

CONFIDENTIAL

# Petunia's Pet Clinic

## Test Plan

Prepared on 12th November 2014

**Petunia's Pet Clinic**  
**34 Burnt Street**

**Nunawading VIC**

**3131**

# Executive Summary

## Who we are

Petunia's Pet Clinic is an animal care and grooming facility based in Nunawading, Melbourne. We are committed to providing comprehensive care for pets, consistently high customer service and a fun, clean and enjoyable atmosphere, all at competitive prices.

Petunia Smith is the sole owner and manager of the clinic. She will not be seeking any investment in the business in the near future. The purpose of this business plan is to set out the marketing activities we will pursue over the next 3 years, and lay out a vision for the growth of the business.

## What we sell

We offer a range of services to our clients. These include:

- Overnight care
- Day care
- Wash your own pet
- Pet grooming service
- Pet photographs portraits
- Gift shop
- Special events
- In-home care
- Special requests
- Animal behaviour lessons
- 24 hour service

Our nearest competitors include Give A Dog A Bone kennels and Jungle Jim's pet sanctuary. We have plans to neutralize the threat of each.

## Who we sell to

Around 50% of our client base are individuals from mid-high income households. These clients are primarily female and own cats or dogs. There is also a smaller group who own more exotic animals such as reptiles.

The other half of our customer base is made up of families. Our biggest marketing tool for reaching these potential clients will be word of mouth, with our good reputation and excellent customer service bringing us customers organically.

We will also use a number of paid marketing tactics, including billboard advertising, developing a website, regular radio ads, and a brochure delivery campaign.

## Financial Summary

As stated, Petunia is not looking for any investment in the business at this current stage. The business currently turns a healthy profit, a portion of which Petunia is investing back into the business to fund the company's additional marketing activities.

# Business Information

## Formation date

23rd September 2014

## Business Overview

Petunia's Pet Clinic is an animal care and grooming facility. We are committed to providing comprehensive care for pets, consistently high customer service and a fun, clean and enjoyable atmosphere, all at competitive prices. Our ethos is to create a friendly and creative work environment that values diversity, ideas and hard work.

This is the perfect time for a venture such as Petunia's Pet Clinic. Animals have been playing an increasingly important role in our lives for some years now, and working people are choosing to give them the best life they can.

Families with active pets are looking for ways to improve their animal's lives, as well as give themselves peace of mind – which means busy animal owners are flocking to animal day-care centres all over the country. Some of the services we offer include:

- Overnight care
- Day care
- Wash your own pet
- Pet grooming service
- Pet photographs portraits
- Gift shop
- Special events
- In-home care
- Special requests
- Animal behaviour lessons
- 24 hour service

Owner Petunia Smith has over 23 years' worth of experience working in a fast-paced, customer-service focused industry. She has a grown a reputation for hard work and dedication. Her nephew has recently graduated as a veterinarian from the University of Melbourne and will be joining the team in the spring of year two.

Petunia regularly looks after the pets of friends and family in her spare time, and more often than not has a number of animals living at her home. Colleagues and friends all believe Petunia has what it takes to make this venture successful, and she plans to capitalise on her strong reputation in the field to grow her client base continuously.

What sets Petunia's Pets Clinic apart from the competition is that we can provide all the services above in one convenient location, and we are not limited to providing care for only cats and dogs.

## Management and Staff

Petunia Smith is the CEO and director of Petunia's Pet Clinic. She oversees a team of professionals who care for and look after the animals, as well as managing the business' finances and marketing strategy.

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## Petunia's Pet Clinic

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Her nephew, Robin Smith will join the business in year 2, taking over the role of manager to the staff, freeing up Petunia's time to develop the strategy for the business and increase her marketing activity.

# Ownership and Protection

## Business Structure

Currently Petunia's Pet Clinic does not hold any trademarks or copyrights. However, should the idea for designer animal clothing go ahead, we will seek full ownership of the label name and designs when negotiating with the clothing designer.

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# Products and Services

## Current Products and Services

Petunia's Pet Clinic will set itself apart from its competitors by offering more than just one or two types of service. Having spoken to numerous pet owners, we have come to realise that people want to use a variety of different services for their pets, but are frustrated at having to visit different businesses to do this. Our solution is to bring all those services together under one roof. Services include:

- Massage
- Manicure
- Walking/Exercise
- Grooming
- Training
- Overnight care
- Day care
- Wash your own pet
- Pet photographs portraits
- Gift shop
- Special events
- In-home care
- Special requests
- Animal behaviour lessons
- 24 hour service

The main focus of Petunia's Pet Clinic is day-care and overnight care – however we also offer a depth and breadth of services that are way over and above those provided by our competition. What's more, we offer 24 hour service – a unique concept in the pet care industry.

The business environment is to be clean, friendly and upmarket – somewhere people will feel relaxed and comfortable about leaving their pets. We will offer a number of personal touches to set pet owners mind at rest, including a daily personal report for each animal and the opportunity to Skype their pets.

