in Central Florida and \$54 thousand in South Florida. Smallest firms, on the other hand, had above-average capital managed per person: \$66 thousand in Central Florida, \$79 thousand in South Florida. Highest rates averaged \$118 thousand per person in Central Florida, and \$112 thousand per person in South Florida, while lowest rates averaged \$22 thousand and \$41 thousand, respectively. The

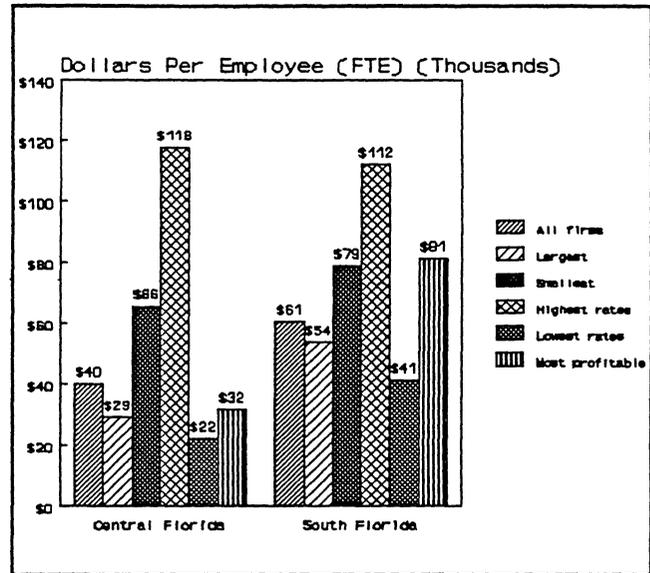


Figure 7--Capital managed per worker (FTE). Calculated as capital managed (owned plus leased) divided by fulltime equivalent employees.

most profitable firms in Central Florida had below-average capital managed per person (\$32 thousand), but most profitable firms in South Florida were above-average (\$81 thousand), suggesting that this measure does not bear any consistent relation to profitability.

Capital Managed Per Acre is another indicator for balancing productive resources between capital and land. Capital managed per acre of growing area averaged \$223 thousand for Central Florida nurseries, and \$63 thousand for South Florida firms (Figure 8). Results for large and small firms on this measure parallel those for capital managed per person: large firms were below-average and small firms above-average, with those in Central Florida having levels even higher than the highest rates. Highest rates of capital managed per acre were \$249 thousand in Central Florida and \$197 thousand in South Florida. Lowest rates averaged \$53 thousand per acre in Central Florida, and \$31 thousand per acre in South Florida. Capital managed per acre for the most profitable firms in Central Florida (\$252 thousand) was even higher than for the "highest" group (\$249 thousand), due to a greater number of firms in the latter group. This measure was also relatively high for most profitable firms in South Florida (\$160 thousand), indicating the importance of adequate capital investment in growing space.