

futurpreneur 

Monsieur Pet Boutique

Business plan

1.0 Executive Summary

Company Profile Summary

The Eglinton/Mount Pleasant area caters to a highly urbanized and dog-friendly environment that is ripe for a high-quality, natural pet food store. Monsieur Pet Boutique (MPB) will be a pet supply store that specializes in natural pet food, treats and accessories. MPB is owned and operated by Peter Rouche, an animal enthusiast who writes a weekly blog about healthy pets. Monsieur Pet Boutique will be the go-to pet retailer in the Eglinton/Mount Pleasant neighborhood of Toronto, featuring high quality pet food and supplies in a friendly atmosphere. The business, located at 1019 Mount Pleasant Avenue will become a staple of the neighbourhood.

Market Research Summary

Members of the target market frequent establishments such as Starbucks and community cafés, enjoy taking in movies and shopping in the Bayview/ Eglinton and Yonge/ Eglinton areas. The business will serve customers who value high quality pet products and supplies. Customers will now be able to purchase these items in their neighbourhood. Monsieur Pet Boutique offers an exclusive shopping with knowledgeable and expert customer service.

Marketing Summary

Monsieur Pet Boutique will utilize three main marketing strategies: direct mail campaign in the local area highlighting the grand opening; a daily updated Facebook /LinkedIn page with tips, photos, and pet care posts; and being an active member of the local community.

The proximity of Sherwood Park, a frequently visited urban park, ensures Monsieur Pet Boutique will be ideally situated to serve dog owners. Potential customers currently make purchases at Pet Smart, Pet Value and Global Pet. The business will offer high-end organic pet foods and treats. Customer loyalty will be high due to Monsieur Pet Boutique's personalized approach providing high quality products in a convenient location.

Finance Summary

The average customer will spend approx. \$80 per month. The business will connect to 120 regular customers and another 80 casual customers a year to meet its Year One target of \$115,200 in sales. Monsieur Pet Boutique is seeking \$15,000 from Futurpreneur Canada, \$30,000 from BDC and is investing \$25,000 of the owner's money to help with leasehold improvements, inventory and marketing.

2.0 Company Profile

Business Overview

Monsieur Pet Boutique is a premium pet food store specializing in natural and organic foods and high-quality pet products. Monsieur Pet Boutique was established on 01/03/2013.

Peter Rouche's knowledge and experience as a pet owner offers a value-added, personal touch; ensuring clients receive personalized products and services.

Monsieur Pet Boutique is a product business. Only food products of the highest quality (including all-natural, human grade, and dry, wet and raw) as well as dietary supplements and accessories will be offered. Key suppliers include: Royal Canin Orijen Innova EVO California Nature

Company History

Peter's blog, with its consistent and growing following provides an online presence for the store. In addition, the numerous hours and Peter has invested in research and developing industry-specific knowledge will allow him to immediately begin serving customers in an informed manner from his own store.

Management

Peter Rouche has been a dog enthusiast for the last 20 years. From his earliest days he had a passion for animals, especially dogs. He has worked at Cisco and BeleNet as an IT specialist for the last 8 years. In his spare time he began researching food and supplements for dogs and his blog for animal lovers has a growing following. He most recently worked in a pet store in Toronto's West end to reacquaint himself with the industry and gain valuable insight. His love of animals, understanding of the pet store industry in the Toronto area, contacts with suppliers and acute knowledge of the neighbourhood where he lives (Mount Pleasant & Eglinton) provides a solid foundation to run a sustainable pet food store that will serve his community.

Location

Monsieur Pet Boutique will be store front. Monsieur Pet Boutique will be located at 1019 Mount Pleasant Ave, Toronto, ON. Monsieur Pet Boutique will be located at 1019 Mount Pleasant Ave. which is very close to Sherwood Park - a park frequented by dog owners. A letter of intent has been signed by the landlord.

Legal Structure

Monsieur Pet Boutique is a sole proprietorship. The company is a sole proprietorship and has been registered. In the future, incorporation will be considered once employees are hired.

Monsieur Pet Boutique is interested in securing not at this time.

Vision & Mission

The friendliest and most knowledgeable premium pet food store in mid-town Toronto. Providing premium pet food products that are responsive to the community, with daily tips and advice on pet care.

3.0 Market Research

Industry Profile & Outlook

Monsieur Pet Boutique operates primarily in the retail industry.

