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The Creature Nannie

1.0 Executive Summary

The Creature Nannie is a dog foster-family arrangement in Sara Sloth's home. Customers are able to leave their dogs at the Sloth's home when they go on vacation. The dogs are surrounded by people all day, have their own bed, are taken for walks twice a day, and have a one acre fenced backyard to explore. The Creature Nannie is a superior alternative to a kennel because the dogs get attention all day, have plush facilities, and have ample opportunities to exercise. The guest dogs will typically even sleep in the children's rooms (in the bed under the sheets if they choose). Basically, the dogs become a temporary member of the household. The Creature Nannie is able to offer this specialized attention because they are equipped to handle only four dogs at once.

The Creature Nannie will compete directly with kennels but offer a superior service. Once word gets out about The Creature Nannie, the schedule is forecasted to be near capacity within the first eight months.

2.0 Situation Analysis

The Creature Nannie is in their first year of operation. The service has been well received and marketing is now critical to its continued success and future profitability. The Creature Nannie offers the finest foster care for canine companions. The basic market need is a place to leave your dog when you travel that is a loving, caring environment that the dog will look forward to.

2.1 Market Summary

The Creature Nannie possesses good information about the market and knows a great deal about the common attributes of our most prized and loyal customers. The Creature Nannie will leverage this information to better understand who is served, their specific needs, and how The Creature Nannie can better communicate with them.

Table: Market Analysis

Market Analysis		2007	2008	2009	2010	2011	CAGR
Potential Customers	Growth						
Dog Owners	9%	17,876	19,485	21,239	23,151	25,235	9.00%
Other	0%	0	0	0	0	0	0.00%
Other	0%	0	0	0	0	0	0.00%
Total	9.00%	17,876	19,485	21,239	23,151	25,235	9.00%

The Creature Nannie

2.1.1 Market Needs

The Creature Nannie provides foster care for dogs in the Eugene area. The dogs get to stay in the Sloth's home with a one acre fenced in yard to roam. The Creature Nannie seeks to fulfill the following benefits that are important to their customers.

- Selection--The Creature Nannie provides many options for dog owners.
- Accessibility--The Sloth's home is located in Eugene and operating hours for drop off and pick up are quite flexible.
- Customer service--The patron will be impressed with the level of attention that they receive.
- Competitive pricing--The Creature's pricing is quite reasonable for the services rendered.

2.1.2 Market Trends

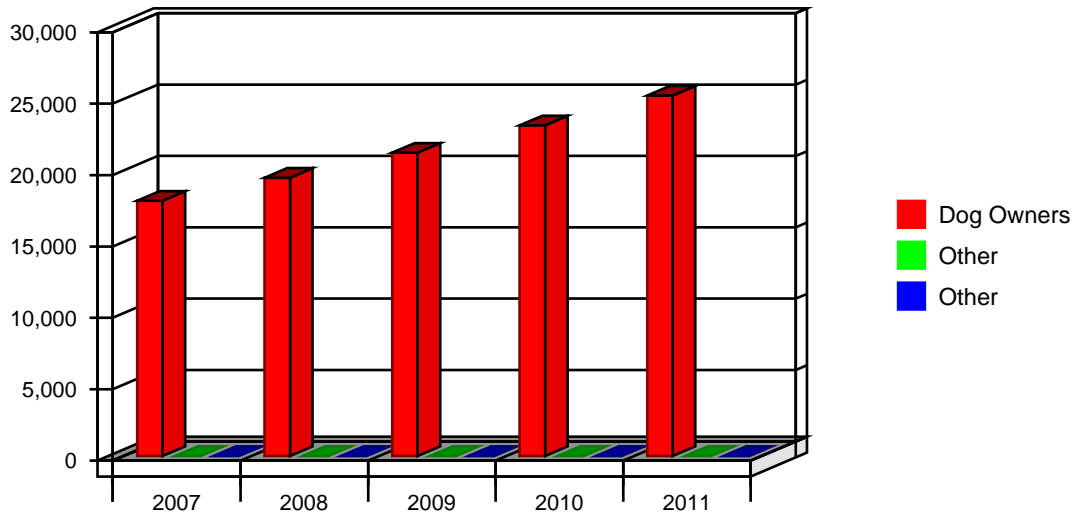
The market trend in canine care is moving from the sterile, loveless kennel to foster homes. When kennels were the only option, dog families would have to suffice with a kennel when the family needed to travel. With the recent advent of canine foster homes, people are more likely to travel when the pet has a place to stay that both are excited about. The customer is becoming increasingly more discriminating in the following areas:

