New Venture Opportunity and SWOT Analysis Paper

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

New Venture Opportunity and SWOT Analysis Paper

The new business venture that I will evaluate will be in the area of pet care. For the sake of this assignment, I have decided to evaluate a pet grooming salon that will be initiated as a completely new venture, with the complete planning of suitable location, the customer base and the detail of services that will be rendered to the pets. This paper seeks to present the SWOT analysis of the venture, highlighting the strengths and positive aspects of the venture, bringing weaknesses to light and identifying external opportunities and threats. Based on the detailed SWOT analysis of the venture, an evaluative response will be made on whether it is suitable to continue the business venture or not.

# Company Description

Grooming by Julia, is a new pet grooming service in Baltimore, for all the cats and dogs. The salon can easily be accessed by the pet owners living in Baltimore who need to drive only 5 to 30 minutes to our location. Since it is a new venture, the company will only provide services to dogs and cats. Considering the fact that dogs are the most common pets in American families and almost every family is having a pet, initially the business will provide the services to cats and dogs. These services comprise of following, professional dog grooming, nail trimming of pets, clipping and bathing of pets, fluff drying, ear cleaning and styling apart from the individual and customized services requested by the customers. The new venture aims to maintain the medicated and hygienic products and services to the pets. We also have hypoallergenic and odor reducing shampoos, and clients are also allowed to bring some special shampoo or soap if recommended by their pet physician. For the heavy shedding pets, we also provide a de-shedding program. The prices are charged according to the pets’ sizes and weights.

 This new venture is opened in a small salon having two groomers providing pre-scheduled services to the clients. The clients need to schedule an appointment before visiting us via our website. There is also an option available to reschedule an appointment. The hours, rates, details of services and every related information is placed on our official website and clients are highly recommended to visit the website, where there is an option available with the form to fill and they can also make a call to place an appointment. The groomers are hired according to their experience and education in the area of pets grooming and love taking care of adorable as well as aggressive pets, they are trained in the area. Estimated time of service is also brought to customers’ attention, and their waiting time is made comfortable by serving them with coffee and a variety of magazines. Our aim is to provide quality services while keeping the kindness to animals our first priority and making them comfortable in every possible way before starting the grooming process.

# SWOT Analysis

The SWOT analysis is a great business strategic management and planning tool. It is the overall assessment of the internal positives and negatives such as strengths and weaknesses and external positives and negatives such as opportunities and threats (Hay & Castilla, 2006). After the appraisal of the new venture created in this assignment with the help of SWOT analysis, business decisions, regarding whether to continue, expand or dissolve, become easier and effective. One of the strengths of this venture is that it is created due to the personal interest and love for animals of the owner. The owner is keeping and taking care of pets for a longer time and her love for pets persuaded her to start this business. This ensures that the owner will make sure that the services provided to the pets meet the required quality and care requirements. The venture is created beside a pets/food selling retail store brand that increases the likelihood of customers’ awareness.

The cost of start-up of a pet grooming is low and the operating expenses are also not high. The total cost to start the business startup including the office space and the supplies and the licensing cost is $55,000. The operating cost is also low including the shampoos and soaps and to replenish equipment and supplies. In addition, the cost will include the utilities and the salaries of groomers along with the cost of online advertising. It is estimated that if the venture is successful it will bring in something between $75,000 and $100,000 per year if the average price charges per service are around fifty dollars. The startup money will come from the loan from an uncle and the profit of the business will be used to pay back the whole amount. It is also estimated that the venture will reach break-even in the six months approximately. In addition, the business also has the opportunity of expansion at a very low cost. Excellent service and maintenance of quality can result in good reputation and high ratio of customers (Seth, Deshmukh, & Vrat, 2005).

