

BMSW 4006: Managing Enterprise in the 21st Century

Business Plan - Dog Breeding

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Overview of the business idea, product and service

The chosen business idea is focused on high-quality dog breeding (French bulldogs) and fertility services. This proposed business will deliver products as well as provide support services focusing on the basic business idea. The main product for this business is newborn puppies, mainly French bulldogs, grown in the high-quality breeding facility under the business firm. Besides, this business will also provide other supporting services such as collecting biological materials, progesterone testing, reverse progesterone testing, cytology testing, pregnancy confirmation service, and chilled and frozen biological material. Even, the transportation box will be provided. Under the fertility facility, this business will run a clinic for which significant capital will be required. The main business function will be provided on place (kennels), the communication and supporting service will be provided using the online platform whenever it is possible.



Figure 1: French Bulldogs (Coile, 2023)

The main reason behind choosing this business idea is the positive industry trend and growth opportunity in the market and expertise in the relevant field. According to the Brachycephalic Working Group (BWG), the French dog is currently the most popular breed in the UK with the highest number of registrations compared to any other breed (Morrison, 2020). According to Statista (2022), the number of French bulldog dogs registered in 2021 in the UK was 54,074 with a growth rate of 37.71% compared to the previous year. Besides, an analysis from different websites shows that there are only 3 French Bulldog suppliers in the West Midlands and Birmingham (www.champdogs.co.uk, 2023). However, none of them provides other supporting facilities like the proposed business idea. Thus, as the market demand and growth are high and there is a chance of differentiation of business by developing excellent service quality and variety, the Bulldogs breeding business will be a good business idea considering the primary target market.

Ownership and Legal format

The ownership and legal format will follow the general partnership format of business. In the UK, a general partnership is a type of business structure as well as an agreement, where two or more people carry on a business together intending to make a profit (Needle and Burns, 2010). The partners are jointly liable for any debts or obligations of the partnership and share in the profits and losses of the business. This type of partnership business does not have a separate legal entity from its owners, which means that the partners are held personally liable or responsible for the actions and liabilities of the business. In the UK, the partners must register the general partnership business with HM Revenue & Customs (HMRC) for tax purposes and agree on a partnership agreement that sets out the terms and conditions of the partnership, including how profits and losses will be shared and how the partnership will be managed (McQuaid, 2010). The reason behind choosing this business structure is to remove the limitation of capital and management capabilities required for the breeding business idea. Besides, it is relatively simple and inexpensive to set up and operate compared to company business structures. The partners can take part in the management and can share the workload and responsibilities which is much needed for the proposed start-up (McQuaid, 2010). Finally, considering the partnership benefits from the complementary skills and expertise of the partners, along with improved decision-making and increased business success, this structure has been chosen.

Management / Ownership

As a partnership firm, there will be three partners who are Marina Ivanova holding 40% of the share, Zornitsa Drakova holding 30% of the share and Nedyalko Radev holding 30% of the share. Among the three owners, Marina Ivanova has experience and knowledge regarding breeding French bulldogs, has a certificates on the specific tasks, and also has the instruments for breeding. As breeding is a critical job and requires experience and knowledge for the successful breeding of healthy dogs, experience and knowledge of Marina will play a crucial role in operating the main business function.

Zornitsa Drakova, the second shareholder of the business has good knowledge and skill in digital marketing. As the customers are becoming more and more concentrated in digital platforms and it is easy to reach the largest number of customers using this media, the expertise of Zornitsa will be effective in managing advertisements, social media, and other online-based sites where people look for puppies.

Lastly, Nedyalko Radev, the third shareholder, will handle the animal welfare, diet plan, hygiene, walking, grooming, etc. issues for which he is completing an online course and gathering the necessary skills.

Apart from the management owners, external professionals will be required (Vets, transportation, and counsel authorities for licences). Primarily three of us will operate the business. Besides, a contract will be made with some independent transportation firm that will assist in transporting the puppies. Transportation cost is depended on the number of sales and destination.

Target market and the marketing strategies

Target market refers to a specific group of potential customers that the start-up aims to attract with its products or services (Malhotra, Sivakumar and Zhu, 2009). It includes demographic, geographic, psycho-graphic, and behavioural characteristics of the customers who are most likely to purchase the product or service . Marketing strategies, on the other hand, indicate the techniques or methods employed by a start-up to promote its products or services to the target market (Ferrell, Hartline, and Hochstein, 2021). Marketing strategies need to be aligned with the target market needs and preferences to ensure the sustainability of a start-up. Besides, identifying the target market and developing effective marketing strategies enables start-ups to

focus their resources and efforts on customers who are most likely to purchase their products or services, which results in higher sales and profits (Morgan et al., 2019).



Figure 2: Bulldog lovers (SCHAUER, 2012)

The target market for the proposed business mentioned in this report will be pet (dog) lover individuals, and families between the age of 25 to 70 and has an interest in pets. Because these people have the financial and mental capacity to take care of dogs properly. Besides, entrepreneurs will be targeted who will breed the puppies when they are at the right age and condition. The primary target market will be the neighbourhood area of Birmingham and gradually increase from city to the world. For marketing purposes, a social marketing strategy will be used to attract pet lovers, different pet lovers groups will be analysed to run direct marketing and different websites will be used to reach and make sales to the customers.

SWOT analysis of the start-up

SWOT analysis is a strategic planning tool used to identify the strengths, weaknesses, opportunities, and threats of a firm or start-up (Helms and Nixon, 2010). It assists a firm to evaluate its internal (strengths and weakness) and external environment (opportunities and threats) by identifying the factors that impact its ability to achieve its objectives.



