

CARESWORTH

Your pet, Our responsibility

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Executive Summary

CaresWorth is a private corporation that will operate in the pet grooming and boarding industry in Edmonton, Alberta. Over the 5 years to 2024 this industry is expected to grow at an annualized rate of 1.3%, increasing its contribution to the overall Canadian economy at an annualized rate of 2.8%. Industry revenue is also predicted to grow at an annualized rate of 4.2%. These factors present us with an opportunity to enter the market and earn from the favorable conditions of the industry. However due to the low barriers to entry in the industry, entering this industry may be risky as it poses a high threat of competition which may jeopardize our survival. Thus in order to compete effectively we aim to be the best at providing our consumers with quality services at their convenience.

CaresWorth aims to target the working individuals of the urban area Windermere, aged between 30 to 49 years. Based on our research we learn that this age group is the highest revenue generator of this industry hence targeting this audience is profitable for our business especially in the long-term. As there is no pet store providing services as ours in this neighbourhood, entering this market enables us to fill the market gap and provide these residents with the services they highly need. Due to the busy lives of our target audience it is difficult for them to take adequate care of their pet child, instead by entering this market we are able to solve this problem by providing their pets with quality and effective exercises and massages.

Operating in this industry requires a large capital investment as our facilities need to abide by the requirements set by the board of kennel operators. Moreover, being a service company our success highly depends on the quality and skills of our staff. Thus hiring skilled and experienced employees is important, but this in

turn raises our costs as high wages need to be paid. Due to these factors our ability to generate profits and break-even at an earlier stage is reduced.

Business Description

Ownership Structure

Caresworth is a private limited company owned by Anshita Patel, Mingyue Fan, Honghao Pan, Xinyuan Zhao, Xing Liu. Capital is contributed by each owner, and profits are to be distributed equally amongst all owners.

Problem we solve

Due to current high-speed lifestyle, people lack time to accompany pets and take good care of them. Pet parents want to provide their pets with a safe and friendly home environment when they are away. These pet parents not only want to provide their pets with such an environment, but also want to engage their pets in activities that can improve their health. As evident from the primary research results boarding and exercising are the two highly needed services pet owners require. Hence, in order to solve this problem we aim to begin by targeting a small neighbourhood, Windermere, with our quality and safe boarding and exercising services.

Pet ownership has benefits to both physical and mental health in people (McElwain , 2019). We therefore also want to improve the health of pet owners through an improvement in the health of their pets by providing a variety of exercises at a convenient location and time.

Whether it is for the day or longer, having proper pet care is a must! Many of us today lead very busy lives, and having a friend or family member care for our pets is some-times not an option. The thought of leaving your pet unsupervised and alone for hours at a time is also not the answer you had hoped for. Then comes the huge decision of finding a boarding kennel, which will take good care of your pet.

Hence we simplify this decision of many pet owners by providing them a trustworthy, convenient, and quality boarding facility.

Products and services

CaresWorth is designed to provide pet boarding and exercising services. Pet boarding entails providing overnight or day care for animals, typically including accommodation, food, exercise and, often, play time.

Based on our primary research, shown in appendix #18 we learn that pet boarding and exercising services are highly demanded by individuals in our target market of Windermere, that is 38.6% and 22.9% respectively. These services are also considered the most important by these individuals, hence providing these services provides us with an opportunity to satisfy the high need of consumers, consequently improving our feasibility.

Along with boarding and exercising services we provide our consumers with luxury services such as pet facials and massages, as based on our research we learn that consumer attitudes are changing to pampering their pets more. Hence providing such services also gives us a competitive advantage.

Value Proposition

Caresworth simplifies the lives of pet owners by providing a combination of quality services nearest to them.

Our corporation aims to offer a quiet, comfortable and fun environment to our furry friends, while their owners embark on their busy work schedules, business trips or vacations. Consumers would therefore prefer coming to our stores as we are offering convenience, and high quality exercising services that enhances

the health of their pets. Moreover, we are not only providing them with quality boarding services, but also a combination of services such as pet facials and care that ultimately enhances the experience of their pets.

Mission and Vision Statement

Mission statement:

We aim to enrich the lives of pets and their families by providing quality services in a safe, active, and loving environment.

Vision statement:

To be the preferred and trusted choice of our consumers to house their loved ones with us.

Industry and Market analysis

Industry trends

Over the past five years, solid economic growth alongside rising consumer confidence has prompted an increasing number of households to adopt pets. According to a 2019 report by the Canadian Animal Health Institute, dog ownership in Canada has risen during the reporting period, and between 2014 and 2016 (latest data available), the number of household dogs grew 18.8% to 7.6 million (Ross, 2019). Overall, cat and dog ownership combined is estimated to have risen 10.0% during the past decade, although the majority of that growth has taken place over the past several years. This growth has been fundamental to the sharply rising demand for industry goods and services (Ross, 2019). Therefore, the demand for pet grooming, boarding, training and walking is at an all-time high due to rising pet ownership, improved disposable income and changing consumer preferences regarding pet care.

Pet industry Revenue is anticipated to grow at an annualized rate of 4.2% to total \$548.0 million, with an increase of 1.6% in 2019 (Ross, 2019). Household expenditure on pets and pet food has been rising over the years as shown in appendix #1 (Statistics Canada, 2018), serving as an opportunity for us as it implies there is a high need for pet care services as ours.

In 2019, IBISWorld estimates that pet boarding accounts for 36.0% of industry revenue (Ross, 2019), the highest industry revenue generator. Moreover, this industry has low regulations which reduces start-up costs and time improving the cash flow of the business. Furthermore, this industry is labour intensive and

therefore relies little on technology which serves as an advantage (Ross, 2019), as the industry is less affected by the highly influential and fast changing technological environment, minimizing the need of incurring high innovation and development costs due to technological changes.

However, this industry has low barriers to entry which may pose a threat as firms can easily enter this industry, thus raise the level of competition and make it difficult to build a large consumer base.

Porter's 5 forces

As our corporation focuses on boarding and exercising services for dogs, we belong to the pet grooming and boarding industry. This industry primarily provides pet care services such as boarding, grooming, training and exercising. Using information from IBISWorld on this industry we determine the following:

Bargaining power of customers -Moderate

The main distribution channels in Canada for the pet grooming and boarding industry are pet owners of different demographics. Buyers in this industry classify as young and unmarried, young and married, couples with children, old people amongst others. Different buyers have different purchasing powers due to different income levels, which consequently has an impact on their bargaining power.

Thus high income earners that tend to be less price sensitive make a huge percentage of sales and revenue of many boarding firms as compared to low income earners. This is because high income earners are more likely to have frequent international or domestic trips thus require boarding services more often. Hence this group may have a higher bargaining power than the other groups.

Overall due to the existence of different segments of consumers of different sizes, we conclude the buyer power is moderate.

Bargaining power of suppliers - High

Suppliers in the pet grooming and boarding industry mainly include those providing and manufacturing animal feed, soap and cleaning compounds, and other pet products (Ross, 2019). It is highly important for suppliers in this industry to focus on the quality of their products such as pet food due to the existence of food and drug administration laws for instance.

As there are a few major suppliers of these products such as Nutreco Shur Gain, Ecolab Inc., The Procter & Gamble company (Ross, 2019), the power of suppliers is strengthened.

Moreover as the pet grooming and boarding industry is a service industry, workers are an important supplier. Highly skilled and experienced workers are required in the industry which increases their bargaining power. Moreover, the low entry barriers make it easier for new firms to enter which has contributed to employment and wage growth during the five-year period to 2019 (Ross, 2019), further strengthens the power of employees as they are able to influence the wages paid to them due to their high demand.

Overall we conclude the bargaining power of suppliers in the industry is high.

Threat of new entry- Moderate

As the pet grooming and boarding industry is in its growth stage (Ross, 2019), many companies are entering the industry as due to rising demand from pet owners for a greater array of luxury services for their pets. Also as there are

low barriers to entry as there are no formal industry licensing or training requirements the threat of new entrants is high.

However, as there is a code of practice for kennel operations which requires boarding facilities to take into consideration several safety and hygiene factors before and after operating, the cost and investment required to enter the industry may still be relatively high. Moreover, pet boarders also require a range of supplies such as pet food, bedding, leashes, collars, medicines and toys which further raises the cost of entry and operation, therefore acting as a barrier to entry.

To add on the low barriers to entry may consequently lead to high competition in the industry as there could be a significant number of small companies operating. This may act as a barrier itself as it would become difficult for new entrants to persuade consumers to board their pets with them, thus making it difficult for them to build a client base, especially if the consumers are loyal to the already existing corporations. Moreover, due to the large number of firms operating in the industry it may be difficult for new entrants to gain access to highly experienced and certified employees which could also act as a potential barrier to entry.

Overall we conclude a moderate threat of new entrants.

Threat of substitutes -Moderate

Substitutes for pet boarding facilities include boarding pets with friends or family, which may be a significant substitute as boarding pets with people the

pet owners trust and are familiar with, is highly preferred as it provides the pet owners with an assurance that their pets are safe.

However, the use of this substitute may be limited as they may not always be available and willing to house the pets as compared to businesses providing such facilities. Moreover businesses usually provide extra care to these pets when boarded as compared to the service a friend or family member can provide as these individuals also have their own commitments.

Overall we conclude the threat of substitutes to be moderate.

Competitive rivalry- Moderate

Based on our research we learn that the Pet Grooming and Boarding industry in Canada is highly fragmented and exhibits a low level of market share concentration. IBISWorld estimates that no single company accounts for 5.0% or more of total revenue (Ross, 2019). Therefore as the industry is highly fragmented, businesses will be competitive as they would strive to attract as many consumers as possible in order to generate sufficient revenues and profits. This consequently increases the degree of rivalry in the pet grooming and boarding industry.

However, as competition in the pet grooming and boarding industry is based on factors such as location, quality of service and consumer loyalty, those businesses that achieve these factors will be able to gain a competitive advantage, reducing switching costs as consumers are loyal to particular brands. This will consequently reduce the degree of rivalry in the industry to a certain extent.

Overall we conclude the degree of rivalry in our industry to be moderate due to the existence of companies that have achieved high levels of consumer loyalty such as PetSmart.

SWOT Analysis

I. Strengths

Our major strength is being able to provide our consumers with a convenient option to board their pets. Moreover, being a small business we are also more flexible than other larger businesses in this industry.

Based on our research we learn that proximity to key markets is a key factor of success. Thus our location is one of our strengths, as we are located close to our consumers in 6031 Andrews Way NW besides Paisley Dog Park. this provides us with a competitive advantage as we are able to make the lives of our consumers easy by providing them with greater convenience. Moreover, this will also ensure we have a consistent demand for our services, as we are the only store providing boarding and exercising services in Windermere consequently improving our company's feasibility.

