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Modern Vet Management Business Plan

by

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Undergraduate honors thesis under the direction of

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Louisiana State University
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Baton Rouge, Louisiana



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Modern Vet Management

Business Plan
Prepared November 2016

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Executive Summary

Opportunity

Problem

The number of recently graduating veterinarians searching for jobs is increasing year after year. Many of these vets carry a hefty student loan debt that is difficult to quickly repay. Research shows that the mean four-year debt for in-state and out-of-state graduates is \$132,560 and \$187,379 respectively (Larkin). The average starting salary for a new, companion animal exclusive vet was reported to be \$68,116 in 2012 (Veterinary Practice News). Many new vets desire to practice companion animal medicine but cannot afford to begin their own private practice. Their alternative option is to work for a senior veterinarian in hopes of inheriting the practice, but the wait for success can be long and the pay can be low. Lastly, managing a private practice can be very burdensome, leaving many private practice vets with a poor work-life balance. With general companion animal practice being a saturated market, these new vets need creative opportunities that allow them to be successful on the job and in their personal life.

Solution

Modern Vet Management aims to establish "express", or small, vet clinics that allow new veterinarians to provide basic health care for companion animals at a low, or competitive, cost. Our first vet clinic will be located in Henderson, NV; an area that has experienced a population growth of 339.88 percent since 2000 (Sperling). The clinic location is ideal as it is surrounded by many food and retail services and easily accessible from major roadways. The veterinarians that work for Modern Vet Management, will not have to concern them selves with the burdens of running a practice. Our vets will be able to focus on providing patients with quality care and expanding their veterinary knowledge.

Market

Modern Vet Management's primary target market is veterinary students who have recently graduated from vet school. There are approximately 3,000 new vet graduates per year (Bureau of Labor Statistics). Women make up the majority of new vet graduates. In 2009, female enrollment in vet schools across the U.S. was 77.6% compared to 22.4% male enrollment (Burns). Women seek a balance between professional life and family life (Weedon). In 2010, women comprised 56% of the companion animal workforce (National Academic Press). Women are likely to work part-time and are less likely to pursue the route of owning their own practice after graduation (National Academic Press).

Additional target: Veterinarians who own a struggling private practice and desire to rid themselves of management burdens. They could also have a clinic located in a declining area and do not have the funds to relocate.

Clients: The population in Henderson, NV is 285,677. The most populous age brackets are 45-54, 35-44, and 25-34; respectively (Sperling).

Competition

There are several veterinary management/partner companies who offer a co-ownership opportunity to private practice vets in order to relieve the vet of management burdens. These companies include: Veterinary Practice Partners, DVM Management, Veterinary Management Consultation, and Veterinary Practice Solutions. VCA Inc. has a large number of veterinary hospitals, chains, across the United States and they purchase veterinary hospitals from veterinarians; offering to improve facilities and management.

While there are several corporations that have been established to assist full-service vet clinics, they are not direct competitors to our company because our clinics will offer basic services. We intend to refer major animal health problems outside of our scope of service to surrounding, full-service vet clinics.

There is plenty of local competition from vet clinics in Henderson, NV. Specifically, the Animal Foundation's Low-Cost Vaccine Clinic in Las Vegas, NV and the Spay and Neuter Clinic of Southern Nevada will be our major cost and service competitors.

Why Us?

The goal of Modern Vet Management is to establish clinics that make pet health affordable and give new vet graduates an opportunity to begin establishing their veterinary practice. Our competitors do not offer nutritional counseling, behavioral counseling, and tumor removals. We also offer extremely competitive service cost.

The founder of Modern Vet Management, Alaina Stanton, holds a BS in Animal, Dairy, Poultry Science and minor in business administration from Louisiana State University A&M. She has over 3 years of experience of working in veterinary clinics, small and large, from kennels to surgery. She is ambitious about bettering the job opportunities for an industry she is passionate about.

Expectations

Financing Needed

Mission Statement

Modern Vet Management is committed to establishing and managing express veterinary clinics in urban areas in Nevada and ensuring that our veterinarians are fully equipped to be successful in their practice.

