

PurePet

Canine Cleaner

**Independent Business Plan
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I. Executive Summary



Company Overview

PurePet is a brand dedicated to **solving the laborious puzzle of unclean pets**. *PurePet's* first product, the **Canine Cleaner**, is a **portable machine** that will thoroughly wash, cleanse, and dry the legs of even the feistiect of dogs, all with the push of a button. **Utilizing a proprietary design**, the Canine Cleaner product will enable dog lovers across the world to invest in a cleaner living environment, creating a better life not just for themselves, but for their furry friends. *PurePet* will explode across all markets by providing a **simple, effective, and convenient product** that turns a dog owner's worst nightmare into a simple task.



Product Description



PurePet's Canine Cleaner product is a **foldable plastic box** that can be assembled anywhere within a matter of seconds. Around the perimeter of the box, **four mesh-coated circular compartments** will rest up to one foot deep. The dog's legs will fit inside of these cushioned compartments and, thanks to the **malleability and efficacy of the structure**, said compartments have **the ability to be enlarged, shrunk, or re-positioned** to fit the dog's relative size and comfort. Once the dog's feet are inside the compartments and the start button has been pushed, a **continuous surge of water** will soak the fur while **soft, rotating bristles clean off all debris**. It can be thought of as a car wash for the dog. To top off the experience after only 10 seconds, a wave of air will be blown against the paws, leaving a full set of gleamingly fresh legs and feet. *PurePet's* revolutionary washing and drying features are made possible by the **rechargeable lithium battery** in the center of the structure and the **re-fillable water cartridge at the base**. The battery is recommended to be recharged after 10 uses, and the water cartridge after every use. Once finished, simply push down on the box to flatten it and then fold the sides in.

Problems

Solutions

The dog cleaning process is laborious and time consuming. In the traditional technique, the owner must crouch down or get on their knees, strenuously hand washing and hand drying their dog. This outdated process is physically demanding on the lower back and knees, posing a significant problem to mobility challenged people.



***PurePet* makes the overcomplicated process of dog cleaning quick, easy, and efficient.** By mechanizing the washing and drying aspect of the clean, *PurePet* saves both time and effort, as the only labor involved comes from filling the water cartridge and guiding the dog into the machine. The deep clean is incredibly quick, finishing in only 15 seconds.

Dirty dogs pose a significant threat to the cleanliness of households. Whether it be mud spots on the floor, pine needles on the couch, or chunks of dirt on the bed, dogs can completely ruin an orderly environment if left uncleaned. Once the mess has been made, the owner must spend precious time cleaning and sanitizing.



The Canine Cleaner product's thorough clean prevents muck from entering the household. The spinning brushes within the machine effectively rid the dog's lower half of all messiness. The blow dry at the end of the clean ensures that once the dog is indoors, there will be no water trails or wet marks of any kind.

Unclean dogs are particularly susceptible to sickness, disease, and matted fur. Active dogs are constantly accumulating debris in their fur, and if left uncleaned, such debris could spread bacteria and threaten the dog's health. Accumulated debris also leads to matted fur, which is extremely painful for the dog and highly inconvenient to fix.



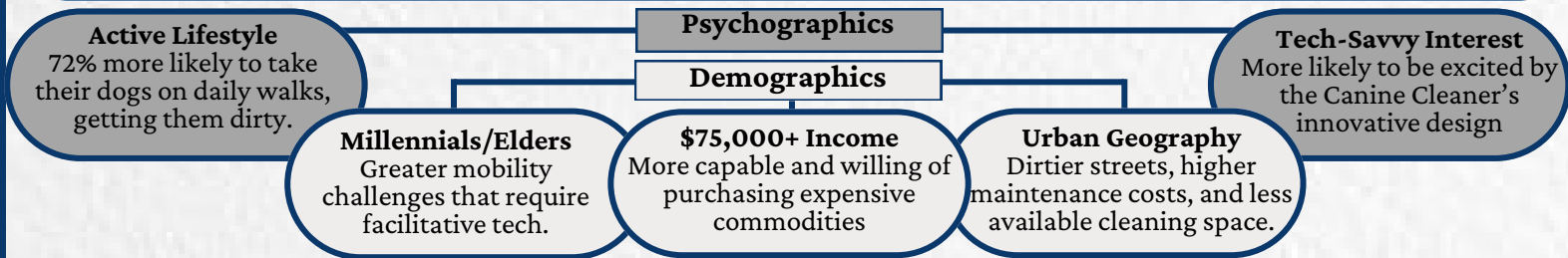
The Canine Cleaner's deep clean expunges all forms of disorder before they can even begin. While the spinning brushes gently knead through the dog's strands of hair, clumped fur is effectively unravelled and averted. Simultaneously, the surge of water will flush out even the smallest of debris, mitigating the chance of bacteria build-up and disease.



Customer Segments



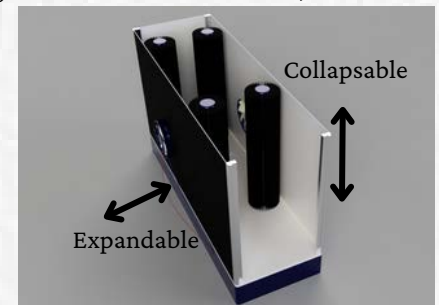
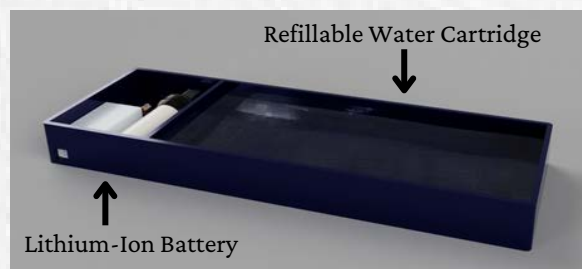
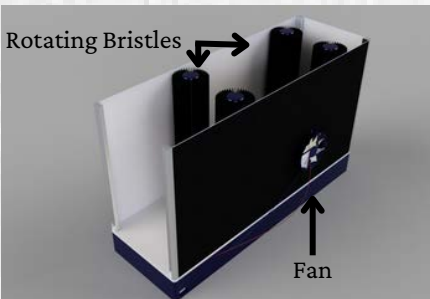
The dog service industry is booming, having an **8% annual growth rate worldwide**, and is projected to reach **\$89 billion by 2030**. During the pandemic, around **18 million US households adopted dogs**, boosting dog-care consumption spending by 11%. *PurePet's* market includes **410 million global dog owners**, with **69.3 million potential customers in the United States alone**. This presents a prime opportunity for *PurePet* to capitalize on an exponentially growing market.



Unique Value Proposition



The Canine Cleaner is the **first ever electromechanical dog-cleaner**, and the four unique values above function to maximize the consumer experience. Said values can be accredited to *PurePet's* **expert engineering and marketing team**, who exhibit keen **attention to detail**. Through tracking key metrics (detailed on the next page) and learning from consumer feedback, *PurePet* will remain true to its unique values.



Shown above is a **CAD (Computer Aided Design)** model of the Canine Cleaner's fundamental structure. While the CAD only displays key components, it portrays the silky-smooth **rotating bristle systems**, the **malleable structure**, and the **technically sound base**. Given that there is no comparable product to the Canine Cleaner, *PurePet* will seek **two utility patents** on the configuration of the bristle systems and the collapsible nature of the structure.

Cost Structure Summary

Channels

Revenue Streams

Human Resources: \$120,000	● Supply Aquisition	DTC Units Sold: 10,525
Distribution Costs: \$355,064	● A4M Group Manufacturing, China	DTC Gross Revenue: \$1,464,784
Production Costs: \$1,117,665	● Significantly discounted prices	Retail Units Sold: 12,000
Unit Cost: \$52.50	● Distribution	Retail Gross Revenue: \$1,073,046
Customer Acquisition: \$15.62	● Direct-To-Consumer: Website	Battery Replacement: \$49.99
Social Media Ads: \$148,320	● Indirect: Retail	Standard LTV: \$239.97
Google Pop-Ups/SEO: \$203,574	● Customer Acquisition	Premium LTV: \$519.95
R&D: \$8,500	● Search Engine Optimization	
Patent Acquisition: \$4,750	● Google Search Ads	
	● Social Media Presence	
	● Dog Park & Homeless Shelter Events	
	● Referral Discounts	

Detailed Financials Overview

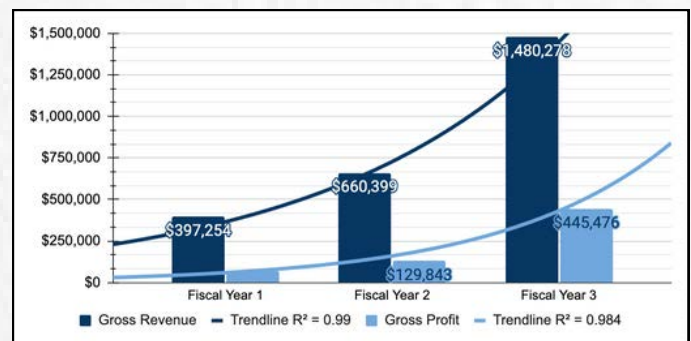
Forecasted Income Statement: Years 1-3

	Year 1	Year 2	Year 3	Total
Gross Revenue	\$397,254	\$660,399	\$1,480,278	\$2,537,931
Gross Expenses	\$324,692	\$530,555	\$1,034,801	\$1,890,041
Gross COGS	\$171,700	\$386,799	\$889,639	\$1,448,138
Net Profit	\$72,563	\$129,844	\$445,477	\$634,268
Profit Margins	18.3%	19.6%	30.1%	22.7%

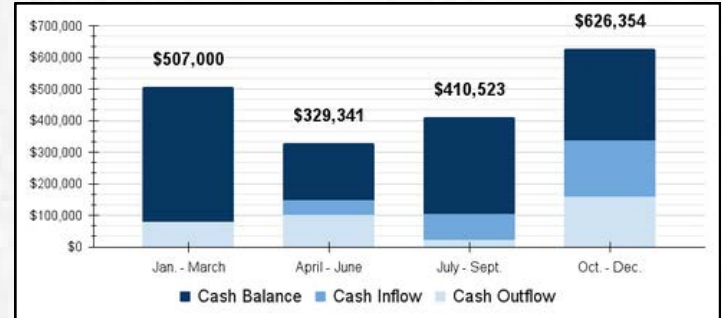
Forecasted Cash Flow Statement: Years 1-3

	Year 1	Year 2	Year 3	Total
Beg. Cash Balance	\$200,000	\$161,475	\$250,927	\$612,402
Gross Cash Inflow	\$323,475	\$585,452	\$1,245,124	\$2,154,051
Gross Cash Outflow	\$362,000	\$496,000	\$1,282,000	\$2,140,000
Inventory/Shipping	\$266,000	\$399,000	\$931,000	\$1,596,000
Marketing/Operating	\$81,000	\$97,000	\$151,000	\$329,000
Start-Up/Loan	\$15,000	—	\$200,000	\$215,000
Ending Cash Balance	\$161,475	\$250,927	\$214,051	\$626,453

Gross Revenue Vs Gross Profit: Years 1-3



Cash Flow Breakdown: Year 1



Key Metrics



To **track the growth** and relative efficiency of PurePet's business model, the metrics of customer satisfaction, website traffic, monthly revenue, and employee productivity will be analyzed. The combination of both marketing metrics and sales metrics will allow PurePet to **measure the effectiveness of specific channels**, and how they translate into **real numbers**. An evaluation of a PurePet's progress is essential to growth, for it **reveals weak points** within the business model and helps determine areas in need of **additional funding**.

PurePet's Key Metrics

Key Metric	Purpose	Calculation	Improvement Methods
Satisfaction Score	To gauge customer satisfaction and provide insight into business model effectiveness	Sated Customers/ Total Customers	Maximize transparency, update website, & improve product design
Monthly Revenue	To assess the efficacy of new business strategies and determine timing of capital investments	# units sold x Price per unit	Allocate funds into new channels & diversify marketing strategies
Bounce rates	To determine the degree of website engagement and effectiveness of customer retention strategies	# single page visits/ # total visits	Enhance website navigation, create engaging content, simplify structure
Productivity Scores	To evaluate employees' efficiency, time management, and overall commitment	# tasks completed/ # tot. assigned tasks	Establish exciting incentives, set goals, communicate frequently



Competitive Advantage



Technology

PurePet's battery powered applications are far superior to its competition's outdated counterparts.

