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BUSINESS DESCRIPTION / MARKET OPPORTUNITY

The name of the business is “Pet Heaven” which will be a day care service provider for pets owned by different households in the United Kingdom. The business will aim towards catering to the needs of the households that have one or more than one pet animals living in the household and all the people of the household are working or has to stay out of the house for the majority of the time.

In the United Kingdom, 45% of the households owned at least one pet animal and this number was stable for the last decade (Pet Keen, 2022). During the Covid-19 pandemic situation, this percentage went up and reached almost 60% in the United Kingdom. It is considered that a total of 34 million domestic animals are being petted in more than 17 million households (Statista, 2022). Many researches have been conducted and it is identified that the number went up due to the fact that pet animals made many people feel comfort during the pandemic (Jezierski, 2021). This raised the number of pet owners in the country and developed the opportunity for new businesses to arrive. People were able to spend more time in the house and could use this time to look after the pet and take care of the pet accordingly but as the world has been able to recover from the pandemic situation and people have started to go out for their jobs, the requirement for someone to look after the pet animals have risen.

The mission of Pet Heaven is “Providing a safe and heavenly place for the pet you love”. The mission statement defines the main objective of the business in creating a safe place for the pets while their owners are attending their daily activities. The business will start with one facility in the city and gradually expand to make sure that the requirement of the customers is being met.

INDUSTRY ANALYSIS

The industry that the business will be conducting its business is the pet care industry. The industry consists of different sized businesses that includes large organisations and also small organisations with just one room and capability of looking after only two or three pet animals (Salzman, 2013). Even the freelance pet care providers who offer walking and sitting for the pet animals are considered to be a part of the industry. For the analysis of the industry and its offering, the Porter's Five Forces will be used. Porter's Five Forces analyses five different factors that are crucial for a new business within an industry and these five forces can help a business to identify whether the industry would be a feasible one or not (Dobbs, 2014). The five forces that Porter has identified are threat of new entrants, threat of substitutes, bargaining power of the suppliers, bargaining power of the customers and competitive rivalry. Analysing these five factors will provide an insight to the overall industry and help the businesses to grow.

Threat of new entry

The threat of new entrants defines whether the industry is suitable for a new business to enter. The industries with lower threat of new entrants are considered to be lucrative for the businesses conducting their business in the industry as it will not bring in any new competition (Michaux et. al., 2015). The threat is calculated by understanding the overall resource and financials required for a new business to start their operations within the industry. For the pet care industry, the threat is comparatively higher than most of the industries as the requirement for both resources and financials are not high. Anyone with the enthusiasm and love for animal can work as a freelance service provider in the industry. This increases the threat of new entrants into the industry for the existing businesses.

Threat of substitutes

The threat of a substitute within an industry defines how often or rarely the customers or the consumers can receive the similar service from another business organisation. This can be confusing with the concept of competitive rivalry in the industry as both deals with substitutes or competition in the industry (Grundy, 2016). For a business organisation, the threat of substitute is increased when another business organisation offers similar service to the consumers. On the other hand, the competitive rivalry is more focused on any kind of competition, direct or indirect, that might prevail within the industry. For the case of Pet Heaven, the threat of substitutes is comparatively lower as it offers differentiated and personalised service to the customers.

Bargaining power of customers

The bargaining power of the customers depends on the offering of the industry and how the market is being served with the existing service providers. Higher bargaining power of the customers means that the industry has many services that are completely similar

or somewhat similar to the offering of the business. In addition, the cost of acquiring a new customer and the cost of retaining the current customers are also calculated while defining the bargaining power of customers. For Pet Heaven, the bargaining power of the customers will be medium as the acquiring cost is not high but cannot be considered as low due to the marketing efforts.

Bargaining power of suppliers

The bargaining power of the suppliers are low as the business can shift its suppliers at any given time. As the business will start as a small sized business, the requirement for the pet supplies would not be at a huge amount and these supplies can be bought from different pet food retailers. In case the business starts to expand and transforms into a new business then the requirement of different suppliers will be needed.

Competitive Rivalry

Name of competitor	Differentiation
Animals at Home	Animals at home provide services to different types of people with different services. The service portfolio of the business organisation includes pet walking and even pet cremation (Animals at Home, 2022). Pet Heaven will be differentiating from the business by providing personalised service to the customers.
The Dog Walkers	This business organisation provides services to the dog owners and takes the dogs of the customers for a walk. Pet Heaven will not be catering to the customers who only own dogs. Rather, the offering will be targeted towards both dog and cat owners. This will help Pet Heaven to differentiate from the dog walkers.
Sure Pet Care	This business provides the customers with different technological support to locate their pets and take better care. This will be an indirect competitor for Pet Heaven as this can capture the market of Pet Heaven and increase its business size in the process.

OPERATIONS AND MANAGEMENT TEAM

The operations and management team of Pet Heaven will be liable for ensuring the everyday business activities of the business.