Vision Statement

Modern Vet Management's goal is to establish express veterinary practices across the United States.

Opportunity

Problem & Solution

Problems Worth Solving

Modern Vet Management. The number of veterinary graduates has increased to 3,000 per year. Trends show that a large proportion of these new graduates desire to work in a companion animal practice. For starters, it is extremely difficult for a student that is burdened with school loans to initiate a practice on their own. Secondly, as it relates to general companion animal practice, these new veterinarians have to face an extremely saturated market. For many of today's veterinarians, it is extremely difficult to manage a practice, pay off student debt, and still maintain work-life balance.

To escape the saturated general practice market, many veterinarians have begun to shift their focus to specialized practice in order to keep business flowing. However, there will always be a need for general veterinary practice. I believe there is an opportunity to restructure the framework of general veterinary practice in order to allow new vets to thrive in companion animal medicine while obtaining work-life balance and freeing themselves from student loans.

Other problems for new veterinarians can include a lack of a retirement fund, opportunities for professional relationships with peers, affiliation with a known brand or entity, a consistent paycheck, benefits, bonus packages, and health care.

Our Solutions

Modern Vet Management. The number one priority of this company is to make sure our veterinarians are in a prime location to practice basic general companion animal medicine. The target is major cities and **growing** urban areas within those cities. The accessibility, noticeability, and cost competitiveness of the clinic is prioritized in order to make sure our vets have a high clientele. The company's clinics will become established in many areas across the United States.

Vets will work in a group practice with a minimum of two vets. This allows for peer collaboration. Managing staff recruitment, human resources, patient scheduling, marketing, finances, supply purchases, technology, pharmaceuticals, and lab services will be performed by our company.

We will provide our workers with 401(k), benefits packages, bonus packages, opportunities to expand professional knowledge, and health care packages.

Target Market

We expect our strongest market segments to be recently graduated, female vet students.

Our target clients will be those with medium to low income. Approximately 38.28% of the Henderson, NV population makes less than \$50,000 per year. However, upper-income families will possibly be attracted to our clinic as a means of saving money being that the cost of living in Henderson is 13.3 points higher than the U.S. average (Sperling)

Competition

Current Alternatives

Our competitors are companies that offer co-ownership opportunities for private practice vets. Also, veterinary companies that have a large national presence/network, such as VCA Inc., have the advantage of being an established brand.

Our Advantages

Modern Vet Management emphasizes location and style. Our clinics are located in major urban areas; ensuring noticeability. Our clinics have a modern/contemporary theme and are designed to accommodate all the needs of our vets and their clients.

We give our vets retirement packages, benefits packages, health care, and an excellent starting salary.

Our company is flexible in regards the the hours our vets want to work and the way our vets desire to practice medicine; we provide a feeling of independency and creativity.

We offer competitive cost for basic pet health.

<p>Preventative Services: Routine Yearly Exam <ul style="list-style-type: none"> • \$35 Dog • \$25 Cat Vaccinations <ul style="list-style-type: none"> • Dogs <ul style="list-style-type: none"> • 5-in-1/DA2PPV (Distemper, Adenovirus I & II, Parainfluenza, Parvovirus): \$25 • Bordetella: \$10 • Rabies: \$10 • Deworming: \$5 •Cats <ul style="list-style-type: none"> • 4-in-1/FRCPC (Feline Viral Rhinotrachetits, Calicivirus, Panleukopenia, Chlamydia): \$15 • Feline Leukemia (FELV): \$15 • Rabies: \$10 • Deworming: \$5 • Microchip -\$20 • Nail Trim -\$5 • Anal Gland Expression - \$11 • Ear Cleaning - \$11 • Geriatric Screening <ul style="list-style-type: none"> ○ Dog -\$70 Cat -\$60 </p>	<p>Surgery Spay <ul style="list-style-type: none"> • Dog <ul style="list-style-type: none"> ○ Under 25lbs - \$90 ○ 25-40.9lbs -\$110 ○ 41-60.9lbs - \$115 ○ 61-100.9lbs - \$135 ○ Over 101lbs - \$155 ○ Cat -\$70 Neuters <ul style="list-style-type: none"> • Dog <ul style="list-style-type: none"> ○ Under 25lbs - \$65 ○ 25-40.9lbs -\$75 ○ 41-60.9lbs - \$90 ○ 61-100.9lbs - \$105 ○ Over 101lbs - \$120 • Cat - \$35 • Tumor Removals -\$300 • Pyometra -\$325 <p>Miscellaneous: Nutritional Counseling - \$20 Behavioral Counseling -\$20</p> </p>

