The Numbers Behind a Flooring Installation Business

A free field guide from Bytell Press. The figures come from our example financial model for a one-crew flooring installation company. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new flooring companies do not fail on the install. They fail because nobody worked out how many jobs a month the business needs before the van and the tools were bought. This guide gives you that arithmetic in two pages.

1. How the work is priced

Flooring is sold by the **square foot installed**. The example model quotes turnkey: material and install for one price.

Category	Model price per square foot	Model gross margin
Luxury vinyl plank and tile	$4.50–$8.00	About 32%
Hardwood, solid and engineered	$8.00–$14.00	About 46% with refinishing
Hardwood sand-and-refinish	$3.00–$8.00	About 46% with hardwood
Tile and stone	$10.00–$20.00	About 43%
Carpet, including pad	$3.00–$6.00	About 28%
Blended across the mix	**About $5,000 per job**	**About 38%**

Vinyl and carpet fill the schedule; refinishing and tile carry the margin. On the same 800 square foot vinyl job, the model shows about $450 of gross profit on a $1,600 labor-only install, and about $1,700 on a $5,600 turnkey job.

2. What it costs to open

The example model opens on **$70,000**: a $45,000 loan plus $25,000 of owner cash.

Use of funds	Amount
Used work van and enclosed trailer	$18,000–$25,000
Install-and-refinish tool kit	$8,000–$15,000
Samples, displays and starting inventory	$3,000–$6,000
First-year insurance and fees	$3,000–$6,000
Branding, website and first marketing	$3,000–$5,000
Working-capital reserve	$10,000–$15,000

Do not cut the last line. The reserve is what pays the supplier for material before the customer has paid you.

3. What it costs to stay open

The model carries about **$11,470 a month** whether or not a single floor goes down. Crew labor and materials are not included; they are already taken out of the margin.

Monthly fixed cost	Amount
Fixed overhead (insurance, tool allowance, software, staging space, phone, accounting)	$4,500
Loan payment	$970
Owner draw	$6,000
Total	**$11,470**

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ margin.

The model's gross margin is 38%, but two more costs move with every sale: card processing at about 1.5% of revenue and marketing at about 5%. Take those off and the margin that pays the fixed costs is 38% – 1.5% – 5% = **31.5%**.

With the model's numbers: $11,470 ÷ 0.315 = about **$36,400 a month**. At $5,000 a job, that is **7 to 8 jobs a month** before the business earns anything beyond the owner's draw. Without the draw, overhead and the loan are covered at $5,470 ÷ 0.315 = about $17,400 a month. Recalculate both every time a price or a cost changes.

5. Plan for the ramp before it starts

A new crew does not open at full volume. The model starts at about $16,000 a month and takes eight months to reach a steady $52,000, which is ten to eleven jobs.

Point in the ramp	Monthly revenue	Against the $36,400 break-even
Launch month	About $16,000	Below
Around month five to six	About $36,400	Even
Steady state, after month eight	About $52,000	Above

The owner draw is not fully covered for the first several months. That gap, plus material bought ahead of customer payments, is what the reserve is for. The model takes a deposit on 100% of jobs before any material is ordered.

6. Your numbers

Fill this in with quotes from your own market before you spend anything.

Question	Model	Yours
Average job size in dollars	$5,000	_____
Gross margin after materials and crew labor	38%	_____
Margin after card fees and marketing	31.5%	_____
Monthly fixed costs, including your draw	$11,470	_____
Break-even revenue (fixed costs ÷ margin)	$36,400	_____
Jobs a month to break even	7–8	_____
Working-capital reserve in dollars	$10,000–$15,000	_____

If your break-even needs more jobs than one crew can install in a month, fix the plan before you buy the van: quote turnkey instead of labor-only, add more refinishing and tile to the mix, or cut a fixed cost.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for a flooring installation company.

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