

**Business Plan for PAWSitively Fit Club LLC.
A Fitness Club Designed for You and Your Furry Friend**

Honors Thesis

**Presented in Partial Fulfillment of the Requirements
For the Degree of Bachelor of Science in Business Administration**

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By

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ABSTRACT

PAWSitively Fit Club LLC founded by Samantha Roy, creates a way for our health-conscious society to bring their dogs to the gym like you would with kids. This business plan will show the demand for canine/human fitness facilities, identify a target market to market “PAWSitively Fit Club LLC” to. This business plan will analyze the emerging industry of canine/human fitness facilities and explain the “Human Canine Fitness Certification”. It will directly impact the wave of obese dogs and humans by promoting a fun, active lifestyle with a supportive community. The main questions this business plan will answer are: What business is PAWSitively Fit Club LLC in? What service does it provide? Who is the target audience and what do they value? What is the vision and mission for the company? What is the sales and marketing strategy? Who is the competition? How do we find more of the right people? How will it on-board, train and develop the “right people”? Does it have the physical plant and equipment it will need? Do we have the capital we need? Will it generate the profits it needs? How will the business measure its success? What is our exit strategy? What are the short and long-term goals of the business?

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INTRODUCTION

In a culture of Dog Moms and Dog Dads, there have been many disruptive businesses launched to accommodate this lifestyle. In the health-conscious society found in the North Shore of Massachusetts, it can be hard to find time to work out and provide your dog with the exercise they need daily.

“Like many dog owners with 9-to-5's, Jeanne and Dean Eriksen had a devil's choice every evening: Who gets the exercise, human or beast? If they walked the dog, they didn't get much of a workout. If they went to the gym, they had to slam the door on their pet” (May, 2009) You could send them to daycare and spend an extra hour to work out before picking up your furry friend but longing to see them might discourage you from going to work out before or after work. After all, the bond between you and your dog is important for the both of you. Carla Haggard, who has a poodle mix Bailey, discusses the benefit of going to a fitness club where she can bring her dog (not adding in the benefit of working out with Bailey as well) "I will start a full-time job in January, so I can't imagine coming home and then leaving her again to go to the gym," she said. "This is a perfect solution” (May, 2009).

The ultimate solution is a Fitness Club made for you and your dog. With a variety of training and classes, PAWSitively Fit Club LLC (PFC) is designed to give you and your furry friend the best exercise experience. The experience offers the benefit of obedience training whilst working up a sweat and tiring out your dog all at once!

The target market is a health conscious, middle class worker, dog parent, with a tight schedule and a need to make their active lifestyle accommodate the activity need of their dog. For most people in the North Shore, a lifestyle business like PFC is the one stop destination to get/stay in shape and keep your dog healthy. Much like humans, dogs have a lot of mobility and

activity constraints given their background. Rescue dogs may have temperament that work better in small groups, overweight small breeds might need more attention, over hyper puppies might need some one-on-one time. PFC is designed to accommodate all fitness levels of humans and dogs.

The people involved in the business operations will be dog enthusiasts, that love to work out to keep their mind and body healthy and are passionate about helping others attain their goals. There is a special certification that PFC trainers will have to complete before starting their journey instructing fitness classes at PFC. The certification is a small investment to pay in order to have a fulfilling work experience and have such a positive and enjoyable career.

Overall, PFC will be an upbeat, exciting daily workout experience with experienced fitness trainers certified to instruct canine/human fitness classes. The variety of workout and interaction options for you and your pet will display how PFC is for everyone and will work for everyone.

EXECUTIVE SUMMARY

Mission Statement:

PAWSitively Fit Club LLC is dedicated to bringing a healthier life to dogs and dog owners in the North Shore Massachusetts community. We are driven to provide a fun easy way to go to the gym with your dog and achieve your goals alongside your best-friend. Our theory at PFC is that your dog is your #1 fan in life and your best personal trainer you can have. We are passionate about dogs and how much joy they bring to life.

Products and Services:

- Various Daily Group Fitness Classes for Human and Dog
- Private Personal Training
- Retail Workout Apparel
- Dog Training

Location:

PAWSitively Fit Club LLC will be located on 22 Union St. Manchester-by-the-sea on the North Shore of Massachusetts. The space sits at 4220 square footage which meets the rule of thumb for a boutique fitness club. The Cargo Unlimited Building of Manchester-by-the-sea is a very universal commercial space for a business. There is room for development, and a big market of dog owners and physically active population with high disposable income residents in the area (LoopNet, 2019).

Filing:

PAWSitively Fit Club will file as a Limited Liability Company (LLC) to protect the assets of ownership and to tailor to the start-up format.

Ownership:

PAWSitively Fit Club LLC is solely owned by Samantha Roy: CEO/CMO

Financing:

In order for PFC to reach their start-up costs, they would need an investment of a roughly estimated \$105,000. The start-up costs would be invested either by a venture capital firm or an angel investor from the Massachusetts area interested in the industry. After filtering in costs, the company would need to have retained the revenue from a one-year membership at least 140 times to break even and/or reach profitability. To reach this goal, it would take around 2-3 years. Considering the marketing costs and the steep rent for a spacious building the company would have to invest in to reach their membership goals. If you divide the 140 one-year-memberships by three the company could easily reach the goal of gaining 47 members each year for the first three years of operation to break even after expenses.

BUSINESS DESCRIPTION

PFC is a human canine fitness facility that will disrupt the fitness club industry and bring a new opportunity to the table for collaborative canine and human health. There is a demand for a better way for dog owners and their furry best-friend to get healthy together, particularly in the North Shore of Massachusetts.

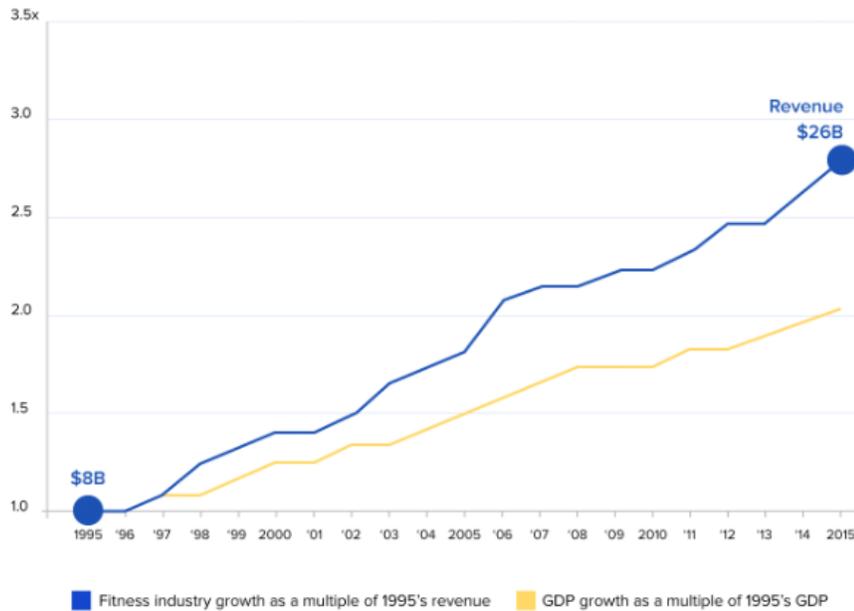
PFC will provide the services of group fitness classes with dogs and their owners. The Club will cooperate with the sizing requirements of a boutique fitness club and be home to innovative fitness equipment that were created for dogs to make it effective in giving the dog physical challenges to reach their goals. The gym will have coaches to run these classes that have gone through the Human Canine Fitness Certification that is provided by K9 Fit Club from Chicago, IL. The startup costs will be steep in order to start a new-to-market business. The price of fitness classes either personal or group training will be the major source of revenue as well as health insurances that can pay for memberships depending on client coverage. The membership will combine dog and human together. Classes will consist of different workouts like Boxing, Yoga, Running, Pilates, HIIT, Boot Camps etc. There is research that collaborating human and dog in the fitness realm is proven more effective and a whole lot more fun to get in shape. The business will sell itself being so unique and with the support that 'K9 Fit Club' (K9FC) out in Chicago is doing so well and made this new market credible enough to get it started. PFC draws inspiration from K9FC's business model and the success they have in hopes to launch more locations of PFC across the Massachusetts even the New England area.

