

Open your own home store!

FabJob Guide to
**Become a
Home Décor
Store Owner**



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1. Introduction

Congratulations on taking the first step towards opening your own home décor store. As a home décor store owner, your days will be filled with beautiful products, inspiring projects, and people who appreciate fine merchandise. Within these pages you will discover what you need to know to about this exciting and rewarding business.

When you open a home décor store, you will have the opportunity to create a successful business providing beautiful and functional items for the home. You likely are already familiar with home décor products and have shopped in home décor stores. You may even have worked in a store selling products for the home. But while it can be fun to shop or work in home décor stores, nothing quite compares to the rewards of having your own successful store.

Among the benefits of opening your own home décor store is being able to choose the products you will sell. You might choose to fill your store with home accessories, furnishings, or other household items – from art to accent furniture, candles to cabinets, linens to lamps, pillows to paintings, rugs to racks, shower curtains to chandeliers, and more. You might choose to offer items for the entire home or specialize in products for a

particular area of the home, such as the bedroom, bathroom, kitchen, or garden. You might also choose to increase your income by offering other items that almost every homeowner needs, such as hardware or holiday decorations.

No matter what you choose to sell, your store will be an expression of your creative spirit and business savvy. You can create a beautiful place that you are proud to call your own.

1.1 The Home Décor Industry

The number of home décor retailers in North America grew significantly in the late 20th century, a trend which continued into the early 2000's. As *Entrepreneur* reported, market research firm CentrisPoint found the top performing stores in the U.S. home décor sector in 2007 had an average of seven employees and earned an average of nearly \$852,000, an increase of 125% in revenues in the five years since 2002.

In Canada, one out of every \$10 that consumers spend on retail goes toward improving their home, an amount that has doubled every 10 years for the past two decades. In 2007, home furnishings stores were the fastest growing retail sector in Canada, with sales reaching \$6 billion, an increase of 12.2% over the previous year according to Statistics Canada. "The home décor sector in Canada is most definitely thriving. It's a very strong industry," said Michael McLarney, managing director of the North American Retail Hardware Association in Canada, in late 2008.

Reasons for Industry Growth

Two trends in North American society have contributed to the growth of the home décor industry: cocooning and empty-nesting. "Cocooning" is a trend identified by Faith Popcorn, who is considered by publications such as *Fortune* and the *New York Times* to be America's foremost trend expert. Cocooning is the tendency in modern society for people to spend more time at home, secluded from the outside world. Their homes become havens from their hectic daily lives outside of the home, and a major part of that process is creating a comfortable, enjoyable interior atmosphere using, among other things, home décor products.

The “empty nest” is largely a product of the Baby Boomer era. As the Boomers, numbering some 76 million in the U.S., are now in their forties, fifties, and sixties, many of them no longer have children at home. This means that many now have the time, money and inclination to remodel their interior spaces, creating a demand for home décor retailers. Michael McLarney says, “There’s a trend, a movement really, towards making the home a showcase. People used to change their kitchen every 25 years. Now they’re doing it every five or eight years.”

Today, many people view their homes as a reflection of their personalities. Home décor products allow people to express that individuality. The growth of décor-related television shows and magazines has also contributed to an interest among the public in beautifying their living spaces and expressing their identities through their décor. With this level of interest among the public, home décor retail promises to be a lucrative, growing industry sector in the future.

Impact of Economic Downturn

Not surprisingly, the current economic downturn that has affected most industries has also had an impact on the U.S. home décor industry. An October 7, 2007 article in *USA Today* titled “Mortgage slump hits home décor industry” quoted John Gabriel, a financial analyst with research firm Morningstar, Inc., predicting that “the housing downturn is going to lead to a weeding out of the weaker players” in the home décor manufacturing industry.

Among those that have been affected by the economy are a number of large home décor retail chains. Bombay Company closed all 384 of its U.S. stores in 2008, while retailers that had to close underperforming stores as a result of the economic downturn in 2008 and 2009 included Ethan Allan, Home Depot, Kirkland’s, Linens ‘n Things, and Pier 1.

Yet a number of business experts feel this is an ideal time to start a business, and not just because there is less competition from major retailers. According to Roger Goff, a partner with the Los Angeles office of Wolf, Rifkin, Shapiro, Schulman & Rabkin LLP, a law firm with clients ranging from local start-ups to Fortune 500 companies and global corporations, “During an economic downturn can actually be an excellent time to start your own business. Start up costs, including real estate and advertising, are typically very cheap.”

“It may be counter-intuitive, but if someone has the desire to be an entrepreneur, they should consider jumping in during challenging financial times,” adds Goff. “Then when the economy begins to improve, they will catch the growth wave.” Likewise, Gabriel stated in *USA Today*, “When things come back, that’s going to leave a larger furniture market for some of the stronger players.”