OPERATIONS

The business will be conducted from a central office which will be located in the headquarter of Pet Heaven. A one-storied building located at the centre of London has been selected as the headquarter. The customers can drop their pets at the facility and leave for their offices and the pets will be duly looked after for the rest of the time of the day. The interior of the facility has been designed with different activities suitable for pets. As the service will be initially offered to only dogs and cats, two different sections for the pets are developed separately. The owners of these pet can be assured that their pets will be kept and taken care of in an environment suitable and enjoyable for the pets.

The supplies that are required for the facility are the pet foods. As the business has been started as a small sized business with a capacity of holding 8 dogs and 15 cats at the same time, the requirement of pet food will be limited. The food products will be purchased directly from the retailers. No large suppliers will be directly communicated for the distribution of the food products. As the business plans on growing, the suppliers will be contacted when the business reaches to the size of a large organisation.

Revenue Generation

The revenue will be generated by receiving service charge from the customers. The business organisation will offer different types of schemes and packages for the customers to choose from. The customers can choose the package according to the needs of the customers. The revenue generated from the provided service will be used for different branding and expansion purposes.

MANAGEMENT TEAM

Name	Skills	What do they bring to the firm
Angela Pam	Communication, organisation, time management	Angela will be working as the receptionist in the facility. As the customers will be coming in to drop their pets, she will be handling the customers and accordingly keeping track of the pets dropped at the facility.
Michael Scott	Human management, negotiation, time management, communication	Michael will be the manager of the facility and overlook all the activities that are required to be completed within the facility. For ensuring that everyday activities of the facility are being carried out and all the people responsible for their tasks will be monitored by Michael.

Ryan Stanley	Pet care giver, veterinary experience	Ryan is a medical professional practicing veterinary medicine. As the facility will have many pets staying inside the facility, a dedicated veterinary professional will also be required to provide the pets with required treatment and diagnosis.
Kevin Howard	Animal lover, neatness	Kevin is the service provider who takes care of the dropped pets and ensures that the pets are receiving the required services. Kevin will be dedicated towards providing service in the dog's section.
Annie Fuller	Animal lover, neatness	Annie will be responsible for providing service in the cat's section as she is more comfortable in providing service to the cats and can maintain a bond with cats.

MARKETING: THE FOUR 4PS

The four Ps of marketing help in defining the overall marketing mix of a product or service (Borden, 2014). These four Ps are defined for Pet Heaven in this section.

Product: The product in the case of Pet Heaven is the facility and the service that are provided within the facility. The facility will have two different sections for cats and dogs and all the amenities required for taking care of the pet during their stay at the facility will be provided. As the business keeps on growing, the plan is to diversify the portfolio by adding exclusive medical services for the pets and sourcing of pet foods.

Price: A cost-plus pricing will be used for the business. For the convenience of the customers, the business will be offering different packages. The cost will be determined by the length of the service that the customers are willing to receive. Customers can directly purchase the membership of Pet Heaven for a lower price compared to the price they have to pay for daily services received.

Promotional Mix: Promotional and branding activities will comprise of small efforts like introducing different posters near the stations and offices to attract the target customers. The target customers for Pet Heaven are typically office-goers. Thus, promoting the product near different office locations will greatly help the business to promote.

Place: The location of the facility is at the heart of London and can be easily accessed by the customers for receiving the services from the facility. And the environment of the facility will be designed to keep it friendly for the pets.

FINANCIALS

Sources of funds

- **Personal Funding:** The business will be initially started with personal funding from friends and family. Some of the capital that are required for the establishment of the business have been saved. The establishment of the facility will not be totally completed by using the saved amount. Some extra capital and funding will also be required.
- **Debt Financing:** Debt financing is the process of collecting money from a different entity that will be paid back after a certain time period (Kotey, 2019). Debt financing is usually received from financial organisations. Loans from different banks will be checked and compared to understand the market and the most suitable offer will be accepted from the bank for the establishment of the business.

Use of funds

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Revenue (from your operations and marketing section)	€ 14,400	€ 20,400	€ 26,400	€ 28,400	€ 32,000	€ 45,000
Fixed Costs (List out your fixed costs)	€ 9,000 (Rent for the place, employee remuneration, etc.)	€ 9,000 (Rent for the place, employee remuneration, etc.)	€ 9,000 (Rent for the place, employee remuneration, etc.)	€ 9,000 (Rent for the place, employee remuneration, etc.)	€ 9,000 (Rent for the place, employee remuneration, etc.)	€ 9,000 (Rent for the place, employee remuneration, etc.)
Variable Costs (List out your variable costs)	€ 3,500 (Pet foods and other necessities)	€ 6,500 (Pet foods and other necessities)	€ 8,500 (Pet foods and other necessities)	€ 10,500 (Pet foods and other necessities)	€ 14,500 (Pet foods and other necessities)	€ 18,500 (Pet foods and other necessities)
Profit	€ 1,900	€ 4,900	€ 8,900	€ 8,900	€ 8,500	€ 17,500

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