

BUSINESS PLAN

Sleeping Giant Veterinary

Trevor McCormick, Owner

May 27, 2016

1. EXECUTIVE SUMMARY

1.1 Product

Sleeping Giant Veterinary will provide small animal veterinary care for dogs, cats and pocket pets. Services are to include preventative medicine (vaccinations, worming, wellness exams, dentistry), internal medicine and diagnostics including in-house radiology, blood, urine, and fecal analysis, send out laboratory analysis, hospitalization and treatment, elective and non elective soft tissue surgical procedures, as well as limited orthopedic surgical procedures. The clinic would also be open to providing exotic animal veterinary care if a veterinarian experienced in that field were to join the practice. Emergency and after hours services will be provided for established clients based on doctor availability.

1.2 Customers

Our target customers will be existing clients with whom Dr. McCormick has established a veterinary relationship over the last ten years. These clients have developed a relationship with Dr. McCormick built on trust, education of their animals physical and mental health, and an understanding of the devotion Dr. McCormick has committed to the practice of veterinary medicine. Many clients have expressed a desire for Dr. McCormick to build a facility independent of his current employment where his vision of animal health care can be realized without the confines of his current employer.

We will also target new clients that have established or are seeking new veterinary care in the Livingston and surrounding areas. In addition, services will be provided for people traveling through the area on vacation or holiday. The demand for small animal veterinary services in the Livingston area is tremendous. The veterinary practice in which Dr. McCormick is currently employed has refused to provide services to non established clients due to an inability to schedule such requests in a reasonable time frame. The current and long standing lack of availability will be further complicated by the departure of the other full time doctor in June. This doctor has been working alongside Dr. McCormick since his employment in 2009. Clients loyal to this doctor will also be part of our targeted customers.

1.3 What Drives Us

Our goals are to provide exceptional veterinary services with a focus on building strong connections to the clients and patients under our care. By building trust with our customers in the care of their animals our business will grow. This growth will allow us to hire associate veterinarians as the demand increases. We plan to build a facility that will be capable of handling five to six full time veterinarians and support staff, in order to meet the demands of our growing community. The site we have chosen will allow for future expansion of the facility should the demand surpass our original design. We are excited to build a veterinary practice that will foster individual growth of our staff and doctors while providing competitive wages. This business will benefit our community not only in the services it provides but in the employment opportunities created.

2. COMPANY DESCRIPTION

2.1 Mission Statement

Our mission is to provide a positive, exciting, and engaging work environment that fosters growth and development in us. By investing in our growth and satisfaction we will strengthen the lives, health, and bond shared by our patients and their caretakers.

2.2 Principal Members

The members of our initial team will include:

Veterinarian: Dr. Trevor McCormick DVM, clinician, technical training, purchasing decisions, mentoring associates

Practice Manager: Courtney McCormick, bookkeeping, practice management software setup and operations, employee management

Veterinary assistant: Kami Willson, client communication, inventory management, assist veterinarian in exams, procedures, patient care

Full time receptionist: position open, scheduling, check in/out, invoicing, answering phones

Animal care assistant: position open, care for animals on site and assist with secretarial and janitorial duties.

More positions will be added as the need for those positions is created.

2.3 Legal Structure

We are in the process of determining the best option for our legal structure. We have been advised that an S-Corporation is the most probable business structure for Sleeping Giant Veterinary.

3. MARKET RESEARCH

3.1 Industry

Our veterinary clinic will be part of the companion animal health care industry in Livingston Montana and surrounding areas. There are currently three veterinary clinics serving companion animals in Livingston Montana.

According to The American Animal Hospital Association's 2016 State of the Industry Report, active patients have increased by 2.6%, patient visits have increased by 3.2% resulting in an increased practice revenue of 6.4% in the last year. Further details outlined in this report can be found at the following links.

https://www.aaha.org/public_documents/professional/resources/aaha_2016_state_of_the_industry_presentation.pdf

https://www.aaha.org/public_documents/professional/resources/aaha_2016_state_of_the_industry_fact_sheet.pdf

3.2 Customers

Livingston Montana and surrounding area has a population of 15,682 with a median income of \$42,426 according to the 2013 census. This area of Montana is home to many sportsmen and ranchers who work and recreate with dogs. There are several large kennels in the area that utilize dogs for commercial and private sledding, hound hunting, upland game hunting and breeding. Livingston Montana is a dog friendly town with the majority of its residents owning one or more dogs. There are many cat owners in Livingston Montana as well.