Heart

PurePet will donate 5% of all online sales to American Kennel Club, a rescue organization. Competition lacks any charity connections.

Efficiency

PurePet completes a full cleanse in only 15 -20 seconds and requires minimal effort, unlike competition's timely manual processes.

Effectiveness

PurePet's spinning brush and hydro-stream technology provide a much deeper clean than that of competitors.



Conclusion



PurePet is requesting a loan of **\$200,000 at 6% interest paid back over 3 years**. Given the fact that PurePet is almost **cash-positive by the end of year one** and **growing exponentially**, this loan request will provide a reliable long-term return on investment.



II. Problems



PurePet strives to mitigate issues that millions of dog owners around the globe face, understanding the difficult responsibilities of **keeping dogs clean** while simultaneously **allowing them to explore the world**. Dog fur is **prone to attracting mud and debris**; once dirty, there is **no easy solution**. The primary problems that *PurePet* aims to solve with its Canine Cleaner product are outlined below.



The Dog-Cleaning Process is Strenuous and Time-Consuming

Two traditional dog-cleaning techniques have reigned for the last millennia, neither of which are effective. The first technique involves **crouching down** and holding the dog steady with one hand while **furiously scrubbing** with the other. This option can take a **vast amount of time**, and is incredibly difficult for those with **mobility challenges**, as it's demanding on the lower back and knees. If the owner decides to take a rest at any moment and continue the process on the ground, they will likely end up **dirtier than their dog**. The second technique is quite simple—washing the dog—yet it is **extremely ineffective**. The water pressure of the standard faucet/hose is either far too weak, resulting in an **ineffective clean**, or far too strong, resulting in **damage to the dog's skin**. Furthermore, the hosing strategy fails to clean the most problematic body part: paws. In a 2020 study, **72% of dog owners** listed “cleaning” as the most challenging aspect of ownership, proving that there is a **real issue** in the market.



Dirty dogs Pose a Significant Threat to Home Cleanliness

If left unclean, dogs pose a **serious issue** to the cleanliness and visual appeal of their owner's home. Whether it be tracking **dark brown paw prints** across the floor, **shedding pine needles** onto the couch, or simply **shaking dirt** into the bed, dirty dogs have no mercy for the home tidiness. While the issue of a messy floor can be solved relatively easily, stained fabrics and other **permanent tarnishes** cannot. When faced with such issues, owners will have to execute a **vigorous scrubbing process**, and in the probable scenario that it doesn't suffice, the piece of furniture may need to get thrown out. The household dangers posed by unclean dogs consume **precious time, money and energy** that could be put towards far better causes.



Unclean dogs are Susceptible to Illness, Disease, and Fur-Matting

The challenge of maintaining a clean dog not only affects the owner's patience and the home's cleanliness, it affects the **dog's health**. Dogs with **accumulated debris** in their hair are at **high risk of experiencing fur matting**, which occurs when dense forms of hair clump together and pull at the skin, **eliciting excruciating pain**. It is estimated that approximately **39% of dogs experience fur matting**, demonstrating the widespread consequences of uncleanliness. Once matting has occurred, the only viable solutions that exist require a veterinarian, otherwise, the dog's health could be **compromised even further**. An additional effect of debris build-up is an **accumulation of harmful bacteria** within the dog's hair and skin. If left unbothered, said bacteria can eventually lead to **severe sickness**, and in worst case scenarios, diseases such as staph infection or salmonella. There are few benefits to an **unclean and unregulated lifestyle**, even for dogs.



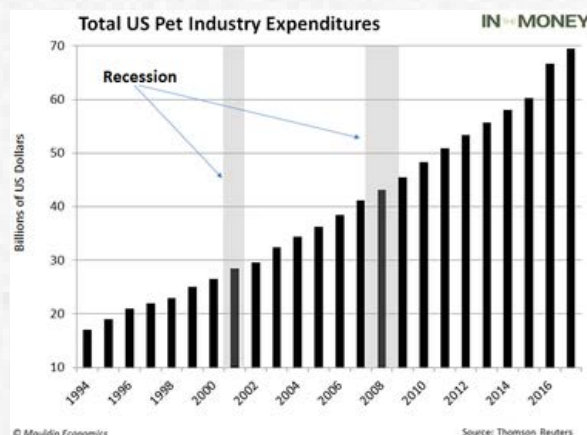
III. Customer Segments



Market Potential



The dog services domain of the pet industry is listed as one of the **fastest-growing retail segments** around the globe, having an **5% compound annual growth rate** and expected to reach roughly **29 billion dollars by 2030**. During the pandemic alone, around **18 million American households** adopted a dog; even more remarkably, pet owners have begun to invest more in premium care for their furry friends. Spending increased by 11% over the course of the pandemic, demonstrating how people have never been closer to their dog companions. *PurePet's* Total Addressable Market contains **313 million dog owners worldwide**. Given the fact that *PurePet* will operate solely in the U.S. during its initial stages, the Total Approachable Market includes 42.7 million American dog owners. To zero-in on the sector of the Total Addressable Market that is most likely to contain customers, **34% of American dog owners are willing to purchase a premium gift for their dog**, resulting in a Total Attainable Market of 14.5 million customers. There has never been a better time for *PurePet* to capitalize on a booming market that is doing nothing but growing.



Demographic Segmentation



Age Groups: Millennials & Elders

PurePet aims to target the most passionate of dog owners—those who are willing to make a **long-term investment**. A recent survey of 33,000 people found that **millennials**—people between the ages of 22 and 34—tend to spend **more than any other age group** on care for their pets, which makes them most likely to purchase a commodity product like *PurePet's* Canine Cleaner. Additionally, in 2022, millennials saw a **57% increase in dog ownership**, which was the **greatest out of all age brackets**. While millennials are a promising target group, *PurePet* also aims to target **elders** due to their **mobility challenges**. People who struggle with bending over, crouching, and kneeling will benefit immensely from the Canine Cleaner, as the product will **eliminate the physical exertion** involved in the dog-cleaning process.

Annual Income Bracket: \$75,000+

Owning a dog is no cheap endeavor; lifetime caring costs can range from **\$20,000 to \$400,000**, which is a **significant investment**. *PurePet* provides benefits for all dogs and dog owners, yet it is more appealing to those who can **comfortably afford premium dog services**, as their lifestyle encourages **luxury living**. In addition to **investing more** in their furry friends, more affluent individuals are **more likely** to own a dog in the first place. Studies have indicated a **positive correlation** between affluence and the likelihood of dog ownership, hence why *PurePet* is targeting those with higher income brackets.

Geography: Urban

PurePet will target those residing in more **city-like environments** not just because individuals in said areas are more **likely to own a dog**, but because the areas are more densely populated. Typically, around **25% of individuals living in the city** are housed in apartments, which **do not** have convenient places to clean a dog due to the **lack of outside hoses and space**. Further, the cost of living in urban areas is **incredibly high** and consequently, any kind of tarnish or damage to the home is detrimental, for the **repair is most expensive** and the issue is visible to other people. Continuing, the streets of urban cities are **extremely unsanitary**, for they are covered in **pollutants, used gum**, and other forms of muck, which can be even more harmful than natural substances such as dirt. Studies have shown that individuals living in rural areas tend to enjoy hands-on work more than those living in urban/suburban areas, making *PurePet's* dog Cleaner less appealing.



Psychographic Segmentation



Lifestyle: Active

PurePet will target those who **enjoy physical activity** and the outdoors. A 2017 study of 2,500 subjects found that dog-owners who regularly exercise are **72% more likely** to take their dogs on daily walks, indicating there is a higher probability of their dogs **getting dirty**. Consequently, the Canine Cleaner is of **greater appeal**, for active owners are well acquainted with the laborious and difficult process of dog-cleaning.



Characteristic: Tech-Savvy

A key appeal of the Canine Cleaner lies within its **innovative technology and design**. While the battery-powered applications are at the frontier of the pet-industry, more traditional pet-owners may be skeptical of their utility due to **scarce proof of concept**. On the other hand, dog-owners who are interested in **modern technology** and **visionary concepts** will, undoubtedly, be excited by the Canine Cleaner's novelty.



IV. Unique Value Proposition



PurePet's Canine Cleaner is a **one-of-a-kind** product that makes use of **innovative technology** and **structurally sound engineering** to solve age-old issues that all dog owners face. While the dog services market has **continually grown** over the decades, it has **failed to spark the creation of modernized products** specific to the market. Millions of dog owners worldwide are forced to engage in manual dog-cleaning techniques not just due to a lack of better options, but **a lack of any options**. The Canine Cleaner is the **first ever electromechanical dog cleaner**, and to maximize the experience of *PurePet's* consumers, it makes use of four completely original values. Such values include **adjustability, user-friendliness, effectiveness, and charitability**, all of which redefine the standard of quality in the pet industry.

PurePet's Four Piece Stem

Adjustability

PurePet recognizes that dogs come in a variety of **different sizes, shapes, and sensitivities**. To account for this, the Canine Cleaner is **fully adjustable**. The depth of the foot compartments can be altered to any desired height up to one foot and the position of said foot-compartments can be moved around **lengthwise and widthwise** to match the dog's body configuration. On top of this, the soft cushions lining each compartment and the **silky smooth bristles** make the clean enjoyable; it is comparable to a **massage or spa** for the dog. If owners want to make the experience even better, they can fill the water-cartridge with warm water and match the sensation of a warm bath.



User-Friendliness

Even with the Canine Cleaner's sophisticated technology, it is **extraordinarily simple** to operate -- as simple as **filling a container** with water and **pressing a button**. The product will arrive to the consumer's home **fully assembled**, so the only tasks required of the owner are to remove the protective wrap, unfold the product, fill the water cartridge, and press the big green start button. To make the process **even easier**, the product will come with a paper guide offering **step-by-step instructions** and visual cues of how to adjust the size of the cleaner to perfectly fit the dog.



Effectiveness

The Canine Cleaner guarantees a **spotless dog** after every use, and with a **reliable system** designed by an expert engineering team, it surpasses the standard. Each cleaning compartment contains hundreds of **soft, rotating bristles**, ensuring that even the most **stubborn of grime** will be brushed away. Further, with the cleaner's battery power, the supplemental **surge of water** will wash away any remaining filth. To maintain an **untainted cleaning experience**, used water and gathered waste will be disposed of through a mesh layer, preventing any kind of germ accumulation.



Charitability

While *PurePet* is a for-profit brand, its goals go **beyond the money**. *PurePet* will donate **5% of every online purchase** to the **American Kennel Club**, the largest network of dog rescue groups in the country, to offer a concrete gesture of love for all dogs. It is impossible for a dog to stay clean while sleeping **alone in the streets**, as there is no one to offer any care or love. The Canine Cleaner is specifically designed to offer as much pleasure as possible to its users, yet the presence of a cleaner all starts with a loving family and a home. *PurePet's* mission is to give every dog the opportunity to truly feel like a **pure pet**.






V. Solutions




PurePet's primary objective with its Canine Cleaner product is to put **an end to the laborious process of manual dog cleaning** and present a **superior alternative** that **utilizes modern technology**. With this product, dog cleaning will be made as quick, orderly, and easy as it gets. Not only will the owner's house become **consistently clean and fresh**, but the **dog's health will be maximized and improved**.