Pet owners are willing to invest in the care/products their pets receive, as illustrated by the average 4.5% increase in pet spending annually in an \$8.9 billion a year industry in Canada (according to the latest estimates by the Pet Industry Joint Advisory Council of Canada (PIJAC)).

According to Agriculture & Food Canada, 2011, Market Indicator Report of Pet Foods in Canada, pet humanization has led to a consumer preference for natural pet health products. There is a growing trend in the humanization of pets where the majority of Canadian pet owners treat their pets as part of their family. As a result, many owners are willing to pay for premium products including organic, grain feed, and raw food products.

The pet food industry has responded to pet owners through product expansion and selection, satisfying demand for natural, organic, eco-friendly, healthy, innovative items. Part of demand is due to increased allergies that pets are developing. Natural, organic (and in some cases raw) food and supplements are recommended to combat allergies.

Statistics Canada estimates just under half of Canadians are pet owners, with the average family spending \$870 a year in 2009, the latest year for which data is available.

Over 70% of dog and cat food sold in Canada is purchased through pet shops, super-stores and grocery stores. Select types of pet food are available for sale only through veterinary clinics according to the Pet Food Association of Canada. Grocery chain retail store remain the largest distributors for cat and dog foods. Due to low levels of competition in the other pet food sold through pet-specialists and retailers, there is high mark-up of product. The leading pet superstores in Canada are PetValu and PetSmart.

In the October 2012 issue of BlogTO, The Best Pet Stores in Toronto were highlighted with neighbourhood based boutiques winning out over franchises and national chains. This is good news for Monsieur Pet Boutique.

The immediate area of competition for Monsieur Pet Boutique is the Yonge & Eglinton intersection and surrounding area (about 1km west of the location). They include Sit and Stay Dog Emporium on south on Yonge St (west of the location), P.J. Pet Centre (Yonge & Eglinton), Global Pet Foods (Yonge & Davisville), and Bark & Fitz (Yonge & Briar Hill). However, Monsieur Pet Boutique believes that the market is big enough to support

another pet store because of the high concentration of apartments, condos and houses in the area.

Holistic, natural pet food will continue to grow in popularity, as pet parents become more and more conscientious of and educated about their pets' nutritional requirements, and more leery about pet foods, particularly in the wake of numerous pet food recalls of recent years.

Brandon Forder, co-owner of Canadian Pet Connection, an established alternative health pet food shop, sees the existing trend towards grain-free commercial dry foods and raw diets will only increase in demand as pet owners search for these hypoallergenic dietary options.

Brandon also states that "raw alternative products should also be in high demand for 2013. Air dried raw foods (by brands like ZiwiPeak) give consumers excellent options for those who prefer feeding their dogs raw foods, but lack the storage space, or live active lifestyles where freezing food is not a reliable option."

This is especially good news for the smaller mom and pop boutique pet food makers that produce high-end premium pet foods and treats.

The demand for pet services, especially pet grooming, will continue to increase. This will coincide with a growing market for natural, holistic pet grooming products.

Local Market

Primary marketing initiatives will focus on dog/cat owners within a 3-4 kilometer radius of the store. Monsieur Pet Boutique falls in the top half of Toronto's Ward 22 and bottom half of Ward 25 (of which the median household income is \$58,000 and \$87,000 respectively. Compared to the Toronto norm of \$49,000 (based on 2006 statistics, this is an indication of the high-income dwellers which comprise Monsieur Pet Boutique's target market.

A small grocery store and deli just north of the location offers potential for cross referral. Just south of Eglinton is an active BIA of various stores and shops with dog grooming business nearby (potential for cross referral). Monsieur Pet Boutique believes that being positioned as a high-end pet food store in this neighbourhood will carve out a market that is sustainable.