Execution

Marketing & Sales

Marketing Plan

The major component of our marketing plan is to visit the 30 vet schools in the United States and pitch our business to fourth-year vet students and residents. Many vets are not familiar with the concept of working for a veterinary company, so personal touch is necessary.

Additionally, job postings can be listed on the vet school's website.

Things that should resonate with our target market is flexible work hours, a secure salary, loan repayment, work-life balance, company benefits, and prime clinic location.

Initially, only two veterinarians are needed.

Throughout the development of the brand, social media, particularly Facebook, will be used to showcase our vets at work and their testimonials about the quality of their job will be used to draw interest in the brand. Testimonials will be recorded on video. Capturing our vets on the job will be done via photos and video.

The goal is for each video to reach 10,000 people with 500 engagements on Facebook.

A Yelp account will be created for the clinic to allow our customers to give positive reviews of our services.

Prior to opening:

We will attend community events in Henderson, NV to make our vets known to the older segment of the community:

- Bark at the Park (annual)
- St. Patrick's Day Festival

- Fourth of July Celebration
- Henderson Community Expo
- Henderson Stroll 'n Run

We will promote our services and prices on Facebook prior to opening. The goal is for each post to reach 1,000 people with 30 engagements.

We will have a website established to direct our clients to schedule appointments in advance.

Sales Plan

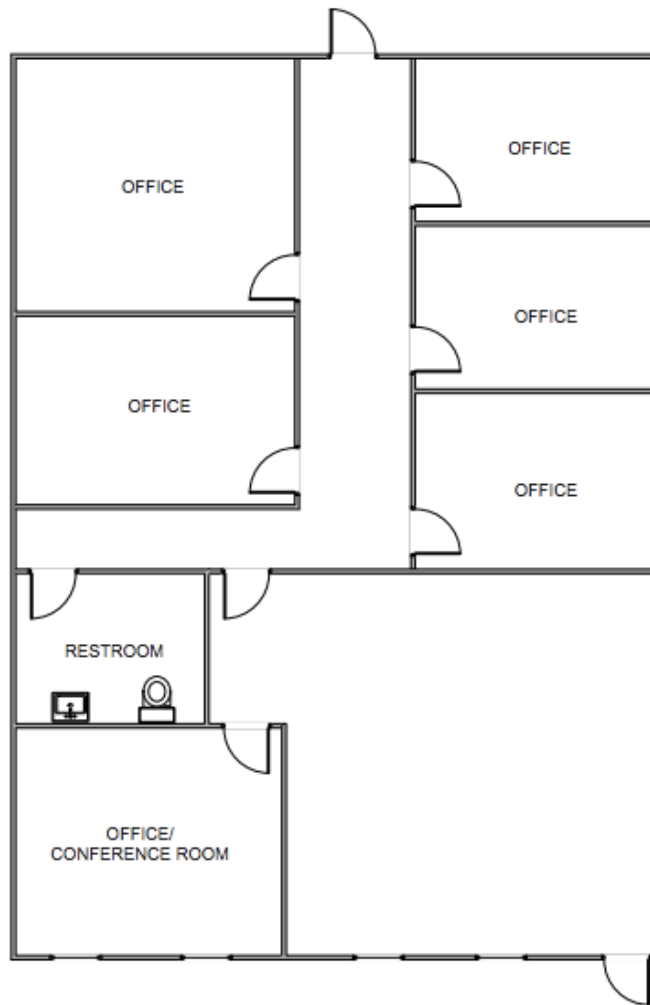
Our payment methods will include credit cards and cash, no checks.