Moreover as we are a small business we have greater flexibility in comparison to the existing large corporations in the industry. We are in a better position to quickly adapt to the changing consumer attitudes resulting in higher demand for luxury services. Furthermore as we focus on a small demographic segment we are more flexible as we can easily adapt to their specific needs, providing them with greater value.

II. Weaknesses

As a new business we do not have any significant brand presence, and we also lack management experience.

As any new business, we lack enough experience in operating efficiently in the industry, since we have had little or no exposure to the real market conditions

as opposed to the existing boarding facilities. This is a weakness, especially in the short-run as it makes us less efficient and effective.

Moreover, as we are a new firm in the industry, not many consumers are aware of our company, which may affect our ability to gain the confidence of our target audience. This in turn may require us to put extreme effort in promoting ourselves which may raise our costs, delaying our ability to break-even.

III. Opportunities

Various economic activities provide us with an opportunity of growth. For instance the rising consumer disposable income by 2.3% (Ross,2019), rising pet ownership, and low competition in Windermere, provide us with an opportunity to make our business feasible.

Based on our research we learn that consumers income is expected to rise at an annualized rate of 2.3%. A rise in consumer income permits for more international travel, which in turn creates a greater need for pet-boarding facilities. From our research we learn that the international trips made by Canadians is expected to rise such that the percentage change in international trips made will reduce from -1.52% in 2019 to -0.42% in 2020 (Ross, 2019), and remain constant over the years. This presents us with an opportunity of a growing market which can increase our revenue hence profits.

Based on our research we learn that the number of household dogs grew 18.8% to 7.6 million between 2014 and 2016 (Ross, 2019), and is expected to increase further. This also demonstrates a growing potential market available to us to capture, providing us with an opportunity to expand to new locations with similar needs to our current market.

In addition, from our research we learn that, there is no pet store in our location providing boarding and exercising services, indicating low competition. This provides us with an opportunity to fill the gap in the market by providing services consumers need in this area, thus enabling us to gain a competitive advantage.

IV. Threat

The existence of few entry barriers poses a huge threat as it affects our ability to attract and retain consumers. Moreover, the existence and preference of consumers to make use of substitutes available to them affects our survival. Also the rising wages in the industry poses a threat as it increases our costs thus reduces our profits affecting our ability to grow.

Firstly, due to the low entry barriers the number of firms in the industry is expected to grow. Over the five years to 2019, IBISWorld estimates that the number of industry enterprises has risen at an annualized rate of 6.7%, totalling 4,319 companies (Ross, 2019), which poses a threat as it implies more firms are able to enter and possibly take consumers away from us. Moreover, it is also extremely easy for the existing large and reputable businesses in this industry, such as PetSmart, to expand to Windermere and provide similar services, as despite the few entry barriers and legal requirements, they have the finances, experience and brand loyalty to overcome us.

Furthermore, pet owners may choose to exercise their pets by themselves, or choose to board their pets with relatives and friends while away. This is a threat as a growth or increase in preference of pet owners to use these cost effective means affects our revenue hence cashflow, consequently affecting our survival.

In addition, a trend of increasing wages can also be a threat. The wages in this industry are expected to rise by 2.99% in 2020, further rising by 3.20% in 2021 (Ross, 2019). This poses a threat to our business as it will lead to increasing variable cost which in turn may lower our profit. Also, since labour is an unavoidable resource in this industry rising wages poses a threat to effectively and efficiently run our operations.

Target Market

Our target market consists of pet owners in the medium to high income group aged between 30-49 in the urban area, Windermere.

Based on our research on the US pet care industry about major market segments (appendix #2), we learn that individuals belonging to this age group are the highest industry revenue generators, 40.0%, and followed by 33.5% pet revenue of those customers who are aged between 50-64 (Curran, 2019). People between 50-64 are most likely to live with families and children. The pet market of this age group has one of the highest annual expenditures for their pets which is \$495.50 (Curran, 2019).

Our target market therefore consists of the middle aged, middle to high income pet owners in the urban neighbourhood.

Market Segmentation

Geographic:

Windermere is an urban neighborhood located in the Southwest of Edmonton, Alberta.

Demographic:

Based on the statistics of 2019 edmonton municipal census on neighbourhoods of Edmonton (appendix #4), the demographic in Windermere is around 11,251 in total. For those people who are between 30 to 49 years old are around 3904 which take up 35% of the total population in that area (Tableau Public 2019).

Our target customers consists of working individuals who are frequently travelling away from home, for business trips or holidays with families. Due to their busy work schedules, and frequent travelling they lack time to take care of their pets. Moreover from our primary research we learn that individuals living in Windermere mainly belong to this age group, and are willing to spend highly on boarding and exercising services, that is, approximately \$5000-\$6000 (Appendix #23). This demonstrates that people living in that area do have the ability to afford the fees spent on pets.

Furthermore, residents of Windermere have an average income of households is around 160,000, 65% with income between \$50,000- \$150,000 and the rest of them have income above \$150,000 (Statistics Canada, 2016).

Our target market also consists of families, 42%, and couples, 39% of the total population of Windermere. These individuals also have a high level of education, that is 51% are university graduates (Fabjanovich, 2018).

Psychographic:

Our target audience has a busy lifestyle with a considerate amount of travelling thus increasing the need of boarding services on a frequent basis, that is at least once a month or once a week (Appendix 20). Windermere also demonstrates a lifestyle of convenience. Residents can do their banking, errands or other tasks without having to leave their community. The lifestyle of individuals living in Windermere is therefore active, and growth oriented.

Behavioural:

Based on our results from primary research we learn that our target audience consists of pet owners who regularly require boarding and exercising services, and are highly positive towards using these services.

Industry risks

Demographic shift

Pet owners in Canada consist of different demographic segments, such as generation X, Y, Z, and millennials. In recent years, many millennials are turning to travel with their pets instead of leaving their pets in stores (Richard 1). This change in behaviour will affect therefore affect the demand of our pet services, posing a risk as it affects the revenues hence profits, consequently affecting the survival of businesses in this industry.

Increased substitutes

The provision of services such as pet sitting which acts as a substitute for boarding services, especially day boarding, can pose a risk to the businesses in the pet grooming and boarding industry. Due to this service consumers can avoid having to leave their pets in a new environment as is the case with pet boarding. This may pose a risk it reduces the demand for businesses providing boarding services since it becomes difficult for them to attract and provide consumers with a motive to bring their pet to a boarding facility and not hire a pet sitter.

Marketing Strategy

Business positioning

Competitors such as PetSmart, Creekside Pet Boarding and Daycare, Dogtopia amongst others provide high quality services at prices reasonably high, as shown in appendix 5. These businesses however are not extremely close to their target audience as CaresWorth is. Since most firms in this industry compete on location, price, and skill (Ross, 2019), we position ourselves as highly convenient and reasonably priced, as these factors give us a competitive advantage.

Place

We will locate our facility in currents of Windermere, an optimal distance to Paisley dog park, to ensure we have a big enough space to carry out our exercising services effectively. We estimated an area of 75 square feet per dog before choosing our building in which we will locate. This is taken into consideration to ensure adequate space is provided to the pets to move freely, and also carry out indoor exercising.

Pricing

We aim to charge different prices for the services we provide during different times of the day, that is pet exercising during the day, pet exercising during the evening, dog day boarding, overnight boarding, and pet massages (rank from low to high prices). Prices will vary according to the size of the dogs, the bigger the dog, the higher the price we charge.

Detailed pricing according to the different sizes of pets and services we provide are explained in appendix #24

Advertising and Promotion

We provide advertising and promotion to stimulate purchases and reward customers in order to gain high profits

Promotion Strategies

Sales promotion should be helpful to reinforce a product's position and build long-term customer relationships.

- Membership cards

We are planning to issue 500 membership cards in the first year. And our stores provides three different kinds of membership cards. We provide the Insider, VIP, SVIP cards to customers based on how much they are willing to spend. Each type of card has different promotions. In the first month when we open our store, we are giving our customers 20% off for their first purchase. And after the first month, our customers need to spend at least \$400 per month to get an insider card which has a 10% discount. In addition, for the customers who spend more than \$500 per month, their membership card will change to a VIP card with 15% off. And for customers who spend over \$650 will have the highest status in our store which is SVIP(super VIP) card with a 20% discount. We will do cumulative points to see which status our customer is. And one dollar for one point. Our customers can use their points on their membership card to exchange for free service, we

require 600 points for an hour free massage. And for our SVIP customers only, they can get a special cake for their dogs on their dogs birthday.

- Holiday promotion

We also aim to provide our consumers with holiday packages during the first year, which include a combination of our services at a reduced price. Since it is the holiday season, like during Christmas, more people from our target audience are likely to travel increasing the need for boarding services. Hence providing a package that provides boarding services along with good exercising, facials, and massages at a lower cost, that is at a cost lower than the regular rates for each of the services, will enable us to provide our consumers with a motive and opportunity to make a purchase at our store. We aim to offer a discount of at most 10% of their total purchase. This consequently enables us to attract more consumers to our stores, providing us with an opportunity to initiate building new relations with these consumers.

Advertising Strategies

We give out advertisements to inform customers about our services in both offline and online forms.

Offline advertisement

To be able to effectively advertise ourselves to our target market we plan to distribute well-designed flyers providing sufficient information about our services and social media handles. We will also distribute coupons of \$10 to these residents of Windermere away from our store. The flyers and coupons will be sent to their

mailboxes during the first year of our operation every two months. This is also a cost-saving approach by combining advertising and promotion strategies together. One of our shareholders Xinyuan Zhao will be responsible for regularly distributing our flyers. We aim to distribute our flyers to at least half of our target audience living a little away from our store.

We also aim to put posters in the dog parks of Windermere, Terwillegar Park & Paisley Dog park, as this is the most visited place by dog owners, hence enabling us to increase our brand awareness at a faster rate. We will also carry out this advertising in the following years to be able to attract more dog owners to our store.

In order to succeed in the pet grooming and boarding industry we highly need to encourage word-of-mouth advertising. To achieve this we aim to ensure all of our consumers return satisfied. To ensure they are satisfied we need to ensure our services meet their expectations, such that they are motivated to come back to our store.

Online advertisement

In addition to the above advertising, we will also post information about our business services and costs on the “Windermere Business Community” online chat group on Facebook. To be specific, our company will create our business account on Facebook in order to be able to join the Windermere business online group, and post our promotion on it. Through this strategy residents of Windermere, even those that may not be reached with our flyers, will be able to know about our business eventually increasing our awareness.

Moreover as our flyers and posters provide information about our social media handles, that is our instagram and facebook account names, people will be able to follow us thus stay updated on our promotions. We aim to make our online advertisements informative and persuasive to attract as many pet owners to our store.

Overall using a combination of online and offline advertising will enable us to effectively reach out to many pet owners of Windermere, as the mediums we aim to use enable us to have a closer and direct contact with them.

