



Pampered Pooches

Business Financial Plan

North Carolina 2012-2013

Marvin Ridge High School

Abigail Liles

Savannah Hemminger

Description of Business

Business Concept

The current standard for families who own dogs requires multiple obligations: visiting the veterinarian, going to a grooming facility, finding a trustworthy trainer, buying the right supplies, and searching for a safe kennel when families are out of town. Typically, these businesses are all located and operated separately, although they all share the common goal of canine care. Pampered Pooches is a business that strives to unify these services in one convenient facility. The business is located in a state-of-the-art, 10,000 square foot building, equipped with kennel facilities, grooming stations, a veterinary office, an indoor/outdoor play area, a retail shop, and even a bakery to prepare gourmet treats. Pampered Pooches will operate as a limited liability company under owners Abigail Liles and Savannah Hemminger, each respectively with backgrounds in dog care/business ownership and business finance. The business is scheduled to open in early 2014 upon obtaining adequate funding.

Financial Plan

Included in this report is the financial strategy that Ms. Liles and Ms. Hemminger plan to execute in order to successfully operate Pampered Pooches. The focus of the first year of business is to establish a strong repeating customer base, followed by word of mouth advertising. Social media will also be utilized to spread information about the business through advertising promotions and events. By the end of the second year of operation, Pampered Pooches will strive to double its customer base and decrease its debt.

By year three, Ms. Liles and Ms. Hemminger anticipate to see a **\$135,949** profit from year two by increasing the customer base through professional excellence. As the employee base expands, plans will be made to open up future locations.

Strategies to Obtain Loan

Successful operation of Pampered Pooches is dependent on obtaining a loan. Ms. Liles and Ms. Hemminger are requesting to secure a \$400,000 cash secured loan for 60 months. This application has been submitted to obtain a SBA guarantee and loan from Bank of America in order to commence the business' operations and obtain inventory. To receive the loan, the owners both plan to contribute personal finances. Obtaining this loan will bolster the success and growth of Pampered Pooches. By the end of five years, the loan will be paid off in full.

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1.0 Company Description

1.1 Legal Form of Business

Pampered Pooches will be a Limited Liability Company (LLC) comprised of two members, Abby Liles and Savannah Hemminger. This form of business will provide a great advantage for Pampered Pooches as it is a hybrid of certain features of a corporation and a partnership. As a Limited Liability Company, the two associates avoid major risks such as within a partnership where partners are personally responsible for all debts. Instead, losses will only be the amount the members put into the business. Additionally, the Limited Liability Company will avoid the double taxation that occurs within a corporation. Both of these advantages will allow for optimum success of Pampered Pooches as a new business. In order to create the Limited Liability Company the Articles of Organization will be filed with the Secretary of State in California. As per California law, a registered agent will be appointed and Statement of Information will also be filed. Furthermore, to enable the success of Pampered Pooches an Operating Agreement will be created amongst the two members. This will consist of rules and regulations agreed upon by both members so that operations will run smoothly.