INDUSTRY ANALYSIS

Human Canine Fitness Facilities are a new-to-market Industry merging the Health/Fitness Club Industry with the Dog Day Care Industry (also a new industry). The industry is not categorized by IBIS World at this time. The best industry to compare this industry to would be another emerging industry of Boutique Fitness Clubs. This analysis will explain why and how this industry of boutique fitness clubs is growing rapidly and has great economic potential, how the Human Canine Fitness Facility industry came to be, and how feasible it is in the North Shore of Massachusetts.

Boutique Fitness Clubs are smaller than the typical “big-box” health clubs like a Planet Fitness or a LA Fitness. They also charge higher membership rates and individual classes cost as much as \$30 per class. What boutique fitness clubs do differently are their specialization of a certain type of exercise (sometimes more than one). They also give members a sense of community (Dixon, 2018). The quality experience is developed in two ways: the luxury health club, defined by Equinox, and the specialized boutique, such as OrangeTheory (What PFC is minus the dogs). Members at boutique fitness clubs pay 15-20x more than lower-cost operators in the industry, competing on brand standing, elite status, attractive urban locations, and a highly tailored experiences (Dixon, 2018).

FIGURE 1.1: Fitness Industry Growth Significantly Outpacing GDP (Bloomberg)



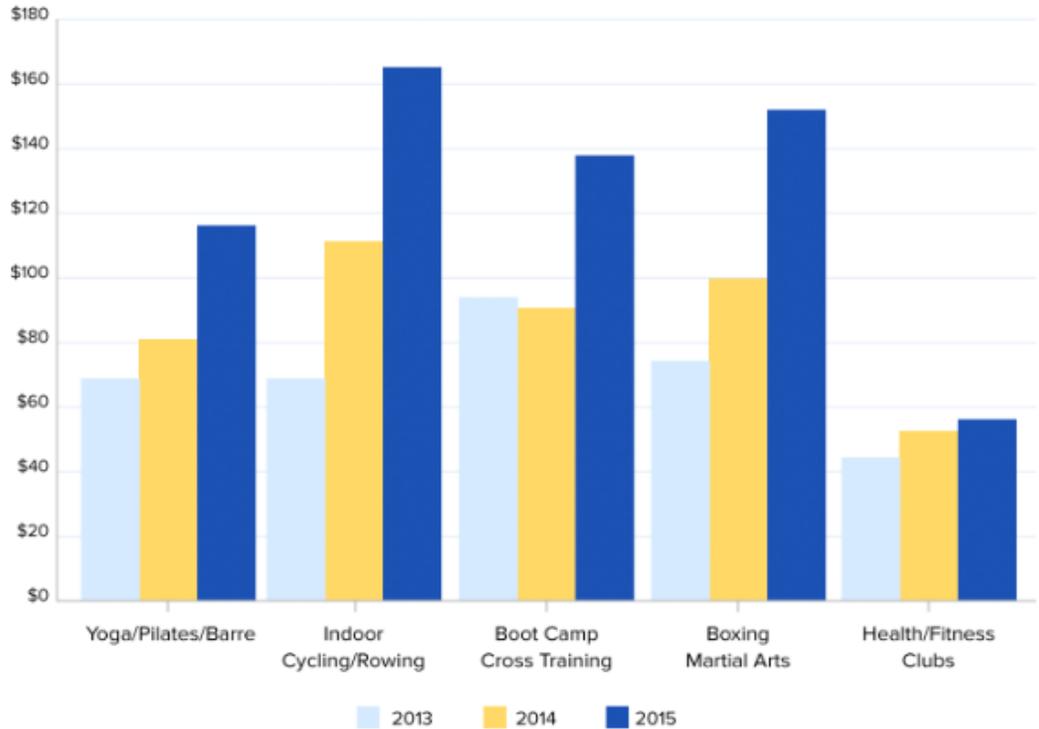
Source: Bloomberg

Fitness Industry Trends:

Boutique Fitness Clubs are trending across the nation, opening at a very high rate compared to the average fitness club. These Fitness clubs are increasing the competition in the Fitness Industry. There is something special to consumers about having a variety of specialty fitness clubs to choose from in their area. The Life Fitness Blog on boutique fitness clubs provides insight on the speedy growth and opportunities for boutique fitness clubs in the market. Research compiled by, The International, Health, Racquet and Sports club Association (IHRSA) reported that boutique memberships expanded 74% from 2012 to 2015, compared to 5% for health clubs (Dixon, 2018). The explosive growth in membership reveals the competitive advantage boutique fitness clubs have over traditional health clubs. Additionally, “Boutique chains have been adding new studios at a rate of 450% per year since 2010 according to the fitness-focused investment firm Piper Jaffray” (Life Fitness, 2020). These numbers are

promising. As PAWSitively Fit Club comes to life, the industry trends ensure smooth entry to the market.

*FIGURE 1.2: Boutique Customers Spending More, While Health Club Dues Are Flat.
(Bloomberg)*



Source: Bloomberg

First-to-Market:

The first company to market the Human Canine Fitness Facility was K9Fit Club out of Chicago, IL. Founded by Tricia Montgomery, “K9 Fit Club franchise addresses an opportunity that pet owners face today by providing a unique space where both human their dog are able to exercise together, spend quality time together and belong to a community” (K9 Fit Club, 2020).

Tricia Montgomery knew that after losing 130 lbs. and her dog Louie 4 lbs., that there was market potential for a new way of exercise. This new to market businesses she created filled a need for people that had potential to change their and their dogs' lives if this business existed in their community. It was also created so owners don't have to choose between spending time with their dog or a specialized workout experience.

K9 Fit Club is a franchise with many locations in several U.S States. However, it is not in PFC's interest to join a franchise but rather build a business from the ground up with the same goals as K9FC and bring some new innovations to the table. The difference between K9 Fit and PFC are the workout classes and fitness programs being offered as well as the different business models that is further explained in the "Human Canine Fitness Certification Course". PFC will have their own creative fitness programs with the help of the management and training teams collaborating their knowledge in Human Canine Fitness to make a program and schedule that works best for members.