In the following years we shall engage more in email advertising, as by the second year we will have attracted some pet owners and acquired their details making it possible for us to target our promotions and services to them regularly by sending emails. Moreover, we shall also provide our furry friends discounts on their birthdays to make them feel belonged. This strategy enables us to get closer to our furry friends and make them feel valued and belonged, which consequently reduces the probability of our consumers experiencing cognitive dissonance, thus increasing their retention.

We shall also place posters in the dog parks every 2 months to continually make ourselves apparent to our target market.

Operational Plan

Licensing and Legal requirements

LEGAL REQUIREMENTS:

As a boarding business our main activity focuses on ensuring the safety and comfort of our furry friends is always maintained. As our activity involves close interactions with the pet for a considerable period of time, we need to take several regulations as explained by the code of practice for kennel operations (Canadian Veterinary Medical Association, 2018) into consideration.

Before starting our boarding and exercising business we need to ensure our facility is located in an area with sufficient land to accommodate outside exercise runs, and also ensure reasonable distance is maintained away from the neighbors. Hence we locate our store at a distance from neighbors, and we have also ensured we are located at an optimal distance to the Paisley dog park to enable us to carry out our exercising activities efficiently.

Secondly, we need to ensure our facility is safe to board pets by taking the following into consideration:

1. Interior walls and partitions of materials are properly coated to be rendered washable, sanitizable, impervious to moisture, smooth and durable.
2. Ensure walls are free of sharp edges and in good condition.
3. Walls and fences are sturdy, in good repair and of sufficient height and small enough gaps to prevent dogs escaping.

We also need to ensure the pets boarded are kept in the right temperatures to ensure their comfort is maximized. Different dog breeds of different ages and

health status need to be provided with different temperatures. “For instance, a Newfoundland or Saint Bernard will have a different comfort zone than an Italian Greyhound or a Toy Poodle. Short-coated breeds require supplemental heat during adverse weather. Older and infirm dogs will require a warmer and more comfortable environment. Many breeds of dogs tolerate lower temperatures as long as they are dry, away from drafts and have had adequate time to adjust to the temperature”(Canadian Veterinary Medical Association, 2018).

- To achieve this we aim to insulate the walls and ceilings as using insulation materials such as foam insulation or tile adhesive will harm our dogs as they are toxic to these materials. Moreover insulating the walls and ceilings will also enable us to reduce the level of noise our dogs will be exposed to further enhancing their comfort.
- As per the code of practice for kennel operations, the “minimum allowable temperature for an indoor facility like ours is 10°C, except for Nordic breeds. The maximum temperature is suggested to be at 27°C” (Canadian Veterinary Medical Association, 2018).

We also need to ensure our facility maintains the right amount of humidity, ventilation and light, to prevent the respiratory diseases.

- Humidity will therefore be kept below 70%, preferably maintained at 45—55%.
- A source of fresh air is critical. Recirculation of inside air circulates contaminants, viruses, bacteria and moulds. Lighting must be adequate so that all areas of the interior of the kennel can be clearly seen. Emergency lighting should be available. The minimum lighting requirement is 8 hours per day.

- Thus to be able to ensure the safety of our pets, and avoid bad publicity which can consequently affect our image and success, we need to take all of these factors into consideration before starting our operations. We also need to ensure regular investigations are carried out in order to know any possible faults beforehand.

Kennels in our facility should also be sufficient in size and height such that the dogs housed in it can stand normally to their full height, turn around easily, lie down in a fully extended position, and can easily adjust their postures based on the kennel size measurements based on the height of the dog ⁶(Canadian Veterinary Medical Association, 2018). The requirements for kennel sizes are shown in detail in appendix 6.

The above requirements require us to renovate our building before starting our operations, hence we shall incur costs to install these fixtures.

LICENSING:

The pet grooming and boarding industry has no formal licensing requirements, but we need to acquire a business license from the city of Edmonton, a federal permit, and also register our business name.

In order to acquire a business license we need to apply for a development permit to determine whether we are allowed to locate in Windermere based on location's zoning. Following this we should apply for a business license which usually takes 1-3 weeks or longer to process (City of Edmonton, 2018). Costs of approximately \$239 for application fees shall also be incurred (City of Edmonton, 2019). As we are renting a building acquiring the development permit is not difficult ensuring we will be able to get a business license.

To incorporate our business we will also incur incorporation costs which are broken down into \$450 for Alberta government fees, \$30 for Name Search Report or NUANS Report, \$129.99 for Company Formations Fee, and GST of \$6.48 (City of Edmonton, 2018). Thus the total fee for incorporating our business is \$616.48, and it would take approximately 24 hours to process.

Human Resource

As a pet boarding and exercising company our corporate culture should be one of trust and belonging. Such a culture can be achieved by continually maintaining contact with our employees and fulfilling their needs to minimize any conflicts of interest. Therefore, to efficiently carry out the provision of our services we need to build a strong and efficient personnel body, which we aim to achieve by hiring experienced and skilled employees. We need to have a workforce of 19 employees consisting of:

- 4 dog attendants with experience of at least 2 years, and high knowledge and skills in handling pets shall be hired for this job. These employees should be hardworking, caring, and pet loving. The attendants will be in-charge of taking care of the needs of the pets boarded, feeding them, washing them and their feeder bowls after use, and ensuring they are comfortable and not stressed at all times.

These 4 attendants hired will work for 8 hours each daily, and during the times they will not be there, we the 5 owners will be in charge of taking care of the pets boarded. The attendants will be assigned pets on a 1-12 basis, that is 12 pets assigned to one employee.

-2 part-time cleaners will also be hired to take care of hygiene of the store and pet products used in the store. They will be in-charge of ensuring the kennels and other parts of the store are cleaned regularly, and other pet accessories are also washed every morning. Each of them will therefore work for 2 hours every day.

-4 professional and enthusiastic exercisers, will be hired. These employees should be highly fit and active, experience of exercising pets for at least 2 years, and pet loving. They will handle tasks such as exercising the pets boarded and other non-boarded pets as well. Employees should perform exercises that release the stress of pets and make them happy. These employees will be assigned pets on a 1-12 basis as well to ensure they are supervised at all times, thus maintaining their safety.

However, the employee to dog ratio may change depending on the number of dogs we receive per day, to ensure we efficiently make use of the labor resource available.

-3 part-time employees will be hired to perform facials and massages on the pets boarded. The staff should have an experience of at least 1 year in this field to ensure pets are not harmed.

-A general employee to serve the consumers requests especially during the opening hours shall also be hired. This employee will also be in charge of regularly managing our website, and regularly updating bookings made as well as payments.

-Anshita Patel, Mingyue Fan, Honghao Pan, Xinyuan Zhao, Xing Liu shall also work in the company as attendants to ensure the pets are not left alone at any time.

In addition to this, Anshita and Mingyue are in charge of preparing a schedule of activities for every pet boarded. Moreover, as we are a small business preparing financial statements is for personal records hence, our owners Xing Liu and Honghao Pan, with knowledge in accounting will be in charge of preparing our financial statements.

As we aim to spread our passion and love for pets, we as CaresWorth will voluntarily take charge of these responsibilities at no pay, in order to be able to serve our furry friends as our own pets. This will enable us to build a positive impression in our consumers mind, thus build a strong brand equity.

Operating hours

Our operating hours take into consideration the working hours of our target market mainly consisting of working individuals, in order to make it easier, and more convenient for them to make use of our services. Hence, our business is open 7 days a week from;

Monday: 7:30am to 7pm.

Tuesday: 7:30am to 7pm

Wednesday: 7:30am to 7pm

Thursday: 7:30am to 7pm

Friday: 7:30am to 7pm

Saturday: 8:30am to 6pm

Sunday: 8:30am to 6pm

Day to day operation of our boarding facility

We aim to provide our furry friends with the best experience with our quality services . A range of activities have been scheduled for them, which shall be carried out effectively by our trained and experienced staff.

As we would board dogs of different breeds, ages, and health status, a customized schedule is prepared by Anshita Patel and Mingyue Fan to ensure our services better fit the needs of our guests. The schedule is then provided to the pet owner within a time frame of 7 to 8 hours, upon booking our services. This will enable us to keep these pet parents aware of what services their child will be provided with, making it easier for us to assure them of our quality, thus enabling us to consequently gain their confidence, and trust at a faster rate. Moreover, since the schedule is also provided to our staff, our operations will be carried out in an organised manner as the staff shall follow the schedule during the day, further enhancing our operational quality.

As part of our operation we provide consumers with two mediums to use when booking our services; online and in-store. As individuals aged between 30-49 years are “always on”, that is highly active on technology, providing them with an online option to access our services, that is an option to book our services from our website, is appropriate as it will enable us to provide them with greater value and convenience.

Our operations are carried out in a friendly manner by taking consideration to the specific needs of our guests at all times.

To begin with, as our main aim is to ensure the safety and comfort of pets is maintained our day to day operations are channeled to help us achieve this. The morning hours, 7:30am to 8:00am, have been assigned to the cleaners to carry out

the cleaning of our store to ensure when our consumers come to our store they are assured of the quality of hygiene being maintained in our store. We would use disinfectants not harmful to dogs, that is ensuring we do not make use of ingredients such as ammonia, chlorine, or brands such as tide that can jeopardize the health of our furry friends.

Once consumers come to our store they will be greeted by our friendly staff, followed by the general employee taking charge of fulfilling the consumer's request, with utmost respect. If consumers will not have used our online facility, they will be provided with the relevant document, appendix #14, they need to fill out before boarding their pets. The employee will then process their payments, and handover the responsibility to the attendants. Alternatively consumers can be able to book our boarding facility beforehand through our website. Consumers simply have to log in to our website and select the service they require. Following this they will be asked to provide some information about their pets in order for us to assign the right kennel to their pet, and customize our services. Consumers can then pay online, and then proceed to check-out. If the consumers use this medium they are simply required to drop off their pets at the required time and day they are assigned.

Once the pets have been handed over to the attendants, the pets will be taken to their assigned kennels along with the pet owners so that they are also aware of the conditions, and environment their loved one is kept in. Upon completing all formalities, we have planned a group play session for our pets. Pets will be kept in groups of 8 or more (depending on the number of pets we receive), according to their breed and size to ensure no harm is caused to any pet. To further enhance the

safety of the dogs, and provide adequate care, one group will be monitored constantly by one exerciser. When dogs are kept together in groups they create a better form of exercise, as they are able to come up with their own games, thus expend their energy in the way they choose. This session will last for one to two hours providing the dogs with an opportunity to mingle, and get familiar with each other, making their stay with us, and each other more comfortable.

Following this activity the pets will be fed using our slow feeder bowls that are safe to use and also prevent dogs from choking. As we provide our pet owners the opportunity to bring their dog's food divided into meal sized portions, it enables us to cater for the needs of our furry friends more efficiently. However we do ask our consumers to bring food pre-measured to be sure both that there is enough food for the stay, and also to keep feeding instructions clear. We aim to spend adequate time in this activity to ensure pets are well fed and hydrated, as well as enable us to spend quality time with each one of them by paying more attention to them.