The weakness of the venture is that there is a lack of brand recognition. There are a lot of pet grooming services in Baltimore that specializes in dog grooming. It is tough to attract customers in the presence of those businesses and targeted advertisements and promotion is direly needed. The lack of business experience in the field of pet care may result in some shortcomings and it may take time to learn what it is good for a pet grooming business. In the beginning, there are no business links as well and a minimum carelessness can result in loss of reputation. Another weakness of a business is that the pets are unpredictable creatures, in case of dogs and therefore trained groomers are needed. In addition, it is a liability and responsibility to keep other’s pets and taking care of their welfare and health.

Once the business is off the ground and pet owners recognize the salon in the area along with other salons present in the city, different opportunities can be untapped to set the business towards growth. Once the company will start generating profit, the venture can be expanded by increasing the customer base and expanding into new locations. In the long-run, once the business and brand name is established, a franchise can be sold to the other passionate pet groomers or pet lovers. Keeping the quality of service high will enable the company to compete with its competitors (Naik, Gantasala, & Prabhakar, 2010). In addition, setting competitive prices and taking care of the additional services for the pet owners will result in an increase in customers’ reputation. Moreover, statistics shows that the pet owners in the US are ready to spend on their pets and this spending is rising that is $75.38 estimated for year 2019 (“Pet Industry Market Size & Ownership Statistics,” n.d.). There is also an opportunity to provide mobile grooming service to the households in far-flung areas, but it requires additional capital and it can be stared once the business is well established. Another opportunity is to start selling related products to make the business even more profitable. There can be a huge market for grooming equipment’ for animals clothing and of keeping the famous pet food brands as well. After the business is established, the customers will start coming through referrals, social media engagement and the networking inside the community.

The biggest threat to the company is competing in the city among all the pet grooming service providers. A number of pet grooming services are already there and the business will have a hard time making its reputation. On the bigger level, the downturn in the economy can result in the low budgets of household and they may limit spending on the care of their pets. It is also expected that the cost of utilities may rise over time that will also result in an increase in the operating expense of the business. The labor wages will also rise and the expansion needs the hiring of more groomers in the company. In addition, the existing pet grooming businesses also spend a lot on advertisements and promotion.

# Conclusion

An evaluation of the internal and external positives and internal and external negatives reveals that the business of pet grooming can be successful due to the increasing demand. For a new venture like this one, Grooming by Julia can prosper if the owner is willing and passionate to give the venture a true strength and is ready to face the new challenges owing to the tough competition. Every other American owns a pet and sometimes there are more than one pets in an American home, and their number is increasing (“Facts + Statistics: Pet statistics | III,” n.d.). Considering the demand for pets grooming services there is the number of salons already available in the city and every salon is winning the hearts of customers. Pets’ owners are looking for salons that can take care of their pets well and can handle them with care and attention. I believe that this business will also win and develop a customer base after putting enough efforts for brand recognition and later by winning the hearts of pet owners. A little quality care in a comfortable environment with professional groomers can lead to the success of this venture. Moreover, the start-up expenses are also available and the profitability is high. Coping up with threats and weaknesses and accepting challenges will surely result in the flourishing of the company and the owner is looking forward to continuing this venture.

# References

Facts + Statistics: Pet statistics | III. (n.d.). Retrieved June 20, 2019, from https://www.iii.org/fact-statistic/facts-statistics-pet-statistics

Hay, G. J., & Castilla, G. (2006). Object-based image analysis: strengths, weaknesses, opportunities and threats (SWOT). *Proc. 1st Int. Conf. OBIA*, 4–5.

Naik, C. K., Gantasala, S. B., & Prabhakar, G. V. (2010). Service quality (SERVQUAL) and its effect on customer satisfaction in retailing. *European Journal of Social Sciences*, *16*(2), 231–243.

Pet Industry Market Size & Ownership Statistics. (n.d.). Retrieved June 20, 2019, from https://www.americanpetproducts.org/press\_industrytrends.asp

Seth, N., Deshmukh, S. G., & Vrat, P. (2005). Service quality models: a review. *International Journal of Quality & Reliability Management*, *22*(9), 913–949.