Analysis:

Boutique Fitness Clubs are beginning to dominate the fitness industry. The changes in market demand (for a more specialized, intimate workout experience despite being on the higher-cost spectrum of the industry) and the value they bring to the economy, reveals interesting opportunities. PFC has excellent opportunity for growth in areas of high dog ownership and active or "precontemplation active" residents.

Human Canine Fitness Facilities are an untapped market. One thing that is certain is the previous and predicted increase of boutique fitness clubs in the United States. These statistics

signify that Human Canine Fitness may be the next niche fitness market just as CrossFit, Orangetheory and Purre Bar.

LOCATION

The general geographic location sought out for this business was The North Shore of Massachusetts. The coastal cities and towns of the North Shore were examined for their market potential. The primary factors were determining which city or town had the right space within a reasonable budget, square footage minimum, ability to function as a fitness club, and placed in a good position to market its brand.

To determine which facility was the right choice, the size of the facility was important to the business as is the pricing of the space, accessibility and location. In the search for the rule of thumb for a boutique fitness club size, in the terms of the square footage. In a Life Fitness blog about boutique fitness studios, the information explains, “A boutique fitness studio is generally viewed as a small gym (800 - 3500 square feet) that focuses on group exercise and specializes in one or two fitness areas.” (Life Fitness, 2020)

As the PFC gym will be a Human/Canine Fitness Club, this rule of thumb should be increased a bit to be able to have space for the dog and its owner to workout with little restriction. What was found while exploring options in Commercial Real Estate, was a “retail” building referred to as “The Cargo Unlimited Building” Located on 22 Union St. in Manchester-by-the-sea (MBTS), Massachusetts. The space measures to 4220 sq./ft with high ceilings, a street front, large windows for great lighting, and right in the center of the town close to a block away from the MBTA and the harbor at the coastline (LoopNet, 2019).

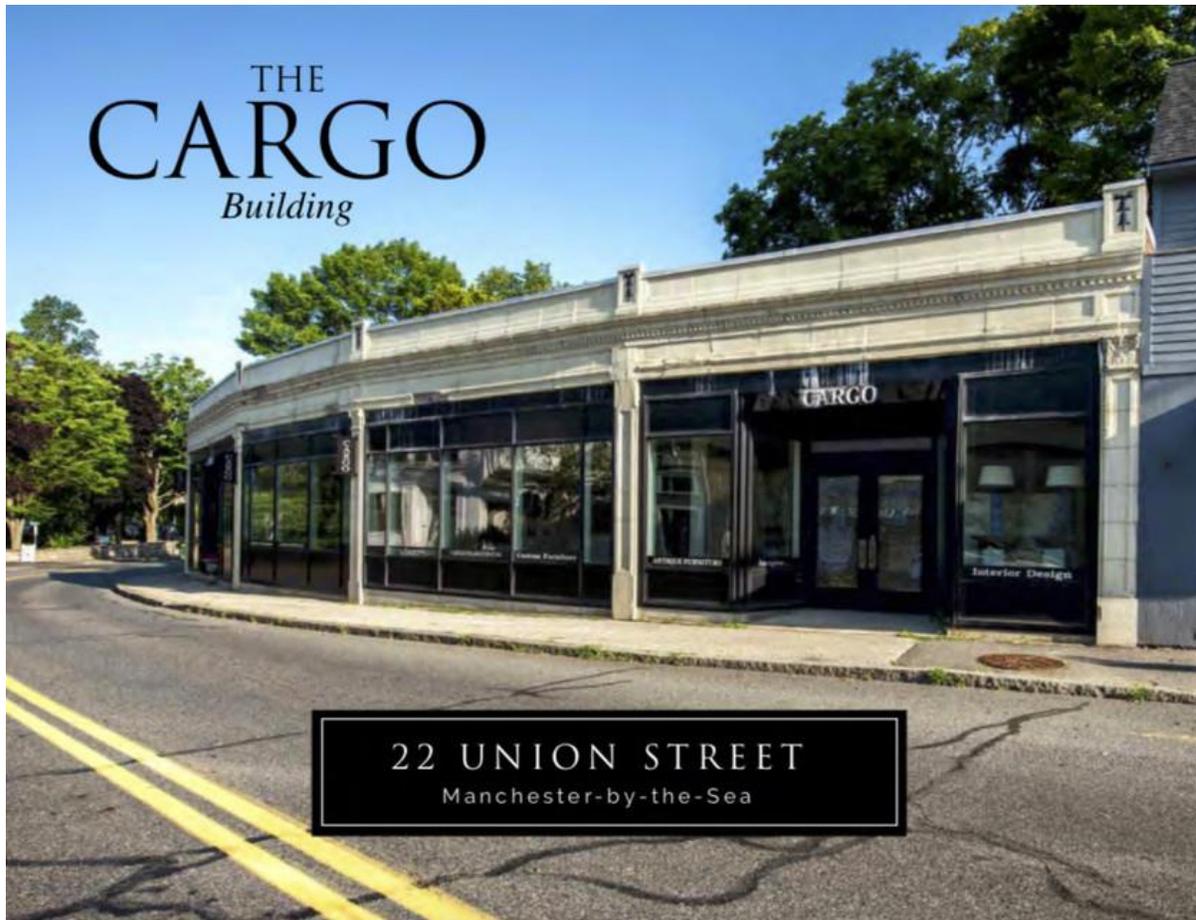
What was noticed specifically about this town is the level of active residents, and dogs you see going for walks around the area. There is also a lot of old money and very rich real estate and residents in this area typically are in the upper-middle and higher class of incomes. Following, MBTS borders Beverly and Gloucester and has a direct access point from the Yankee Division Highway (Rt. 128 North) Exit 16 (Pine St./ Manchester). This geographical advantage gives PFC the opportunity to tackle marketing initiatives to attract more customers in surrounding towns since Manchester-by-the-sea has very little traffic and an appealing, historical scenery.

What stood out most was what was missing from this town in the very heart of its economically developed waterfront “village” (LoopNet, 2019). What is missing is a Fitness Facility to cater to this community that owns dogs without having to rely on weather and the owner’s creativity to make it motivate. Studies have shown the vast majority of people on the market are only willing to drive three miles or less (or travel 10 minutes or less) to a gym to work out (Life Fitness, 2020). Manchester-by-the-sea (other than being close to Beverly) only has two fitness gyms and one yoga studio. None of which are close enough to the center of town and as purposeful as PFC. While driving through this town, being in the center of all of it, PFC will stick out like a sore thumb (which will go into the marketing advantages and aesthetic of the building).

As stated previously, it is observed that in this specific town, a lot of dogs are walking with owners and playing at the coastal attractions in this area. It would benefit those dogs and owners to have a place to work out with each other and take the pressure of themselves to make the plans and pray the weather is nice. During Beach season, a lot of dogs aren’t allowed off leash to play and get their exercise. While some dogs are good at running alongside of owners,

others or most dogs aren't so good, or they'd rather do something more fun. During the colder months, dogs can use the beaches but when it gets too cold, dogs can lose their exercise regimens that impact their mental and physical health.