- Personal attention--There is a clear preference that the pet receive personal attention from the foster home leader and their family. Additionally, the owners appreciate the daily walks that the dogs receive.
- Ideal facilities--Customers would much rather have their pet stay in someone's home as opposed to a cage in a kennel. Another added advantage is the fenced yard that allows the dogs to roam.
- Reassurance of safety and love--Dog owners value the safety and love that their animal receives in the foster care set up.

This trend of a more discriminating customer can be explained as more service options are available allowing the customer to be more particular.

The Creature Nannie

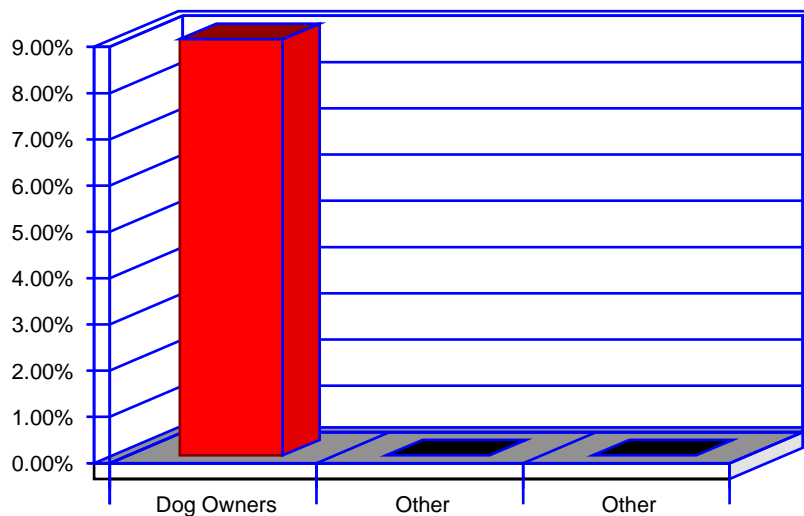
Market Forecast



2.1.3 Market Growth

In 1999, the national dog care industry reached \$21 million in sales and this market is expected to grow at 5%. Dog foster care, a niche within this market, is forecasted to grow at 9%. One reason for this higher growth rate is the recent advent of this niche. Another factor is people's growing attachment to their dog fueled by the fact that American's are working longer hours and have less and less time. The guilt associated with spending less time with the animal has been a catalyst for the parents to find the best facility for their family member when they go away.

Target Market Growth



2.2 SWOT Analysis

The following SWOT analysis captures key strengths and weaknesses within the company and describe the threats facing The Creature Nannie.

2.2.1 Strengths

- Strong relationships with the Humane Society and local breeders.
- Ample time to dedicate to the care of the animals.
- Ideal facility.
- High customer loyalty.

2.2.2 Weaknesses

- Lack of visibility in the community.
- A limited marketing budget.
- A limited capacity.

2.2.3 Opportunities

- Growing market with a significant percentage of the market still not aware that The Creature Nannie exists.
- Fixed costs that are reduced when spread over multiple animals.
- The ability to make money and not have to significantly modify their lifestyle to adequately address the canine's needs.

2.2.4 Threats

- A slump in the economy that will reduce people's discretionary income, thereby reducing their opportunity to travel.
- New competitors realizing the true market potential.