Key Competitors / SWOT Analysis

	Strengths	Weakness	Opportunities	Threats
Global Pet Foods	<ul style="list-style-type: none"> • Canada's largest chain of pet food stores specializing in natural, holistic and organic foods and supplements! • Health food store for pets 	<ul style="list-style-type: none"> • Limited selection of products and services • Each store does not have the same level of knowledge ability or service 	<ul style="list-style-type: none"> • Open to customer feedback on products to carry 	<ul style="list-style-type: none"> • Open up a store in the neighborhood
Pet Valu	<ul style="list-style-type: none"> • Once a source for discount pet food and basics, Pet Valu has evolved into the destination for the very best holistic and natural food, treats and litter, not to mention the largest assortment of pet toys and supplies. 	<ul style="list-style-type: none"> • Tend to promote in house brands at the expense of other brands 	<ul style="list-style-type: none"> • No loyalty to any one brand 	<ul style="list-style-type: none"> • Undercut by selling at a cheaper price
Monsieur Pet Boutique	<ul style="list-style-type: none"> • Locally responsive premium pet food store - owner is extremely knowledgeable and known in the community • High-quality products 	<ul style="list-style-type: none"> • New store so will need time to establish credibility and build reputation 	<ul style="list-style-type: none"> • Responsive to the local community in offering premium pet food products and pet care advice 	<ul style="list-style-type: none"> • Local pet food stores can get into price war

Target Market

Monsieur Pet Boutique is focused on selling to Consumers (B2C).

This target group has an above average income, are single or in the early stages of starting a family, appreciate the arts and actively participate in sports, events and travel. Monsieur Pet Boutique's Target Market (Best Customer):

1. Dog or cat owner
2. Pet is considered "family"
3. Live within a 3 kilometer radius of 1019 Mount Pleasant Rd.
4. Take an active interest in what they feed their pets
5. College/University graduate
6. Takes part in cultural activities
7. Well informed on social/environmental/health issues
8. 35 - 45 years of age male or female
9. Condo/ apartment dweller - income level of \$60,000 or more
10. Home owners whose household income exceeds \$100,000

Keys to Success

The key to spreading Monsieur Pet Boutique's message is for Peter to capitalize on his active neighborhood and community involvement. Peter is a consistent face at Sherwood Park and has solid connections with dog owners who frequent the park. He is involved in the community from participating in fundraising and park events. Being viewed as part of the neighborhood and community brings with it a level of trust and exposure. In addition to this, Monsieur Pet Boutique plans on a consistent direct mail campaign in the neighborhood highlighting Peter's friendly, knowledgeable approach.

Since the store will only carry premium products, Peter's responsiveness to customer needs will be important along with helpful pet tips (of which Peter has been including his blog).

Customer Survey Summary

A small survey was done to dog owners who frequent Sherwood Park between May and June of this year. Of the 28 respondents, 80% stated they would visit the boutique when it opened. The vast majority, 77%, felt that a personal approach by the owner including offering pet care advice was the key to whether they shopped at the boutique. 69% stated they would buy depending on the quality of the pet food offered. The convenience of the boutique being very close to Sherwood Park was an added bonus (62% said it influences their decision to stop in the boutique). From the survey results it is clear that from a marketing approach Monsieur Pet Boutique offer a "community- friendly atmosphere".

4.0 Sales & Marketing

Pricing Strategy

Premium products like Oijen, and Innova EVO will not be discounted (retailing at 69\$ to \$79 for 30lb bag) and will be in line with other premium pet food stores.

Premium pet food stores charge \$69 to \$79 for a 30lb bag for Oijen and Innova EVO products.

Monsieur Pet Boutique will not compete on price. The pricing strategy will reflect the high quality products and services offered. However, there will be a Monsieur Pet Boutique loyalty card that offers 10% off on goods for frequent customers. It is important that service, product selection and advice be exceptional.

Marketing Strategy

Monsieur Pet Boutique will utilize three main marketing strategies:

1. Direct mail campaign in the local area will highlight the boutique's grand opening.
2. Facebook page updated daily with tips and photos (while there will be a website the plan is to engage members online).
3. LinkedIn - by posting weekly topics on pet care we will engage our professional customer base

Primary Marketing Activity

Direct Mail Campaign

To attract customers in the first year a direct mail campaign will be initiated. Using Canada Post's Precision Targeter, with Monsieur Pet Boutique target market specification and a one kilometer radius selected there would be 11,761 direct mail pieces sent out at a cost of \$1,742.55 (per campaign). This will announce the store opening and followed by three more consecutive mail outs spaced out 10 days apart. The focus of subsequent campaigns would be to cater to the discerning dog or cat owner that is concerned with food their pets eat. It is expected that Monsieur Pet Boutique would have a 0.7% rate of return (slightly above average) which translates into 82 customers from direct mail marketing (with each customer spending on average \$960 a year). Direct mail would only be done initially to create awareness at which point more and more emphasis would be placed on social media (namely Facebook).