Image 1: The Cargo Unlimited Building, 22 Union St. Manchester-by-the-Sea, 01944



Average Rent per sq./ft. in the North Shore of Massachusetts according to the research on Costar and LoopNet, is estimated at about a median of \$1.20 per sq./ft per month (Costar, 2020). With the Cargo Unlimited Building being 4,220 sq./ft, an estimated monthly rent for the space would amount to \$5,064/mo. and \$60,768 a year (LoopNet, 2019).

Placing PFC into the middle of a town where the service and space can solve the many problems dogs and their owners face year-round is going to prove that MBTS is a prime spot to place a Human Canine Fitness Facility like PFC.

Image 2: The Cargo Unlimited Building, Above View and Parking Lot



THE SPACE

In addition to the geographical benefits of The Cargo Unlimited Building, there are multiple benefits in the design of the space itself. The building is curved over a street front with tons of visibility into the space for great branding opportunity of PFC so people walking about town and browsing around can see what we're all about just by walking by the building.

Image 3: The Cargo Unlimited Building, Above Street View



The store front of The Cargo Unlimited Building has a unique set up being almost curved to the street for a great window view of the space inside and great lighting from the outside. The parking is located behind the building but is limited which can affect class sizes for commuters. The store front needs remodeling but the spacious windows and the street exposure are great for signage and branding.

THE MARKET

The Industry of Human Canine Fitness Facilities is a new one. Success in this emerging industry relies and revolves around the importance and relevance human and canine fitness and health consciousness plays in your market segment and the location you wish to conduct business in. For a Human Canine Fitness Facility, the market of customers typically has a higher

disposable income, have a special in fitness/health, want to belong to a community, is a dog owner and has a need to keep their pet active as much as themselves.

In the North Shore Massachusetts, dog ownership is at a high. The American Pet Products Association (APPA) found that “68 percent of U.S. households owned some sort of pet in 2016 — “equal to the highest level ever reported,” (Brulliard & Clement, 2019). Additionally, the APPA found that of that percentage were 90 million dogs and 94 million cats. It was also found that the perspective of dog owners has of their dogs is they are family(Brulliard & Clement, 2019). Pet obesity is also at a high of 35% (Colorado State University Veterinary Teaching Hospital, 2019). Of that percentage, overweight dogs are more likely to suffer from joint disease, respiratory disease, and other preventable conditions (Colorado State University Veterinary Teaching Hospital, 2019).

Amongst the dog owners in the North Shore of Massachusetts (myself included), there is a fear that helping your dog lose weight isn’t attainable for the working class in the Boston area with busy schedules. Thank Dog Boot Camp said it best, “Let’s face it...you need exercise every day, your dog needs exercised every day and you both need obedience training to have a long, happy, stress free life together” (Thankdogbootcamp.com, 2019).

PFC strives to attract a market of active or moderately active dog owners and give them a place to help each other get healthy and fit while having fun and learning a thing or two about each other. PFC also wants to be inviting toward a segment of not so active dog owners and give them a safe/encouraging space to get out of their comfort-zone with the help of their dog. We are targeting people who care and appreciate their dog’s health and emotions. Dog owners that know and care or are curious about the positive effects on their dog’s health and theirs if they exercise together.

THE COMPETITION

PAWSitively Fit Club will have a few competitors who's forces in the market can threaten the company's revenues and market share. Examples of direct competitors are other Human-canine fitness clubs nearby, Boutique Fitness Clubs and Studios, as well as traditional health clubs. Examples of Indirect competitors are Dog Cares (emerging) and Peloton treadmills and/or bikes. Other competitors will offer goods and/or services our business can be substituted with.

Direct Competitors:

PFC will be competing directly with businesses like Other Human/Canine Fitness Facilities in the area. As of 2020, there are not any human/canine fitness clubs in the region in which the business will operate and target its market to. Our other direct competitors would be, traditional boutique fitness clubs like 'Title Boxing Club', 'Orange Theory', 'CrossFit Boxes' as well as local yoga and cycling studios like 'North Shore Restorative Yoga'. The final direct competitors would be traditional health clubs such as a YMCA, Planet Fitness, 'MAC Fitness' in Gloucester, and 'Manchester Athletic Club' to name a few. How the business will face this competition is detailed in "The Marketing Plan". One advantage we have over local fitness clubs is the differentiation of having a gym for working out with your dog. The differentiation strategy sets PFC apart from all health and boutique fitness clubs in the area.

Indirect Competitors:

The next level competitors the business will face are Dog Day Cares or Resorts like 'The Doggie Depot', 'Unleashed Doggy Day Care' of Beverly, 'Barn Dog Daycamp' of Essex, and 'Wags Doggie Daycare' of Wenham. Even though Dog Cares are not considered a "direct" competitor to the business, it is just as impactful to the industry. Dog Day Cares are an emerging

industry and very valuable to the market of pet owners on the North Shore with full-time jobs and pets that they wish would be active and social throughout their days. This appeal would make it difficult to attract the working class because PFC isn't an all-day care for your dog. However, the cost of being a member at PFC would cost less than the average \$200-\$300 every two weeks for a daycare package. PFC pricing would be under \$200 a month for you and your dog to be active each day of the week/weekend and cater around work schedules offering before and after business hour classes. Peloton treadmills and bikes also pose as an indirect competitor with PFC. The appeal would be that if you can workout at home, you can have more time to exercise your dog too without paying for a PFC membership, daycare visit or a health club membership. The defense against Peloton would be that PFC will save you more time than Peloton would because it is a two in one service.

Substitute Competition:

Apart from the Direct and Indirect competitive services to PFC, there are other substitutes to the value proposition of PFC. They would be the sort of "DIY" substitutes to the services that PFC provide for dogs and their owners. Those substitutions would be, Dog Parks, training your dog to run with you, doing beach workouts with your dog on your own, and having a dog walker. What PFC provides that substitutes cannot is, more time, less aggravation, less planning and a two-in-one bundle for your dog to get and stay active with you. The benefits and special bond owners build with their dog at Human/Canine Fitness Clubs is unmatched.

THE MARKETING PLAN

Marketing Objective:

The Marketing Objective of PFC is to establish consumer awareness of both the club and the success of human-canine fitness. Additionally, PFC wants to establish a social media presence to bring in more members outside of the local residential community.

Situation Analysis:

PFC is a start-up human-canine fitness club focused on bringing a new market of fitness to the local communities in the North Shore of Massachusetts. PFC is currently not profitable or present in the small business community. The business has a good direction for what they are setting out to do and who they plan to target to maximize membership growth and store foot-traffic.

The business is new-to-market (in new industry to the area) and awareness of human-canine fitness and the club is very low. PFC is looking to attract dog owners with a need to find a fitness club that works with their busy schedule that has creative workouts to do with their dog. Additionally, these potential customers have to live within 3 miles of Manchester-by-the-sea in Massachusetts. This is important according to research done by Life Fitness; most people are only willing to commute up to 3 miles (10 minutes) to their fitness club destination. PFC does not want to put the extra resources into attracting people that live farther than 3 miles because the likelihood of gaining that membership is too low (Life Fitness, 2020).