Since we board different dogs of different breeds, ages and requirements, we customize some of our operations based on the specific needs of our guests.

Therefore once the pets have engaged in group play activities, those dogs that enjoy an active schedule will then be taken out for a walk in the park by our exercisers. However, if the weather is too harsh for instance during winters, exercisers would consider engaging these dogs in playing indoor games such as training games, puzzle challenges and hide and seek. Those pets that are less active or benefit from a bit of a break, are instead taken for a relaxing wash by the attendants. Following this they will rest in their kennels made comfortable with our

quality beds and blankets. To further enhance their comfort soothing background music will be played, and the dogs will be constantly monitored by our attendants to ensure they do not face any trouble.

Once the active dogs have played their games, the attendants will take them for a relaxing wash. These washes are carried out for approximately half an hour, and we ensure the temperatures and products we use suit the pets. Following this these pets will rest for a considerable amount of time. After completing these activities the dogs will then be fed based on their requirements and instructions given to us by their parents.

At 5pm the caretakers and exercisers will engage in games that boost the mental health of the pets. Games such as brain games and teaching the pets how to give a “high five” shall be played for approximately one and a half hours. The pets are then taken out to the dog park nearby whereby they would not engage in any physical exercises and would simply rest, and enjoy the natural environment. This is an important activity as exposing the dogs to natural light and conditions improves their health, and also provides good quality rest as explained by the code of practice for kennel operations (Canadian Veterinary Medical Association, 2018).

Following this the massagers will massage the pets for 15 to 20 minutes, and also perform facials on them in order to provide our guests with a stress free and relaxed environment. We provide blueberry facials to gently remove dead skin cells and provide dogs with a soothing underlying skin. Massages on pets are done with lavender oil as it is safe, reduces anxiety and also soothes the dog. These services will ensure our guests enjoy their stay with us, thus enabling us to meet

and even possibly exceed the expectations of our consumers. This will consequently make it easier for us to build and maintain strong relations with them, as they are assured their pets are treated with care and love when boarded with us.

The caretakers then take the dogs to their respective kennels to allow them to rest for a short time, after which the pets will then be entertained with movies or series for an hour. Following this activity the owners will put the pets to bed, and monitor them at regular intervals to ensure they are safe and comfortable.

Day to day operation of our exercising facility

Through the two mediums we provide our consumers, they can also solely book our exercising services. Pets only served for exercising shall also engage in some exercising activities with the other pets boarded. Pet owners will also be required to fill a document similar to the earlier one as shown in appendix #14.

We aim to follow the same procedure, and therefore prepare a schedule of the different activities we can provide the pets with during specific time intervals. This schedule is not customized however, should the pet have any requirements on the amount of exercise it can bear, our staff will take them into consideration to ensure they are not exhausted, and their health is also maintained.

Some of the services we aim to provide during the day include:

9:00 am to 10:00am - Group play activities. The pets are assigned into groups supervised by the exercisers, whereby they would play with each other according to their preferences. This has proven to be a better way to use and enhance the strength of dogs, and since our aim is to enhance the health of our furry friends through different exercises this is a good session for the dogs to engage in.

11:00am to 12:00pm - The dogs are taken for a walk to the off leash park, Paisley Dog Park, near our store. They will also engage in other activities such as running and also play games such as tug of war, or Frisbee to enhance their physical health.

2:00pm to 3:30pm - We will play brain games with the pets in order to also enhance their mental health. During this time they would play games such as hide and seek, dog puzzles, “Find the Treats” amongst others. “Find the Treats” basically enhances the ability of the pets to recognise and find toys we would hide.

4:00pm to 6:30pm - A combination of all the exercises would be provided however at a rate different from the regular rate for exercising earlier in the day.

Moreover, in addition to the above operational activities our general employee will take charge of our supply chain management to ensure our supplies for pet food and products are always available in sufficient quantities, in order to enable us to always satisfy the needs of our furry friends, and keep their families satisfied.

We as the owners of CaresWorth will also engage in regular checks to ensure our staff carries out their activities effectively to ensure the quality of our services is always maintained, thus enabling us to ensure that the standards of quality we set are met at all times. We therefore aim to go for checks every two weeks, and sometimes make sudden checks to ensure our judgements can be reliable to enable us to make accurate decisions regarding the control of our quality and operations. We will also ensure our labor resource is utilized efficiently, that is, minimize the time our staff remains idle. We will ensure wastage of resources such as pet products or water is minimized during our daily operations in order to minimize our costs and maximize efficiency.

Feasibility Analysis

We incur several capital and operating costs which are explained below, and the web address to explain the calculation of these costs is also shown in appendix #26.

Capital costs

	Single Price	Amount	Total Price	Supplier we aim to get the product from
EQUIPMENT				
Shears (Scissors)	\$11.17	4	\$44.49	Walmart
Brushes	\$12.97	5	\$64.85	Amazon
Feeder Bowls	\$8.99	30	\$ 269.7	Amazon
Dog blankets	\$21	30	\$630	Amazon
Dog bed	\$24.79	30	\$743.7	Amazon
Dryers	\$31.75	6	\$190.50	Walmart
Nail clippers	\$10.39	2	\$20.78	walmart
Washing machines	\$1094.99	1	\$1094.99	bestbuy
Professional grooming tables	\$539.99	4	\$2159.96	wayfair
Other capital costs				
Renovation cost (includes installation of tubs, Shelves, compartments for dogs)			\$497,950	

License fee	\$239+616.48		\$855.48	
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Operating costs

	Single Price	Number of months	Total price	Supplier we choose
Shampoos	\$30.78	5	\$153.90	Walmart
Salary expense	\$45923.4	12	\$551,080.8	
Utility expense	-	-		
Internet, telephone expense	\$100+40=140	12	1680	Shaw
Storefront rent (9% of the rent is utility expense)	\$9952	12	\$119420	Loopnet
Conditioners	\$36.95	5	\$184.75	walmart
Sprays(for relief from scratching and itching)	\$13.75	5	\$68.75	walmart
Advertisement expense (distribution of flyers and posters respectively)	(\$0.32/paper*1500)+(117*2)	6	\$4284	
Membership card fee			\$184	
Dog toys	\$30	3	\$90	Amazon
Ear cleaning products	\$13.48	4	\$53.92	walmart
Bandanas (pet collars)	\$18.28	10	\$182.80	walmart

Bows	\$10.87	10	\$108.70	walmart
Insurance (protection against fire, theft, and vandalism)	\$75	12	900	Trushield Insurance
Legal expense insurance			350	Bullfrog insurance
Other expenses(tables and chairs) (6 chairs, 1 table)			200	Kijiji
Pet food	\$24.67	10	246.7	Walmart

Capital expenditure of installing fixtures in the building to make it dog friendly by taking into consideration the factors mentioned earlier under the operating section, are estimated to be \$497,950 $[(90+140)/2=115/\text{sqft} \times 4330]$

We are renting the whole building of square feet 4330 on a long term lease of 5 years. Due to this long term lease we are likely to receive the discount, after which our annual rent fee is \$ 119,420 (\$9952 per month).

Utilities consisting of light, electricity, water, and waste disposal is estimated to be approximately 9% of the rent.

- **Staff costs:**

- Maximum hours allowed for full-time work = 8

- We determine our wages in comparison to what other boarding facilities pay and according to the average wage in the industry.

4 attendants- Based on research we learn that rivals such as creekside pet boarding pay their dog attendants \$15.85. We therefore aim to pay a similar rate of \$16. As each of the 4 workers would approximately work for 8 hours, the total cost of hiring these attendants is $(16*8*4)$ \$512 per day. In the fourth year, we will increase attendants' salaries to \$17/hour.

4 exercisers - \$16 per hour. Total cost would approximately be $(8*4*16)$ \$512 per day. In the fourth year, we will also hire one more exercisers.

2 part-time cleaners - \$15.85 per hour. Cleaners will be required at specific times of the day hence are expected to work for 2 hours a day. The total cost would therefore be $(15.85*2*2)$ \$63.4 per day.

3 part-time pet massagers - \$35 per hour. Massagers are required for maximum 3 hours during the day hence the total cost would be $(35*3*3)$ \$210 per day.

1 general employee - \$23 with a cost of $(8*23)$ \$184 per day.

Total cost of salaries per day = $512+512+63.4+210+184$ = \$1481.4

An estimate of the total wages per month = $(512*31)$

$+(512*31)+(63.4*31)+(210*31)+(184*31) = \underline{\$45923.4}$

We also incur costs for designing and making our membership cards. We choose the online company called SILK CARDS ⁷ to make our membership cards, and as we aim to distribute 500 cards, and the approximate cost is \$184 for total as shown in appendix 8.

Detailed information about our insurance ⁹ for protection against fire, theft, and water damage of \$75, and insurance for protection from being sued by other companies ¹⁰ is shown in appendix 10 and 11 respectively.

The details of our mortgage from TD bank is shown in appendix 12

Due to the possibility of experiencing a shortage of labour supply we may incur training costs. Training fee ¹² is estimated to be \$1208 per employee on average, which is quite high and may raise our costs in the first year, delaying our break-even.

Revenue

We estimate to generate revenues as follows:

- Year 1 revenue to be \$554652,
- Year 2 \$802030,
- Year 3 \$874572,
- Year 4 \$1219788,
- Year 5 \$1602204.

We also estimate that in;

Year 1: 15% of revenue goes to discount.
Year 2 10% of revenue goes to discount.
Year 3: 15% revenue goes to discount.
Year 4, 5: 20% revenue goes to discount.

A detailed calculation of our revenue is provided in appendix #24.

Profit

We estimate our profit for 5 years— year 1: \$-207734.12, year 2: \$2671.22, year 3:\$-43380.08, year 4: \$135702.68, year 5: \$385936.66. In the third year, we

predict our net profit to be negative due to some unexpected external conditions, and a detailed calculation of our profits is explained in appendix #25. We will reach break even between the fourth and fifth year. From the fourth year onwards, we will be more experienced in pet boarding and pet exercise, therefore our revenue would stay positive and increasing.

Our profit may however vary in the first year if we are unable to acquire skilled staff, as we may have to incur training costs. This in turn may delay our break-even to the fifth year.

Action plan

Short-term goals:

During the first year of operating we aim to build a positive impression of CaresWorth and its quality of services in the minds of the consumers. We therefore aim to build a brand equity of at least 15% by the first year and in order to achieve this we plan to carry out regular quality controls to enhance efficiency and effectiveness at CaresWorth is maintained.

Moreover, we also aim to make our brand widely aware to most of the residents of Windermere by the end of our first year. We therefore aim to advertise effectively through mediums that can enable us to reach our audience more accurately. We therefore aim to achieve at least 10% brand awareness during the first few months of operation through our advertising and promotional strategies. In order to assess whether we have been able to achieve this we shall carry out surveys in our location, and following these results we shall make the necessary improvements.

