

# Executive Summary

## Opportunity

### Problem

People need to be guilt and worry free when they leave for business or vacation and board their cats. Those tiny boxes that typical kennels offer simply aren't good enough, and the last thing your cat wants to listen to all day are barking dogs. Cats often return home scared, stressed and even sick but now there's a better option:

### Solution

Catagonia Cat Hotel is the first luxury boarding facility in the area designed specifically for cats, offering not only live webcam monitoring 24/7 for traveling families, but pick up and delivery service as well.

Each cat enjoys a spacious and private condo, outfitted from floor to ceiling with custom built perches, bridges and nap boxes. For our more timid guests, each room also has a perfect hideaway spot to keep kitty feeling secure until it's safe enough to start exploring.

Keeping the health and safety of our guests in mind, we've designed a state of the art ventilation system that keeps litter box areas odor free. Each condo has its own air duct that channels litter box air directly to the outside.

Peace of mind is made easy at Catagonia Cat Hotel.



Live streaming webcam monitoring is available to all guests, and the best part is: It's included in the price.

## Market

Our target customers have two things in common: They have cats and they travel.

According to ReferenceUSA, there are over 15,000 people in Colorado Springs alone that fit this description. That is not including the 45,000 military members in the city that are required to travel regularly on orders.

## Competition

Cat owners have many average boarding options in town, but even the one so-called luxury option has major shortfalls by comparison to Catagonia Cat Hotel. We differentiate ourselves from them in several ways: Our customer experience is second to none with 24/7 webcams and modern booking software, we have the largest and most impressive cat condos in town, we give individualized care compliments of our cat personality profile, and we are the only feline boarding facility in Colorado Springs that offers pick up and delivery.

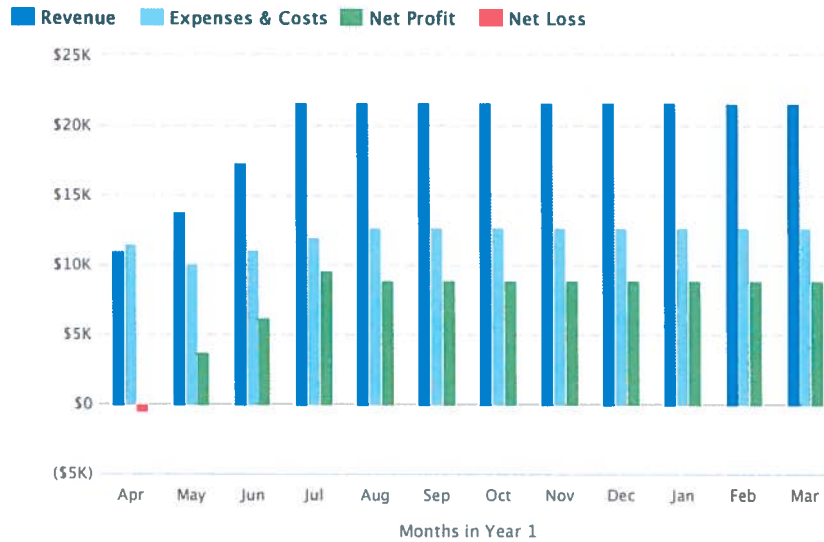
## Expectations

### Forecast

In our first year of business, we are projected to make a net profit of \$118,000. For fiscal years 18' and 19' we are projected to make a net profit of \$143,000 both years. Since growth is directly related to the square footage of the retail space, and because it is assumed Catagonia Cat Hotel will not move locations in the next three years, we expect an indefinite \$143,000 per year net profit.

We are expected to become profitable in month two.

## Financial Highlights (Year one)



## Financing Needed

Catagonia Cat Hotel is seeking \$62,000 in financing to fund capital expenditures and start up costs. The money will go toward building and furnishing the actual condos, installing the webcams and associated IT equipment, purchasing the necessary laundry and dishwashing appliances and building a break area for employees.

# Opportunity

## Problem & Solution

### Problem Worth Solving

You know how business travel and vacations always leave you with the challenge of finding reliable care for your cat? Average kennels are far too loud and unreasonably cramped, often resulting in stress that causes actual sickness in cats.