We will network with full-service vet clinics by referring complicated health cases to them.

Operations

Locations & Facilities

The first clinic will be located 2367 W Horizon Ridge Pky, Henderson, NV, 89052 (LoopNet). The 1500 square foot office space will be remodeled to include two exam rooms, a reception/waiting area, an office/breakroom area, a surgery room, a radiology room, a lab/treatment area, a storage area, and a small laundry/sterilization area.



Tools/Equipment	Cost
Anesthesia Equipment	\$6,000
Castration/Spay Packs (5 each)	\$3,500
Syringes/Needles	\$5,000
Surgical Apparel	\$10,000
X-Ray accessories	\$2,000
X-Ray Machine	\$50,000
Suture/Suture Needles	\$30,000
Respiratory Monitor	\$500
Centrifuge	\$2,300

Pharmacy aids	\$4,000
EKG Machines (4)	\$4,000
White Goods (Bandages, etc.)	\$10,000
Stainless Steel Items (Kick Buckets, etc.)	\$1,000
Aspiration/Suction	\$3,000
Nail Trimmers	\$100
Exam Gloves	\$600
Scales	1,000
Medical Seating	\$3,000
Clinical Lab Equipment (Including 2 Microscopes)	\$20,000
Waste Disposal	\$8,000
Surgery gloves	\$1,000
Blood Pressure Management	\$1,000
Ophthalmoscope (2)	\$1,200
General Surgery Packs	\$1,500
Exam Tables (3)	\$800
Work Table	\$1,000
Surgery Table	\$2,000
Lighting	\$4,000
Cages	\$5,000
Pharmaceuticals	\$70,000
Autoclave	\$20,000
Diagnostic Testing	\$20,000
Misc.	\$20,000
*Bold = variable cost	
Total:	\$311,800

Milestones & Metrics

Key Metrics

Upon establishment of the first clinic, we will focus on basic metrics: daily revenue, payroll, repairs, and profit margins. We will continuously track our profit margins to determine the success of the clinic and to determine when to open the second clinic.

Company

Overview

Modern Vet Management LLC will be registered as a limited-liability corporation. The founder, Alaina Stanton, will use equity investment to initiate the first veterinary practice. Fifty-percent ownership will be given to a co-founder who can provide initial investment. Initial upper management positions will include a CFO and a COO. Two full-time veterinarians, two vet technicians, and one receptionist will work at the clinic.

Team

Management Team

Alaina Stanton is CEO and Founder of Modern Vet Management LLC. She has a background in animal science and business administration. She will partner with other business professionals to meet additional management needs. As the company grows, the number of executive and associate positions will grow. Initial positions that need to be filled include a COO and CFO.

Advisors

Financial Plan

Financing

Use of Funds

Financial Breakdown	Cost:
Architectural Remodeling	\$25,000
Building	\$240,000
Equipment/Tools	\$311,800
Appraisals	\$4,000
Legal	\$2,000
Insurance	2,000
Waiting Room Set Up	\$5,000
Clerical/Bookkeeping	\$2,000
Total Project Cost:	\$589,800

Sources of Funds

Modern Vet Management's start up funds will come from equity investors.

Breakeven Analysis

Staff	Salary
2 Veterinarians (75,000/year 1)	\$150,000
2 Vet Technicians (28,000/year)	\$56,000
1 Receptionist	\$24,000
Upper Management	
CEO	80,000
COO	78,000
CFO	78,000
Total Payroll:	\$466,000

Fixed Cost: \$466,000

Patient Care cost estimated 20% of fees

Average Transaction: \$55 (Dog: Yearly Exam, Rabies, Bordetella)

$\$466,000 / 55 - (55 \times 20\%) = 10,590.9$ patients/year

Will not breakeven in year one.

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