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Franchise Introduction

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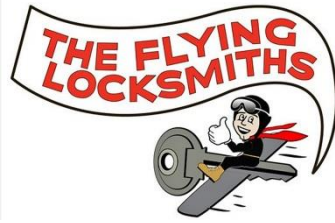
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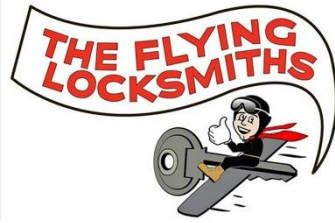
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This advertisement is not an offering. An offering can only be made by a prospectus filed first with the Department of Law of the State of New York. Such filing does not constitute approval by the Department of Law.

Minnesota Franchise Registration #F-7577



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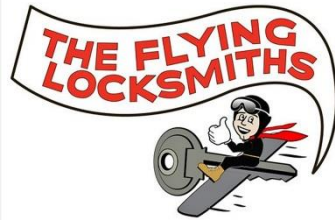
Flying Locksmiths is a very unique franchise opportunity.

If you are tired of looking at sandwich shops, cleaning services and senior care, this could be the one for you!

The Flying Locksmith's (TFL) is a white collar business management franchise opportunity in an industry that has been fragmented for decades with "Mom & Pop" operators.

We are seeking franchise partners looking to scale a business and manage a business, versus working in the field.

The mission of the company is simple: provide top of the line security products and services, utilizing the latest technologies, while staying true to family values.



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We have been in business in the challenging Boston market for over 70 years!

Years of locksmith experience and business education are two of the main components that create the framework of The Flying Locksmiths leadership team.

What started as a small business operated out of a Jeep with one key machine in 1946 has turned into the most respected Locksmith Services company in Boston, with annual revenues over \$1,900,000.

There are now 3 generations of the family involved in every aspect of the operation. The combination of generations has created a blend of old school ideals and new age tech, resulting in a mix that offers the newest products with a friendly neighborly smile.



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We have accounts with some of the best known companies in the U.S.

- Costco, Coca-Cola, Hyatt Hotels, FedEx, Starbuck, Dunkin Donuts, Sears, Lowe's, Hyatt, Wal-Mart, TJ Maxx, McDonald's, Bank of America, Gentle Dental, Colliers International, KinderCare, Sunrise Senior Living and Bright Horizons.
- 90% of the revenue comes from work in the commercial sector!
- The Locksmith industry in the U.S. generates \$2 billion of revenue annually. The door system market is over \$35 billion annually.



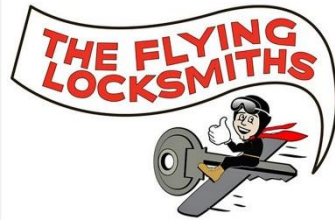
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Customer Testimonials:

- My company is highly regulated by the TSA and must be kept completely secure at all times. We utilize the expertise of the flying locksmiths to establish our highly secured warehouse and distribution center. I would highly recommend them to anybody seeking a secure environment for their business or their home.
- The flying locksmiths installed the hardware for all the doors at my brother's keeper when we built our new facility in 2002. We're as satisfied with the flying locksmiths, as we were nine years ago. Thanks for a great job!
- Incredibly courteous, trustworthy, and quick. I had to go twice to have automotive keys copied and programmed — and what would normally be a hassle was actually a fun experience. And their fees are very reasonable for locksmiths in Boston. In the future I'll go nowhere else.



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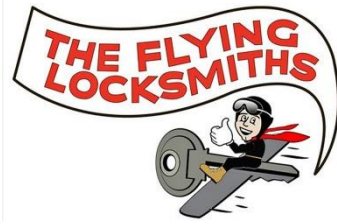
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Revenue From Multiple Products and Services

Card Access & Keypads
Exit Devices / Crash Bars
Intercom Systems
High Security Keys & Locks
Electric Strikes
Master Key Systems
Lock Rekeying
House Keys

Deadbolts
Door Closers
Padlocks
File Cabinet Keys & Locks
Security Vault Installation
Chip Keys
Key by VIN
Door Repairs and Hinges
Door Alarms

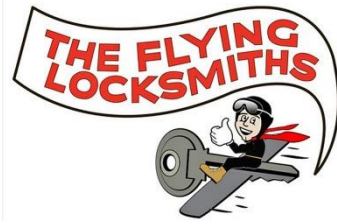


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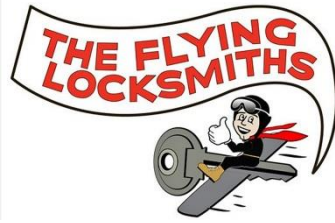


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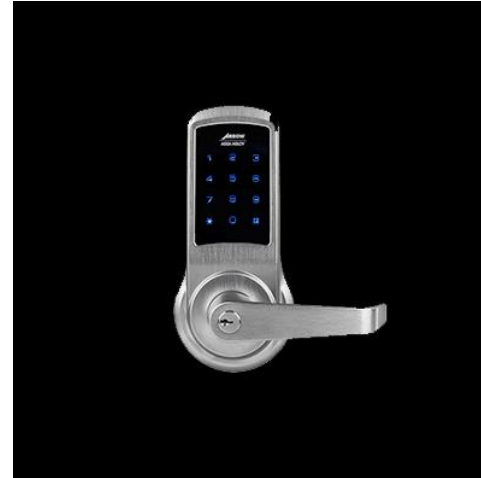


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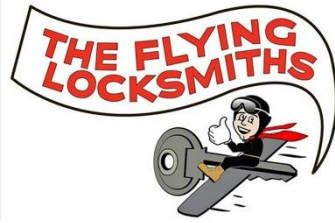
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New Technology!