Long-term goals

During our fifth year or after our fifth year we aim to expand to other neighborhoods closer to Windermere, in order to spread our passion and love for pets across different neighborhoods of Edmonton. To achieve this we will therefore ensure that word of mouth advertising is highly encouraged so that we are able to attract consumers easily upon entering these new markets.

Moreover, we aim to engage social responsibility events during our fourth or fifth years to be able to give back to the society and also strengthen our brand image. We aim to partner with the Edmonton Humane society, and better serve the

dogs in Edmonton. Along with this we will also aim to organise charity events to help the needy.

During our fourth year we aim to introduce new services such as grooming services should there be increased demand for such services. We aim to achieve this in order to provide our consumers with a wide choice of services at one stop thus enabling us to provide greater value and convenience.

- A plan of our activities during the pre-opening, opening, and post-opening stages;

2020.1 (3 month pre-opening)	Apply for the licences required
	Apply for TD bank loan
	Design and test our website
	Find our suppliers
	Make adjustments to the building in consideration to the requirements set by the Canadian Veterinary Medical Association.
2020.2 (2 month pre-opening)	Design attractive advertisements
2020.3 (1 month pre-opening)	Job postings
	Employee training(15 days) (if required)

	Prepare for store opening, and 5 days before opening we will distribute our flyers and coupons.
2020.4 to 2020.9 (Opening date)	Put our plan into action, and organise every activity well.
	Quality controls twice every month.
	Monthly meetings to ensure we are up-to-date with our performance, the needs of our staff and consumers, in order to improve our efficiency.
2020.10 (half year operation)	Make any required changes and continue monitoring operations.

Risk Management

As there are few barriers to entry the number of firms operating in the industry is high and increasing, which consequently increases the demand of labour possibly resulting in a shortage of labour in the industry. We may therefore face difficulties in hiring and retaining highly experienced workers. This is a risk as the experience level of our staff highly affects the safety of our furry friends, and quality of our services. Thus to overcome this risk we aim to hire staff and then provide them with appropriate training in order to make them qualified and suitable for carrying out their duties efficiently.

Furthermore, ensuring our staff does not resign on a short notice is important. Due to the many firms in the industry the probability of losing our staff is high as rivals may offer better terms which may lure the employees to themselves. To avoid this we therefore aim to sign long-term contracts, 2 year contracts, with our employees which shall be renewed before their expiry, at least 4 months earlier. This would keep us prepared and provide us with sufficient time to hire new staff and provide them with any necessary training if required.

In addition, since we are such a company that require stable supply of pet food for instance, from our suppliers, should there be a delay in supplying supplies to us we may suffer as our operations may not be carried out efficiently. To avoid this we aim to achieve good supply chain management which can enable us to use just-in-time delivery system thus reducing the danger of not receiving supplies on time. It shall also help us avoid suffering due to long lead times enabling us to carry out our operations effectively and efficiently.

Detailed research explanation

Primary research

We went to two parks in Edmonton for our primary research--- Alex Decoteau park and Terwillegar Park (Appendix #16-23).

Alex Decoteau Park is located at 10230 105 St Nw. We went to this park on Nov 23 2019, and there were around 15 dogs there. We asked pet owners 8 questions there: 1. What do you consider your pets as? 2. If you have children, would you say that your relationship with your pet has changed since you've had kids? 3. What kind of pet service do you need the most? 4. How often do you need pet grooming and exercising services? 5. How often do you travel? 6. Do you require boarding services? 7. What are your expectations from a pet store? 8. What is your annual total expenditure on pets? From the results, 50% of people consider their pets as friends, 66.67% show that they do not have children, pet exercising is required the most for pet service, 41.67% of people need pet grooming and pet exercising services once a week, 33.33% travel once every two months and the same percentage of people travel once a year. 58.33% do not require boarding services, 41.67% spend \$1000-\$2000 on pets per year. However, we only collected 12 responses from the pet owners in this park and we think the results are not effective enough because the data is too narrow to figure out general customer needs.

To collect more reliable data, we did secondary research and found that people in windermere have relatively higher income than other areas and it seems easier to build a profitable relationship with them because they are less price sensitive. Therefore, we went Terwillegar Park which is located at 10 Rabbit Hill Rd NW on Nov 30 2019. We also modified our survey questions: 1. What age

category do you belong to? 68.1% of people are aged 30-49 based on our primary research. 2. What are the difficulties you face from owning a pet? However, most people said they don't really have a difficulty. 3. How much are you willing to spend on pet care services? 25.7% are willing to spend around \$5000 per year. 4. Which pet care service do you need most often? 38.9% need pet boarding. 5. Which pet care service is the most important for you? 36.1% need pet boarding. 6. Which pet store do you visit most often? 53.8% of people visit Pet Valu. 7. Why do you visit this pet store? 41.8% think because of good service is provided there. And in total, we collected 72 responses there. Thus, we decided to use this results to determine what our business will be since more responses make our positioning more accurate.

Secondary research (Partial)

1. Competitor analysis

1) PETVALU: Windermere location provides frozen raw (raw-based diet for pets), and dog wash

[https://petvalu.com/frozen-raw/?location=10298%2087%20St%20NW,%20Edmonton,%20AB%20T5H%20N6,%20Canada&radius=10&filter\[\]=30534](https://petvalu.com/frozen-raw/?location=10298%2087%20St%20NW,%20Edmonton,%20AB%20T5H%20N6,%20Canada&radius=10&filter[]=30534)

Location: **Windermere Crossing**

Address: 1141 Windermere Way SW, Edmonton, AB T6W 2P3

2) Pet Planet Currents of Windermere: sells pet food

<http://www.petplanethealth.com/products/>

Location: **Currents of Windermere**

Address: 5148 Windermere Blvd, Edmonton, AB T6W 0L9

3) Tail blazers: wide range of pet food and pet products available

<http://www.tailblazerswindermere.ca/about.html>

Location: Windermere Plaza, 320 Windermere Rd NW, Edmonton, AB T6W 2Z8

4) Pet land: parties, pet food and products like feeder bowls, accessories, and grooming products. Services: pet school

<https://www.petland.ca/pages/dog-products>

Location: **Currents of Windermere**

Address: 6268-6004 Currents Dr NW, Edmonton, AB T6W 0L8

5) oh my dog spa and grooming- grooming, bath and dry, bath and tidy,<https://www.ohmydogspa.ca/prices>

6) Pawies Boutique

<https://pawiesboutique.wixsite.com/pawiesboutique>

pawiesboutique@gmail.com

14187180518

4628 Turner Square NW

Edmonton, T6R 3H3

Canada

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Appendix

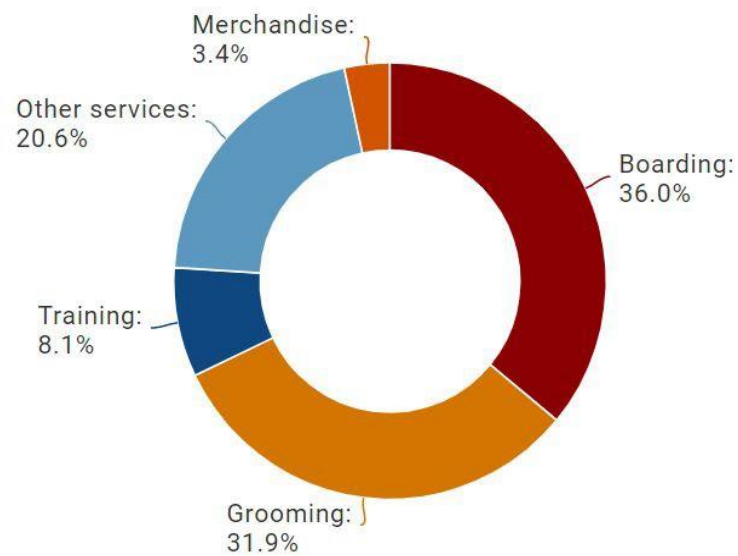
Appendix 1

Pets and pet food	585.2	607.1	640.9	623.6	656.2
Veterinary and other services for pets	388.5	413.3	443.0	461.5	491.6

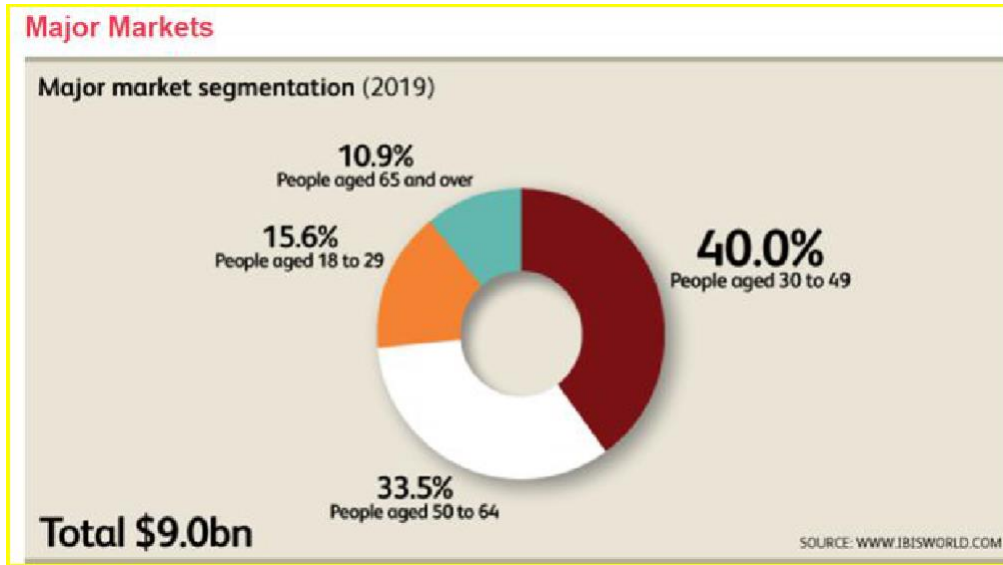
The household expenditure on pets and pet food from 2014 to 2018.