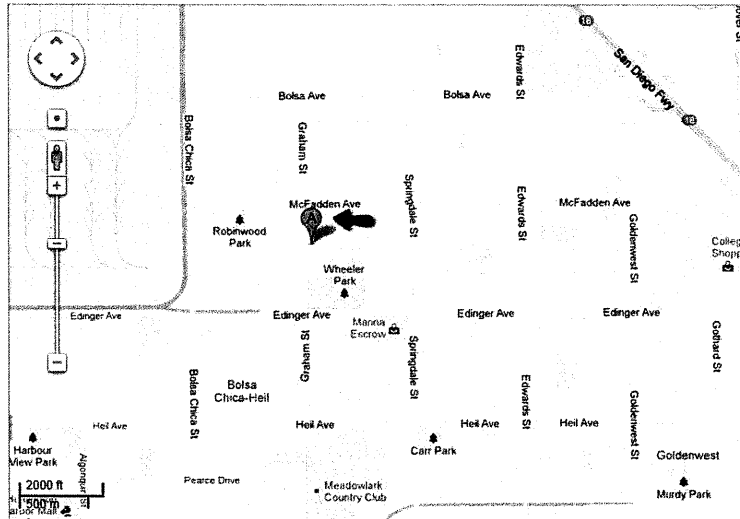
1.2 Company Governance

Under the establishment of a Limited Liability Company, ownership of Pampered Pooches will be equally divided under Savannah Hemminger and Abigail Liles. Contractual agreements have been made to ensure that revenues and expenses will be equally split among Ms. Hemminger and Ms. Liles. Based on educational background and previous employment credentials, each owner will hold specific responsibilities in the formation of Pampered Pooches.

Savannah Hemminger will hold a managerial position in the financial aspect of the company. As a 31 year-old graduate from the University of South Carolina, she obtained her bachelor's degree in accounting and master's in finance, and is also a Certified Public Accountant. Previously holding a managerial position for an accounting firm for the past 5 years, Ms. Hemminger was able to obtain \$337,500 in savings, which will allow her to adequately focus on successfully operating Pampered Pooches. Ms. Hemminger is adept in governing financial decisions within a small business. Her role as financial manager and co-owner of Pampered Pooches will be to oversee all financial aspects including financial reporting within the business.

Abigail Liles will assume the position as operations manager of Pampered Pooches. After working as a groomer for her father's small animal grooming business in high school, she obtained a bachelor's degree in business management from the University of Georgia with a minor in Furnishings and Interiors. She then went on to obtain her MBA from the University of Southern California. As a 33 year-old southern California native, Ms. Liles is very familiar with the surrounding areas in which she plans to open Pampered Pooches. Ms. Liles has volunteered at various animal shelters and has aided in grooming, training, and other pet services. For the past 7 years, she held a CFO position at an online furnishings company, allowing her to amount a savings of \$452,600. She will hold the responsibility of co-owner and the business' daily operations. Ms. Hemminger and Ms. Liles plan to share an apartment as Pampered Pooches opens to reduce personal financial costs.

1.3 Company Location



The location chosen for Pampered Pooches is in Huntington Beach, California due to its convenient location and favorable demographics. It is located in an area surrounded by parks, two of which are located within 2,000 feet of the location of the building. The parks enable the business to have a dog-walking area as well as be visible to persons walking their dogs. The park itself has short paths as well as playgrounds where owners often take their dogs. Additionally, Wheeler Park is situated right next to a residential area, which puts Pampered Pooches within walking distance of many customers. Such close proximity to two parks allows for free local advertising for

Pampered Pooches. The location of Pampered Pooches is also within an area of many families and pet owners (there is a high school within walking distance) which allows for a wider business base. Pampered Pooches will rely on repeat business and the residential setting will enable that due to the various families in the area and the vacations they take. Vacations will require many families to leave their pooches in our overnight kennels or doggie daycare.

The location of the stand-alone facility is also very convenient for customers who live further away. The close access to the San Diego Freeway connects Pampered Pooches to popular urban areas such as Anaheim, Long Beach, and even Los Angeles where there are over 3.5 million households. With 39% of US households containing at least one dog, the amount of potential customers is likely over 1 million. These areas also provide favorable demographics for the upscale services Pampered Pooches will provide. A stream of new business will then be available to concur with the repeat business for Pampered Pooches.

1.4 Goals

Short Term

Year one goals:

- Secure a staff known for professionalism and excellency
- Establish customer base to 200 customers
- Focus on keeping clients as repeat customers
- To increase awareness of business: develop a website, create a Facebook/Twitter, and rent a billboard for advertising
- End the year with less than \$300,000 in debt

Year two goals:

- Increase customer base to 400 customers
- Increase percent of repeat customers
- Expand advertising; including 2 more billboards around urban areas and occasional coupons throughout the year for Facebook and twitter followers
- End year with less than half the debt as year one
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Intermediate/ Long Term

Year three goals:

- Establish veterinarian as part-time

- Expand employee basis
- Obtain a base of 500 customers
- Have a greater amount of repeat customers than new customers
- Establish profitability