As high tech locksmiths we have sold and installed thousands of Arrow locks over the past 70 years but Arrow has never had a lock like this before. Lock meets iPod! The New Arrow Revolution stand alone touchscreen lock combines the functional elements of a cylindrical lockset with the latest technological designed for electronic aesthetic. This new lock combines easy installation with very attractive and futuristic styling.

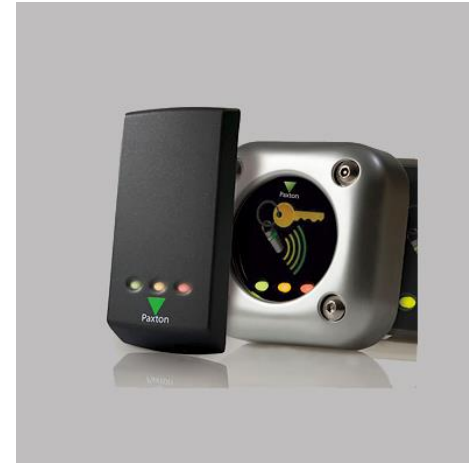


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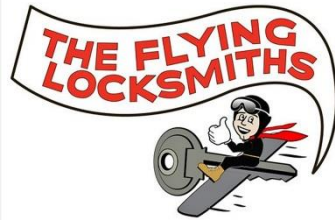
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New Technology!



Paxton Access specializes in the manufacture of access control systems. Access control provides security by giving flexible control over who is allowed to enter a building and when. The systems we manufacture will keep your buildings, staff and assets secure. From one door up to hundreds of doors across multiple sites, we have a solution to suit your needs. Choosing high tech locksmiths to install this system is always a wise decision.



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Partial List of Customer Segments:

Property Managers

Security Integrators

Commercial Service Companies

Multiple Site Retail

Contractors

Realtors

School Systems

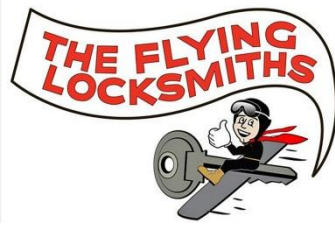
Restaurants

Gas & Electric Providers

Day Care Centers

Assisted Living Centers

Healthcare Providers



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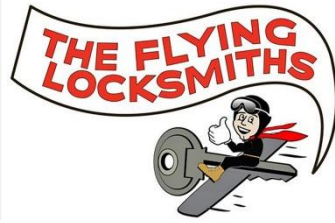
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Financial Performance from our FDD!

	Revenue	*Adjusted Net Profit as if a franchise unit
2016	\$1,966,263.45	\$512,472.60
2015	\$1,746,452.00	\$488,094.00
2014	\$1,621,157.00	\$441,210.88
2013	\$1,371,292.00	\$434,679.76
2012	\$1,110,270.00	\$450,449.60
Five Year Total	\$7,815,434.45	\$2,326,906.84
Five Year Avg.	\$1,563,086.89	\$465,381.37

* *This column represents the Net Profit of the outlet being reported upon, less 12% removed for 8% franchise royalty and 4% call center fee.



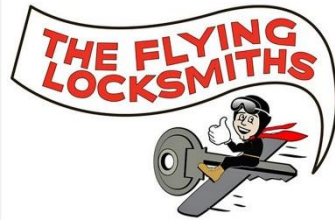
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Every business owner has to wear many hats, but here are some of the major responsibilities you'll have as a TFL owner:

1. Sales & Marketing.
2. Support the field technicians.
3. Customer satisfaction.
4. Manage financial aspects of the business - accounts receivable and accounts payable.
5. Human resources – payroll and other tasks related to employees.
6. Assist with estimates, especially for larger jobs.
7. Manage inventory.



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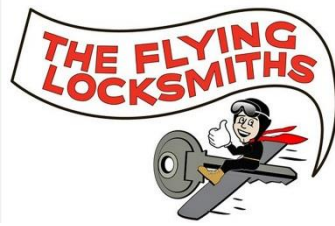
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Franchise Fees and Territories:

The minimum franchise fee is \$60,000 for a territory of 500,000 people. Larger territories are available. Total investment will typically range from \$165,000-\$265,000.