Inconveniencing friends or neighbors to care for kitty is equally unappealing and besides, we all know that even with them, we still worry.

Introducing, Catagonia Cat Hotel: A luxury boarding facility designed for cats, and cats only, intended for your peace of mind. We provide a clean, quiet and spacious environment where cats can either relax in peace in their elevated perches or explore the towering catwalks in their private 5 x 8 foot, floor to ceiling rooms. With each individual room equipped with live webcam streaming at no additional charge, families can check in on your cat 24 hrs a day.

Travel with peace of mind, compliments of Catagonia Cat Hotel.

## Target Market

### Market Size & Segments

The humanization of pets has turned pet owners into pet parents and the human-animal bond continues to strengthen. Our business focuses on a diverse group of customers, but they all have two things in common: they have cats and they travel.

From 2009 to 2015, pet kennel/boarding expenditures in the U.S. grew by an average of 7.1% per year to \$3.24 billion. Solid growth is projected for this industry over the next few years, primarily due to the drivers of rising pet population figures, improving economic conditions, and the skyrocketing popularity of upscale boarding establishments with high-end services. Overall from 2016 to 2019, pet kennel/boarding

expenditures for cats specifically are expected to increase by an average of 5.9% per year, reaching \$1.35 billion in 2019. At this time, cats will account for 33.0% of total pet kennel/boarding expenditures.

Females account for 67% of cat ownership in the U.S. and 80% of those owners are 30 years old or more. Married couples account for 47% of cat ownership however through 2019, unmarried couples living together and single consumers will make the largest cat ownership gains. Currently, baby boomers and empty nesters have been primarily responsible for driving sales of premium pet services including boarding, because of their high levels of disposable income. Colorado Springs has a uniquely high population of military members who are notoriously known for being required to travel away from home. In the city alone, there are 45,000 Active Duty military members whose spending accounts for \$2.5 billion annual impact.

## Competition

### Current Alternatives

There is currently only one other "luxury" cat-only boarding facility near Colorado Springs, called Colorado Cat Hotel. Located in Black Forest, they offer cat condos measuring 3x3 ft with an attached small outdoor enclosure. Even despite a non-existent marketing budget or strategy, they are fully booked approximately 3 weeks out at any given point, indicating the demand for this type of service far outweighs Colorado Springs' current supply.

### Our Advantages

While it's possible that customers with long standing loyalty to Colorado Cat Hotel will continue their patronage there, Catagonia Cat Hotel will strongly appeal to the targeted market for several reasons. First, we will have more available units and a superior and more spacious room design to include ceiling mounted hammocks, tunnels, bridges and hide-away boxes. Additionally, Colorado Cats does not have webcams, nor does the owner have ties to the Colorado Springs military community, giving us a major advantage in marketing potential. Lastly, our shuttle service will not only widen our geographic customer base, it also allows for much greater flexibility for

busy customers trying to get out the door for their next vacation or business trip.  
Lastly, Catagonia Cat Hotel Staff will be Pet CPR Certified.

# Execution

## Marketing & Sales

### Marketing Plan

Younger pet owners are active online and are looking to take part in the development of new products or services through social media interaction. As such, Catagonia Cat Hotel will be active on Facebook, Instagram and Pintrest. We will also run advertisements on Google. Messaging through these online mediums will focus on photos that capture both the audiences interest and our competitive advantage, for example, our ceiling mounted catwalks and hammocks.

To reach the 50+ demographic who are typically not as active on social media, there are a variety of local publications where we can advertise. The messaging there will not only show photos of our impressive enclosures, but will detail all of the available services such as our Cat Shuttle, grooming and free play areas. Colorado Springs' local publications are listed here:

- Springs Magazine
- The Gazette
- The Independent
- Petacular
- Flying Horse Magazine

Lastly, Catagonia Cat Hotel is expecting that a significant amount of our business will come from veterinary referrals. In the months leading up to opening, Shannan will visit all local veterinary clinics that do not have in-house boarding facilities, talk to their care providers, and leave them with pamphlets and informational print media. Here, as with our other two marketing areas, we expect photos of our unique enclosures to capture customer's interest and promote word-of-mouth advertising.