PFC needs a marketing plan that will fit within budget and make the most impact of awareness across the North Shore of Massachusetts. To achieve this goal, The PFC team has researched their target, their competition and their Strengths, Weaknesses, Opportunities and

Threats (SWOT) in order to know what they can do to best highlight the business against outside forces.

SWOT Analysis:

Strengths:

What PFC can achieve, being in a small town like Manchester-by-the-Sea, is their ability to stand out and take advantage of branding opportunity from the big spacious store-front of the facility. The idea of a new fitness club with a canine twist coming to the market of the North Shore of Massachusetts is appealing to the active, dog owning customer. Following, the PFC team has access to the Human Canine Fitness Certification Course at a discounted rate with 'K9FitClub' Franchise and their full authorization to take to create your own engaging and innovative human-canine fitness programs (no profits are owed to the franchise). PFC has the ability to share the success stories of perfectly executed human-canine fitness through the inspiration of 'K9 Fit Club'. What sets PFC apart is the ability to give people a two-in-one membership or family memberships with their dog to attend classes all week at a bundled price. The membership rate is set strategically lower than the average dog day care bundled with a separate gym membership.

Weakness:

Examining the weaknesses, the business faces, it is clear that PFC is a new, emerging industry to the area. This new/untapped industry is unknown by the general population. Human canine fitness facilities are somewhat of an undiscovered business. Most people wouldn't know they exist without research or living in an area that they exist. Awareness is the enemy with this business. Generating maximum awareness at the lowest cost is imperative.

While the placement in a small town surrounded by many other high-income towns can be an advantage, it can also set the business behind on exposure. If PFC doesn't generate enough word-of-mouth from town to town or we cannot seem to attract the customers to come to a coastal town in the off seasons, exposure can become an obstacle.

Another weakness of the business are the high start-up costs. To rent and remodel the building to be tailored toward exercising and fitness will be expensive. Not to mention the estimated \$600 per human-canine fitness certification course. The equipment for dog fitness and human fitness stacks up to a pretty steep price added on to the rest.

Opportunities:

Joining the North Shore Chamber of Commerce. Creating Facebook and Instagram. Starting a Constant Contact account and building a website with 'Compete Now Web Design' to maximize views and exposure to residents of the town and surrounding towns within 3 miles.

PFC could facilitate a collaboration with animal shelters and the Manchester Veterinary Clinic to put rack cards and brochures marketed by PFC on the benefits of canine fitness for their dog's health and quality of life as well as the owner's benefits.

Seasonal Boot Camps for spring and summer can be facilitated by trainers and staff to encourage new members (engage current ones) into new fitness challenges and create a community of positivity and self-growth. There could also be room to promote summer events with owners and their dogs at Singing Beach. This could lead to doing a summer series of beach workouts in the mornings or evenings during non-class hours. Collaborating with 'North Shore Restorative Yoga' to host wellness events for yoga with the dogs and mental health. The advantage of this is the big summer attraction Manchester-by-the-Sea is for the exposure for PFC.

Threats:

Although there is not a likelihood of new entrant companies in the area like PFC, the possibility is a threat to the company. Another obvious threat to PFC would be a possible lack of interest of consumers who will spend money on a gym membership for their dog and themselves. Initiating too many social media marketing initiatives might prove ineffective without word-of-mouth or technology integrated consumers. Additionally, if start-up costs are too high, membership rates would have to be set higher to be able to get onto a breakeven/profitability track.

Marketing Research:

Examining the placement of the business, PFC has to determine the demographics of the population to narrow down the ideal type of person that will be the perfect customer for PFC. The Clarita's Demographic Database helped narrow down the types of people/customers that live in zip code 01944 (Manchester-by-the-sea). What was initially discovered were the 5 different types of customers in the area divided by "Lifestyle Group". The groups were defined as the following, "Country Squires", "Big Fish Small Pond", "Traditional Times", "Hometown Retired" and "Crossroad Villagers" (Clarita's Pop Fact's Demographics, 2020). After examining each lifestyle group's "snapshot" we determined that the customers that meet our demographic targets best were Country Squires, Big Fish Small Pond and Traditional Times.

'Country Squires' are described as "The wealthiest residents in exurban America live in 'Country Squires', an oasis for affluent Baby Boomers who've fled the city for the charms of small-town living. In their bucolic communities noted for their recently built homes on sprawling properties, the families of executives live in six-figure comfort. Their shopping habits tend to focus on apparel such as business attire, athletic footwear, and children's clothing" (Clarita's Pop

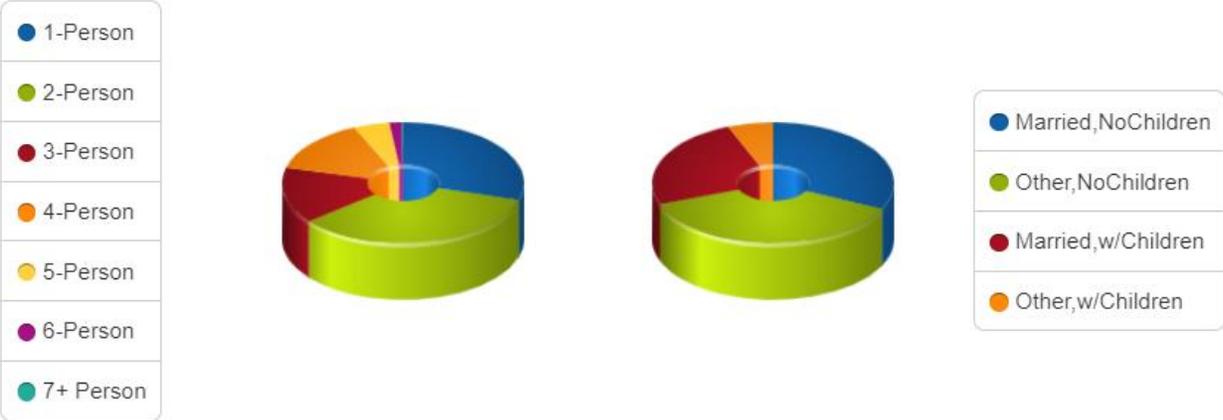
Facts Demographics, 2020). Although according to Figure 2.1, a larger portion of the town's population has no children. Conclusively, a significant amount of the wealthy population is a family-mix.

The 'Traditional Times' lifestyle group are described as, "small-town couples nearing or entering retirement are beginning to enjoy their first empty-nest years. Typically age 65 and older, these upper midscale Americans pursue an active lifestyle" (Clarita's Pop Facts Demographics, 2020). From what can be examined here, these potential customers (being empty nesters) are the most likely to get a dog and/or pursue the active lifestyle to keep busy in later years of life. Marketing to this specific demographic group will be less centered around technology (since this group tends to have a below average technology integrated household). Pamphlets, rack cards and local advertisement might be best to attract this group.