Appendix 2

Industry Products & Services Segmentation

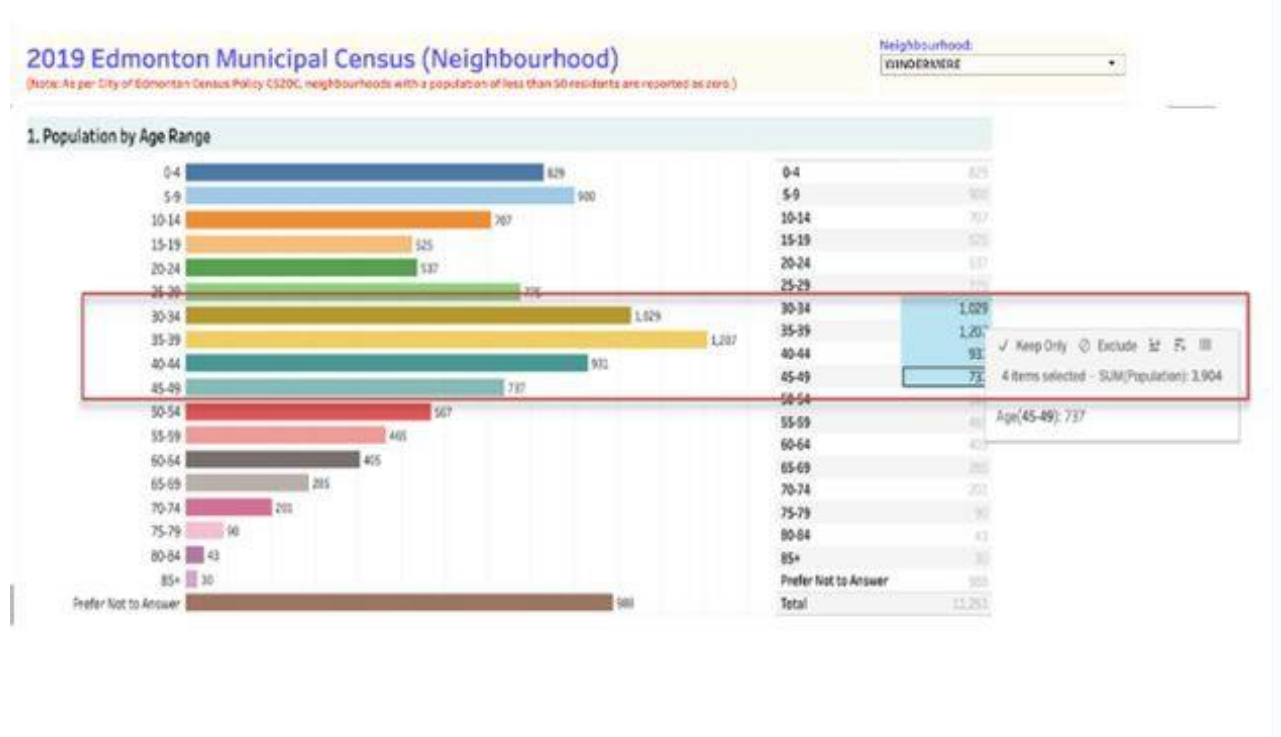


Appendix 3



The US pet care industry about major market.

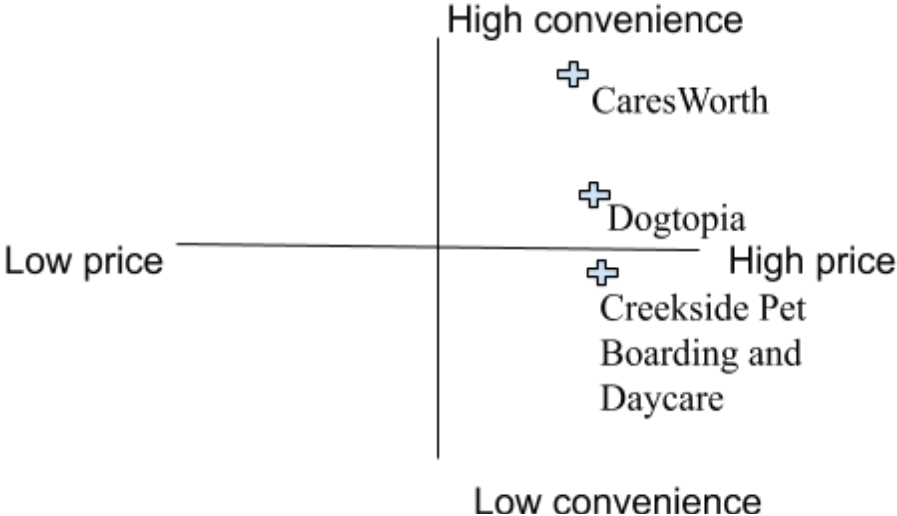
Appendix 4



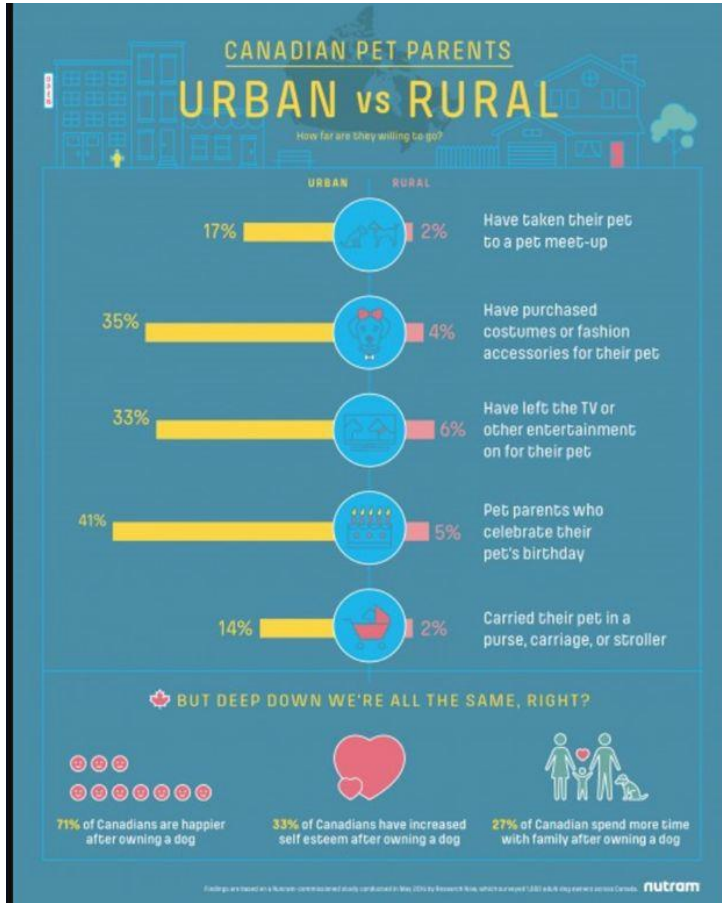
2019 edmonton municipal census(neighbourhood)

Appendix 5

Our corporation positions graph.



Appendix 6



Appendix 7

Minimum primary enclosure space requirements³

Height of the dog measured at the shoulder of the dog (cm)	Area (m ²)	Width (m)	Height (m)
70 or greater	15	2.40	1.80
40 to 70	10	1.80	1.80
20 to 40	6	1.40	1.20
5 to 20	4	1	1.20

Minimum primary enclosure space requirements apply to the keeping of one adult dog. Dams and their puppies up to eight weeks of age are provided with an additional space of 10% per puppy. If two or more adult dogs are kept in one enclosure, the minimum dimensions for the enclosure specified are increased by 1.5 m² for each dog kept in the enclosure.

The kennel size measurements based on the height of the dog.

Appendix 8

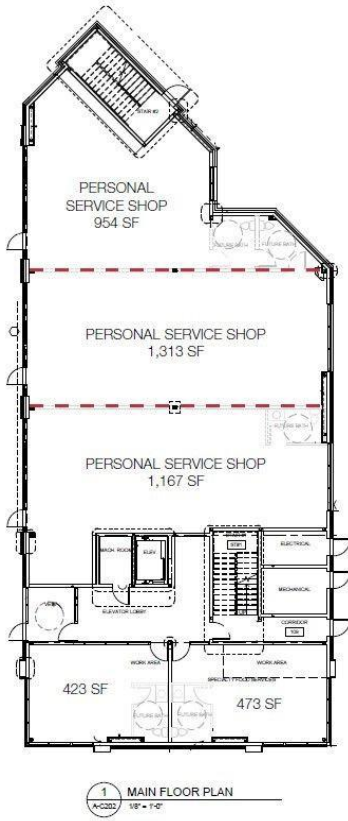
The screenshot displays a configuration interface for membership cards. It features several sections with dropdown menus and a list of add-on options. The 'Quantity' dropdown is set to 500. The 'Paper Stock' dropdown is set to 30mil White Gloss. The 'Backside Printing' dropdown is set to Full Color. Under the 'Amazing Add On's' section, 'Barcoding' is selected with a checkmark and has a price of +\$45.00. Other add-on options include High Impact Custom Design, Magnetic Stripe (only on 30mil), Embossed Numbering, Variable Data, Signature Panel, Scratch Off with PIN, Hole/Lanyard Punch, Foil *per color/per side, and Spot UV. A large white box at the bottom of the interface displays the total cost as \$184.00.

Option	Price
Quantity	500
Paper Stock	30mil White Gloss
Backside Printing	Full Color
High Impact Custom Design	
Barcoding	+\$45.00
Magnetic Stripe (only on 30mil)	
Embossed Numbering	
Variable Data	
Signature Panel	
Scratch Off with PIN	
Hole/Lanyard Punch	
Foil *per color/per side	
Spot UV	
Total:	\$184.00

The online company called SILK CARDS to make our membership cards, we require 500 cards, and the cost id \$184 for total.

Appendix 9

Floor plan for our office



Appendix 10

TruShield Insurance 1.844.795.7975

< BACK

You're 100% done!

Have questions about insurance or just need to talk?

We're here for you! let us give you a call by completing the form below and we will contact you within 1 business day.

First name **Last name**

Business name **Phone number**

Email **Province**

Sign up for our newsletter and receive quarterly updates with risk management advice tailored to your business type. You can unsubscribe any time see our Privacy Policy

YOUR QUOTE

\$75 Monthly Cost

These are the coverages we recommend based on your profile

COMMERCIAL GENERAL LIABILITY Recommended Limits

This coverage protects your business from financial loss if you're sued because of property damage, injury or death caused by your business or your employees.

\$2,000,000

\$5,000,000

What does this mean?

Opt-in or opt-out of coverages below

BUSINESS CONTENTS Recommended Limits

This coverage protects your business' contents against loss or damage from causes like theft, fire and vandalism.

\$0K - \$25K

\$25K - \$100K

\$100K - \$250K

What does this mean?

DATA & PRIVACY

This coverage protects your business against expenses, potential lawsuits and regulatory fines that may arise if you experience data breaches or loss of data after a cyber-attack.

Insurance for protecting fire, theft, and water damage

Appendix 11

Insurance for protection from being sued by other companies

The screenshot displays the Bullfrog Insurance website interface. At the top, there is a navigation bar with the Bullfrog Insurance logo on the left, and three menu items: 'INDUSTRY SOLUTIONS', 'BUSINESS INSURANCE', and 'START A CLAIM'. On the far right of the navigation bar, it says 'Call 1-844-462-3764'. Below the navigation bar, the main content area features a large background illustration of a tree and a pond. A dark grey overlay box is centered on the screen, containing a table of policy details. The table has two columns: 'Coverage' and 'Platinum - Option 1'. The 'Coverage' column lists various insurance types, and the 'Platinum - Option 1' column shows the corresponding limits. A 'COVER ME' button is located at the bottom right of the overlay box. Below the table, there is a disclaimer: '*Coverage is subject to the terms, conditions, and exclusions of the policy. For full details of coverage, please read the DASgroup - Commercial wording. Deductibles may apply. Legal Expense Insurance for Bullfrog Insurance Limited is underwritten and claims managed by DAS Legal Protection Insurance Company Limited.'

