

Executive Summary:

Tom Ryan, Sole Trader is actively preparing to launch TLC Dog Grooming to serve dog owners in County Galway who are looking for an excellent grooming service for their family pet. Following from a background in veterinary nursing and experience in veterinary clinics, Tom has recently completed specialist training to QQI Dog Grooming (Advanced) Level 6. The new business will specialize in grooming and canine health management services offering a mobile service calling to homes of customers on an appointment basis.

Funding required

The promoter is seeking loan funding of €30,000 from a mainstream banking provider to be repaid over 5 years (60 months) to fund the purchase of capital equipment to include a 161 Mercedes Sprinter van and fit out as a mobile dog grooming unit. The fit out conversion with equipment purchase to include: heated bath, adjustable height grooming table, dryer, and clipping tools would be a total of €15,000 from a UK supplier. The promoter has funds of €10,000 to start the business.

Services & Pricing

After talking to lots of dog owners Tom is confident that there is a gap in the local market for a mobile dog grooming service. The price for a groom will vary from €25 to €90 including VAT. It includes clip or trim, wash and dry, nails clipped and ears cleaned and full flea treatment. A full groom will take 1-2 hours, depending on the size and temperament of the dog. Most dogs need a 'full groom' maybe 4 times a year and would use a professional service at least twice a year to complement home maintenance.

Market & Business Model

It is estimated that 34% of households in Ireland own at least one dog. 10,855 individual 12 month dog licenses were issued in Galway City and County in 2018. The business model is based on gaining loyal repeat customers (at least 2 visits per year) such that an appointment based schedule can be created providing services throughout County Galway.

In terms of other revenue streams, there is potential to supply specialist dog food and accessories with initial contact made with WoofStuff, who supply dog treats, pet fashion and homeware in Ireland; and with US based Whistle.com the ultimate health + location tracker for pets in the US about bringing the service to Ireland.

Marketing

The marketing budget will be €4,200 in the first year to be invested in digital marketing to include a website, SEO, email marketing, social media (video and testimonials) along with vehicle signage, PR and events. The Galway Animal Health Centre, a veterinary practice in

Claregalway, has agreed to jointly host a dog grooming, health and wellbeing event in the first quarter of 2019.

Competition

31 businesses were identified in the Pet Grooming market in County Galway to include Veterinary Surgeries (3), national pet stores (2), independent grooming parlours and two mobile grooming service providers both franchisees of DialADogWash.com.

Activity Levels

Tom is very confident that in the first year he could groom a minimum of 18 dogs a week – average of 3 a day – factoring in travel time over the first year increasing to 25 per week in year 2. His market research activity has generated strong enquiries within the local area from owners of large dogs. Financial projections have been created for 3 years based on a conservative level of activity. The average value of a groom increases to €45 ex VAT in the third year 2021 resulting in significant boost to the bottom line.

Figure 1: Summary Financials 2019 to 2021 ex VAT

€ EURO	2019	2020	2021
Turnover	40,244	52,845	67,500
Net Profit	1,719	1,820	11,855 [18%]
Customers (average twice a year)	450	650	650

The finance to purchase and fit out the vehicle is fully repaid within 5 years.

The promoter will not need to draw a full wage from this business in the first year as he has applied to the Department of Employment Affairs and Social Protection (DEASP) for the Short-Term Enterprise Allowance (qualifies for the full 9 month payment of Jobseekers Benefit).

A part time employee will be recruited in Quarter 2 of 2020.

Future potential growth

In terms of future potential growth, Tom has initiated a conversation to explore the option of taking a small unit adjacent to Galway Animal Health Centre in Claregalway.