Franchisee Requirements:

- **The business professional looking for a ‘white-collar’ business in a ‘blue-collar’ sector!**
- **Business management and marketing skills are also key.**
- **Understanding the “Marketing” and “Networking’ portion of our business is critical.**
- **\$90,000 in liquid assets**
- **\$150,000 net worth**
- **Good credit rating**



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Site Criteria

- **200-300 square feet of office space for admin and parts inventory storage.**
- **Trade Area: Urban areas with dense population. Minimum territory size 500k people and 15k businesses.**

Training:

- **1 week at Corporate location, 1 week at franchisee location. We cover all of the operational and technical aspects of operating the business.**

Financing:

- **SBA Express**
- **FranFund Select**



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FAQs

q) What size building do I need for the office?

a) should be between 200 and 300 sq. ft.

q) How many people will I need to hire?

a) Most likely you'll start with 1 technician and 1 sales/marketing person.

q) Will you help me find the right people?

a) We will give you profiles for the type of people you need to hire. We have a full section covering staffing in the operations manual. There are job descriptions, roles & responsibilities and even sample employments ads. We even assist with interviews.

q) What are the standard hours of operation?

a) Monday - Friday. 8:00am to 5:00pm - After Hours Emergency Service



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FAQs

q) What does it take to be a successful franchise partner?

a) ideally, we are looking for individuals who have experience in the business world and who know what it takes to be successful.

This will include the following:

- 1. Business to business networking.**
- 2. an entrepreneurial spirit and strong desire to work hard and achieve results.**
- 3. someone who wants to be part of a franchise team.**
- 4. ability to manage finances including an understanding of business financial statements.**
- 5. a commitment to personally manage and be responsible for the day-to-day operations of the business.**
- 6. willingness to train and become proficient in all aspects of operating a successful Flying Locksmiths business.**
- 7. an acceptable credit history.**
- 8. sufficient assets to invest in and maintain the business**



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FAQs

q) How much of the revenue is service based v. parts?

a) About 60% of revenue is for service and 40% is for parts.

q) How much of the revenue is repeat business?

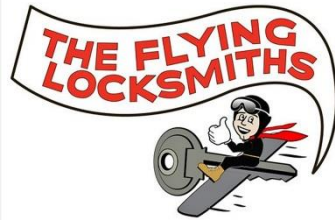
a) About 65% of revenue is from repeat customers.

q) How many jobs will each van do per day?

a) A typical locksmith will make 6-8 calls a day. Occasionally, we have jobs that will require the tech to be there for a week!

q) Is it hard to retain locksmiths?

a) We have very little turnover. Dennis has been with us 25 years, Mark has been here for 20, Gary has been 10 years, Chris has been here 5 and Jake started two years ago. We have a good system in place, and try very hard to keep the guys we train.



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FAQs

q) Are their referral networks in the locksmith industry?

a) We made it a priority a long time ago to work closely with third party vendors. These vendors are calling on behalf of almost all of the popular stores and franchises. For example: Bank of America is not having branch managers call locksmiths. They put a call into a third party vendor called Locknet, who calls the appropriate company. By cultivating these third parties, we have developed very strong relationships. We will inform these companies about a new franchise opening and immediately start getting worked dispatched in the new territory. We now work with 70 of these 3rd parties.

q) What are some of the other relationships to cultivate?

a) We work very closely with maintenance and property managers. Those two completely different roles, will call us multiple times in a week. If franchisees targets either of those two people, work will be guaranteed work for as long as they maintain the relationship.



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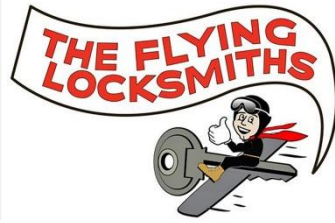
FAQs

q) How are locksmiths typically paid?

a) This will vary from region to region. Our locksmiths are paid hourly. The range is from \$12 for a trainee to \$28 for an experienced technician. They drive the locksmith vans to and from work, which is a popular benefit for the techs. We monitor them with GPS tracking, so they are not used for personal reasons. We also provide uniforms and cell phones. As far as bonuses, they are based on gross sales per technician. The highest grossing technician will usually receive a bonus of up \$2,000 for being the lead tech. We also offer them 50% of the labor portion of any emergency service calls. We have technicians that love doing emergency calls.

q) What is the average revenue per job?

a) They do vary greatly, but an typical job would be \$200 - \$300. There will be jobs that take 3 days and are priced out around \$30,000 for card access systems and exit devices, closers, etc.



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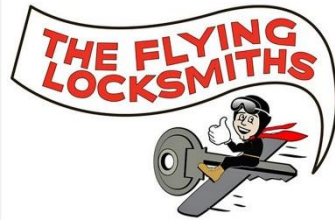
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FAQs

q) If I have a manager handle my marketing and operations, what would their compensation look like?

a) This will vary from region to region and depend on what they are responsible for, but would typically be something like \$50K salary with a bonus based on how much additional revenue they produced for the year. Typically 5% -8% of revenue growth.



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Franchise Award Process

Step one

Complete on-line application. Conduct introduction overview call.

Step two

Receive and review the franchise disclosure document.

Step three

Attend validation calls with current franchisees.

Step four

Schedule discovery day visit and territory mapping webinar.

Step five

Receive franchise approval, begin business launch project.