Facilitating the dog Cleaning Process



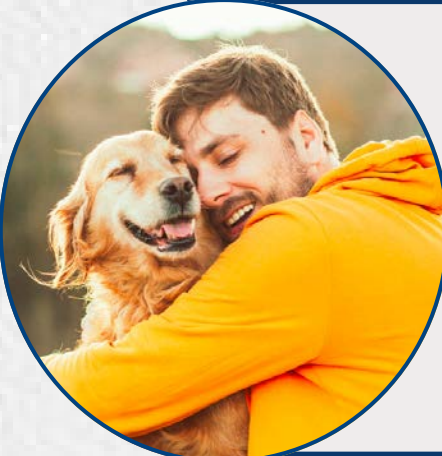
The greatest problem that the Canine Cleaner solves is the **laborious and strenuous nature** of dog-cleaning. To mitigate said issue, the cleaner's **fully mechanized design** allows an extremely **quick and effortless** process. With the Canine Cleaner, the only tasks required of the owner are **adjusting** the cushioned compartments to their dog's size, **filling** the water cartridge, and **pressing** the start button. The battery power aspect is remarkable, as it **eliminates all forms of physical exertion** and **minimizes the timeliness** of the process. Further the Canine Cleaner gives mobility-challenged people the ability to clean their dogs as well, as they don't have to **strain their bodies** by getting in **uncomfortable positions**. Finally, the Canine Cleaner mitigates the discomfort of the traditional cleaning-process, both for the owners and the dogs. Through the implementation of **silky smooth brushes** and a **light stream of water**, The Canine Cleaner's wash will both look and feel good for the dog.

Maintaining Home Cleanliness



Another **key convenience** of the Canine Cleaner is that it prevents dogs from tracking nature's marks into owners' homes. Thanks to its **extremely efficient and thorough cleaning**, the dog will have **no debris of any kind** left on its skin or hair, leaving **no possibility** for a mess to surface inside the home. This perk of the Canine Cleaner not only results in **increased owner satisfaction** with the cleanliness of their home, but it also **saves a tremendous amount of time**. Once the furniture has been stained or colored, it is incredibly difficult and frustrating to revert it to its original color. With a Canine Cleaner in the household, this issue will never come to fruition; **the dog will be speck-clean** upon every re-entrance of the house.

Mitigating Health Risks



While PurePet provides significant improvements in **owner satisfaction** and **home cleanliness**, it also leads to significant improvements in **dog safety**. By cleansing the dog's fur and skin of **all kinds of filth**, PurePet is simultaneously extinguishing all possible **bacteria buildups, harmful critters, and pathogens**. While unclean dogs don't always get sick/harmed, they certainly do get **matted fur**, which occurs when fur clumps together, **pulling at the skin**. This condition is **excruciatingly painful**, and PurePet completely mitigates it through the de-clumping of hair. Once inside the machine, PurePet's revolutionary brushes will carefully knead through each strain of hair, separating it and **preventing any kind of clotting**. With a Canine Cleaner in the household, owners will be able to rest in good conscience, knowing that their dogs are in **good hands**.

VI. Channels

Supply Acquisition

Product supplies will be sourced and manufactured by **A4M Group Manufacturing** located in Guangzhou, China, where the **cost of production is low**. The location is extremely convenient, as the manufacturing plant is situated along a port of the South China Sea, which allows for **direct sea freight shipment** to the United States. Additionally, *A4M Group* fits *PurePet's* structure very well; it specializes in product design for innovative start-ups, carrying expert staff in both **electrical engineering** and **supply chain management**. This collaboration will bring mutual benefits; *A4M Group* will gain a substantial customer committed to regular orders, and *PurePet* will gain the advantage of **negotiating discounts and favorable deals**.

Distribution

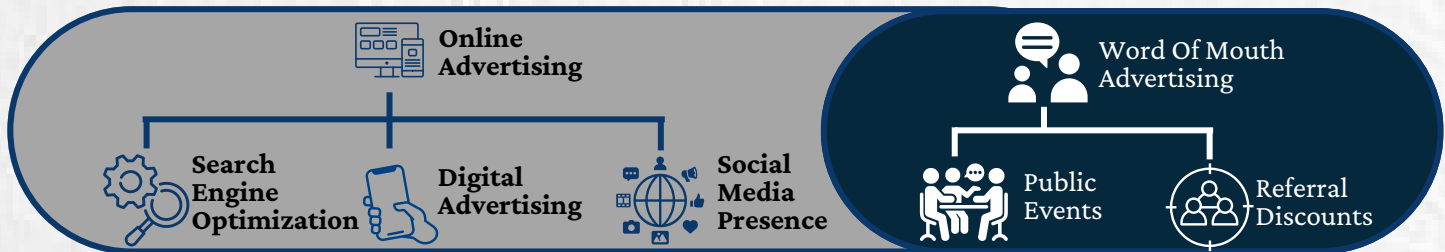
Direct-To-Consumer: Website

When the Canine Cleaner is ordered online, *PurePet* will ship it **directly to the consumer's doorstep**. However, as a consequence of **ocean freight** from China, shipping will likely take approximately **two weeks to a month**. This issue will only persist during the **initial years of business** when finances and profits are slim. After three years, *PurePet* plans on upgrading to **air freight**, which will only take approximately **8-10 days**. Once *A4M Group* has packaged and loaded the Canine Cleaners into the shipping containers on the cargo ship and the container arrives in America, *FedEx* will transport the shipment to the owner's house, where it will be **stored as inventory** in the garage and two 285 square foot storage containers, costing **\$274 per month**. From there, orders will be delivered through *FedEx* as they are received, and the relative shipment fee will be **transferred to the customer**.

Indirect: Retail

PurePet will not commence any form of retail sales until the latter end of the first business year when **proof of concept is better established**. The shipment process will be similar to that of direct-to-consumer. All Canine Cleaners going to retail stores will, however, be stored in **separate containers** from those going directly to consumers. Given the fact that all initial retail partnerships will be based in Portland, Oregon, the owner will assume the **role of the distributor**. The initial cargo load will be transported to his house by *FedEx*, and then he will **rent a U-Haul** and drive the products to each store. This strategy will **minimize transportation costs**, but will only be feasible when retail sales are small-scale and local.

Customer Acquisition



Search Engine Optimization: SEO stands for search engine optimization, defined as the rankings companies and websites have under certain keywords. **Driving online traffic** to a website can be extremely difficult without any *Google* SEOs, as nearly **75% of people** never scroll past the first page of results. Forgoing the benefits of *Google* SEOs hurts website traffic **as a whole**, which is why *PurePet* plans on hiring a website developer. *PurePet* will target its indirect SEO efforts into three main domains: **website word choice, content-update periods, and loading speed**. Beginning with word choice, it is essential that *PurePet* diversifies itself from competitors by circulating original, low competition words through its website. To do so, it will consistently include bolded keywords such as **"electromechanical," "portable" and "innovative"** in web-content. Continuing to content periods, *PurePet* will upload **new content weekly**, whether it be updates on the American Kennel Club or posts of new infographics and local events. No matter the case, consistent posts will help **maximize PurePet's web-domain activity**. Finally, it will work to **decrease loading and lagging time**. Search Engines like *Google* use loading speed as a ranking factor, therefore a **short loading period is essential**. To do this, *PurePet* will optimize images, get rid of all re-directs on the website, and enable free browser caching.

Digital Advertising: *PurePet* will undergo digital advertising through **google search ads**, which are banner-sized pop-ups on **websites and mobile apps** within the *Google Display Network*. Given that advertisers get to choose various factors that impact the presence of the ads, such as **keywords, location, and audience**, *PurePet* will combine **segmentation and SEO techniques**. For keywords, it will, once again, use the terms **"canine," "electromechanical," and "innovative,"** effectively boosting ad exposure to tech-savvy and dog-loving consumers. For location, *PurePet* will geographically **target the ads to Portland, OR** in the initial phases of business, as it connects to the **urban target demographic**. As the business grows, the ads will expand to other major cities across the U.S.

Social Media Presence:

To attain a **reputable social media presence**, PurePet will create accounts on **Instagram, Tik-Tok, and Facebook**. Targeting these popular platforms will provide access to the **greatest amount** of the population. Content on each social-media account will differ based on the **specific marketing capabilities** of each platform, as well as the **specific target demographic/psychographic**. For example, Facebook users will likely be in the age demographic of **millennials/elders**, so *PurePet* will create its content accordingly, making it **simple, easy to read**, and tailored to the **mobility benefits** of the Canine Cleaner. Instagram and Tik-Tok, on the other hand, will likely apply more to the **tech-savvy psychographic**, as the platforms are relatively new and advanced. To account for this, the content on said networks will be **more creative, lively, and humorous**, which will be achieved through hooking instagram reels and catchy tik-toks. As a general tactic, *PurePet* will ask consumers to submit photos of their dogs inside of the Canine Cleaner, which it will repost on all platforms, effectively **boosting proof of concept**.

Public Events:

To boost **word of mouth advertising**, *PurePet* will host public events in two places: **dog parks and homeless shelters**. Beginning with dog parks, the owner and his associates will, during the early stages of business, go to **local dog parks on Saturday and Sunday at 4pm**, allowing owners to try the Canine Cleaner **free of cost**. Such a tactic is a fun way to boost community engagement and get consumers talking about the product. Secondly, to further the idea of **community engagement**, *PurePet* will host **small-scale events** for Portland's homeless population. Approximately **9% of homeless have dogs**, so giving them the opportunity to treat their dogs to a premium experience will boost *PurePet*'s reputation as a **charitable brand with genuine intentions**.

Referral Discounts:

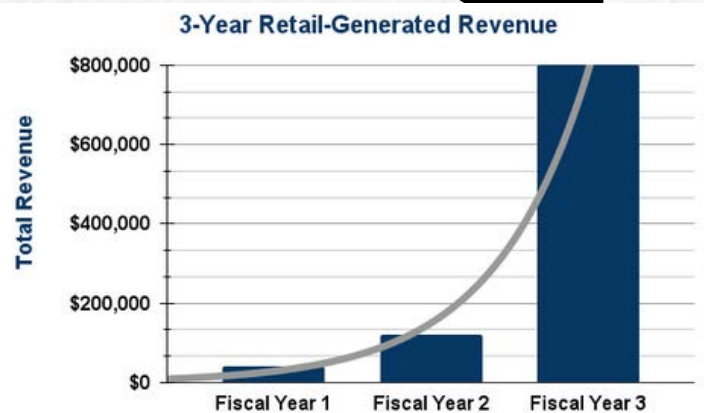
PurePet will utilize **referral discounts** to **boost consumer dialogue** and drive in **new customers**. When an existing consumer refers the Canine Cleaner to somebody else, they will get a **5% discount on their first battery replacement** (covered in Section VII.). This type of engagement will both **incentive pre existing consumers**, increasing retention rate, and **excite new consumers**, furthering *PurePet*'s impact. While said form of advertising will come with costs, they are marginal in comparison to the unit price, and the benefits will be **more substantial**.

VII. Revenue Streams

Revenue streams can be defined as **the various sources from which a business earns money from the sale of goods or the provision of services**. Given the fact that *PurePet*'s first and only product is the Canine Cleaner, all sources of revenue will be **transactional**, through either **Website Sales** or **Retail Sales**. **The Canine Cleaner is sold for \$139.99**, and when sold through the website, all \$139.99 is retained. When sold through retail, *PurePet* will lose around **45% of each sale, retaining \$79.99**. As *PurePet* grows as a brand and gains expertise, it will begin developing new innovative pet-cleaning products and consequently, new revenue streams.

Indirect Sales - Retail

PurePet's initial retail sales will be **very low** as there will not be **proof of concept** established and consequently, **retailers will be hesitant** of taking the risk of making a deal. However, once retail is engaged, negotiations will first begin with **small-scale, local pet stores**. Starting small will give the young owner a chance to build **networking, communication, and negotiation skills** that will prove valuable in later, more significant instances of business. After year 3, *PurePet* will begin frying bigger fish and targeting big-box retailers like **PetSmart** and **Petco**. With **proof of sales, customer satisfaction, and other key metrics** established, there is a strong chance that *PurePet* will be able to strike a deal, especially given the ingenuity of the product. During the first fiscal year, *PurePet* will **commence retail during month ten** through partnerships with Pets on Broadway, Salty's Pet Supply, and For Paws. The deal will be contingent on a **minimum monthly order of 50 Canine Cleaners** so as not to back-up the distribution system. Total year-1 retail-sales will amount to **approximately \$39,995**. In the second year, *PurePet* will begin to **branch out of the Portland area**, partnering with Salem Pet Supply, Pet Time, and Mud Bay. This addition will near triple the retail sales of year-1, **generating \$119,985**. In year 3, *PurePet* will have leverage to **improve its pre-existing partnerships** and **create new ones**. It will strike its first big-deal by partnering with Mini Pet Mart, a pet supply powerhouse with 20 locations in Oregon. This deal will be crucial for the development of the business as it will be *PurePet*'s first deal with a **well-established chain-business**. The total revenue generated from retail-sales for year 3 will amount to **\$799,900**, which is **six times** the revenue from year 2 and **20 times** the revenue from year-1. This exponential growth is shown in the above graphic and is incredibly promising. After year 3, *PurePet* will begin pursuing the big-box retailers, PetCo and PetSmart.

