



# Franchise Information Report



FLOOR COVERINGS  
*international*<sup>®</sup>





# FLOOR COVERINGS *international*<sup>®</sup>

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# WHO IS FLOOR COVERINGS INTERNATIONAL?

## Our Story

We pose a question to our customers: Doesn't it make more sense to choose the flooring you'll have in your home at home? At Floor Coverings International, we wholeheartedly believe that's the best way to choose home updates. We've made it our purpose to prioritize ease and convenience for our customers — unlike big-box retailers.

It's that kind of approach that has led us to disrupting a \$48 billion industry, something we've been doing since we started franchising in 1989.

Purchasing a floor used to be tedious and time-consuming. Homeowners would have to drive to the store and review thousands of flooring options. They'd get the opportunity to bring home samples, but then they'd have to drive back to return them

to the store and then place their order — and that's if they found something they liked. Never mind having to shop at other retailers if they didn't find the perfect fit at the first store they visited.

If we're being honest, we find that a bit convoluted.

At Floor Coverings International, we took an antiquated model and modernized it. Our franchise locations are completely mobile. We bring thousands of beautiful flooring options right to our customers' homes instead of making them come to us.

With more than 200 locations across North America, we're on the move to expand even further and we're seeking the right franchise partners to join us.

*"Our business model is more relevant than ever," says Tom Wood, CEO of Floor Coverings International. "The industry is highly fragmented – and it's dominated by retail stores. After the recent pandemic, who wants to go to a retail store and stand under those uncomfortable fluorescent lights? Not to mention, if you go to a place like Home Depot, you're going to make multiple trips. We just have to show up to their driveway. We make buying custom flooring a really convenient, fun and easy thing for a homeowner to do because we're bringing the retail experience to their doorstep. With us, there's a much higher likelihood of customer satisfaction, which is a tremendous advantage for our franchise owners."*

## WHY OUR FRANCHISE

### Here's What Makes Floor Coverings International a Great Opportunity

#### Our Mobile Showroom is Unique

Our revolutionary business model has earned us the highest NET Promoter Score in our industry. We scored at 82, while the industry average is only 38. We're committed to providing superior customer service — and happy customers mean more business for our owners.

You and the team of experts behind you at Floor Coverings International will be able to guide customers through the process of selecting their new floors, putting them at ease and making them feel confident in their choices.

#### The Market is Poised for Growth

As the demand in home renovation projects continues to rise, one of the first home improvement projects homeowners focus on are floors. In the coming years, industry trends predict that homeowners will spend more money on home improvement projects — creating a huge

opportunity for our brand and franchise owners.

In a survey conducted by the National Association of the Remodeling Industry (NARI), flooring is one of the top ways to add value to a home. According to the survey findings, new wood flooring can help homeowners earn back, in increased home value, 106% of what they spent in renovations.



*"Our industry has a huge opportunity," Wood says. "We have a defined market niche that we grow every year and we can grow as fast as the franchisee wants to. The thing I love about this industry is that it's simple, you always have a renewable customer base, and with our brand, you have a business model that's more relevant than ever before. We expect to grow four or five times larger than we are in the coming years."*





## We Offer a Two-Year Training Program

You don't need industry experience to be a successful flooring business owner. At Floor Coverings International we take franchisee education to the next level and will teach you everything you need to know about our renovation franchise.

We have decades of experience in this industry. Our training and support program extends through the entire time you own a Floor Coverings International franchise. We're committed to making sure you're on the right path to owning a strong business.

Our team of franchising professionals will support you in developing a business plan, accessing industry-leading products, learning our software, and understanding important business metrics. You'll also receive ongoing marketing, sales, and business development support and training.

*"We take the investment our franchise owners make incredibly seriously. We know that our role as a franchisor means that we have to deliver a business model that is capable of strong growth and profit potential, as well as ongoing training and support that will help our franchise owners prosper over the long-term. We've worked hard to develop a training platform that is truly effective, and by taking out the guesswork involved with owning a business, our franchise owners are flourishing." — Tom Wood, CEO of Floor Coverings International*

## You'll Have Room to Grow

We offer franchisees large, protected territories that amount to over \$40 million worth of residential flooring potential. With our model, you don't need to own multiple units to build a multi-million dollar business. We give you the space to grow — you just need to heed our training and have the drive to make sales!