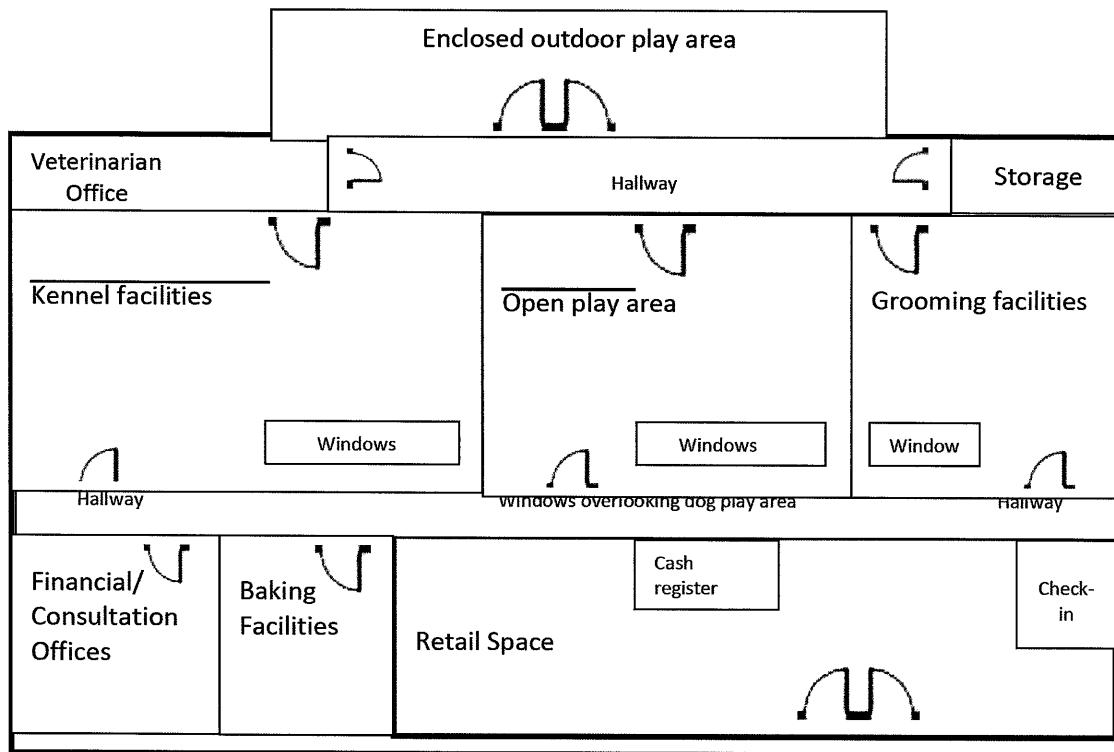
Year four and year five goals:

- Maintain/Increase profitability
- Open another franchise closer to Los Angeles
- Expand employee base
- Expand Internship and Co-op programs

2.0 Operations and Management

2.1 Business Facilities

Pampered Pooches will be located at 15662 Graham Street, Huntington Beach, California 92649. The space was selected by Ms. Hemminger and Ms. Liles as a 10,000 square foot stand-alone industrial space, formerly occupied by a veterinary research center. The building consists of a single story with business offices as well as rooms available for dog grooming. The business will operate on a 7 am- 7 pm retail schedule 7 days a week and a 24 hour kennel schedule Monday-Saturday (no check-ins on Sunday). The entrance area will consist of a check-in counter, a separate register, a designated area for selling products, as well as a large window overlooking the indoor "play area" for dogs. The east wing of the facility will be designated for dog grooming, the west for kennel housing, and the back will be for storage and access to a fenced in area for outside dog play. Each section of the building will surround a central indoor area in which dogs are allowed to play while either waiting for grooming or spending the day in the kennel facility.



Upon entering the facility, customers will immediately be able to view the high-quality retail products Pampered Pooches offers. In addition, they will be able to view through a window the open play area, ensuring the safety and care their dogs are receiving.