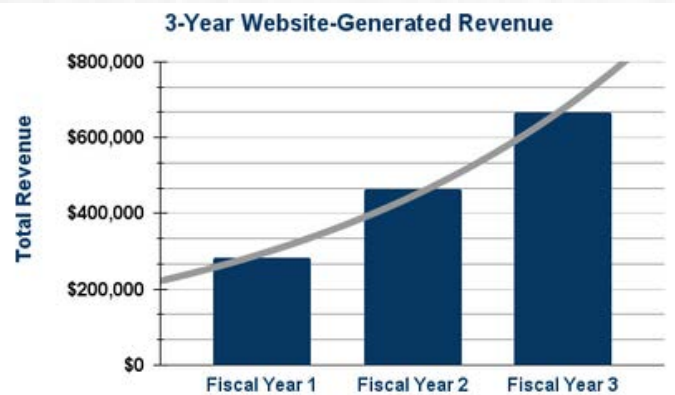




Direct Sales - Website



Made simple, consumers will order from *PurePet's* website and receive the shipment **directly to their doorstep**. As a general strategy, after a purchase, *PurePet* will have **website pop-ups** sparking the idea of purchasing another Canine Cleaner as a gift or gesture of kindness for another. The consumer will then have the option to send the website to **any of their contacts**, effectively promoting the online revenue stream. *PurePet* expects to net **0.0029% of its total attainable market** through online sales for the first year of business, making for 2,025 customers and approximately **\$283,479 of direct sales**. As promised, 5% of those sales will be donated to *American Kennel Club*, making for a **\$14,174 donation**. In fiscal year 2, *PurePet* expects to net **0.0048% of the attainable market**, resulting in 3,325 customers and **\$465,467 of direct sales**.



This will lead to a **\$23,273 donation** to American Kennel Club. Finally, in the third year of business, *PurePet* aims to reach **0.0069% of the attainable market** to attain 4,750 customers and **\$664,952 in online sales**. \$33,248 of that will be donated to *American Kennel Club*. As shown in the above graphic, direct sales through the website during the first three years of business will increase linearly, as a consequence of stable money input and effective advertising.



Battery Replacement



PurePet's Canine Cleaner is powered by a **6-volt lithium-ion battery** that can operate for **10 cleans before needing a recharge**. Said battery is one of the Canine Cleaner's most important features, as it will be patented and acts as both a unique value and a competitive advantage. However, the battery's impressively small and compact size comes with a trade-off; after five years of use, the **two current collectors will die out and the battery will cease to function**. While this is not an ideal scenario, it opens doors for another revenue stream: battery replacement. The production price for a single battery is \$28.50, so to produce a profit, *PurePet* will sell replacement batteries for \$49.99 through its website. With a marginal cost of \$28.50 and a marginal revenue of \$49.99, *PurePet* will retain a profit margin of approximately 42.9%, which is very healthy. Assuming that the average lifespan of a customer is 15 years, the **battery will need to be replaced at least 2 times**, producing an average total revenue of \$99.98. Subtracting the \$57 production cost, the **battery replacement stream is projected to generate \$42.98 per customer in one lifetime**. Please note that The Cost Structure (VIII) and Detailed Financials (IX) sections only address the first three years of business, and therefore do not include any revenue generated by the battery replacement stream.



Lifetime Values (LTVs)



$$\text{Average Purchase Price} \times \text{Number of Purchases} = \text{LTV}$$

Lifetime values (LTVs) are a **benchmark tool used to estimate the average revenue a customer will generate** throughout their lifespan as a buyer. The quantifiable value of a customer serves as a foundation for *PurePet* in evaluating business decisions, such as **marketing, budget, and allocation of resources**. Additionally, LTVs will be used for revenue forecasting and predictions of profit and liquidity. *PurePet* will group its customers into two unique dogegories: "One n Dones" and "Present Poppers." One n Dones are **customers who make one purchase in their lifetime and then cease interaction with the business**. Through extensive market research, *PurePet* determined that **around 85% of customers will be One n Dones**. They will order one \$139.99 Canine Cleaner and two \$49.99 battery replacements, resulting in a **lifetime value of \$239.97**. **Present Poppers, on the other hand, are customers who purchase 3+ Canine Cleaners in the span of 3 years**. As implied by the name, Present Poppers, said purchases will most likely be as gifts. A 2021 study consisting of 5,500 respondents found that 18% of Americans are likely to spend between \$500 and \$999 as gifts. A separate study of 7,300 respondents found that 15% of Americans are willing to spend \$100+ on a singular gift during the Christmas season, making the Canine Cleaner a viable and likely option. Based on these statistics, *PurePet* projects that **approximately 15% of its customers will be Present Poppers and purchase three times within three years**. These purchases consist of three Canine Cleaner orders combined with two battery replacements (since the gift-donor won't pay for the other replacements), which will have an **LTV of \$519.95**.

One n Done

1 Lifetime Purchase
2 Battery Replacements
LTV = \$239.97

Present Popper

3+ Lifetime Purchases
2 Battery Replacements
LTV = \$519.95

VIII. Cost Structure

Production Costs

The estimated production cost for one Canine Cleaner is **approximately \$52.50**. This number was attained by contacting *A4M Group* manufacturing **in real life** with the relative dimensions of each type of **raw material**, and asking for **estimated costs**. Materials will consist of polyethylene plastic, carbon steel hinges, gel-foam cushions, polyethylene bristles, a lithium-ion battery, thin fans, rubber electrical circuits, cardboard packaging, foam, and finally, "Handle With Care" tape. The specific **weights, costs, and make-up** of said components are detailed in the table below.

Canine Cleaner Component Make-Up								
XXX	Battery	Fan	Circuits	Cushions	Bristles	Plastic	Hinges	Packaging
Weight (lbs)	7.50 lbs	4.00 lbs	1.00 lbs	2.00 lbs	0.25 lbs	5.00 lbs	1.00 lbs	1.00 lbs
Cost (\$)	\$29.50	\$8.25	\$2.00	\$6.50	\$1.50	\$3.50	\$0.75	\$0.50
Make-up (%)	54.29%	7.62%	3.81%	12.57%	2.86%	6.67%	1.43%	0.95%

Additionally, in agreement with *A4M Group* Manufacturing, *PurePet* will receive a **5% mark-down on overall production cost** for every year produced through them, contingent on the fact that **order sizes increase each year**. This is an extremely conservative projection, as normally the manufacturing costs would decrease exponentially with consistently increasing order sizes. Based on this deal, *PurePet*'s production cost for one unit will drop to **\$49.88 for year two** and **\$47.38 for year three**. The deal will cap off once the **production price reaches \$40**, which will become the landed cost. Production cost distributions are detailed in the table below.

Projected Production Expenses: Years 1-3												
Year	2024				2025				2026			
Months	Jan.	April	July	Oct.	Jan.	April	Jul.	Oct.	Jan.	April	July	Oct.
Costs	\$28,875	\$23,625	\$31,500	\$49,875	\$48,633	\$52,374	\$58,609	\$89,784	\$116,081	\$155,170	\$187,151	\$275,988
												\$1,117,665

Distribution Costs

PurePet will engage in **overseas shipments** from Guangzhou, China through *A4M Group* manufacturing. In sea freight, **250 fully assembled Canine Cleaners** can fit inside one \$3500 shipping container, implying a **per-unit shipping cost of \$14**. Because *A4M Group*'s factory is **strategically located next to the Port of Guangzhou**, the transportation costs from the factory to shipping containers **will be negligible**. After the units are loaded, the cargo ship will take the Pacific Route, landing at the Port of Astoria in Oregon. From there, *FedEx* will pack all units inside of a **22' straight truck** and, via the US-30 E highway, embark on the **96 mile drive** to the owner's house in Portland. After contacting the FedEx logistics department, *PurePet* found that this transportation cost will be approximately **\$250 per delivery**. Once *FedEx* reaches the owner's house, the units will be stored in the **garage and two storage containers**. Each container will be rented out for **\$137 a month** and will have a **maximum capacity of 450 fully packaged Canine Cleaners**. After three years, *PurePet* will begin **outsourcing through a warehouse** to handle the growing demand. Because the overseas shipment process will take **two weeks to a month**, *PurePet* will put in large orders to fulfill inventory before it runs thin. While the first four months of business will be occupied by the research and development of the Canine Cleaner, resulting in no sales, *PurePet* will put in its first order in January to, firstly, **acquire on-hand inventory**, and secondly, **begin troubleshooting shipment issues** in advance. As a general scheduling metric, *PurePet* will put in a bulk order as soon as inventory reaches **half-capacity**, which is roughly 500 units, so as to **mitigate the risk of delivery delay**. Additionally, October orders will be upwards of 55% larger than those of previous months, as the **Christmas season** will create an abnormally large influx of customers. The 3-year distribution costs are detailed below.

Projected Distribution Expenses: Years 1-3													
Year	2024				2025				2026				
Start Month	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Total
Order Size (units)	550	450	600	950	975	1,050	1,175	1,800	2,450	3,275	3,950	5,825	22,550
Sea-Freight (\$)	\$7,700	\$6,300	\$8,400	\$13,300	\$13,650	\$14,700	\$16,450	\$25,200	\$34,300	\$45,850	\$55,300	\$81,550	\$322,700
Transportation (\$)	\$750	\$500	\$750	\$750	\$750	\$1,000	\$1,000	\$1,750	\$2,250	\$3,750	\$4,250	\$5,750	\$22,500
Containers (\$)	\$822	\$822	\$822	\$822	\$822	\$822	\$822	\$822	\$822	\$822	\$822	\$822	\$9,865
Total (\$)	\$9,272	\$7,622	\$9,972	\$14,872	\$15,222	\$16,522	\$18,272	\$27,772	\$37,372	\$50,422	\$60,372	\$88,122	\$355,064

Start-Up Costs

PurePet's start-up costs will stem from **research and development (R&D)**, **utility patent acquisition**, **business registration**, and other **legal fees**. Given that there are a vast amount of logistical regulations regarding battery powered products, including restriction of hazardous substances (RoHS), FCC compliance, and transportation requirements, hiring a developer will allow *PurePet* to **navigate said regulations** and **avoid the costs** of legal equipment/certifications that will be **functionally useless** after R&D. Continuing, to prevent competition from replicating the Canine Cleaner, *PurePet* will **hire a patent attorney** and seek two utility patents on the **configuration of the bristle systems** and the **collapsible nature of the structure**. Finally, *PurePet* will register itself as an LLC so that individual members have **liability protection** and their assets are not put at risk. The start-up cost distribution is detailed below.

Projected Start-Up Expenses				
R&D	Patent Acquisition	Business Registration	Legal Fees	Total
\$8,500	\$4,750	\$1,125	\$625	\$15,000

Customer Acquisition Cost

PurePet's **3-year marketing expenditures** sum up to approximately \$351,894, with 52.9% stemming from **google display and search ads**, 20.5% from **Instagram ads**, 11.5% from **Facebook ads**, 10.2% from **TikTok ads**, and 4.9% from **SEO investments**. This leads to a **CAC of \$15.62**. Said value can be compared to the **customer lifetime value (LTV)**, which is \$239.97. The standard CAC:LTV ratio is 3 to 1, yet PurePet's ratio is **15 to 1**, demonstrating sound marketing operations, efficient investment timing, and well-rounded demographic segmentations.