# FLOOR COVERINGS INTERNATIONAL IS THE FUTURE OF FLOORING

## Our Model Anticipates Industry Trends

While retail isn't necessarily dying, it's definitely evolving. In the age of online shopping, consumers can scroll to find just about anything they want. That's why our business model is critical; we've been ahead of the curve for years now.

## Our Business Model Fits Modern Day Consumerism

In our effort to revolutionize the flooring industry, we pioneered the concept of a mobile showroom. Our franchise owners have company-branded vans stocked with over 3,000 different flooring options including hardwood, carpet, luxury vinyl, laminate, natural stone and tile, specialty flooring, and eco-flooring, to name a few.

We consult customers on the design of their space and help them choose the best flooring for their needs and aesthetic. All of our products are tested for quality assurance, and we're constantly keeping our materials up to date with the latest trends.

*"We are to the flooring industry what Amazon is to retail. By bringing our consumer an experience that isn't available in the rest of the flooring industry, and by being client-focused, we deliver much higher rates of customer satisfaction across the board." — Albert Hermans, Sr. Director of Franchise Development with Floor Coverings International*





Consumer Convenience is Paramount

We’ve been prioritizing customer convenience since our start in 1989. In addition to our mobile showroom concept, we also make the process of installation easy. Our franchise owners manage their own relationships with contractors. Once the homeowner makes their flooring selection, our franchisees can have the materials ready in days — taking the stress off of our customers.

*“Homeowners are looking for convenience and value, and they reward us for delivering it. Our ability to disrupt the flooring industry by bringing the flooring directly to the customer is exactly why our franchise will continue to grow over the coming years. This is the right opportunity at exactly the right time.” — Tom Wood, CEO of Floor Coverings International*

HOW MUCH DOES IT COST?

What it Takes to Start a Floor Coverings International Franchise

Floor Coverings International has one of the most affordable opportunities in the \$450 billion home remodeling industry, with lower franchise expenses than many of our competitors. In the table below, you’ll see a full breakdown of the startup fees and costs.



Item 7 from our most recent Franchise Disclosure Document:

Expenditure	Standard Fee
Initial Franchise Fee	\$50,000
Territory Fee	\$40,000
Inspirenet Mobile Software	\$7,500
Software Access Fee (2 months)	\$400 - \$600
Training Related Expenses	\$3,000 - \$5,000
Opening Package	\$35,000 - \$45,000
Personnel / Staffing	\$0 - \$5,000
Initial Advertising Expenses	\$40,000 - \$60,000
Insurance Liability / Vehicle	\$1,500 - \$6,000 per year
Miscellaneous Opening Costs	\$2,000 - \$5,000
FCI Vehicle	\$1,000
Office Equipment	\$1,000 - \$5,000
Real Estate and Improvements	\$0 - \$5,000
Additional Startup Funds	\$10,000 - \$25,000
Total	\$151,400 - \$220,100





## UNDERSTANDING YOUR PROFIT POTENTIAL WITH FLOOR COVERINGS INTERNATIONAL

**So, How Much Money Can You Make?  
We've Got Some Info for You.**

Floor Coverings International has a tried-and-true model that allows franchise owners to experience immense growth within their territory — potentially resulting in a multi-million dollar business. Our mobile showroom concept sets us apart from the already lucrative flooring industry. Offering high-quality products and exceptional customer service, we build trust with our consumers.

Relationships matter, especially in business. In addition to the marketing you'll receive, a huge part of growing your customer base is through word-of-mouth. When you become a person customers can trust, they'll not only reward you with their business but with recommendations as well.

### Strength in Numbers

Floor Coverings International has incredible relationships with suppliers and can therefore get franchisees great rates on their materials. Our buying power puts us in the top 10% of suppliers. Bigger profit margins can amplify the revenue opportunities.

Individual business owners can't obtain the margins our franchisees can, and that simply comes down to buying power.





## Show Me the Money

Pulled directly from Item 19 in our Franchise Disclosure Document (FDD), here's a breakdown of how much franchise owners reported making in 2021.