Marketing Objective

Goal #1 - 120 repeat customers a year

Goal #2 - \$115,200 in sales in the first year

Goal #3 - 20 % increase in customer base in Year 2

Positioning Statement

Friendliest game in town.

The Sales Process

Monsieur Pet Boutique sales cycle timeline is <24 hours.

Monsieur Pet Boutique is assuming a 70-80% conversion rate to sales for people who walk in the boutique.

Strategic Alliances

Monsieur Pet Boutique has a strategic alliance with Katz-n-Dogs Dog Services (a dog walking and pet grooming service at Mount Pleasant and Eglinton).

5.0 Operations

Location(s)

Monsieur Pet Boutique will be located at 1019 Mount Pleasant Ave. which is very close to Sherwood Park – a park frequented by dog owners. The landlord has agreed in principle to lease out a 700 square foot property for three years with a back office for administration and storage. It was through the owner’s extensive contacts with dog owners, the close proximity of the park, and an area of Toronto that pet owners would find accessible that the location was chosen.

Monsieur Pet Boutique hours of operations will be: Tuesday – Friday, 10- 7; Saturday 9-6; Sunday 11-5; closed Monday.

Legal Issues

Monsieur Pet Boutique anticipates the following legal issues:

- business licenses

- contract agreements (partnerships, independent contractors etc.)

Monsieur Pet Boutique will have general liability insurance (\$2M in liability) at a cost of \$1700.00 a year.

Insurance Issues

Monsieur Pet Boutique requires liability insurance.

Human Resources

Monsieur Pet Boutique will have 1 - 10 full time staff.

Monsieur Pet Boutique will have 0 part time staff.

In the first year of business, Peter Rouche will be the only person employed at the store. Peter will handle all of the functions of the store from stocking, ordering, dealing with customers and administrative/bookkeeping duties. After the first year of business, when capacity begins to play an issue, there are plans to hire a part time employee who would work 20 hours a week.

Process/Production

The key suppliers will be from Royal Canin, Orijen and Innova Evo and TollDen Farms: premium and raw pet food suppliers with delivery windows of 7-10 days maximum. Contact and relationships have been established with each of the suppliers. The margins, on average will be 50% of the selling price. Monsieur Pet Boutique will use Lies Pet Distributing for pet accessories.

Risk Assessment

Start-up marketing efforts will be direct mail in the local area. Should this prove to be ineffective, a concentrated effort will be spent on online marketing and handing out flyers as people enter Sherwood Park.

Time and effort will be spent in recruiting and training the appropriate part time employee who will start at the end of Year One/beginning of Year Two. This will help customers become familiar with other staff should Peter not be available.

Financially, Monsieur Pet Boutique will need to meet a minimum of \$90,000 in sales in the first 18 months of business. Should this not be achieved, Monsieur Pet Boutique would look to close the store and sell off any remaining inventory and fixtures.

6.0 Financials

Start-Up Costs

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit <http://futurpreneur.ca/en/bplan/> and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it outputs a custom spreadsheet with all the formulas you'll need.

Break Even

Fixed costs for the year are \$28,200 (includes telephone, booth rental, utilities, reward club, and contract employee)

Average sale price is \$53

Average production cost is \$16.80/piece (material, labour, commission – Etsy or local

tourist boutique, VISA/MasterCard service fees, and listing)

Break -even point:

$$\frac{\$28,200}{\$53 - \$26.50} = \frac{\$28,200}{26.50} = 1,064 \text{ units}$$

1,064 products would need to be sold or \$56,392 in sales to break even. This will happen by the end of September in Year One.

Sales Forecast

General Assumptions

- \$80 per repeat customers/ per month (\$40 per visit) on average.
- 120 repeat customers by the end of Year One
- Slow season: Dec/Jan.

Year One Sales Forecast (Including Assumptions)

Month 1 - \$0 - Store renovation and set up (not open to the public)

Month 2 - \$2000 - Grand opening 2 direct mail flyer campaigns 50 purchases at \$40 each/average

Month 3 - \$4000 - 1 direct mail flyer campaign Facebook promotions begin along with Issue frequent buyer cards 100 purchases at \$40 each

Year Two Sales Forecast

Cash flow

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit <http://futurpreneur.ca/en/bplan/> and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it outputs a custom spreadsheet with all the formulas you'll need.

Income Statement

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit <http://futurpreneur.ca/en/bplan/> and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it outputs a custom spreadsheet with all the formulas you'll need.