Search Engine Optimization: The search engine optimization techniques established in Section VI., while important, are **free of cost**. To achieve more in-depth analysis and optimization, PurePet will pay a **monthly subscription of \$99** to *Ahrefs*, an online SEO tool that provides comprehensive **backlink analysis**, **meta title feedback**, and **competition updates**. It's important to note that PurePet's biggest SEO investment lies within its web developer (covered in Human Resource Cost), as they will be consistently circulating **new, engaging content**. PurePet's web development costs will stem from **initial structural developments**, and monthly costs will come from the purchase of a **domain name**. The cost breakdown is detailed in the table below.

CAC: Search Engine Optimization				
Activity	Development Costs	Monthly Cost	Yearly Cost	Total 3-Year Cost
Website	\$10,500	\$85	\$1,020	\$13,560
SEO	\$0	\$99	\$1,188	\$3,564
Total	\$10,500	\$184	\$2,208	\$17,124

Google Advertising: As established in Section VI., PurePet will use a mix of **google display and search ads** to reach its target audience. Display ads, which can be either **images or short videos**, will provide a straightforward visual of PurePet's unique value proposition, hence **grabbing the attention** of all viewers. Google Display Ads run on a **cost-per-click (CPC)** method, meaning PurePet will be charged each time a viewer clicks on the ad. Google Search Ads, on the other hand, run on a **cost-per-view (CPV)** basis, where the advertiser is charged each time the ad is displayed, regardless of how many clicks it receives. Search Ads will supplement PurePet's SEOs, as they only provide **text with links**, and therefore display the effectiveness of **key-words and backlink optimization**. Further, each year PurePet will allocate \$6,500 for extra advertising, whether it be T.V. ads, micro-influencer collaborations, or trade shows.

CAC: Google Advertising					
Activity	Cost Per Ad	# Ads Per Month	Monthly Cost	Yearly Cost	Total 3-Year Cost
Display Ads	\$0.75	3,500	\$2,625	\$31,500	\$94,500
Search Ads	\$1.15	1,750	\$2,013	\$24,150	\$72,450
Miscellaneous		TBD		\$6,500	\$19,500
Total		5,250	\$4,638	\$62,150	\$186,450

Instagram Ads: Given Instagram's **12.2% year-over-year increase** in ad reach, PurePet will put its **largest** social media investment into it. Further, with the explosion of Instagram reels, the platform will appeal to PurePet's tech-savvy psychographic. As of February, Instagram's **Cost-Per-Mille (CPM)**, which is the cost an advertiser pays for 1,000 ad impressions, is the **median of all social media platforms: \$8.19**. Social media impressions represent the number of times an ad is successfully uploaded and viewed, and they can be useful in **demonstrating the reach** of particular advertisements. PurePet will put in larger social media investments during October, so as to maximize exposure during the **Christmas season**. The 3-year cost distribution of Instagram ads is detailed below.

CAC: Instagram													
Year	2024				2025				2026				
Start Month	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Total
Impressions (1000s)	405.9	422.5	534.2	628.2	633.7	700.2	746.6	842.5	868.7	906.6	968.3	1131.3	8,788.8
Advertising Cost	\$3,325	\$3,460	\$4,375	\$5,145	\$5,190	\$5,735	\$6,115	\$6,900	\$7,115	\$7,425	\$7,930	\$9,265	\$71,980

Tik-Tok Ads: In the last four years, TikTok has seen a **93.4% growth rate** in advertisements, and users are increasing on a **year-to-year rate of 52%**, presenting a prime opportunity for PurePet. Further, TikTok's features allow advertisers to channel their ads into **specific categories**, meaning PurePet can tailor towards its **key demographics**. As of December, **TikTok's CPM is \$6.08**, meaning PurePet can receive a **vast amount of impressions** for relatively **little expenditure**. The TikTok cost distribution is detailed below.

CAC: TikTok													
Year	2024				2025				2026				
Start Month	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Total
Impressions (1000s)	166.9	226.2	305.9	387.3	406.3	458.1	501.6	601.2	611.8	666.1	721.2	825.7	5878.3
Advertising Cost	\$1,015	\$1,375	\$1,860	\$2,355	\$2,470	\$2,785	\$3,050	\$3,655	\$3,720	\$4,050	\$4,385	\$5,020	\$35,740

Facebook Ads: Facebook ads will be used primarily to reach PurePet's **millennial/elder demographic**, as **74% of users** are above the age of 35. Based on this target group, ads will focus on the canine cleaner's **mobility benefits**, and figures in the images will be older, functioning to **maximize viewers' relatability**. Such an effort will prove costly, however, for Facebook has one of the highest CPMs: **\$14.15**. This demonstrates that certain target markets are **more difficult** to reach than others, yet PurePet recognizes that to be successful, a business must be **well rounded**. The Facebook cost distribution is detailed below.

CAC: Facebook													
Year	2024				2025				2026				
Start Month	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Total
Impressions (1000s)	104.2	122.3	142.4	179.9	208.1	227.2	246.9	284.5	290.8	323.3	342.0	397.5	2869.3
Advertising Cost	\$1,475	\$1,730	\$2,015	\$2,545	\$2,945	\$3,215	\$3,495	\$4,025	\$4,115	\$4,575	\$4,840	\$5,625	\$40,600



Human Resource Costs



Given the fact that *PurePet* will only be in its initial three years of business, it will have a **relatively low human resources cost** of **\$35,000 in year one, \$40,000 in year two, and \$45,000 in year three**. This cost will consist entirely of the annual wage of *PurePet*'s website developer, who will have a **specialty in data analysis and design**. With a marketing expert within the company, *PurePet* will be able to **gauge its key metrics much more efficiently** and **funnel money into channels accordingly**. Additionally, with an extremely large aspect of *PurePet*'s uniqueness and innovativeness based on its design, having a **strong foundational website** to highlight the product's **special components** is essential. Only one admin is necessary for the first three years of business, largely due to the expertise and willingness of the owner's relatives to work for free until the business has a **strong foundation**. Henri Danzelaud's aunt, a retired accountant, will help with all financial logistics and establish budgets and forecasts for different channels. Henri Danzelaud's father, a retired global affairs manager for a tech company, will assist in establishing relationships with different wholesalers and expanding *PurePet*'s market into different segments. With these crucial members on board, *PurePet* **maximizes business knowledge while minimizing human resource costs**.

Position	Job Description
Web Developer	Optimize website functionality, manage SEOs/google ads, circulate hooking, original content, build effective backlinks
Accountant	Provide financial analysis, create forecasts/budgets, ensure accurate records and compliance w/ regulation, offer financial advice
Affairs Manager	Oversee governmental regulations, establish communication with retailers/partners, foster positive policy relations
Owner	Develop long-term strategies, settle short term objectives, distribute work load, ensure efficient allocation of resources

IX. Detailed Financials (A)



Year 1 Income Statement Overview



PurePet													
2024: Forecasted Statement of Income													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue													
Website													
Units Sold	0	0	0	0	250	100	175	200	250	250	400	400	2,025
Gross Website Revenue	\$ -	\$ -	\$ -	\$ -	\$ 34,998.00	\$ 13,999.00	\$ 24,498.00	\$ 27,998.00	\$ 34,997.00	\$ 34,997.00	\$ 55,996.00	\$ 55,996.00	\$ 283,479.00
5% Donation: AKC	\$ -	\$ -	\$ -	\$ -	\$ 1,749.90	\$ 699.90	\$ 1,224.90	\$ 1,399.90	\$ 1,749.90	\$ 1,749.90	\$ 2,799.80	\$ 2,799.80	\$ 14,174.00
Total: Website	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,248.10	\$ 13,299.10	\$ 23,273.10	\$ 26,598.10	\$ 33,247.10	\$ 33,247.10	\$ 53,196.20	\$ 53,196.20	\$ 334,365.60
Retail													
Units sold	0	0	0	0	0	0	0	0	0	100	350	500	500
Gross Retail Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,999.00	\$ 27,998.00	\$ 27,998.00	\$ 69,995.00
40% Retailer Cut	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,599.60	\$ 11,199.20	\$ 11,199.20	\$ 27,998.00
Income Tax (21%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,939.00	\$ 5,879.58	\$ 5,879.58	\$ 14,698.00
Total: Retail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,460.40	\$ 21,125.30	\$ 36,303.06	\$ 62,888.76
Total Revenue : Web + Retail	\$ -	\$ -	\$ -	\$ -	\$ 33,248.10	\$ 13,299.10	\$ 23,273.10	\$ 26,598.10	\$ 33,247.10	\$ 38,707.50	\$ 74,321.50	\$ 126,752.42	\$ 397,254.36
Cost of Goods Sold													
Product Assembly	\$ -	\$ -	\$ -	\$ -	\$ 13,125.00	\$ 5,250.00	\$ 9,187.50	\$ 10,500.00	\$ 13,125.00	\$ 18,375.00	\$ 31,500.00	\$ 31,500.00	\$ 132,562.50
Packaging	\$ -	\$ -	\$ -	\$ -	\$ 125.00	\$ 50.00	\$ 87.50	\$ 100.00	\$ 125.00	\$ 175.00	\$ 300.00	\$ 300.00	\$ 1,262.50
Sea-Freight	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ 1,400.00	\$ 2,450.00	\$ 2,800.00	\$ 3,500.00	\$ 4,900.00	\$ 8,400.00	\$ 8,400.00	\$ 35,350.00
Transportation (Fed-Ex)	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ 100.00	\$ 175.00	\$ 200.00	\$ 250.00	\$ 350.00	\$ 600.00	\$ 600.00	\$ 2,525.00
Total COGS	\$ -	\$ -	\$ -	\$ -	\$ 17,000.00	\$ 6,800.00	\$ 11,900.00	\$ 13,600.00	\$ 17,000.00	\$ 23,800.00	\$ 40,800.00	\$ 40,800.00	\$ 171,700.00
Customer Acquisition Costs													
Search Engine Optimization	\$ -	\$ -	\$ -	\$ -	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 792.00
Google Display Ads	\$ -	\$ -	\$ -	\$ -	\$ 2,625.00	\$ 2,625.00	\$ 2,625.00	\$ 2,625.00	\$ 2,625.00	\$ 2,625.00	\$ 2,625.00	\$ 2,625.00	\$ 21,000.00
Google Search Ads	\$ -	\$ -	\$ -	\$ -	\$ 2,013.00	\$ 2,013.00	\$ 2,013.00	\$ 2,013.00	\$ 2,013.00	\$ 2,013.00	\$ 2,013.00	\$ 2,013.00	\$ 16,104.00
Instagram Promos	\$ 1,145.00	\$ 1,170.00	\$ 1,175.00	\$ 1,250.00	\$ 1,465.00	\$ 1,515.00	\$ 1,535.00	\$ 1,625.00	\$ 1,830.00	\$ 1,845.00	\$ 1,870.00	\$ 1,895.00	\$ 18,320.00
Tik-Tok Ads	\$ 305.00	\$ 350.00	\$ 375.00	\$ 415.00	\$ 485.00	\$ 550.00	\$ 635.00	\$ 670.00	\$ 735.00	\$ 805.00	\$ 815.00	\$ 865.00	\$ 7,005.00
Facebook Ads	\$ 415.00	\$ 445.00	\$ 490.00	\$ 535.00	\$ 555.00	\$ 580.00	\$ 615.00	\$ 645.00	\$ 670.00	\$ 700.00	\$ 705.00	\$ 715.00	\$ 7,070.00
On-Hand Inventory	\$ -	\$ -	\$ -	\$ -	\$ 455.00	\$ 455.00	\$ 455.00	\$ 555.00	\$ 555.00	\$ 555.00	\$ 700.00	\$ 700.00	\$ 4,430.00
Miscellaneous	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00
Total CAC	\$ 2,015.00	\$ 2,115.00	\$ 2,190.00	\$ 2,350.00	\$ 7,847.00	\$ 7,987.00	\$ 8,127.00	\$ 8,382.00	\$ 8,677.00	\$ 8,792.00	\$ 8,977.00	\$ 9,062.00	\$ 76,521.00
Operating Costs													
Payroll (Web Developer)	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 2,916.67	\$ 35,000.00
Payroll Taxes and Benefits	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 875.43	\$ 10,505.16
Depreciation (Intangible Assets)	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 903.60	\$ 10,843.20
Insurance	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 1,020.00
Home Office Supplies	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 420.00
Total Operating Costs	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 57,788.40
Start-Up Costs													
Research and Development	\$ 8,000.00	\$ 166.67	\$ 166.67	\$ 166.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500.00
LLC Registration	\$ -	\$ -	\$ -	\$ -	\$ 1,125.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125.00
Utility Patent Acquisition	\$ -	\$ -	\$ -	\$ -	\$ 2,375.00	\$ 2,375.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,750.00
Web Development	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 1,020.00
Storage Rentals	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 274.00	\$ 3,288.00
Total Start-Up	\$ 8,359.00	\$ 525.67	\$ 525.67	\$ 525.67	\$ 3,859.00	\$ 2,734.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 18,683.01
Total Expenses	\$ 15,189.70	\$ 7,456.37	\$ 7,531.37	\$ 7,691.37	\$ 33,521.70	\$ 22,336.70	\$ 25,201.70	\$ 27,156.70	\$ 30,851.70	\$ 37,766.70	\$ 54,951.70	\$ 55,036.70	\$ 324,600.00
Profit	\$ 15,189.70	\$ 7,456.37	\$ 7,531.37	\$ 7,691.37	\$ (273.60)	\$ (9,037.60)	\$ (1,928.60)	\$ 7,682.78	\$ 8,763.00	\$ 16,563.30	\$ 26,438.00	\$ 32,876.35	\$ 72.00