3.3 Competitors

Colmey Veterinary Hospital is a mixed animal practice owned by Dr. Duane Colmey. Dr. McCormick is currently employed in this three doctor practice. Dr. Broyles, the third practitioner, has given his notice and will be moving to Billings, Montana by mid-June to work for another clinic. Billings, Montana is a two hour drive from Livingston, Montana and, therefore, his current clients will be in need of veterinary services. Dr. Broyles joined Colmey Veterinary Hospital in 2009 after being recruited by Dr. McCormick. Dr. Broyles and Dr. McCormick have had a long standing friendship that started during their time together in undergraduate studies at Montana State University. Dr. Broyles graduated from Washington State University two years after Dr. McCormick. As a result of their training and other common characteristics, they practice a similar style of diagnostics and medicine with which clients are familiar. Furthermore, many of Dr. Broyles' long term clients were originally transferred to him with Dr. McCormick's guidance when scheduling issues manifested within the practice. Dr. Broyles has been very encouraging of Dr. McCormick's plans and has offered to help, when available, with the startup period. He will be working four-ten hour shifts at his new position in Billings. He has also stated that he will be referring any of his Livingston clients, seeking veterinary care, to Dr. McCormick.

Dr. Colmey has shifted his focus from mixed predominately small animal, to mixed-predominantly large animal over the last several years. At his request, Dr. Broyles and Dr. McCormick surrendered their large animal clients to help him with this transition and focused their efforts on small animal medicine and surgery. Dr. Colmey has stated that he is not interested in replacing Dr. Broyles and is taking this as an opportunity to downsize his practice. He has already given two support staff notice he will no longer have a position for them upon Dr. Broyles' departure. Once Dr. McCormick is no longer employed at Colmey Veterinary Hospital this will be a mixed animal, single doctor practice.

Yellowstone Veterinary is owned and solely operated by Dr. James Murray who is approaching retirement. This practice is a limited practice that no longer offers large animal services. The practice does not have any support staff and serves a small sector of the community with basic veterinary care. The practice lacks diagnostic equipment such as radiology, ultrasound, and in-house blood analysis. Dr. Murray has referred more advanced cases and cases needing further diagnostics to Dr. McCormick for the last seven years. Dr. Murray does not have a working relationship with Dr. Colmey of Colmey Veterinary Hospital and therefore Dr. Colmey has refused to receive his referrals.

Livingston Veterinary Hospital is a mixed animal practice owned by Dr. Jeff Dickerson. This is a two doctor practice. This practice has limited expansion potential due to the size of the lot and facility. Prior to and following the arrival of Dr. McCormick in 2007, Dr. Jeff Dickerson has had a steady turnover of associate veterinarians. These associates have left the area to seek other employment. Feedback from the community suggests that his style of practice is high price/high pressure. Dr. McCormick and Dr. Dickerson have a professional and cordial relationship.

3.4 Competitive Advantage

Dr. McCormick has been practicing in Livingston for 10 years and has cultivated a loyal client following. We have a great advantage over our competitors in our ability to grow and expand to accommodate demand and specific community needs as they develop. We plan to build a facility larger than our immediate need, which will leave space to expand as the need and funding emerge. Our 5,000 square foot facility and 1.6 acre lot will be larger than any other clinics in the area. The clinic will be the only facility designed exclusively for small animal medicine and surgery. We are planning for five exam rooms, two of which, will be completed and furnished upon opening, with the remaining available for finishing as the need arises. In addition, our purposed building site will allow long term growth by adding on to the original construction.