In Canada, the home décor sector “remains a very strong industry despite the recent downturn in the economy,” according to Michael McLarney, managing director of the North American Retail Hardware Association in Canada. “So if you have a business that offers products for the home—pieces of furniture, décor accents, that sort of thing—then you’ll be in a really good place to prosper.”

1.2 Benefits of Being a Home Décor Store Owner

A Beautiful Environment

If you’re the type of person who loves to browse through home décor stores, whether large ones like Pottery Barn or small local shops, you will appreciate the beauty of the environment you will be working in. Imagine being surrounded by almost anything you love for enhancing the home. From bed linens, to kitchen and bath accessories, to wall décor, you can bring many kinds of beautiful products into your own store.

Being Your Own Boss

“The number one benefit to owning a retail store is just that – you are the owner. You make the decisions, you benefit from profits, you get the glory.”

— Deb Dusenberry, owner of Curious Sofa,
Kansas City

Many people cite “freedom” – independence and the ability to make their own decisions – as a very rewarding aspect of owning their own stores. You have probably imagined what it will be like to be your own boss as owner of a home décor store. When you’re the owner of a home décor store, you will decide what your store will look like as well as

what merchandise you'll carry. You will set the policies and plan the direction of your business.

Opportunity to Travel

Another reward of owning a home décor store is being able to support a lifestyle of exploration and travel. You may travel to visit industry trade shows and markets around the country, seeking out new home décor products to add to your inventory. Maybe you'll even travel overseas, representing yourself to home décor manufacturers in other countries. If your trips are deductible as business-related expenses, you may travel to places you might not otherwise be able to visit and you may be able to combine business travel with personal vacation time.

Income Potential

You can make a very good living selling home décor products. As we mentioned earlier, some home décor store owners earn hundreds of thousands of dollars a year. According to *Entrepreneur*, the national average in 2007 was over \$300,000. As a home décor retailer, you have the potential to make that kind of money, too.

Of course, this kind of reward is always preceded by some hard work. But if you are dedicated, success can come. This guide is designed to help you in all aspects of starting up your business and helping you avoid costly mistakes as you head toward your dream of financial independence.

Creativity

"I love being creative and I get to be as creative as I want during the day. I can change a display if I feel like it. I can sit at the drafting table and design a kitchen, or I could price some merchandise. I don't want to do the same thing every day. I want every day to be a surprise."

— Heather Draper, co-owner of Bespoke,
Victoria, B.C.

Most home décor store owners are naturally creative people. Their creativity is evident in the way they bring together all the different elements of interior style and design to produce a beautiful, harmonious

interior space in their own homes. If you are one of these interior decorating naturals, you will appreciate having a commercial outlet for your creativity.

Helping People

In addition to having an outlet for your own creativity you will be in a position to help other people express their unique decorating visions for their own homes. You will be advising and guiding others through the process of creating a individualized design theme or concept. You'll help them decide on the patterns, textures, and colors they'll use to bring it all together, and show them how to enhance their choices with accessories and home furnishings that they will enjoy for years to come. In short, you will be the "go to" person for advice about everything home décor.

"People come in here, look at the items, admit they can live without them but then explain that the item just simply makes them smile, makes them happy, or makes them feel good by thinking of how happy it will make the person they've bought it for."

— Alex Aldama, owner of Fuego 718,
Brooklyn, New York

1.3 Inside This Guide

The *FabJob Guide to Become a Home Décor Store Owner* is organized to help take you step-by-step through what you need know to open and operate your own store. The chapters are organized as follows:

Chapter 2 ("*Getting Ready*") explains how to develop the skills and knowledge you will need to open and run a successful home décor store. It covers ways of learning more about the industry from established store owners and through self-study. You will also discover additional resources for learning what you need to know about the home décor business.

Chapter 3 ("*Starting Your Home Décor Business*") will help you decide what kind of niche you want to pursue with your store. This chapter discusses different approaches to selling home décor and guides you through the process of buying an established home décor store, oper-

ating a franchise, or opening a new store. It also explains various legal matters, how to write a business plan (including a sample business plan), and explores the options of start-up financing available to you.

Chapter 4 (*“Setting Up Your Home Décor Store”*) offers information on how to physically set up your store space so you can be ready for opening day. It gives advice on how to choose a location, select inventory for your business, arrange displays and discusses the types of fixtures and supplies you will need.

Chapter 5 (*“Running Your Home Décor Store”*) takes you into the day-to-day challenges of running your store once it is open for business. Here you can learn how to create a procedures manual, how to price your merchandise, financial management concepts for you business, and how to hire staff.

Chapter 6 (*“Getting and Keeping Customers”*) describes ways to effectively market your home décor store– including publicity, special events such as your grand opening, and networking–to attract customers. Then, it explains how to sell to those customers, and keep them coming back so your home décor store will prosper.

By following the steps in this guide, you will be on your way to living your dream of opening your own home décor store.