Written Overview

In projected income statement for its first active year (shown above), *PurePet* will take on a highly realistic and **reasonable set of expectations**. For the first four months of business, *PurePet* will have \$0 in sales revenue, as it will **undergo research and development for its innovative design and proprietary technology**. *PurePet* will **establish a platform through its website and social media accounts as well as negotiate manufacturing prices** during this period. Once the R&D is complete with a fully functional product, *PurePet* will sell solely from its website for the first five months of sales to establish proof of concept for retailers. By the time *PurePet*'s first retail shipment arrives, it will have **sold 975 units through its website**, allowing insight into customer feedback and providing breathing room to purchase additional inventory if necessary. For its first active month, *PurePet* expects to have exponential growth in sales, as it will have acquired an initial burst of customers from marketing efforts, including SEOs, social media posts, and public events. For months two through ten, ***PurePet* expects a more linear increase in sales as word spreads and its business model develops**. Then, during months eleven and twelve, *PurePet* will once again experience exponential sales growth as customers put in orders for the Christmas season. Based on these projections, ***PurePet* will produce a total year-one revenue of \$397,254** from its combined website/retail sales, and the **cost of goods sold will be \$171,700**. Total expenses will sum up to \$324,692, resulting in a **net income of \$72,562 for the first year**.

Accounting Notes

Note 1: \$139.99 revenue through the website and \$79.99 revenue for retail, due to the standard 40% markdown.

Note 2: No sales for the first four months due to research and development.

Note 3: Sales to retailers will require a minimum order of 100 units.

Note 4: Product is being manufactured by *A4M Group* Manufacturing for \$52.50 .

Note 5: Once shipped to the United States from China, shipping expenses will be covered by the customer.

Note 6: On-Hand Inventory will be used for local, in-person advertising at dog parks and expos

Note 7: Payroll consists solely of web-developer, as the owner, accountant, and affairs manager will originally not take salaries

Note 8: SEO cost will consist entirely of subscription to online backlink analysis program, *Ahrefs*

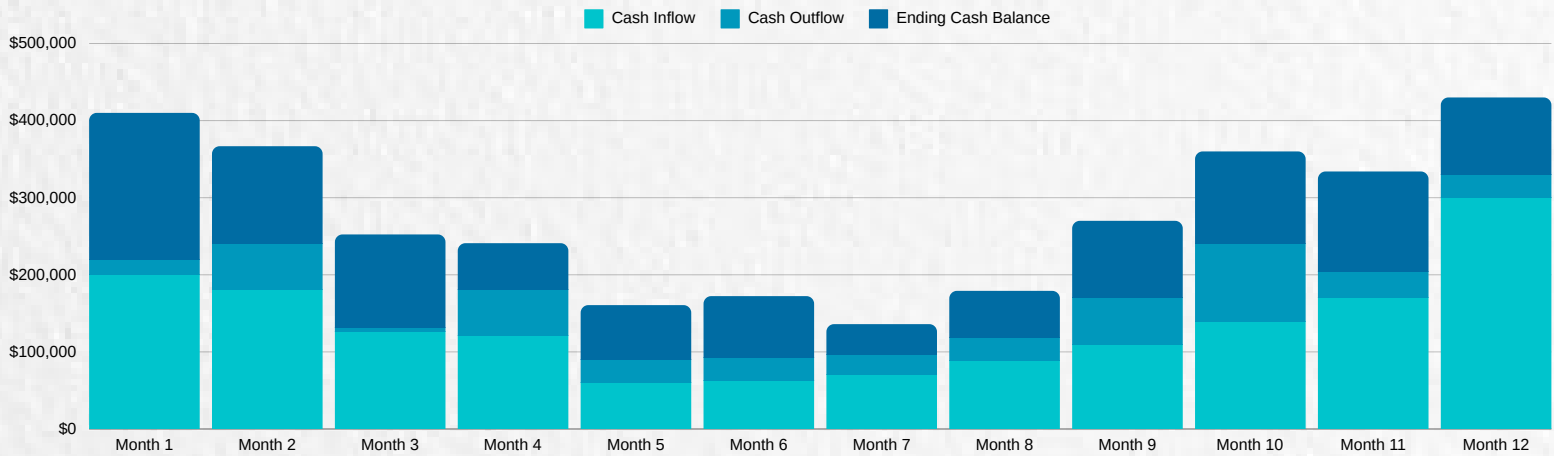
Note 9: *PurePet* received a \$200,000 loan at 6% interest paid back within 3 years.

IX. Detailed Financials (A) Cont.

Year 1 Cash Flow Statement Overview

PurePet													
2024: Forecasted Statement of Cash Flows													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash Balance													
Cash Inflows													
Sales	\$ -	\$ -	\$ -	\$ -	\$ 33,248.10	\$ 13,299.10	\$ 23,273.10	\$ 26,598.10	\$ 33,247.10	\$ 33,247.10	\$ 53,196.20	\$ 53,196.20	\$ 334,365.60
Owner Funds	\$ 150,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000.00
Loan Proceeds	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00
Total Cash Inflows	\$ 350,000.00	\$ -	\$ -	\$ -	\$ 33,248.10	\$ 13,299.10	\$ 23,273.10	\$ 26,598.10	\$ 33,247.10	\$ 33,247.10	\$ 53,196.20	\$ 53,196.20	\$ 684,365.60
Cash Outflows													
Inventory Purchase	\$ -	\$ 55,000.00	\$ -	\$ 57,500.00	\$ -	\$ 78,398.00	\$ -	\$ 88,350.00	\$ -	\$ 96,350.00	\$ -	\$ -	\$ 375,598.00
Shipping and Distribution	\$ -	\$ -	\$ 13,186.35	\$ -	\$ 14,005.67	\$ -	\$ 15,098.00	\$ -	\$ 18,989.36	\$ -	\$ 19,382.45	\$ -	\$ 80,661.23
Marketing and Advertising	\$ 2,015.00	\$ 2,115.00	\$ 2,190.00	\$ 2,350.00	\$ 7,847.00	\$ 7,987.00	\$ 8,127.00	\$ 8,382.00	\$ 8,667.00	\$ 8,792.00	\$ 8,977.00	\$ 9,062.00	\$ 76,521.00
Operating Costs	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 4,815.70	\$ 57,788.40
Start-Up Costs	\$ 8,359.00	\$ 525.67	\$ 525.67	\$ 525.67	\$ 3,859.00	\$ 2,734.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 359.00	\$ 18,683.01
Insurance	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 1,020.00
Miscellaneous	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00
Loan Principal	\$ 6,689.83	\$ 6,634.71	\$ 6,605.18	\$ 6,592.47	\$ 6,573.10	\$ 6,528.95	\$ 6,501.90	\$ 6,488.79	\$ 6,463.40	\$ 6,447.38	\$ 6,423.43	\$ 6,401.24	\$ 78,350.38
Loan Interest	\$ 1,018.13	\$ 1,017.88	\$ 1,017.31	\$ 1,015.90	\$ 1,015.34	\$ 1,014.89	\$ 1,014.05	\$ 1,013.98	\$ 1,013.69	\$ 1,013.35	\$ 1,013.01	\$ 1,012.72	\$ 12,180.25
Total Cash Outflows	\$ 23,132.66	\$ 70,343.96	\$ 28,575.21	\$ 73,034.74	\$ 38,350.81	\$ 101,713.54	\$ 36,150.65	\$ 109,644.47	\$ 40,543.15	\$ 118,012.43	\$ 41,205.59	\$ 21,885.66	\$ 702,602.27
Ending Cash Balance	\$ 326,867.34	\$ (70,343.96)	\$ (28,575.21)	\$ (73,034.74)	\$ (5,102.71)	\$ (88,414.44)	\$ (12,877.55)	\$ (83,046.37)	\$ (7,296.05)	\$ (84,765.33)	\$ 11,990.61	\$ 31,310.54	\$ 18,236.67

The cash flow statement for *PurePet*'s first active year relates the relative amount of cash inflow—revenue—with the amount of cash outflow, which are **production, distribution, marketing, and start-up expenses**. This difference ultimately determines the total change in cash. *PurePet*'s **initial cash balance** comes from its requested loan, personal sourced funds, and initial revenue, and the cash balance steadily decreases until month five, when it begins increasing again. This occurs because *PurePet* finally **begins generating revenue starting in month five**, as the research and development was being undergone for the first four months. The largest sources of cash outflow will be **purchases of inventory**, which will occur evenly throughout **two month intervals**. The larger order of inventory is placed in October so that *PurePet* can fulfill the increasing demand that the Christmas season brings. To calculate the overall change in cash over the first year, the \$702,603 cash outflow is subtracted from the \$684,366 cash inflow, resulting in a **change of -\$18,237**. While said value may appear intimidating, it's actually a **very good sign**, as *PurePet* is almost cash-flow positive in only one year. Given the fact that *PurePet* had **no sales** for the first four months of business, and no retail sales **until month 10**, an outflow of only \$25,025 is an impressive feat. Further, as *PurePet* negotiates steeper resource-price markdowns from *A4M Group* and begins optimizing/automating its inventory management process, cash flow will inevitably improve.



Balance Sheet End of Year 1

	Year 1
Assets	
Cash	174,975
Accounts Receivable	Note 1
Inventory	Note 2
	96,425
Total Assets	\$ 271,400
Liabilities	
Accounts Payable	Note 3
Loan Payable	200,000
Total Liabilities	\$ 200,000
Equity	
Net Income from Year 1	71,400
Total Liabilities & Equity	\$ 271,400

Year 1 Balance Sheet Accounting Notes

Note 1: No terms will be extended to customer, meaning that they will not receive their order **until they have paid**.

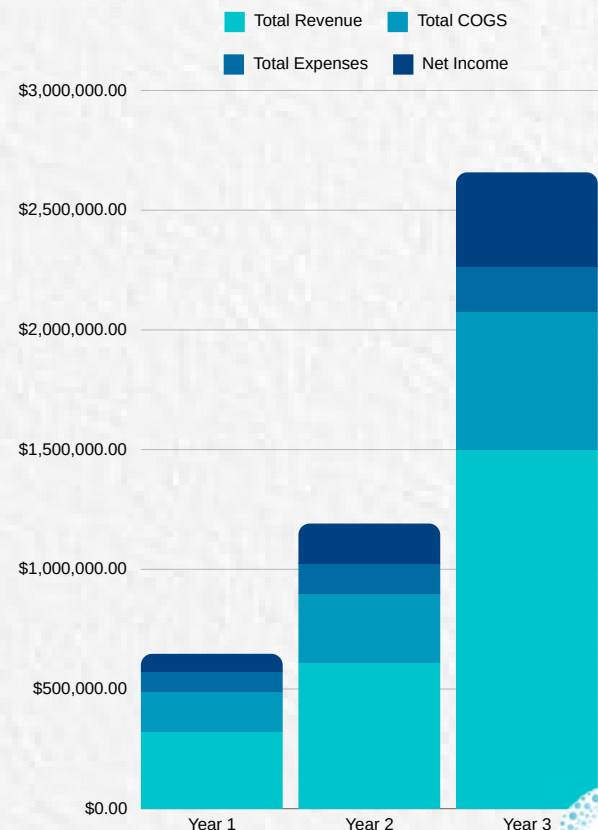
Note 2: Ending inventory balance is equal to **total inventory** purchased in year one subtracted from the **amount of units sold** times the production cost + shipping.