## Future products and services

Petunia plans to work with a designer to produce a range of animal clothes which can also be sold on the internet and be another stream of income. She will start looking for a designer to work with on the project half way through year two.

# Marketing Plan Overview

## Overview

Petunia's Pet Clinic aims to make sure every customer who visits leaves happy, along with a happy pet. Content clients mean repeat business – our marketing strategy is all about building long-term relationships with people so they return again and again. As such, word of mouth will play a big part in boosting our reputation.

As well as this, we will pay for billboard advertising at a key location in Nunawading and develop our website, along with a Google Ads campaign.

We'll have a regular ad running on the local radio station, and deliver our brochures to hotels, guesthouses, coffee shops, restaurants, vets waiting rooms and other businesses we think our target market may visit often.

## Positioning

Petunia's Pet Clinic is the 'all-under-one-roof' animal care centre. No need to spend hours ferrying your pet from groomer to manicurist to walker – you can drop your furry friend with us and have it all sorted out at once. A clean, friendly environment make us the perfect choice for those who really care about their pets.

## Pricing

Petunia's Pet Clinic will offer prices in line with other similar businesses in the area, with the exception of overnight care which will be slightly more expensive. The logic behind this is that unlike other businesses nearby, we allow clients to book overnight stays on a night-by-night basis.

As our competitors only allow customers to book in blocks of 1 week minimum, we represent the only option for those looking to book short-term stays. Therefore we can set higher prices for this service than we otherwise might be able to.

## Promotion

While much of Petunia's Pet Clinic's marketing will rely on word of mouth and the good reputation of the business, there are some key paid marketing tactics we will employ.

We have secured a large billboard on one of the main roads running through Nunawading which we will use to advertise the business. The design and printing of the billboard ad will cost \$1,200, and the rent for billboard space is a further \$11,000 for the 3 months.

We also plan to have our website up and running. This will cost \$650 to build and a further \$800 a month to run a Google Ads campaign.

In addition, we have arranged an ad package with the local radio station. It will cost \$550 to hire a voice actor to record the ad, and our ads will play in the prime morning breakfast show slot between 8-11 for 3 weeks. The cost of this is \$350 per week.

We have had 500 up-to-date brochures printed explaining our services, at a cost of \$550.

We will deliver these to the business we believe our target market most often visits. These include local coffee shops, guesthouses, vets waiting rooms, and hairdressers.

## Distribution

Petunia's Pet Clinic provides services exclusively in-house. The benefit we offer customers is that they can book a number of services, drop off their pet, and return a few hours later to collect their animal. We also provide all training and behavioural classes on-site in our training yard.



# Market Analysis

## Our Target Market

Petunia's Pet Clinic has two distinct but well-defined target customer groups.

### Mid-high income individuals

Around 50% of our client base will be individuals in the mid-high income bracket. They generally own dogs and cats but there is also a smaller group with more exotic animals such as reptiles. They like to take good care of their pets and can afford luxury treatments like massages, regular haircuts, professional grooming and manicures. They may also leave us in care of their animals overnight while they have weekends or nights away.

### Families

Our second major group is local families. These tend to use our services less often than the high-income individuals. They tend to want the training, behaviour lessons and day-care the most out of all the services we offer.

## Target Market Size

We estimate that there are around 2,500 mid and high income pet-owning households in the Whitehorse area, excluding family homes.

There are also around 5,000 family households in the vicinity which contain at least one pet.

# Competitors

## Competitor Overview

Petunia's Pet Clinic has two direct competitors nearby. Give A Dog A Bone focuses specialises purely in care for dogs, and is primarily a kennels business. It also offers a side-range of services which overlap with those offered by Petunia's Pet Clinic however. These are:

- Grooming
- Training
- Dog walking

Petunia's offers a far greater range of services than Give A Dog A Bone, for a variety of different types of animal. Give A Dog A Bone also prefer their customers to book overnight stays in blocks of no less than a week, which is a weakness we can capitalise on. Many customers only need their pet looked after for a few days – for a long weekend for example, or just for a night away – so we can net this business, which might otherwise have gone to Give A Dog A Bone if they had a more flexible booking policy.

The other main competitor in the area is Jungle Jim's. Jungle Jim's client base is similar to ours in that it provides care for a variety of different animals, not just cats and dogs. It does not offer overnight care however, and it has fewer services than Petunia's.

Jungle Jim's reputation was also damaged by bad press last year, after a fire which killed the majority of the animals there was reported in the local paper. Searching 'Jungle Jim's' in Google brings up this news story first, while Jungle Jim's own website only appears on page 3. As such, any customers searching for the business on the internet are immediately exposed to negative coverage of it.

Petunia's Pet Clinic intend to use Search Engine Optimisation techniques to boost our own internet presence, so that our website appears first when people Google 'Pet care in Nunwading'. Customers will get a positive first impression of us on the internet, in contrast to our competition.