2.3 Competition

The competition primarily takes the form of a kennel. The setup for a kennel is typically an interior space for the dog to sleep and a corridor for the dogs to walk around. Most kennels offer feeding several times a day and some offer the option of walks.

There does not appear to be any foster home set-ups like The Creature Nannie in Eugene.

The other option some people have is to have a friend of theirs stay over their house and house sit/dog watch the pet. While this is better than a kennel because the pet remains in their house, the dog is by himself during the time the friend is away at work.

The Creature Nannie

People tend to use kennels due to a lack of other available options. While the dogs are safe at reputable kennels, a kennel is less than ideal. Many dogs are unhappy about living away from home, having no one to interact with and many other dogs around, many of which are quite vocal due to their unhappiness. It is not unusual for a dog to come home with laryngitis because they were barking all the time.

2.4 Service Offering

The Creature Nannie offers foster canine care service in the home of Sara Sloth. The dogs remain at Sara's house and are never left home alone for more than three hours. The dogs receive two walks a day and have access to a one acre fenced backyard. The dogs are able to sleep in a family member's bedroom or in the basement. Each dog get use of their own doggie bed.

Sara can care for up to four dogs at once and charges \$20 a day or \$100 a week.

2.5 Keys to Success

1. Treat the canine clients as your own pet.
2. Treat the human client like you want them as a life-long customer.
3. Charge reasonable prices.
4. Have fun.

2.6 Critical Issues

The Creature Nannie is still in the speculative stage as a service provider. It will: continue to take a modest fiscal approach; expand at a conservative rate, not for the sake of expansion itself, but because it makes economic sense; continue to build brand awareness which will drive customers to The Creature Nannie.

3.0 Marketing Strategy

The Creature Nannie's marketing approach will be using guerrilla marketing tactics to be as cost effective as possible. Guerrilla marketing techniques are marketing techniques that cost little or no money. Some examples are press releases, general networking, etc. The Creature Nannie will however, run an advertisement in the Humane Society's local chapters newsletter.

In addition to this, Sara will speak with several well-respected veterinarians and provide them with several free day coupons. This will be done to develop business that will then report back to the veterinarians. Once a good review is passed back to the veterinarians, this will become a good source of customers for two reasons, 1) people typically ask their veterinarians for referrals for pet-related service providers, 2) veterinarians are very likely to recommend a foster care setup that they clearly recognize its benefit relative to the other service offerings.

Once The Creature Nannie has received initial business it will not take long before little marketing will be needed to fill up Sara's schedule.

Lastly, a website will be developed as a tool to communicate information about The Creature

The Creature Nannie

Nannie to information seekers.

3.1 Mission

The Creature Nannie's mission is to provide the customer with the finest foster care service for their canine companion. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

3.2 Marketing Objectives

- Maintain positive, steady growth each month.
- Experience an increase in new customers who are turned into long-term customers.
- Be able to operate at capacity while constantly decreasing marketing expenses.

3.3 Financial Objectives

- Operate near capacity allowing the Creature Nannie to make significant contributions to mortgage expenses.
- Generate so much business that expansion is needed.

3.4 Target Marketing

The Creature Nannie's target market is people who truly look out for their dog's best interests and can afford a pet foster family. Dog kennels are sufficient in terms of the care of a dog while someone is on vacation, however, the canines are never truly happy. The Creature Nannie is targeting the market of people that believe there should be another alternative for the care of their dog.

The other component of the target market is the customers must have enough money to cover the difference in cost, up to 80% more a day than a kennel. Not everyone can afford this price variance. The typical customer will have a household income above \$60,000.

3.5 Positioning

The Creature Nannie will position itself as a far superior alternative to the kennel. Eugene dog owners recognize that the kennel experience is often an unhappy one for dogs and should be avoided when possible.

The Creature Nannie's positioning will leverage their competitive edge: the ability to have the dog stay at a person's home who will be around most of the day to exercise the dog as well as take them on walks and allow the pet to wander around a one acre yard. All other alternatives do not provide anything close to the amount of personal time spent with the dog. Dogs leave The Creature Nannie perfectly content. They are rarely upset about being left with a foster family.