Note 3: **Accounts payable is zero** as the final shipment's shipping cost has already been paid.

IX. Detailed Financials (A) Cont.

Years 1-3 Financial Projection Overview

PurePet					
3-Year Financial Projections: 2024, 2025, 2026					
	Year 1	Year 2	Year 3	Total	
Revenue	Units Sold	2,525	4,825	15,000	\$ 22,350.00
Website	\$ 334,365.60	\$ 465,467.00	\$ 664,952.00	\$ 1,464,784.60	
Retail	\$ 62,888.76	\$ 194,932.00	\$ 815,326.00	\$ 1,073,146.76	
Total Revenue	\$ 397,254.00	\$ 660,399.00	\$ 1,480,278.00	\$ 2,537,931.00	
Cost of Goods Sold					
Product Assembly	\$ 132,563.00	\$ 294,510.00	\$ 677,374.00	\$ 1,104,447.00	
Packaging	\$ 1,263.00	\$ 2,904.00	\$ 6,679.00	\$ 10,846.00	
Sea-Freight	\$ 35,350.00	\$ 81,305.00	\$ 187,001.50	\$ 303,656.50	
Transportation (Fed-Ex)	\$ 2,525.00	\$ 8,080.00	\$ 18,584.00	\$ 29,189.00	
Total COGS	\$ 171,700.50	\$ 386,799.00	\$ 889,639.00	\$ 1,448,138.50	
Customer Acquisition Costs					
Advertising and Marketing	\$ 76,521.30	\$ 235,993.30	\$ 394,341.60	\$ 706,856.20	
Total CAC	\$ 76,521.30	\$ 76,521.30	\$ 76,521.30	\$ 229,563.90	
Operating Costs (OC)					
Payroll and Taxes/Benefits	\$ 45,505.16	\$ 52,055.32	\$ 52,055.32	\$ 149,615.80	
Insurance and Supplies	\$ 12,282.00	\$ 13,486.00	\$ 14,892.00	\$ 40,660.00	
Total OC	\$ 57,788.00	\$ 65,541.32	\$ 66,947.32	\$ 190,276.64	
Start Up Costs					
Research and Development	\$ 8,500.00	\$ -	\$ -	\$ 8,500.00	
Patents, Legals Fees, Storage	\$ 10,183.01	\$ 1,693.70	\$ 1,693.70	\$ 13,570.41	
Total Start-Up	\$ 18,683.01	\$ 1,693.70	\$ 1,693.70	\$ 22,070.41	
Total Expenses	\$ 324,692.41	\$ 530,555.32	\$ 1,034,801.32	\$ 1,890,049.05	
Total Profit	\$ 72,562.95	\$ 129,843.68	\$ 445,476.68	\$ 647,883.31	





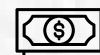
Years 1-3 Financial Projection Overview



The financial projection for *PurePet*'s first three active years takes into account the **company's gross revenue, cost of goods sold (COGS), customer acquisition costs, operating costs, and start-up costs** to formulate total profit and expenses. In year one, *PurePet* will sell **2025 units through its website** and only **500 units through retail**, summing up to gross revenue of \$397,254. The retail sales of year one are relatively low due to our need to fulfill the proof of concept requirements from stores before striking a deal. To calculate the total profits, the costs of goods sold, customer acquisition costs, operating costs, and start-up costs were subtracted from total revenue. **In year two, *PurePet* will experience an increase in gross website revenue by 72%** and an increase in gross retail revenue by an astounding 200%. As established in Section VI, this influx of retail sales will be a **consequence of *PurePet*'s growing reputation and reliability among retailers**. The total profit of year two will experience a **93% increase** from that of year one, reaching \$129,843. Finally, in year 3, *PurePet* will have an **increase in gross website revenue by 43%**, and the gross retail revenue will increase by an astonishing 438%. Said projections demonstrate efficient allocation of resources as well as sound financial strategies.



Years 1-3 Cash Flow Statement



PurePet				
3-Year Cash Flow Projections: 2024, 2025, 2026				
	Year 1	Year 2	Year 3	Total
Beginning Cash Balance				
Cash Inflows				
Sales	\$ 397,254.00	\$ 660,399.00	\$ 1,480,278.00	\$ 2,437,931.00
Owner Funds	\$ 150,000.00	\$ 25,000.00	\$ -	\$ 175,000.00
Loan Proceeds	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00
Total Cash Inflows	\$ 747,254.00	\$ 685,399.00	\$ 1,480,278.00	\$ 2,912,931.00
Cash Outflows				
Inventory Purchase	\$ 375,598.00	\$ 496,354.00	\$ 876,432.00	\$ 1,748,384.00
Shipping and Distribution	\$ 101,661.23	\$ 264,873.48	\$ 378,942.45	\$ 745,477.16
Marketing and Advertising	\$ 76,521.30	\$ 76,521.30	\$ 76,521.30	\$ 229,563.90
Operating Costs	\$ 57,788.40	\$ 65,541.32	\$ 66,947.32	\$ 190,277.04
Start-Up Costs	\$ 18,683.01	\$ 1,693.70	\$ 1,693.70	\$ 22,070.41
Insurance	\$ 1,020.00	\$ 1,020.00	\$ 1,020.00	\$ 3,060.00
Miscellaneous	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 5,400.00
Loan Principal	\$ 78,350.38	\$ 71,240.67	\$ 50,408.95	\$ 200,000.00
Loan Interest	\$ 12,180.25	\$ 12,176.42	\$ 12,097.76	\$ 36,454.43
Total Cash Outflows	765490.67	\$ 991,220.89	\$ 1,465,863.48	\$ 3,222,575.04
Ending Cash Balance	\$ 18,236.67	\$ 305,821.89	\$ (14,414.52)	\$ 309,644.04

Years 1-3 Cash Flow Overview

The initial cash balance of year 1 will be \$200,000 borrowed as a loan at 6% interest, which is **2.5% higher than the reported lending interest rate** of 2023. This loan will be paid back halfway through year 3. Marketing and advertising costs will consist of **SEOs, google search/display ads, and instagram, tik-tok, and facebook ads**. Shipping and distribution costs will consist of the **sea-freight** from China and **FedEx transportation** from the Oregon coast. *PurePet* will set aside \$1,800 each year for miscellaneous funds, as it will inevitably incur **unexpected costs**. *PurePet* will become cash flow positive at the **beginning of the third year**, indicating its quick and effective growth.

Said metric further substantiates the tremendous opportunity for investors, as their loans will be fulfilled in a **timely and safe manner**.

IX. Detailed Financials (B)

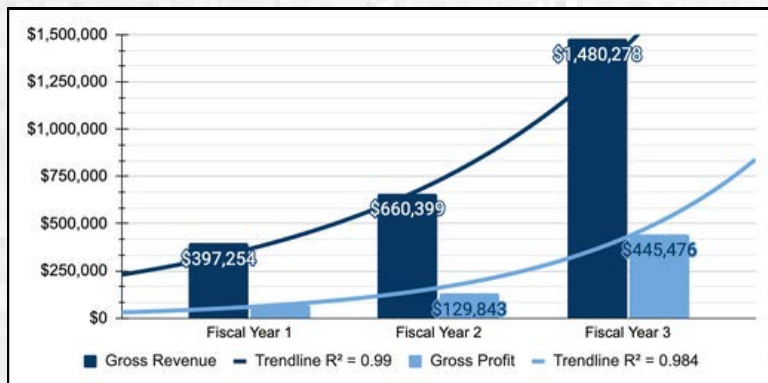


Future Steps & Planned Growth

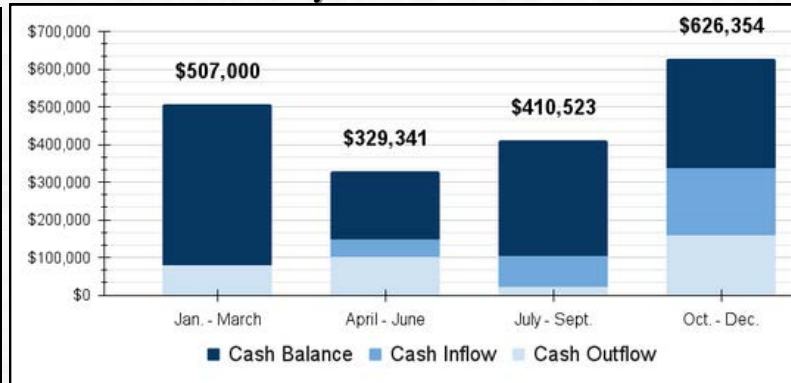


PurePet's financial projections exemplify **consistent growth** and point towards a **promising future** for the company. With an average net-income **growth rate of 132.8%**, *PurePet* is expected to surpass **\$5,000,000** by year 5, which is made possible by a reliable product and an **efficient marketing strategy**. Over time, new customers will be attracted to the product at ever-increasing rates, for *PurePet* will gradually increase its marketing expenditure, and organic marketing (word of mouth) will flourish. With this influx of passionate consumers, *PurePet*'s **proof of concept** will be undeniable to larger retailers such as *Petco*, *Petsmart*, and *Petland*. Convincing sales and impressive customer satisfaction ratings will also give *PurePet* leverage to negotiate an even lower retail markdown than 40%, **maximizing revenue**. Building on markdowns, as *PurePet* grows and begins placing larger order from *A4M Manufacturing*, it will be able to receive larger bulk-order discounts, effectively minimizing distribution costs. Given the fact that the first three years of sales relied solely on small-name, local pet shops, striking a deal with a big-brand company would result in a **skyrocket of sales**. After surpassing \$5,000,000 in net income during year 5, *PurePet* plans to dedicate more effort to international relations and marketing. With the global population of dog lovers on its back, *PurePet* will be bound to succeed.

Gross Revenue Vs Gross Profit: Years 1-3



Tri-Monthly Cash Flow Breakdown



IX. Proposed Plan to Meet Capital Needs



Personal & Internal Funds



The owner of PurePet, Henri Danzelaud, plans on **investing \$175,000** into the business. This money will come from **local outreach, fundraisers, and personal savings**. The vast majority of the personal funds will be invested in year one, approximately \$150,000, as start-up requirements results in abnormally large expenses. The other \$25,000 will be invested in year two, which will aid PurePet's efforts to becoming **cash-flow positive**. Henri feels comfortable investing his money, as *PurePet's* projection to be cash flow positive by year three, while experiencing exponential revenue growth, indicates incredibly **successful operations, marketing, and execution**.



External Funds



The personally sourced funds from *PurePet's* owner **will not be enough** to sufficiently support the business in the initial phases of development, for costs will be peaked. Accordingly, *PurePet* has requested a **loan of \$200,000 at 6% interest** to be paid back in 3 years. Said funds will provide the extra boost that *PurePet* needs to cover excess inventory costs and any other forms of **miscellaneous expenses**. *PurePet* decided to take out a loan instead of giving up equity, for passing on equity share would forgo ownership and control that will be crucial in **larger stages of business**. Further, taking out a loan offers greater flexibility, for the interest paid on loans is typically tax-deductible, which proves beneficial in improving cash flow.



Personal Payment Plan



Although *PurePet's* **owners will not take any salary** for the first three years of operation, they will once the net income surpasses the **\$1,000,000 mark**. Because their wages will eventually repay their original investment, the owners' funds will not need to be repaid, effectively funneling more capital throughout the business. While the funds can be used in any manner, they will be particularly valuable as **emergency funds** in the case of an economic recession.



Loan Payment Plan



PurePet will repay the loan of \$200,000 during **March of Year 3**, fulfilling the request in a timely manner. *PurePet* will **amortize its loan payments**, so as to avoid exhausting capital through a large payment. The amortization schedule is detailed below.