'Big Fish Small Pond' groups are often described as, "Older, upper-class professionals with post graduate degrees, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities" (Clarita's Pop Facts Demographics, 2020). This Lifestyle group tends to be more conservative and like to relish in the "trappings of success". They drive luxury cars, are interested in local politics and economic development. Are mostly retired and have a higher integration of household technology than the 'Traditional Times'. To target this lifestyle group might be trickier if they are frequent travelers because this might mean no dog or no desire to workout with them. They might be more comfortable spending more money sending them to daycare all the time or getting a dog walker. However, this segment of the market is important in this town because they have deep pockets and would be interested in a rare business such as, PFC. They are invested in the small-town community and will have a big influence on the community's perception of the business.

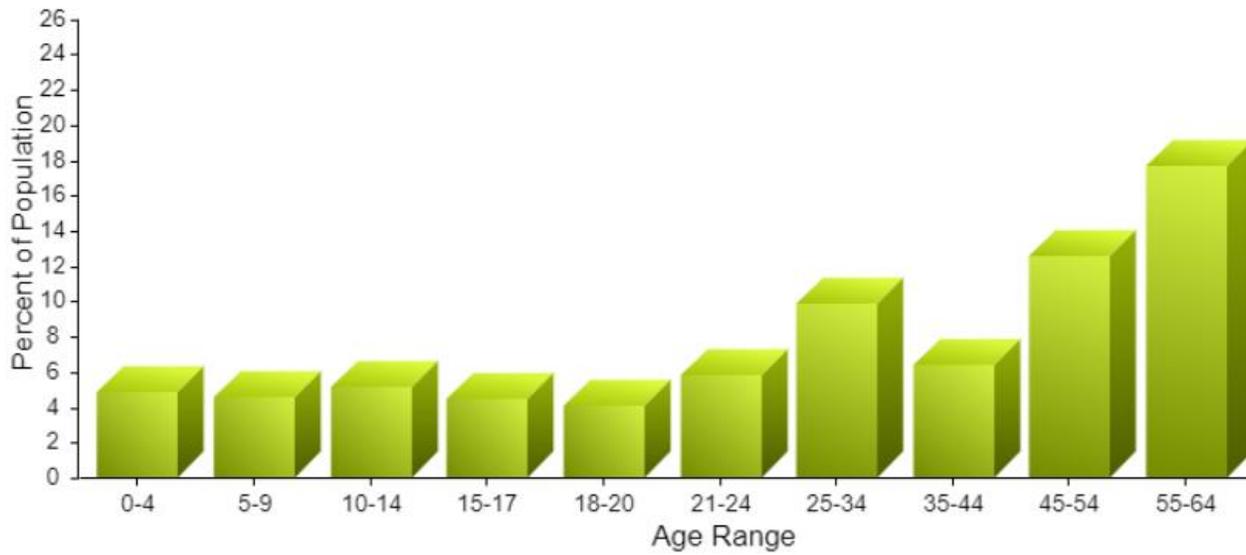
Additionally, a search of the Beverly zip code areas (01915) was conducted. What the Clarita’s research revealed were the ‘Middleburg Managers’ lifestyle group in addition to the ‘Country Squire’ . They tend to be upper scale and a younger family mix (more likely to have a dog) with solid white-collar jobs and graduate-level educations. “Established in their suburban and second city lifestyles, they enjoy attending sporting events with their families when they aren't traveling frequently for business. However, they are thriftier with their spending, despite an upscale income, investing in a college savings plan and their future retirement” (Clarita’s Pop-Facts Demographics, 2020). The money consciousness of this group reveals that in targeting them, PFC must highlight the two-in-one membership vs. Doggy Daycare rates. The financial appeal and family friendly mix to the business will do well to attract this customer segment.

Figure 2.1: Zip Code 01944 Household Composition



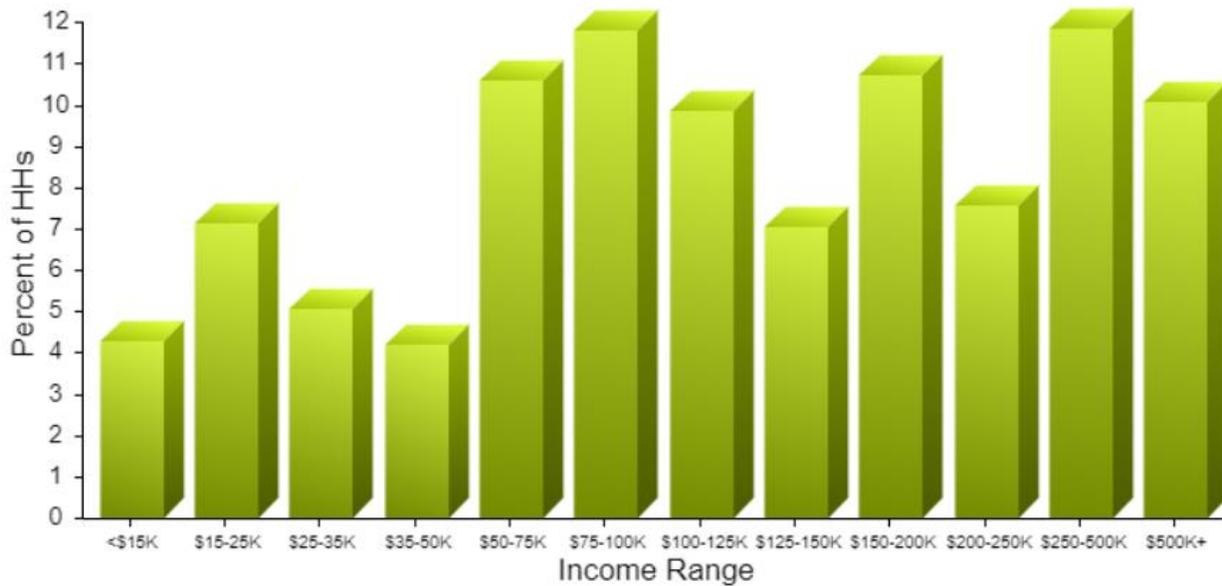
Source: Clarita’s Pop-Facts Demographics, 2020

Figure 2.2: Zip Code 01944 Population by Age



Source: Clarita's Pop-Facts Demographics, 2020

Figure 2.3: Zip Code 01944 Households by Income



Source: Clarita's Pop-Facts Demographics, 2020

Target Audience:

To identify a narrowed target audience that will meet the criteria of the marketing objectives, personification is the best strategy.

This is Linda and Tom. This married couple are residents of Manchester-by-the-Sea and are 54 and 57 years old. Tom is a Dentist in Beverly and Linda is a College Professor at Endicott College. Their two kids (boy and girl) are in college or moved out starting their own careers. They have a 6-year-old boy goldendoodle named Bailey. Tom has demanding hours as he owns his own practice and is paying for his kids' college. Linda works from home if she is not lecturing or holding office hours which is more often. When they are working or on vacation, they bring Bailey to the doggy day-care in Beverly on their commute.

They both wish to pursue a more active lifestyle for themselves and Bailey but with their busy work schedules they often just leave work and pick up Bailey from daycare and go home for the night because their motivation to go to their local gym is just about gone by the end of the day and poor Bailey just wants to spend time with them. They feel guilty leaving him home after not seeing them all day, so they opt out of the gym and bring him for a walk and eat dinner and snuggle on the couch. They noticed that Bailey was either getting all the exercise or Tom and Linda were and he wasn't. They wish that they didn't have to choose between the two and running with Bailey had always become a massive disappointment.