The Creature Nannie

3.6 Strategy Pyramids

The single objective is to position The Creature Nannie as the premier canine foster family in the Eugene area. The marketing strategy will seek to first create customer awareness regarding their services offered, develop the customer base, and work toward building customer loyalty.

The message that The Creature Nannie seeks to communicate is that their foster canine care is far superior to the current service offerings. This message will be communicated through a variety of ways. Advertisements will be run in the local Humane Society newsletter. The message will also be communicated through networking activities with local veterinarians who are constantly asked for canine service provider referrals. Lastly, a website will be used to provide the public with a comprehensive amount of information.

3.7 Marketing Mix

The Creature Nannie's marketing mix is comprised of these following approaches to pricing, distribution, advertising and promotion, and customer service.

- Pricing--\$20 a day per dog, \$100 a week.
- Distribution--All services will be provided out of the Sloth's home.
- Advertising and promotion--The most successful advertising will be with the local chapter of the Humane Society. Sara will also be networking with the different veterinarians.
- Customer service--Obsessive customer attention is the mantra. The Creature Nannie's philosophy is whatever needs to be done to make the customer happy must occur, even at the expense of short-term profits. In the long term, this investment will pay off with a fiercely loyal customer base.

3.8 Marketing Research

During the initial phase of the marketing plan development, several focus groups were held to gain insight into a variety of dog owners. These focus groups provided helpful insight into the decision making processes of dog owners.

An additional source of dynamic market research is a feedback mechanism based on a suggestion card system. The suggestion card has several statements that customers are asked to rate in terms of a given scale. There are also several open ended questions that allow the customer to freely offer constructive criticism or praise. The Creature Nannie will work hard to implement reasonable suggestions in order to improve their service offerings as well as show their commitment to the customer that their suggestions are valued.

The Creature Nannie

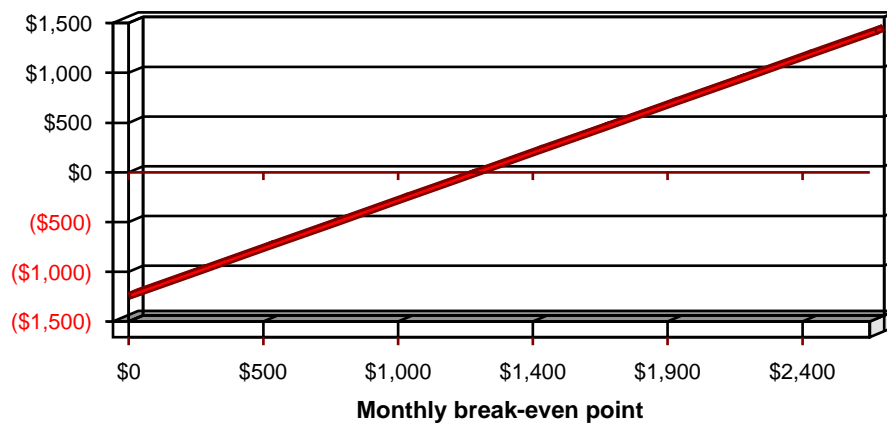
4.0 Financials, Budgets, and Forecasts

This section will offer a financial overview of The Creature Nannie as it relates to the marketing activities. The Creature Nannie will address break-even analysis, sales forecasts, expenses forecasts, and how those link to the marketing strategy.

4.1 Break-even Analysis

The Break-even Analysis indicates \$1,270 will be need in monthly revenue to reach the break-even point.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$1,245
Assumptions:	
Average Percent Variable Cost	0%
Estimated Monthly Fixed Cost	\$1,245

The Creature Nannie

4.2 Sales Forecast

The first month will be used to set up the space for the dogs, submit the advertisement to the Humane Society newsletter, and form alliances with a few veterinarians. Beginning in month two there will be some business. Things will grow for a few months until mid-year when the bulk of the week will be at capacity.