Figure 3: SWOT analysis (self-made)

For a start-up, a SWOT analysis provides a framework for assessing the company's strengths, such as its unique selling proposition, market position, and core competencies. At the same time, it helps identify potential weaknesses, such as lack of experience, limited resources, or low brand awareness (Davalas, Charalabidis and Fenekoy, 2022). Moreover, by analysing external factors such as industry trends, technological advancements, and competition, start-ups can better understand the opportunities and threats they face in the marketplace.

The swot analysis for the Proposed business is below.

Strengths	Weakness
Knowledge Experience Skills Creativity Flexibility	Public speaking Self-criticism Multitasking
Opportunities	Threats
Growing market Technology Customer loyalty	Market competition Data security

The main strength considering the dog breeding business is our knowledge and experience regarding breeding and industry, our skills in the relevant sector, as well as our creativity in designing exceptional service for the customers. In contrast, poor public speaking skills, multitasking, self-criticism behaviour, etc. our weaknesses which may result in poor leadership and low confidence about the business's success.

However, there are significant business opportunities ,because of the growing market for French bulldogs, advanced technology enhancing the success rate of breeding and increasing efficiency in other business functions. However, market competition and data security concerns can pose threat to the sustainability of the new business.

PESTEL analysis for the start-up

PESTEL analysis is a strategic tool used to analyse the external environment of a business that highlights six factors which are political, Economic, Social, Technological, Environmental, and Legal factors (Matović, 2020). By analysing the various factors under each category, start-ups can gain a better understanding of the external landscape and make informed decisions about business strategy. It can also help firms to anticipate changes in the market and adapt accordingly (Deena and Gupta, 2021).

The PESTEL analysis for the Dog breeding business plan has been presented below.

Political: the political factors include different government policies, trade policies, tax policies, etc. The political factors in the UK are favourable for start-ups, for example, the government is allowing up to 50% tax advantage for investing in start-ups.

Economical: The economic environment which includes inflation, exchange rate unemployed rate, etc. in the UK is not much stable at this moment. Because of high inflation (8% - 9%, the living cost has increased significantly which is boosting the sale of the discount store (www.ons.gov.uk, 2023). However, as buying and caring for dogs is costly, this may create decreasing demand for puppies.

Social: Social factors include lifestyle, attitude, population growth, age, demographic etc. which are currently favourable for the breeding business. Besides, there is a number of dog lovers' community in the UK.

Technological: UK has the available technological facility for supporting the breeding of dogs. Besides, the advancement in different internet-based media will ease the communication and marketing process.

Legal: There are some legal requirements for breeding dogs such as permission from Animal welfare, a licence to start a business, a licence for breeding, etc.

Environmental: Breeding dogs are not contradictory to environmental factors such as weather, climate change or environmental policy. Therefore, this factor is favourable for dog breeding firms.

4Ps of the marketing mix for the Start-up

The 4Ps of marketing (Product, Price, Promotion, and Place) are crucial factors for developing a marketing strategy. The 4Ps provide a framework for start-ups to create a comprehensive marketing strategy that can effectively engage their target audience and increase their chances of success (Qin, 2021). The product must meet the needs of the target market and stand out from competitors, while pricing should be determined by production costs, profit margins, and demand. Effective promotion methods must be identified to reach the target market through advertising, public relations, and sales promotions, and distribution channels (place) should be carefully chosen based on the product, target market, and budget (Nguyen, 2017).



Figure 4: Puppies – French Bulldogs (Kilgore, 2018)

For the breeding business, the main product will be puppies and as the demand for French bulldogs is high, this category of puppies has been chosen. The pricing strategy will be competitive, as the current financial condition of the UK. The product will be placed in both online and on-site for attracting neighbourhood as well as distant customers. Lastly, the promotion for the business will be operated using social media and websites, as well as in the kennel. The reason behind choosing social media is the increased number of internet users not only in the UK but also outside the UK.

Cash flow forecast and sources of capital

The following table is showing costs and sales figures for the start-up for the next 12 months.

Description of cost/sale figures	Months											
Cash in/out	1	2	3	4	5	6	7	8	9	10	11	12
Sale figures	10000	1000	6300	5700	1000	1500	26500	24500	1500	1500	13500	33000
Gas/Electricity	300	300	300	300	300	300	300	300	300	300	300	300
Dog Food	400	400	400	400	400	400	400	400	400	400	400	400
Consumatives	20	20	20	20	20	20	20	20	20	20	20	20
External Services	130	130	130	130	130	130	130	130	130	130	130	130
Unexcited Costs	500	500	500	500	500	500	500	500	500	500	500	500
Tax	4812	4812	4812	4812	4812	4812	4812	4812	4812	4812	4812	4812
Income	3838	-5162	138	-462	-5162	-4662	20338	18338	-4662	-4662	7338	26838
Total	52 056											

There are several sources of funds available for a start-up business such as banks, personal finance, business loan, etc. For collecting funds for the proposed business, two sources will be used which are personal savings and business loans.

Personal savings refer to the money that an individual entrepreneur has saved up and is willing to invest in their own business. Personal savings are often considered a good source of capital because they do not require any external approvals or obligations, and the entrepreneur has full control over how they are used (Robb and Morelix, 2016). Business loans are funds borrowed from a lender, such as a bank, with the intention of financing a start-up's operations (Cotei and Farhat, 2017). Business loans can be a good source of capital, because they provide a larger pool of funds than personal savings and can allow a start-up to quickly acquire the resources they need to grow and compete in its market (Zhao and Ziedonis, 2020).

As a partnership firm, every shareholder will provide capital for the business which will be used to gather the required fund. Besides, the UK government is supporting the growth of start-ups and therefore offering various business loans and tax advantages (GOV.UK, 2017). For the remaining need of funds after each member's contribution, a business loan will be taken to collect the necessary capital.

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