Group	Avg. Gross Revenue Produced	Avg. Gross Revenue Landed	Leads	Proposals	Avg. Job Size	Gross Margin
Top 10%	\$2,912,185	\$3,277,222	1,157	790	\$7,138	46%
Top 25%	\$2,098,653	\$2,364,723	1,205	660	\$7,668	45%
Top 50%	\$1,636,720	\$1,820,688	1,130	561	\$7,516	45%
All Reporting Franchisees	\$1,151,282	\$1,282,642	874	421	\$7,423	45%

\*See the Financial Performance Representation in Item 19 of our current Franchise Disclosure Document. The average is of the 102 US franchises for the 2021 calendar year that were open and operating for more than 24 months as of December 31, 2021, and for whom we have complete data. 35, or 34%, of the 102 US franchisees met or exceeded this average. Some franchises have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.



# OUR TRAINING AND SUPPORT PROGRAM AT FLOOR COVERINGS INTERNATIONAL

## We're with You Every Step of the Way

Our franchise support program starts the moment you sign with Floor Coverings International and runs throughout the lifetime of your franchise agreement with us. With one of the most involved training and support programs in the industry, we're fully committed to your success.

*"Our corporate team is entirely focused on helping our franchise owners succeed in business. Our training program focuses primarily on the first two years because this is the most crucial timeframe in the lifespan of a business — and we really do cover every single aspect, from business plans, marketing support, and sales process to technology, product installation, business development, and more. This is thorough, comprehensive support that is designed to help franchise owners grow, and judging from how well our franchise owners do in their markets, our efforts are truly paying off." — Alan Dickherber, VP of Franchise Development with Floor Coverings International*

### Pre-Training: Six Weeks

These first six weeks will be completed at home. We'll provide you a checklist of action items to be accomplished, including obtaining your business license, completing our digital training, setting up your mobile showroom, and securing an office space. We'll regularly have calls with you to make sure you're hitting deadlines and answer all your questions.



### Training at Headquarters: Five Days

After the first six weeks are complete, you'll come to our headquarters in Atlanta for five days of in-person training with members of our team. While you're here, you will:

- Partake in role-playing scenarios to understand our sales process
- Develop two-year and five-year business plans in addition to a 10-year vision plan
- Receive CRM and marketing training
- Ride along for actual appointments

Your business will already be booking appointments during the five days you're training with us. Once you're back home, your business will have launched!



## On-the-Job Franchise Support

Our franchisees have complete support from their Franchise Business Coaches. Floor Coverings International franchisees practically become best friends with their support team and regularly have one-on-one calls to ensure their questions are answered as they run their business.

## Headquarters Training 2.0: 90 Days In

After your first three months, you'll make a visit back to our headquarters in Atlanta for additional training. With three months under your belt, we'll be able to pinpoint what's going well and any areas that need improvement.

## Employee Management Training

At this point, you'll have hired your first design associate! To ensure your business continues to grow smoothly, our Sales Leadership training will teach you how to manage your new employee.

## Weekly "CEO" Call

As a Floor Coverings International franchisee, you are the CEO of your business. To help strengthen your skills as a Chief Officer, we host a weekly call where we determine your focus for the week and discuss how to stay on target with meeting your business plan goals.

## Ongoing Franchise Marketing Support

You don't have to be a marketing professional to promote your business. An advantage of joining our franchise is that we provide marketing support by:

- Helping you build your own website with full SEO support
- Aiding in the setup of your social media accounts
- Developing lead-generation campaigns to help you garner customers in your area

## Customer Relationship Management Platform

Our CRM keeps your operations streamlined. You'll be able to deliver on-the-spot quotes, keep track of jobs, and see performance metrics for your location as well as the overall franchise system.

*"We've been growing every year we've been in business. The value that we bring to our customers is far beyond anything else that's offered in the industry. Most people can't afford to hire a personal designer to come to their home, but they can afford to hire us to help make a decision on the perfect flooring option. This is a business where how well you do is up to you — and if you have a love for helping people, have a drive to succeed and have a competitive edge, the sky's the limit." — Jon Cayton, owner of the Floor Coverings International franchise in Boise, Idaho*



# WE VALUE OUR COMMUNITIES

## Our Mission is to Always Give Back

At Floor Coverings International, we believe it's important to give back to the communities we serve. Our business model is built on relationships — beyond the ones with our customers.

*"At Floor Coverings International, community doesn't just mean the neighborhood you live in. It includes the areas in which you work, play, and encourage your family, friends, and neighbors to thrive." — Tom Wood, CEO, Floor Coverings International*

For many years we have donated time, money, and talent to charities like St. Jude Children's Research Hospital. Through one of our supplier partnerships, we donated over \$60,000 to St. Jude in just the last year. We're incredibly proud of the work we've been able to do, not just for St. Jude, but for all of the organizations we support.