We are planning to build a veterinary hospital that will stand apart from the competitors in our area. One of the ways we will do this is by utilizing web and mobile technological platforms not offered by our competitors. We will be the first veterinary facility in Livingston to utilize paperless record keeping. We will have a strong web presence offering website and mobile appointment scheduling, reminders, advertising, and client communication. These technologies will allow us to send photo and video updates on hospitalized patients, post-surgical updates, and demonstrate the level of commitment we have to our clients and patients. With the boom of social media, our updates and messages will inevitably be shared by our clients helping to market our practice both within the community and beyond. With the rapid development and reliance on technology, offering these services to our clients will keep us connected beyond their current expectations. Livingston Veterinary Hospital is the only clinic currently offering a website. Web, mobile, and social media, are underutilized resources in the veterinary market within our community. To help us facilitate these plans, we are planning to hire a branding and web development agency. Our ability to embrace and understand the ever changing expectations of the consumer sets us apart from competition in the Livingston area.

Because we will have the advantage of new construction, our facility will be designed with client and patient comfort as a focus. We are working on designs that will enhance the overall experience the client and patient has upon entering the door. The design is also being constructed to improve efficiency and comfort of our staff in order to elevate their overall job satisfaction. It is important to us to provide a welcoming and inviting environment for clients, patients, doctors and support staff. Recognizing, that unhappy staff leads to unhappy clients and stressed patients, sets us apart from our competitors.

Stafford Animal Shelter located adjacent to our proposed building site facilitates the adoption of approximately 500 animals annually providing a steady source of new customers. Dr. McCormick's wife has developed a relationship with Stafford Animal Shelter during their time in Livingston through her volunteer efforts in planning, developing, and executing the theme of their annual formal fundraising event "The Fur Ball". Their website can be viewed at <http://staffordanimalshelter.org>.

Dr. McCormick has many clients employed at the newly built Livingston Hospital located one quarter mile south of the proposed lot on Highway 89. He has also developed relationships with numerous departments within the hospital. He currently receives surplus and outdated supplies, as well as equipment and instruments no longer used by the hospital, through these contacts. The close proximity to the hospital will serve as a resource for lab analysis, materials, and pharmaceuticals should the need arise at a moment's notice. Since the opening of the new hospital facility, human healthcare available to the residents of Park County has grown exponentially. This has already resulted in population growth of the community and increased employment opportunities. There are plans currently being developed for a housing subdivision adjacent to the hospital. The hospital website can be viewed at <http://www.livingstonhealthcare.org>.

Adjacent to the hospital on Highway 89 is Livingston's newest dog park. This park draws a large number of dog owners on a daily basis.

Numerous clients have shared with Dr. McCormick a desire for him to start a veterinary hospital independent of his current employment. Community members who are not established clients have voiced frustration with an inability to schedule with Dr. McCormick after hearing of his excellent reputation from others in the community. We believe that the dedication and commitment Dr. McCormick has shown to his clients will encourage them to follow him to a new facility.

3.5 Regulation

Veterinarians must be licensed by the state of Montana to practice veterinary medicine within the state of Montana. Veterinarians must also maintain registration with the DEA in order to acquire and administer controlled substances. Health certificates for interstate and international transport of animals must be issued by a federally accredited licensed veterinarian. Dr. McCormick

currently holds and maintains these licenses and costs associated with these licenses are paid by his current employer. Costs associated with future license renewals will be paid for by the business we are seeking to establish.

4. MARKETING & SALES

4.1 Growth Strategy

We plan to employ a marketing and branding agency that can help us to develop and establish a brand and logo. Initially we plan to market our clinic through the use of social media, mailers, highly visible signage, word of mouth, as well as other mediums recommended by the agency. We will have a strong web presence offering website and mobile appointment scheduling, reminders, advertising, and client communication. As we progress we will continually re-evaluate our need to market and adjust our strategies according to our need.

4.2 Communication

We are researching practice management software that integrates, phone, text, email, web and postage as a means of connecting and communicating with clients. We believe that communication is essential to providing high quality veterinary care.

4.3 Prospects

Our products and services will be sold on a cash basis. We will accept cash, checks and credit cards. Additionally Care Credit or other short term loan programs and local resources through our animal shelter will be offered as a solution to those unable to pay for needed services and products.