During one of their weekend strolls around town with Bailey, they came across the new gym on Union St opening soon with a big Dog and a Flexed arm Logo called 'PAWSitively Fit Club'. They were curious as to what it was, so Linda looked up the website at home on her laptop and looked into the value of "human-canine fitness". They became fascinated with the idea and couldn't wait to attend the grand opening and sign up for their first class with Bailey.

Strategy:

PFC plans to achieve the marketing objectives set forth by adopting a social media marketing strategy using platforms such as Instagram, Snapchat and Facebook. The business will also hire ‘Compete Now’ Web Design to help create an attractive and user-friendly website and achieve Search Engine Optimization (SEO). Finally, the business will create a series of Guerilla Marketing campaigns to catch the attention of target audiences and attract the customer and their dog to the space of PFC. These campaigns will be designed to be loud, unexpected and eye-catching to the audience but at a low cost to the budget.

Creative Concepts:

“Paw Print Sidewalk Maps” with Logo stickers would be an interesting way to get locals that are on their dog walks to follow the paw prints that are temporarily painted heading residents in the direction of the Facility (hopefully with their dogs). There would also be a little saying on the beginning of the trail to follow the paws if they want to have a lifechanging experience. This Campaign would budget to approximately \$350 to cover the paint and the logo stickers and possibly the permit to paint the sidewalks in the area.

“Puppy Pawdy” event at PFC Facility to promote the opening of PAWSitively Fit Club open to the general public and dogs with a \$5 entrance fee (Human only fee) food, drinks, raffles, music, dog toys, fitness apparel and an opening night kick-off speech by the Owner to really seal the deal with potential customers. The event would budget to roughly \$1000 to cover food, drinks, toys and raffles.

Budget:

‘Compete Now’ Services:	TBD
Web Site Hosting Maintenance:	\$400/yr.
Constant Contact email marketing campaigns:	\$20/mo. Or \$240/yr.
Instagram Business Account:	\$0.00
Facebook Business Account:	\$0.00
Store Signage:	
Window Signs and Graphics	TBD
Led Backlit Store Sign	TBD
Floor Graphics	TBD
Front Desk Signage	TBD
(Signage will be done by ‘Signarama’ of Danvers, MA Quoting prices pending due to Covid-19)	
Business Cards (500) @ Gotprint.com:	\$70
Brochures (250) @ Gotprint.com:	\$107

After looking into the pricing for most of the signage and branding products for the store’s interior and exterior, the budget for all marketing expenses in the first fiscal year will come to a rough estimate of \$3,200.00 (without the inclusion of the Guerrilla campaigns). I rounded this up in case PFC must hire any additional services to install the signage, add more marketing features to reach social media goals or print more brochures, business cards or any other print advertising.

PRODUCTS AND SERVICES

PAWSitively Fit Club is a business providing the service of human-canine fitness, community and some obedience training. Products sold at this facility will be branding merchandise such as sports apparel (for dogs and owners), refillable water bottles, pop sockets, car decals, logo collapsible dog water bowls, and logo tennis balls. There may be a big retail opportunity to sell training equipment for puppies and dogs that need more practice. There also could be some partnership opportunities for PFC to sell dog treats made by local brands that make healthy dog snacks collecting a commission on the sales.

THE TEAM

Management:

Samantha Roy: Owner (CEO/CMO)

David Roy: Facility Manager

Jenna Aliferis: Intake Coordinator/Dog Trainor

PERSONNEL

Coaches:

Required to have completed “Human Canine Fitness Certification”. Required to collaborate with management team to construct their own fitness class content for weekly schedules. Three will be hired in the start of the company operations and more will be hired as owner sees fit. Trainers will be paid \$30 per class (per hour) before taxes. Average Weekly schedule would be teaching 7-8 classes a week. The owner teaches 6 classes a week as well.

Staff:

Staff will be hired as needed to maintain customer service to members, new commers. They will be tasked with answering phone calls, keeping up with cleanliness of the equipment, restrooms, and floors. These staff members will make \$15/hr. and cover the shifts the owner is not in the building and cover the front of the house in between classes and during classes.

START-UP FINANCING**Venture Capital Investment:**

PFC will need to be financed with a rough estimate of \$99,000 in start-up costs. In order for PFC to meet the goals of starting up the business, bootstrap financing nor an SBA loan would suffice. A Venture Capital Loan or an Angel Investor would be in the best interest of the business and its return capabilities. Investors will be attracted to this business because the boutique fitness communities in Massachusetts are a growing market and increasingly proving great returns as seen in the Industry Analysis. Additionally, dog businesses have proven to be emerging faster as the demand for dog daycares and now canine fitness will be higher in the Massachusetts area. Finally, given the result of the COVID-19 pandemic, many families have adopted dogs in the year of 2020 compared to 2019. This will prove to increase the untapped demand for a human-canine fitness club like PFC.

One-Time Start-up Costs	
Prepaid Rent for First Fiscal Year (Utilities Included)	\$60,768.00
Facility Remodeling	\$10,000.00
Business Owners LLC Insurance Deductible	\$500
Cyber Liability Insurance Deductible	\$2,500
Licensing and Permits	\$250
Legal Fees	\$400
Exercise Equipment:	
Dog treadmills (x3)	\$1,800.00
Fit Paws Balance Disc (x15)	\$615.00
Rubber Plush Studio Flooring (1500 sq./ft)	\$3,700.00
Prepaid Supplies(mats, weights, towels, toiletries)	\$500
Operating Equipment:	
Gym Master Management Software System	\$828.00
JBL Commercial Amplifier	\$600.00
Human Canine Fitness Certifications (x4)	\$1600.00
Laptop	\$999.99
Wi-Fi and Landline Installments	\$120.00
Marketing/Selling Expenses:	
Signage and Print Marketing	\$3,200.00
Guerrilla Marketing Campaigns	\$1,500.00
Website Design, and Maintenance	\$800.00
Constant Contact Email Marketing	\$240.00
Cash on Hand for First Year Expenses	\$10,000.00
TOTAL START-UP EXPENSES:	<u>\$99,432.99</u>