Sales Monthly

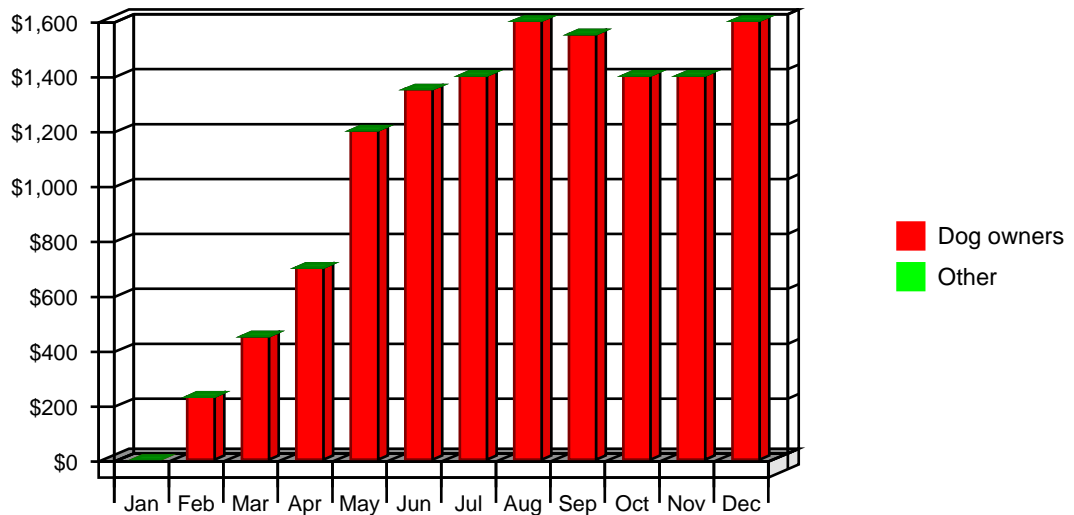


Table: Sales Forecast

Sales Forecast			
	2007	2008	2009
Sales			
Dog owners	\$12,880	\$17,000	\$18,000
Other	\$0	\$0	\$0
Total Sales	\$12,880	\$17,000	\$18,000
Direct Cost of Sales			
Dog owners	\$0	\$0	\$0
Other	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$0	\$0

4.3 Expense Forecast

Marketing expenses are to be budgeted to be relatively consistent throughout the year except during spring break and winter holidays where they will be ramped up because that is the time of year when customers are more likely to take a vacation.