Coverage	Platinum - Option 1
(Hover on terms below for details)	
Legal Advice Helplines	Unlimited
Legal Defence	\$100,000 Limit
Bodily Injury	\$100,000 Limit
Employment Disputes	\$100,000 Limit
Statutory Licence Protection	\$100,000 Limit
Property Protection	\$100,000 Limit
Tax Protection	\$25,000 Limit

*Coverage is subject to the terms, conditions, and exclusions of the policy. For full details of coverage, please read the DASgroup - Commercial wording. Deductibles may apply. Legal Expense Insurance for Bullfrog Insurance Limited is underwritten and claims managed by DAS Legal Protection Insurance Company Limited.

COVER ME

Appendix 12

Loan expense



My Payment Results

Payment amount

\$3,598.23 / Monthly

Add TD Credit Protection

Mortgage amount
(Actual mortgage amount may change based on TD down payment requirements)

\$ 200,000

Interest rate

5 Year Fixed Rate Mortgage 3.07%

Amortization period

5 years

Payment frequency

Monthly

[View amortization and term schedule](#)

Balance after 5 years term

Total payments over term	\$215,881.72
- Interest paid	\$15,881.72
= Principal paid	\$200,000.00
Balance at end of term	\$0.00

Appendix 13

The True Cost of Employee Training Programs

by [Stacey Linn](#) June 2, 2015 8:00 AM

According to the Association for Talent Development's [2014 State of the Industry Report](#), organizations spend an average of \$1,208 per employee on training and development. For companies with fewer than 500 workers, that number is even higher, coming in at \$1,888 per employee.

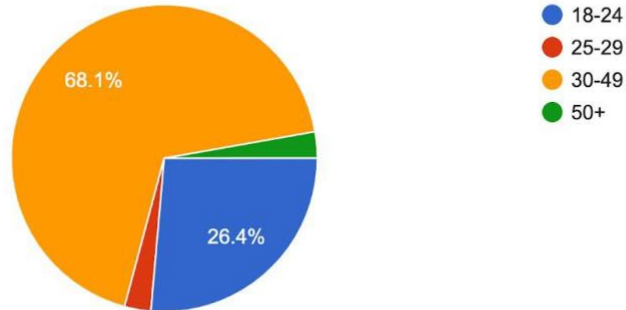
But time is money. According to that same study, companies are spending an average of 31.5 hours per year [training employees](#). That's time you aren't billing to an account or turning prospects into clients.

The following appendixes are the results of primary research:

Appendix 16

1) What age category do you belong to?

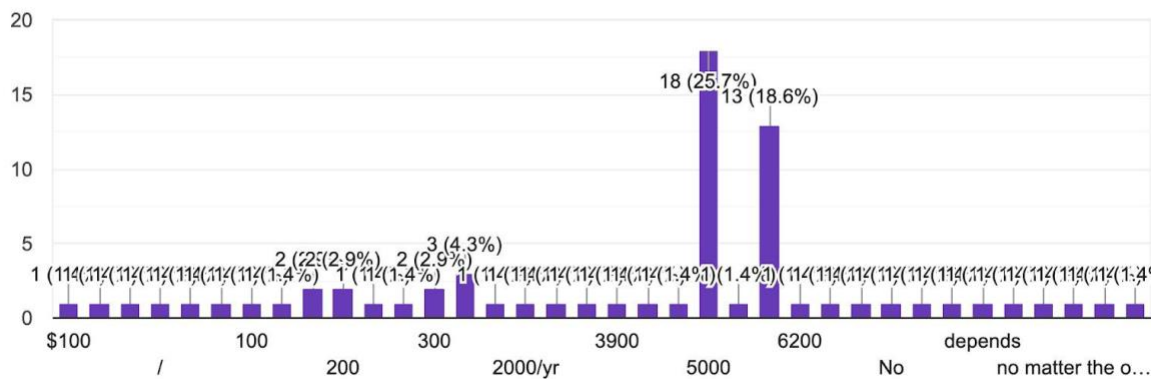
72 responses



Appendix 17

3) How much are you willing to spend on pet care services?

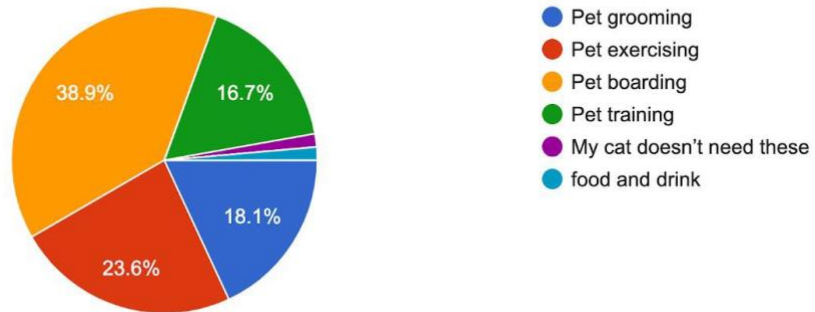
70 responses



Appendix 18

4) Which pet care service do you need most often?

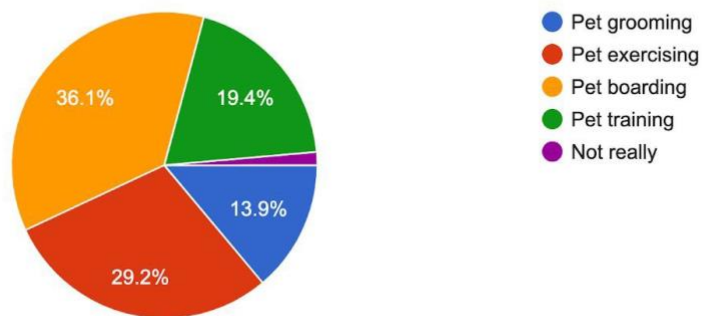
72 responses



Appendix 19

5) Which pet care service is the most important for you?

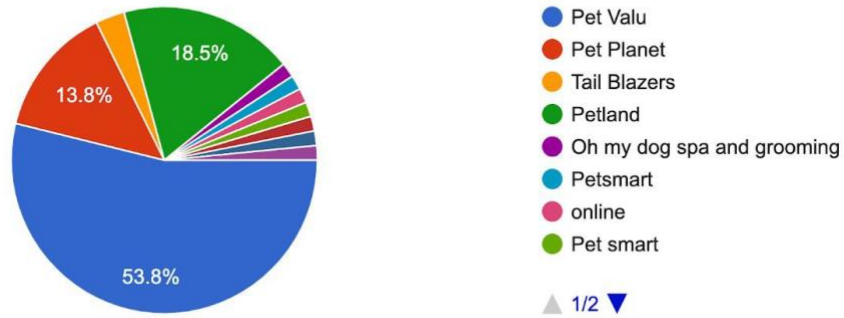
72 responses



Appendix 20

6) Which pet store do you visit most often?

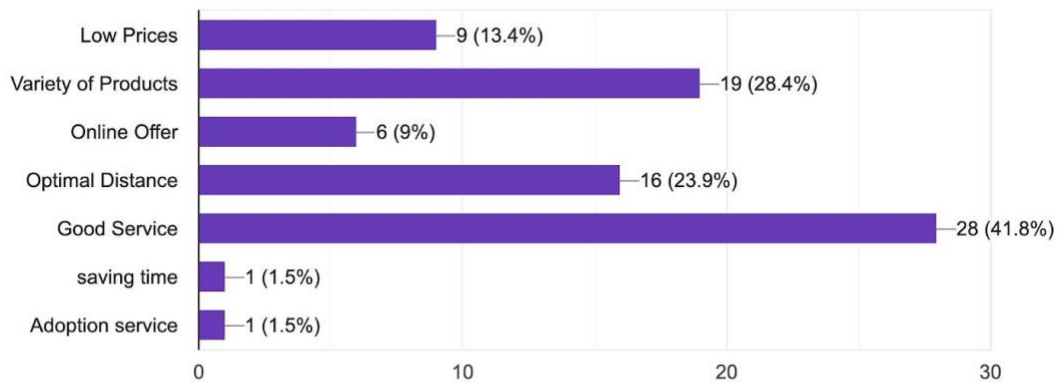
65 responses



Appendix 21

7) Why do you visit this pet store?

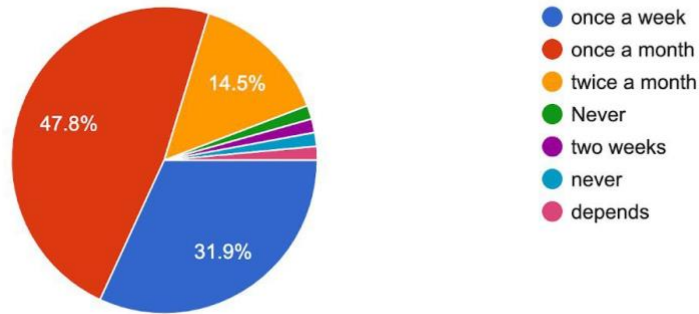
67 responses



Appendix 22

8) How often do you visit the pet store?

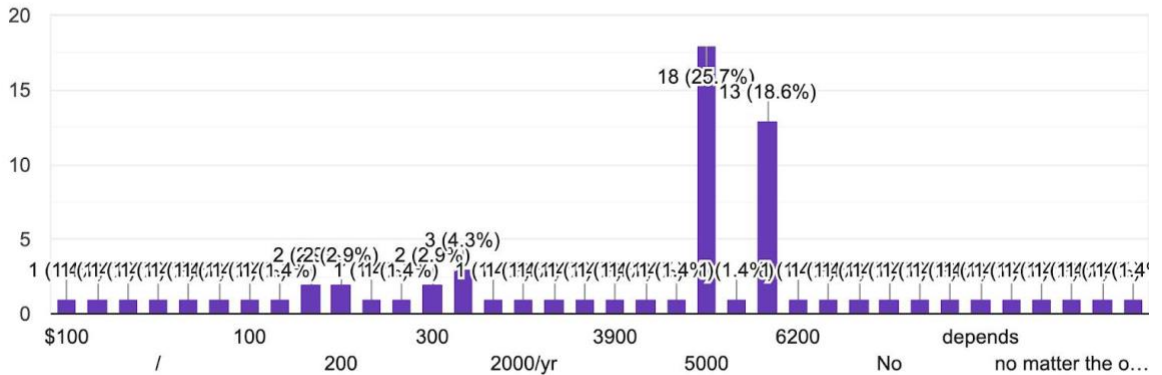
69 responses



Appendix 23

3) How much are you willing to spend on pet care services?