# SWOT Analysis

## Our Strengths

- A team of highly qualified staff, each with specialist skills – Kirsty our dog hairdresser and pet masseuse for example, or Cuthbert, with his 10 years of experience in training animals
- An already strong customer base, with many loyal repeat customers
- A strong business proposition, providing an all-under-one-roof service that is unique in the area

## Our Weaknesses

The location of Petunia's Pet Clinic is not ideal, on a business park a short way from the central shopping strips. The business park can be confusing for people visiting for the first time, and many clients have said they've had difficulty finding the clinic. Ideally Petunia would like to have a more central location that's easier to get to – by the end of year two, if sales and profits are on track as predicted, she will start looking for larger properties in a better location.

## Our Opportunities

There is a growing trend for the affluent to buy their animals clothes – particularly for small 'hand-bag' sized dogs of the sort Paris Hilton made fashionable. This could be a potential avenue to explore – Petunia plans to work with a designer to produce a range of animal clothes which can also be sold on the internet and be another stream of income. Petunia will test the water by asking her current clients if they'd buy such a product, and if it looks like there would be a demand for them, she will look seriously into getting them made.

## Our Potential Threats

There are two other facilities of a similar nature to Petunia's Pet Clinic within a 15 kilometre radius. These will inevitably win some of the trade that could otherwise come Petunia's way. Petunia plans to differentiate her business by emphasising that she provides care for a variety of animals, not just cats and dogs, and she offers overnight care which her competitors do not, as well as trading on the convenience of having numerous services in one place.

# Sales & Cost of Sales Forecast

	Year 1	Year 2	Year 3
<b>Unit Sales</b>			
<b>Price Per Unit</b>			
<b>Sales</b>			
<b>Total Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Direct Cost Per Unit</b>			
<b>Direct Cost</b>			
<b>Total Direct Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Margin</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Gross Margin %</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

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# Cash Flow Statement

	Year 1	Year 2	Year 3
<b>Incoming funds</b>			
Loan received	0	0	0
Drawn on lines of credit	0	0	0
Cash from sales	0	0	0
Accounts receivable remittances	0	0	0
GST recoveries	0	0	0
<b>Total incoming funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Outgoing funds</b>			
Salaries	0	0	0
Employee related expenses	0	0	0
GST remittances	0	0	0
Tax on profits payable	0	0	0
Accounts payable remittances	0	0	0
Additions to fixed assets	0	0	0
Direct Costs	0	0	0
GST to suppliers payable	0	0	0
Loan repayments	0	0	0
Lines of credit repayments	0	0	0
Interest on loans	0	0	0
Interest on credits	0	0	0
<b>Total outgoing funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net incoming/outgoing funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash and bank balance, beginning of period	0	0	0
<b>Cash and bank balance, end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>

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# Cash Flow Monthly Summary

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Year 1</b>												
<b>Incoming</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outgoing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Starting</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Year 2</b>												
<b>Incoming</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outgoing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Starting</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Year 3</b>												
<b>Incoming</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outgoing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Starting</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing</b>	0	0	0	0	0	0	0	0	0	0	0	0

## Profit and Loss Statement

	Year 1	Year 2	Year 3
<b>Revenue</b>	0	0	0
<b>Direct Cost</b>	0	0	0
<b>Gross Margin</b>	0	0	0
<b>Gross Margin %</b>	0%	0%	0%
<b>Expenditure</b>			
<b>Salaries</b>	0	0	0
<b>Ancillary Staff Costs</b>	0	0	0
<b>Total Expenditures</b>	0	0	0
<b>Operating Profit/(Loss)</b>	0	0	0
<b>Interest Incurred</b>	0	0	0
<b>Depreciation/Amortization</b>	0	0	0
<b>Profit/(Loss) before tax</b>	0	0	0
<b>Tax on profits</b>	0	0	0
<b>Profit/(Loss) after tax</b>	0	0	0

# Balance Sheet

As of Period's End	Starting Balances	Year 1	Year 2	Year 3
<b>Fixed Assets</b>				
<b>Tangible Assets</b>	0	0	0	0
<b>Accumulated Depreciation</b>	0	0	0	0
<b>Total Fixed Assets</b>	0	0	0	0
<b>Current Assets</b>				
<b>Accounts Receivable (Debtors)</b>	0	0	0	0
<b>Cash &amp; Bank</b>	0	0	0	0
<b>Total Current Assets</b>	0	0	0	0
<b>Current Liabilities</b>				
<b>Accounts Payable (Creditors)</b>	0	0	0	0
<b>GST Payable</b>	0	0	0	0
<b>Tax on profits payable</b>	0	0	0	0
<b>Short Term Debt (less than 1 yr)</b>	0	0	0	0
<b>Total Current Liabilities</b>	0	0	0	0
<b>Net Current Assets</b>	0	0	0	0
<b>Long-Term Debt (more than 1 yr)</b>	0	0	0	0
<b>Net Assets</b>	0	0	0	0
<b>Share Capital</b>	0	0	0	0
<b>Retained Earnings</b>	0	0	0	0
<b>Total Owners Equity</b>	0	0	0	0

Note: This balance sheet is intended as a guide for planning purposes only. Figures are rounded up or down to the nearest dollar.

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