The Creature Nannie

Monthly Expense Budget

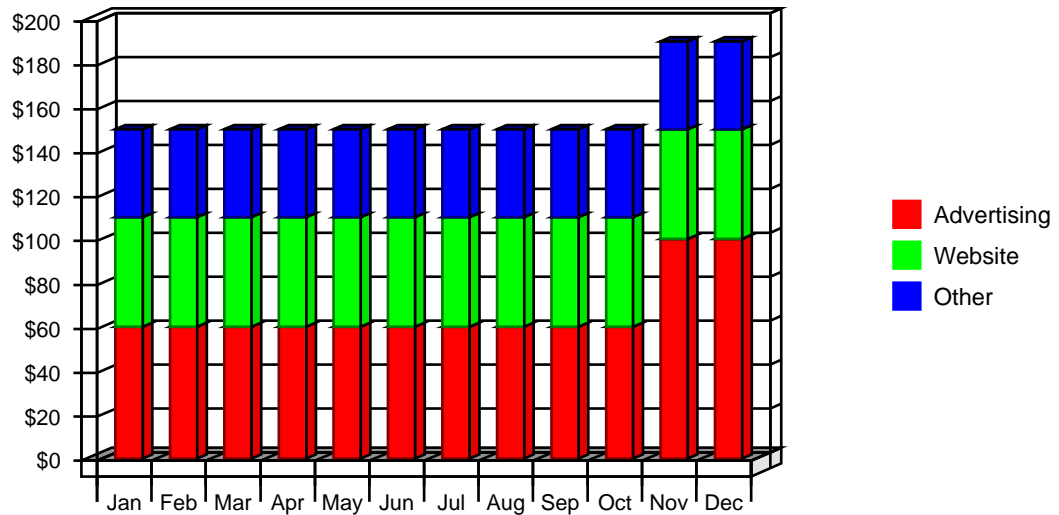


Table: Marketing Expense Budget

Marketing Expense Budget	2007	2008	2009
Advertising	\$800	\$600	\$600
Website	\$600	\$600	\$600
Other	\$480	\$350	\$350
<hr/>			
Total Sales and Marketing Expenses	\$1,880	\$1,550	\$1,550
Percent of Sales	14.60%	9.12%	8.61%

5.0 Controls

The purpose of The Creature Nannie's marketing plan is to serve as a guide for the organization.

5.1 Implementation Milestones

The following milestones identify the key marketing programs. It is important to accomplish each one on time and on budget.

The Creature Nannie

Table: Milestones

Milestones					
	Start Date	End Date	Budget	Manager	Department
Advertising					
Marketing plan completion	1/1/2001	3/1/2001	\$0	Sara	Department
Advertising campaign	1/1/2001	ongoing	\$2,000	Sara	Department
Website	1/1/2001	ongoing	\$1,800	Outsourced	Department
Networking activities	1/1/2001	ongoing	\$1,180	Sara	Department
Name me	1/1/2003	1/15/2003	\$0	ABC	Department
Name me	1/1/2003	1/15/2003	\$0	ABC	Department
Name me	1/1/2003	1/15/2003	\$0	ABC	Department
Name me	1/1/2003	1/15/2003	\$0	ABC	Department
Name me	1/1/2003	1/15/2003	\$0	ABC	Department
Other	1/1/2003	1/15/2003	\$0	ABC	Department
Total Advertising Budget			\$4,980		
PR					
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total PR Budget			\$0		
Direct Marketing					
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Direct Marketing Budget			\$0		
Web Development					
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Web Development Budget			\$0		
Other					
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Other Budget			\$0		
Totals			\$4,980		

5.2 Contingency Planning

Difficulties and risks:

- Problems generating visibility.
- An entry into the Eugene market of several direct competitors.

Worst case risks may include:

- Determining the business cannot support itself on an ongoing basis.

Appendix

Appendix Table: Sales Forecast

Sales Forecast		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales													
Dog owners	0%	\$0	\$230	\$450	\$700	\$1,200	\$1,350	\$1,400	\$1,600	\$1,550	\$1,400	\$1,400	\$1,600
Other	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$0	\$230	\$450	\$700	\$1,200	\$1,350	\$1,400	\$1,600	\$1,550	\$1,400	\$1,400	\$1,600
Direct Cost of Sales													
Dog owners		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix

Appendix Table: Contribution Margin

Contribution Margin												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$0	\$230	\$450	\$700	\$1,200	\$1,350	\$1,400	\$1,600	\$1,550	\$1,400	\$1,400	\$1,600
Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Variable Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Margin	\$0	\$230	\$450	\$700	\$1,200	\$1,350	\$1,400	\$1,600	\$1,550	\$1,400	\$1,400	\$1,600
Gross Margin %	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Marketing Expense Budget												
Advertising	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$100	\$100
Website	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Other	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
Total Sales and Marketing Expenses	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$190	\$190
Percent of Sales	0.00%	65.22%	33.33%	21.43%	12.50%	11.11%	10.71%	9.38%	9.68%	10.71%	13.57%	11.88%
Contribution Margin	(\$150)	\$80	\$300	\$550	\$1,050	\$1,200	\$1,250	\$1,450	\$1,400	\$1,250	\$1,210	\$1,410
Contribution Margin / Sales	0.00%	34.78%	66.67%	78.57%	87.50%	88.89%	89.29%	90.63%	90.32%	89.29%	86.43%	88.13%