What we value most is that our franchisees align with our culture of giving back. Many of them support their local charities and organizations. At Floor Coverings International, we have a Volunteer Week. During this annual event, we give our teams four hours of PTO so they can volunteer at the organization of their choice in their community.

"Our commitment to community involvement captures the essence of who we are," says Tom Wood. "We believe that by taking social responsibility, we can encourage others to pay it forward. In turn, we can help create involved communities that work together to achieve the greater good for all."



## FLOOR COVERINGS INTERNATIONAL FRANCHISE FAQs

### Answers to Some of the More Popular Questions Candidates Ask



#### What is Floor Coverings International franchise?

We are a disruptor in the \$48 billion residential flooring industry. Instead of having our customers come to us, we bring thousands of beautiful flooring options to them directly with our mobile showroom. We help customers find the perfect product for them right where they will be using it most: in their homes.

We provide a fun, low-overhead, creative business concept for entrepreneurs excited about helping others with their home remodeling projects.



#### How Much Does It Cost to Start a Franchise?

The total investment cost ranges from \$161,400 to \$230,100. This includes your franchise fee, startup costs, working capital, and our marketing services to help you start generating leads.





## How Much Money Can I Make?

We cannot make any guarantees about profits and earnings. However, we do invite you to review Item 19 of our FDD to understand how our franchise locations did last year. Our top-performing franchisees booked an average of \$3.2 million in gross annual revenue in 2021.



## How Much is the Franchise Fee? What Do I Get for It?

Floor Coverings International requires a \$30,000 franchise fee and a \$35,000 territory fee. With the payment of these fees, you'll have access to a proven business model and receive hands-on support, ongoing training, marketing support, solid leadership, and a team that'll help you get your mobile showroom ready for customers.



## What are the Financial Requirements?

We require our franchise owners to have a net worth of \$200,000 and \$50,000 in liquid assets.



## Do You Offer Financing?

While we do offer financing to cover up to \$20,000 of our \$30,000 franchise fee for those who qualify, we do not have additional in-house financing to cover the full cost of your investment. We do, however, have partnerships with third-party vendors who can assist you in securing the funding you need to start your business.



## Do I Need Experience in the Flooring Industry?

Not at all! Many of our franchisees have a background in business, marketing, or sales. Our franchise opportunity is for anyone who desires to be their own CEO and build a multi-million dollar business.







### **What Kind of Training and Support Will I Receive?**

Our comprehensive training includes six weeks of pre-training, five days at headquarters, field training, sales leadership training, and marketing support. We also provide additional training for the lifetime of your agreement with us.



### **How Long Does It Take to Open My Location?**

You can have your business open and operational in as little as 60 days from signing!



### **Is This Opportunity Scalable?**

Absolutely! We've built our business model with the goal of empowering franchisees to grow within their territories. Our owners are able to capitalize on the custom flooring segment within a booming industry.



### **Is There a Military Discount?**

Yes! We are proud to offer a 10% discount on our franchise fee for all qualified military veterans. At Floor Coverings International, we thank you for your service!







## NEXT STEPS

**Ready to invest in Floor Coverings International franchise?**

**Get Started Today!**

One of our representatives will schedule a short, introductory call to learn more about you, discuss the opportunity, and answer any initial questions you may have. Once we've determined that you're a good fit for our franchise, as well as financially qualified, we'll set up a virtual Discovery Day. You'll be able to meet our leadership team, learn about our franchise investment, and have all your remaining questions answered before signing our franchise agreement.

After you sign, you'll immediately be part of the Floor Coverings International franchise family! We'll provide you with the support, resources, and training to get you started. We'll also get your in-person training at our headquarters on the calendar, as well as set up your virtual training to complete at home.

In the beginning days of your business, we'll be entirely focused on helping you get established. We'll walk you through every aspect of launching your business. Once it's open, we provide regular coaching sessions to keep the momentum going. You can be up and running in as little as 60 days after signing.

Thank you for your interest in our franchise opportunity! We look forward to hearing from you and hope you'll join us in our continued expansion across North America.



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To find out more, visit our website  
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or  
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