PurePet's Amortization Schedule			
Loan Amount	Interest Rate	Term	Start Date
\$200,000	6%	3 Years	Jan 2023
Summary of Payments and Interest			
Monthly Payment		\$1,015.21	
Total Interest Paid over Life of Loan		\$36,026.34	
Interest Paid 2024		\$12,115.67	
Interest Paid 2025		\$12,003.41	
Interest Paid 2026		\$11,907.26	

X. Key Metrics

Key metrics display a measurable value that **reveals the progress** of a company's business goals. To track the growth and relative efficiency of *PurePet's* marketing strategies, the metrics of **customer satisfaction, website traffic, monthly revenue, and employee productivity** will be analyzed. The combination of both marketing metrics and sales metrics will allow *PurePet* to **holistically measure the effectiveness of all channels and see them translate into real numbers.**

Customer Satisfaction

PurePet's customers are its **highest priority**, so satisfaction scores will be absolutely essential in determining what the market wants and how *PurePet* can work to supply it. To measure satisfaction scores, *PurePet* will **automatically prompt** all website-users with a short question, **"On a scale of 1-10, how easy was it to navigate our website?"** at the end of their stay. As consumers purchase our product online, *PurePet* will require their **email address and information**. Then, it will send out **routine surveys** that will gauge the consumer's overall satisfaction, question what the experience was like, and ask for any kinds of suggestions. This extensive effort will **boost *PurePet's* relationship with its customers** and provide a true metric of domestic satisfaction. Once the first 1000 customer reviews/responses are attained, *PurePet* will have a **meeting with all of its staff** and determine any kinds of necessary marketing strategy changes, website developments, or product design alterations.

Website Traffic

Website traffic will reveal the effectiveness of *PurePet's* **advertising efforts** and the strengths and weaknesses of the **website structure**. To adequately measure this metric, *PurePet's* website developer will focus on **three key sub-sections** of website traffic. The first sub-section is the **number of website visitors**, measuring the effectiveness of SEOs and web-link exposure levels. The second sub-section is **website bounce rates**, which measures the relative percentage of customers who visit the website but leave without interacting. Different web locations will likely have **different bounce rates**, hence revealing holes in the structure. *PurePet* will aim for a **25-35% bounce rate**, which is a realistic expectation. The third sub-section is **session duration**, which will express how much time customers are spending on the website. *PurePet* will aim for an average **session duration of 3 minutes**. All of the above metrics will provide priceless feedback for the web-developer and help boost overall marketing structures and customer acquisition strategies.

Monthly Revenue

Sales revenue is straightforward, yet important to track, as it is a **key indicator of a company's** financial health. To track its revenue, *PurePet's* accountant will make **bi-weekly sales reports**, indicating clear comparisons to past reports and making note of any **trends and patterns**. By closely monitoring its revenue as it is generated, and comparing current revenue with past revenue, *PurePet* will be able to assess the effectiveness of both **new and old business strategies**. With said insight, *PurePet* will be able to, firstly, optimize its strategies accordingly, and secondly, create **accurate budgets and forecasts**. Based on anticipated revenue levels, *PurePet* will determine whether it is an appropriate time to make **new capital investments** and expand. For example, if *PurePet's* revenue in January drops by 10% after cutting investment in google-ads, it will know not to place any bulk inventory orders until google-ads are refunded and revenue increases. Finally, in terms of legalities, accurate reporting of sales revenue will be **essential for tax compliance**, as *PurePet* will need to pay the correct amount based on relative earnings.

Employee Productivity

Given that, for the first three years of business, *PurePet's* employees will consist solely of a web developer, accountant, and public relations manager, it is of **upmost importance** that each employee is **efficient, detailed, and motivated**. To gauge productivity levels, *PurePet* will require each employee to submit **weekly reports** of their activity, detailing the **specific tasks** they worked on and the **progress** that they made. This report will also have a **planning section**, where the employee will provide a general overview of what they hope to work on in the following week, ensuring good **time management and goal setting**. By closely monitoring its employee productivity, *PurePet* will be able to **identify bottlenecks** in the work flow and, through said identification, hire additional employees or modify the roles of current ones. However, *PurePet* recognizes that productive employees are, more often than not, happy employees. To offer a small gesture of gratitude, *PurePet* will send **monthly care packages** to its employees, rewarding their hard work and **boosting company morale**.

PurePet's Additional Financial Metrics

Key Metric	Purpose	Calculation	Improvement Methods
Working Capital	Determines efficiency of a company's money expenditure and investment strategies	Current Assets - Current Liabilities	Allocate funds into specific channels & ensure up-to-date accounting
Cash Flow	Gauges relative profitability and room for growth in various revenue streams	Total Cash Inflows - Total Cash Outflows	Negotiate steeper cost-markdowns, optimize inventory management, & minimize unnecessary expenses
Inventory Turnover	Measures how quickly and efficiently a company sells its inventory	Cost of Goods Sold / Δ Inventory	Establish more detailed sales forecasts, implement inventory control software, & improve supplier communication
Growth Rate	Indicates overall effectiveness, functionality, and health of marketing, manufacturing, and selling operations	$(\text{Current revenue} - \text{past revenue} / \text{past revenue}) \times 100$	Tailor marketing strategies to new demographics & hire a diverse array of specialist employees



XI. Competitive Advantage



The Canine Cleaner's greatest advantage stems from the fact that it is the very first **electromechanical dog cleaner**, and with its unique features such as **hydro-power** and **bristle rotation**, it will revolutionize the industry. The only competition within the marketplace is the **Buddy Muddy**, a hand-held, manual dog cleaning product, and **HiCOZY**, a transportable dog bath product that requires an outlet to electricity.

Buddy Muddy: \$15.99

HiCOZY: \$202.99



PurePet's Advantage Tree

Technology

PurePet's lithium-ion battery and spinning bristle technology make it **one of a kind**. While PurePet's bristles are made out of **soft polyethylene foam**, those of Buddy Muddy are made out of **styrene**, which is cheap and low-quality. Such a poor feature will prove consequential for Buddy Muddy, as the hard plastic will make for an **uncomfortable**, and even **painful**, cleaning experience for the dog. Continuing to PurePet's other competitor, HiCOZY, it has more impressive technology than Buddy Muddy, yet is still **falls short** of the Canine Cleaner. Firstly, it **lacks compact battery power**, meaning the cleaner needs to be plugged in to a battery outlet to operate, significantly **reducing its functionality**. Secondly, HiCOZY is not self-cleaning; it requires human labor to undo the hose and manually bathe/dry the dog, which makes the process **timely and laborious**, unlike the Canine Cleaner. A comment on its webpage reads: "Did not make cleaning any easier. I still had to crouch down and get on my knees to reach the tough areas." The Canine Cleaner's self-cleaning technology stands in a **field of its own**, ensuring consumers an easy, comfortable, and quick process.



Efficiency

One of the Canine Cleaner's greatest attributes that both competitors lack is the **swiftness of the clean**. PurePet takes **15-20 seconds** per clean whereas, on average, Buddy Muddy takes **45-60 seconds**, as each individual leg must be scrubbed one-at-a time. This process not only makes for more time in an **uncomfortable cleaning position**, it makes for a **tedious experience** for the dog. Continuing, HiCOZY takes upwards of **five minutes**, for the processes of unwinding the hose and the vacuum, attaching different applications, and hand-washing the dog's body require **significant manual effort**. Further, finding a convenient location with a charging port will prove difficult, as ports are not typically found on home exteriors. Neither competitor has the capacity to complete a clean as quickly as the Canine Cleaner, confirming that PurePet has the **efficiency advantage**.



Effectiveness

PurePet's **spinning bristles** combined with the **supplementary stream of water** maximize efficiency, reaching areas that cannot be reached manually. The Buddy Muddy lacks technological aid, and is consequently unable to reach **tough spots** at the top of the leg and bottom of the paw. Merely rubbing up and down is **ineffective**, as the removed dirt and debris may get **re-scrubbed into the hair**. Additionally, Buddy Muddy doesn't dry the dog's feet, which could result in **wet marks** throughout the home. The HiCOZY may be even less effective than the Buddy Muddy, for it lacks fundamental bristles. Due to said deficiency, the HiCOZY is not able to effectively untangle any clumped pieces of hair or reach debris that is stuck in matted areas. The Canine Cleaner is **superior** in all realms of effectiveness for it has a water-stream, a drying feature, and a bristle system.



Heart

PurePet is the only brand to demonstrate a **true care for dogs** and donate **5% of its sales** to a dog-caring organization, *American Kennel Club*. While such a feature functions primarily to give back to **the community**, it also works as an **advantage**, for consumers value **charitable brands**. Further, with American Kennel Club as a branding partner, PurePet gains exposure and solidifies its **credible reputation**. Unlike its competitors, who operate with the sole intention of maximizing profit, *PurePet* holds on tightly to its values, giving back to a cause **greater than itself**.



XII. Conclusion

PurePet firmly believes that if its loan request of **\$200,000 repaid over 3 years at 6% interest** is granted, it will develop into a **thriving business** within the pet industry. Projected financial models forecast consistent growth, and being near **cash-flow positive** by the end of year 1 demonstrates PurePet's sound marketing strategies, efficient allocation of resources, and adaptive mindset.

PurePet's Overarching Key Points

Factor	Benefit
Innovative Product Design	<ul style="list-style-type: none"> Unrivaled battery-power, spinning bristle, & drying technology that solves archaic dog-cleaning problem Sparks excitement within a growing industry that has gone unchanged for hundreds of years
Feasible Business Model	<ul style="list-style-type: none"> Real-life dimensions, materials, & costs were attained by contacting R&D dep. of A4M Manufacturing Financial projections were aided by licensed accountant, Linda SDC, who has 20+ years of experience
Diverse Marketing Scheme	<ul style="list-style-type: none"> Well-rounded combination of social media ads, SEOs, and in-person events to maximize exposure Each form of marketing deliberately tailored to key demographics, ensuring optimal effectiveness

Continuing, the SWOT analysis below demonstrates that, while PurePet is able to effectively **analyze pros**, it is also able to **identify cons**. The comparison highlights how PurePet's strengths and opportunities outweigh its weaknesses and threats, solidifying it as an **investable brand with genuine intentions**.

STRENGTHS

Structure: Detailed and fluid organizational structure to ensure that operations run efficiently.
Resources: Experienced manufacturer with top of the line technology, equipment, and procedures.
Innovation: One-of-a-kind business model that bridges the gap between old and modern ideas.
Marketing: Meticulously crafted advertising strategies to ensure retention of target customers.
Operations: Efficient operations with aid of web developer, accountant, and owners.
Finance: Steady cash flow and abundant opportunities for investment and capital acquisition.

WEAKNESSES

Structure: Work schedule of each employee is vigorous due to high output and ambitious goals.
Resources: Shipping time is extensive due to over-seas freight and communication lag is prevalent.
Innovation: Unproven concept that, despite its ingenuity, holds uncertainty for the future.
Marketing: SEO's and website require constant updating/filtering of new, original content.
Operations: Staff and team is relatively small, resulting in an effective yet limited realm of expertise.
Finance: Significant loan with interest burden required to maintain initial liquidity.

SWOT Analysis

OPPORTUNITIES

Political: U.S. foreign relations with china softened under President Biden, making for efficient trade.
Economic: Electric products are part of a growing industry, with increasing government subsidies.
Social: Spreading positivity regarding pet-care and giving back to a greater cause.
Technological: State of the art battery technology and brush structure developed and patented by team of engineers, manufacturers, and designers.
Environmental/Ethical: Hydropower technology replaces the water-extensive "hosing" technique.

THREATS

Political: Under the upcoming presidency, trade relations with China may worsen, causing complications.
Economic: In a free economy, other businesses may develop similar, novel technology.
Social: Relatively expensive product, resulting in customer wage majority.
Technological: Lithium-ion battery disruption may result in harm if abused or improperly manufactured.
Environmental/Ethical: Battery production is energy intensive, and shipment from China requires extensive travel and, consequently, emission of harmful fuel gases.

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