Another important aspect of our marketing plan is how we conduct existing customer follow up. We will offer seasonal promotional deals, coupons, offer a 'frequent

flyer' points card, offer targeted military discounts, tag customers on Instagram with photos of their cat(s), and in the fledgling stages of business, send handwritten thank you notes.

## Sales Plan

All of the aforementioned marketing vehicles will point the customer to our website, CatagoniaCatHotel.com where customers can pre-pay for services through an e-commerce add in. We will also accept cash, check or credit card in person however, on catagoniacathotel.com, customers will have the power to:

- View availability
- Request a reservation
- Specify medication needs
- Specify feeding instructions
- Fill out cat personality profile
- Request free play time
- Request grooming services
- Request Cat Shuttle services
- View live webcam feed

## Operations

### Locations & Facilities

Catagonia Cat Hotel will be located in the Centennial Commons shopping center, on Centennial Blvd just north of Garden of the Gods Road. This location is ideal for it is a quiet shopping center nestled back from a high exposure road, frequented by higher income patrons. Moreover, the each unit has a warehouse-like area with tall ceilings enabling the building of two 'floors' of cat condos (a lower level, and a mezzanine level).



## Technology

Our customer-facing technology is PawLoyalty software, accessible via our website.

This software is designed specifically for managing pet kennels, and it allows clients to request a reservation, specify feeding and/or medication needs, fill out the pet personality profile, upload a photo of the cat, and pay. Once checked in, customers will get access to our webcam service via a unique username and password, which they can also access through our website.

Behind the scenes, Shannan will use QuickBooks Online for our bookkeeping and payroll processing, PawLoyalty to track employee hours, kennel scheduling and client information, MailChimp for email newsletters, and the usual social media sites (Facebook, Instagram, etc.) to connect with our customers and solicit feedback.

## Milestones & Metrics

### Key Metrics

Since our core prices are fixed, we are focused on maximizing our unit counts and occupancy rates. The Cat Shuttle service is our only add-on charge, but is intended only to widen our geographic target market and will not be considered a primary performance metric.

Our costs are relatively consistent with the major exception of labor. We want to staff our Hotel with quality, reliable individuals to provide the best service in the industry. If our unit counts fall however, our labor costs per unit will climb, so we are watching that closely.

# Company

## Overview

Catagonia Cat Hotel, Ltd. is registered as a limited liability company. The founder is Shannan Longley who owns 100% control of the company. No outside investors are involved at this point however, Shannan envisions opportunities for franchising the company in the future.

## Team

### Management Team

Shannan is a veteran Air Force officer with 8 years of invaluable project management and leadership experience. Additionally while on Active Duty, she completed her Masters of Business Administration with the intent of one day opening this very business. Shannan is impeccably organized, responsible, precise but creative, a personable and professional communicator, and an innovative thinker. The most important thing the Air Force taught her was the value of taking care of her people. While she loves leading people, needless to say, she also has a passion for cats.

As we scale up, our management team will undoubtedly grow. I look forward to bringing on part-time employees to run day-to-day operations so that I can better focus on growing the business.

### Advisors

- Mike Nocket, owner of Evergreen Cat Lodge in Evergreen, CO
- Karen Durand, SCORE Small Business Start-up Mentor
- Taryn Sweeney, owner of White Rabbit Beads in Old Colorado City, and personal friend
- Mark Maeyama, pet service industry insurance and liability expert, and family friend
- Terry Zarski, Pikes Peak Library District Business Services Librarian

- Aaron Kiewicz, Mt Carmel Center of Excellence, Veteran Integration Program Peer Navigator
- Kimberly Gilbert, accounting and finance expert, and family friend

## **SIC / NAICS Codes**

- 075210 Pet Services
- 519108 Pet Products & Services
- 075211 Kennels & Pet Boarding
- 075223 Cats - Products & Services
- 027901 Cats
- 421208 Pet Transporting
- 812910 Pet Care (except veterinary) Services