FINANCIAL PROJECTIONS

Table 1: Income Statement for First 2 Years of PFC

Income Statements (by fiscal year) (Any Amount \$0.00 in Y1 was prepaid with Startup Funds)			
(Target 40 members Y1) (25 single members 30 Families Y2) (35 Single members 30 Families Y3)	Year 1	Year 2	Year 3
Revenue :			
Individual/Drop in Classes:	<u>\$1,500.00</u>	<u>\$1,200.00</u>	<u>\$750.00</u>
Memberships:	<u>\$72,000.00</u>	<u>\$117,000.00</u>	<u>\$135,000.00</u>
Total Revenue:	<u>\$73,050.00</u>	<u>\$117,600.00</u>	<u>\$135,750.00</u>
Expenses:			
Marketing/Selling:	\$0.00	\$1,500.00	\$1,500.00
Facility:			
Rent	\$0.00	\$60,768.00	\$60,768.00
Insurance:	\$1,800.00	\$1,800.00	\$1,800.00
Wi-Fi and Landline	\$0.00	\$720.00	\$720.00
Supplies	\$0.00	\$350	\$500
Operating:			
Gym Master Studio Mgt System	\$0.00	\$828.00	\$828.00
Payroll Staff:	(No hired Staff)	\$6,480.00	\$8,640.00
Payroll Trainer Wages:	<u>\$24,000.00</u>	<u>\$24,000.00</u>	<u>\$24,000.00</u>
Total:	<u>\$25,800.00</u>	<u>\$96,446.00</u>	<u>\$98,756.00</u>
Net Profit/Loss:	<u>\$47,700.00</u>	<u>\$21,154.00</u>	<u>\$36,994.00</u>
Profit Total: <u>\$105,848.00</u>			
Start-up/Break Even Amount: \$99,432.99			

EXIT STRATEGY

When an Entrepreneur imagines a business opportunity, it is very imperative to have a back up plan or an “exit strategy” in place if all goes wrong in the economy or if your business has reached its peak and you can hand it off to a fresh set of minds. In the matter of PFC, the exit strategy should be less about taking all that the business is worth or liquidating it. PFC would most likely plan for an acquisition by a bigger franchise such as K9 Fit Club. It is hardly likely that Owner Samantha Roy would fold and give the business away but if it was 30 years down the road and a young entrepreneur under her wing were just as passionate about the vision of the business as she was, the hand-off exit would be just as efficient for PFC to initiate. In the instance of a massive Economic crash (such as COVID-19 Pandemic is happening now), PFC would most likely have to consult with shareholders and the investment team.

SAMANTHA ROY RESUME

Samantha Roy

9 Briar Hill Drive | Lynn, MA 01902 |
| 781-910-7214 | samm24roy@gmail.com

Education:

Salem State University, Salem, MA

Expected May 2020

Bachelor of Science in Business Administration

Concentration: Entrepreneurship

GPA: 3.756

Commonwealth Honors Program

Relevant Coursework:

Leadership in Management	Guerilla Marketing
Management of Diversity	Organizational Behavior
Computing for the Professions	Honors Topics in Ethics
Operations and Logistics Management	Business Policy & Strategy
Managerial Accounting	Strategic Entrepreneurship

Work Experience:

The Enterprise Center at Salem State University, Salem, MA

January 2020-

Present

Social Media & Marketing Intern

- Create Spreadsheets to track social media postings on Twitter and Facebook.
- Create Constant Contact Newsletters approved by my supervisor.
- Create a marketing presentation to pitch a campaign to promote student engagement within the Enterprise Center
- Help the Enterprise Center and The North Shore Alliance for Economic Development attain their social media goals.

Tailor Made Dog Care LLC, Lynn, MA

June 2019-

Present

Shift Manager

- Coordinating intake meetings for new clients.
- Cleaning the floors and water bowls as needed throughout the shift.
- Social Media advertising on Facebook and Instagram.
- Accommodating all the dog needs (brushing, feeding, walking, playing, comforting).
- Taking all transactions for prepaid and regular paying clients.
- Tracking all client payments and in/out times for records.

Salem State University, Bertolon School of Business, Salem, MA

August 2018-

Present

Student Success Fellow

- Assist students in the Bertelon School of Business chose academic courses.
- Keep students on track to graduate on time
- Advise students in choosing a fitting concentration of study in the Business school
- Direct students to a fitting faculty member to have the best learning experience.
- Create a personable and professional mindset in our everyday operations.

Jimmy's Steer House, Saugus, MA

August 2015-

Present *Server, Food Runner*

- Oversee the general well-being and satisfaction of customers
- Prepare orders specific to individual customer needs
- Inform customers of special promotions, upsell top-shelf pours
- Responsible for doing opening, on-going and closing side work in the kitchen.
- Communicating with Hostess and Kitchen Manager to ensure proper flow of my tables and service.

Volunteer Experience:

Salem State University Career Services Jobs and Internships Fair
2020

March 2019-March

Skills:

- Proficient in Microsoft Office, Word, Excel, PowerPoint and Publisher
- Advanced in Business Marketing on Social Media Platforms such as Instagram, Twitter and Facebook.
- Proficient in Constant Contact and Eventbrite.

PFC CLASS SCHEDULE

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
AM CLASSES						
5:00-6:00	5:00-6:00	5:00-6:00	5:00-6:00	5:00-6:00		
	6:30-7:30	6:30-7:30	6:30-7:30		9:00-10:00	9:00-10:00
9:00-10:00	9:00-10:00	9:00-10:00	9:00-10:00	9:00-10:00		
					11:00-12:00	11:00-12:00
PM CLASSES						
	12:00-1:00	12:00-1:00	12:00-1:00	12:00-1:00		
4:30-5:30				4:30-5:30		
6:00-7:00	6:00-7:00	6:00-7:00	6:00-7:00	6:00-7:00		
7:30-8:30	7:30-8:30	7:30-8:30	7:30-8:30			

MEMBERSHIP RATES AND PRICING

Membership Rates (Unlimited Classes):

Single Membership (Owner/Dog):	\$150/mo.
Couple Membership (Couple/Dog):	\$160/mo.
Family Membership (Four Family Members/Dog):	\$180/mo.
Owner/Two Dogs:	\$160/mo.
Couple/Two Dogs:	\$175/mo.
Family/Two Dogs:	\$200/mo.

(More than Two Dogs TBD)

Class Pricings:

First Class (Half Price): \$15.00; (Free if you come with a current Member and dog.)

Standard Class: \$30.00

One-on-one Training:

5 Sessions: TBD per trainer

10 Sessions: TBD per trainer

ILLUSTRATION 1: PAWSITIVELY FIT CLUB LOGO 1



ILLUSTRATION 2: PAWSITIVELY FIT CLUB LOGO 2



HUMAN CANINE FITNESS CERTIFICATION COURSE

As a Human Canine Fitness Certified Coach, trainers and members of the pet industry will be able to safely and effectively run their own human-canine fitness classes, under their own personal brand. Enabling PFC to keep 100% of the profits from all of the programs being run by certified personnel. This way we are protected from violating the protected intellectual property of K9 Fit Club. This is different from K9 Fit Club Licensees because they use the K9 Fit Club name and their 24 science-backed, trademarked fitness formats, including Nama Sit Stay, and Pupilates. K9 Fit Club Licensees receive ongoing support, access to additional programs, marketing and class templates, and are also approved by Aetna/Cigna Insurance (through Peerfit, Medfit Networks, and Healthways/Silver Sneakers) (K9 Fit Club, 2020).

This is an online program that allows the learner to go at their own pace, however, there is a six-month limit to take the exam. Some participants will finish in a weekend, and some may take the full six months. The goal of the Human Canine Fitness Certification (by K9 Fit Club) is to become certified quickly so trainers can get out there and start teaching classes. The Human Canine Fitness Coach Certification is valid for one full year. There is a \$199 recertification fee annually (K9 Fit Club, 2020).

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