70 responses



Here are our detailed price and revenue breakdown,

Appendix 24

Year 1	pet exercising during the day	pet exercising in the evening	pet day boarding	pet overnight boarding	pet massages package	Daily	Total Monthly fee	Total Annual fee
per day number of dogs								
XSmall dogs (less than 15 lbs)	3		2	3	1	1		
small dogs (15-35 lbs)	1		1	2	2	1		
Medium dogs (35-60 lbs)	4		1	1	1	2		
Large dogs (greater than 60 lbs)	3		5	2	1	1		
total	11		9	8	5	5	38	
Unit prices								
XSmall dogs (less than 15 lbs)	19		20	25	50	60		
small dogs (15-35 lbs)	24		25	30	55	65		
Medium dogs (35-60 lbs)	29		37	40	60	70		
Large dogs (greater than 60 lbs)	34		40	45	65	75		
Revenue per day	299		302	265	285	340	1491	554652

Year 2	pet exercising during the day	pet exercising in the evening	pet day boarding	pet overnight boardina	pet massages			
XSmall dogs (less than 15 lbs)	3	1	0	3	3			
small dogs (15-35 lbs)	2	4	2	2	2			
Medium dogs (35-60 lbs)	2	3	3	1	2			
Large dogs (greater than 60 lbs)	5	2	3	2	3			
total	12	10	8	8	10	48	13680	
Unit prices								
XSmall dogs (less than 15 lbs)	21	28	25	50	60			
small dogs (15-35 lbs)	26	35	30	55	65			
Medium dogs (35-60 lbs)	31	37	40	60	70			
Large dogs (greater than 60 lbs)	36	40	45	65	75			
Revenue per day	357	359	315	450	675	2156	66836	802032

year 3	pet exercising during the day	pet exercising in the evening	pet day boarding	pet overnight boarding	pet massages			
XSmall dogs (less than 15 lbs)	6	5	3	1	1			
small dogs (15-35 lbs)	2	2	1	5	1			
Medium dogs (35-60 lbs)	1	1	3	6	2			
Large dogs (greater than 60 lbs)	1	5	2	2	2			
total	10	13	9	14	6	52	1612	19344
Unit prices								
XSmall dogs (less than 15 lbs)	23	28	33	53	62			
small dogs (15-35 lbs)	28	30	35	58	67			
Medium dogs (35-60 lbs)	33	38	40	63	72			
Large dogs (greater than 60 lbs)	38	44	45	68	77			
Revenue per day	265	458	344	857	427	2351	72881	874572

year 4	pet exercising during the day	pet exercising in the evening	pet day boarding	pet overnight	pet massages				
XSmall dogs (less than 15 lbs)	1	4	1	3	3				
small dogs (15-35 lbs)	4	6	8	5	4				
Medium dogs (35-60 lbs)	2	3	6	1	3				
Large dogs (greater than 60 lbs)	1	3	1	3	5				
total	8	16	16	12	15	67	2077	24924	
Unit prices									
XSmall dogs (less than 15 lbs)	25	30	32	53	62				
small dogs (15-35 lbs)	30	38	38	58	67				
Medium dogs (35-60 lbs)	35	40	42	63	72				
Large dogs (greater than 60 lbs)	40	49	50	68	77				
Revenue per day	255	615	638	716	1055	3279	101649	1219788	

year 5	pet exercising during the day	pet exercising in the evening	pet day boarding	pet overnight boarding	pet massages				
XSmall dogs (less than 15 lbs)	2	1	2	2	4				
small dogs (15-35 lbs)	6	7	8	5	2				
Medium dogs (35-60 lbs)	1	3	6	6	6				
Large dogs (greater than 60 lbs)	1	8	2	4	6				
total	10	19	18	17	18	82	2542	30504	
Unit prices									
XSmall dogs (less than 15 lbs)	25	30	34	58	63				
small dogs (15-35 lbs)	30	34	42	65	68				
Medium dogs (35-60 lbs)	36	42	45	68	73				
Large dogs (greater than 60 lbs)	42	48	52	75	78				
Revenue per day	308	778	778	1149	1294	4307	133517	1602204	

A breakdown of our profits

Appendix 25

CaresWorth Inc.						
Income Statement						
For year ended December 31, XXXX						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue	554652	802032	874572	1219788	1602204	
Discount	83197.8	80203.2	131185.8	243957.6	320440.8	
Net revenue	471454.2	721828.8	743386.2	975830.4	1281763.2	
Expense						
Salary expense	551080.8	551080.8	617148	667740	718332	
Rent expense	119420	119420	119420	119420	119420	
Pet products	1089.52	1089.52	1089.52	1089.52	1089.52	
Interest expense		43178.76	43178.76	43178.76	43178.76	
Advertising expense	4468	1404	3000	3000	3000	
Insurance expense	1250	1250	1250	1250	1250	
Other expense	200	-	-	-	-	
Internet and telephone expense	1680	1680	1680	1680	1680	
Total operating costs	679188.32	719103.08	786766.28	837358.28	887950.28	
Total operating income	-207734.12	2725.72	-43380.08	138472.12	393812.92	
Income tax expense	0	54,514.4	0	2769,442.4	7876,258.4	
NET PROFIT	-207734.12	2671,2056	-43380.08	135702,6776	385936,6616	

Appendix 26

Web address of how we calculate these costs

Capital costs

	Address
EQUIPMENT	
Shears (Scissors)	https://www.walmart.ca/en/ip/4Pcs-7-Professional-Hair-Cutting-Scissors-hair-scissors-set-PET-DOG-Cat-Grooming-Curved-Thinning-Shears-Straight-Trimmer-Shears-Kit/PRD68MJ4V5Y52AT
Brushes	https://www.amazon.ca/Hesiry-Shedding-Removes-Massage-Self-Cleaning/dp/B07SMPS7C9/ref=sr_1_2?keywords=pet+brushes&qid=1575258568&sr=8-2
Feeder Bowls	https://www.amazon.ca/s?k=slow+feeder+dog+bowl&crid=2EZYUFEHCLBLB&srefix=feeder+bows%2Caps%2C188&ref=nb_sb_ss_i_1_11
Dog blankets	https://www.amazon.ca/PAWZ-Road-Blanket-Fleece-Fabric/dp/B01BSMANMS/ref=sr_1_1_sspa?keywords=dog%2Blanket%2Band%2Bpillow&qid=1576197168&sr=8-1-spons&spLa=ZW5jcnlwdGVkUXVhbGlmaWVyPUEyWE1QNUdXQUFBRIQ0JmVuY3J5cHRIZElkPUEwNzQwMDA2SUQ0Q0ZURINNMIZUJmVuY3J5cHRIZEFkSWQ9QTAyNjE4NzhWTzhDNkZLUkE3Ujkm2lkZ2V0TmFtZT1zeF9hdGYmYWN0aW9uPWNsaWNrUmVkaXJlY3QmZG9Ob3RMb2dDbGljaz10cnVl&th=1
Dog bed	https://www.amazon.ca/PETMAKER-80-PET5015-Cushion-Pillow-Chocolate/dp/B01JSF7TGU/ref=sr_1_9?keywords=dog%2Bpillow&qid=1576197365&sr=8-9&th=1
Dryers	https://www.walmart.ca/en/ip/Low-Noise-Pet-Hair-Dryer-Dog-Grooming-Hot-Cold-Blower-Hairdryer-Heater-6/PRD5CKKU9DJA10I
Nail clippers	https://www.walmart.ca/en/ip/Pet-nail-clippers-sickle-dog-Cat-nail-clippers-stainless-steel-nail-clipper-pet-care-manicure-set/PRD70IP3SJKZXU0

Washing machines	https://www.canadianappliance.ca/product/LG_WM3700HVA_Washers_LG_WM3700HVA.html
Professional grooming tables	https://www.wayfair.ca/pet/pdp/loctek-hydraulic-heavy-duty-z-lift-pet-dog-grooming-table-lti10026.html
Other capital costs	
Renovation cost (includes installation of tubs, Shelves, compartments for dogs)	http://creston.ca/DocumentCenter/View/1957/Altus-2018-Construction-Cost-Guide-web-1

Operating costs

Shampoos	https://www.walmart.ca/en/ip/TOP-PERFORMANCE-FRESH-PET-DOG-SHAMPOO/PRD7CMEC79OEU09
Storefront rent (9% of the rent is utility expense)	https://www.loopnet.com/Listing/6031-Andrews-Way-SW-Edmonton-AB/17482353/
Conditioners	https://www.walmart.ca/en/ip/Pet-Silk-PS1620-Pet-Silk-Brazilian-Keratin-Leave-In-Conditioner/PRD6ZSRCNBOT4IH
Sprays(for relief from scratching and itching)	https://www.walmart.ca/en/ip/PetNC-Natural-Care-Hot-Spot-Spray-for-All-Pets-8-Ounce/PRD4WXI3PUECEXG
Dog toys	https://www.amazon.ca/Most-Popular-Dog-Toys-AMZpets/dp/B074N3RQRM/ref=sr_1_2_sspa?keywords=dog+toys&qid=1576197095&sr=8-2-spons&psc=1&spLa=ZW5jcnlwdGVkUXVhbGlmaWVyPUEzME5SMkNDTzQ2VjROJmVuY3J5cHRIZElkPUEwODExNzgwMlhVVENUQVVIRzJURSZlbnNyeXB0ZWRBZEIkPUEwMDc4Mjk3MUFZM0RUTzhBRTg2QyZ3aWRnZXROYW1lPXNwX2F0ZiZhY3Rpb249Y2xpY2tSZWRpcmVjdCZkb05vdExvZ0NsaWNrPXRydWU=
Ear cleaning products	https://www.walmart.ca/en/ip/PetNC-Natural-Care-Clean-Ear-Cleansing-Pads-for

	-All-Pets-90-Count/PRD7HO7VE4Q89S0
Bandanas (pet collars)	https://www.walmart.ca/en/ip/Mississippi-State-Pet-Collar-Bandana-Medium/5LC618B3H412
Bowls	https://www.walmart.ca/en/ip/HURRISE-Adjustable-Pink-Buckle-Pet-Snake-print-Collar-with-Bow-Knot-Tie-for-Party-Birthday-Decor-Pet-Bow-Tie-Pet-Collar-with-Bow-Knot/19P46DS2VSN3
Other expenses (tables and chairs) (6 chairs, 1 table)	https://www.kijiji.ca/v-dining-table-set/edmonton/beautiful-wood-stained-table-with-built-in-wine-rack/1477295045?undefined
Pet food	https://www.walmart.ca/en/ip/pure-balance-chicken-brown-rice-dog-food/6000192883869