

CS 177Q - TEAM 3C

Paws & Nourish



AAYUSH JAIN, VALERIA PAEZ, KARAN SOIN

Our Company

Paws & Nourish is a pet food company dedicated to providing high-quality, data-driven solutions to provide nutritious products for the well-being of our furry companions.

Mission

To revolutionize pet nutrition by creating nutritionally superior pet food products that cater to all pets

Vision

We envision a world where pets enjoy the highest standard of well-being through exceptional nutrition



Team Members



AAYUSH JAIN
Product + Strategy



VALERIA PAEZ
Brand Design + Marketing



KARAN SOIN
Engineering + Research

The Problem

The pet food space is getting more competitive each day, and our products are struggling to keep up. The promise of general health and sustainability does not seem to be enough anymore

Many pet owners struggle to find food tailored to their pets' specific nutritional needs



Overlooking these needs can result in potential health issues and decreased pet well-being

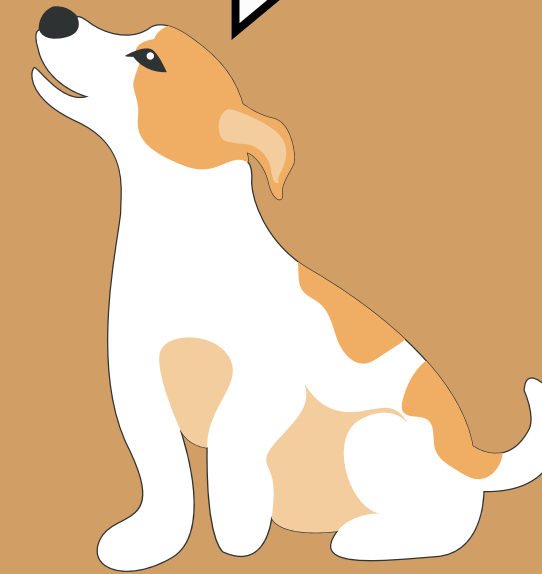


Standard pet food formulas often neglect considerations like age, breed, weight, and health



What our customers want

63% of pet owners would like customized products to meet their pet's needs.



“I use separate puppy cans and dog food, and mix them together for all meals to ensure my dog is healthy and likes the taste... he loves it, but it takes me so long every time”

- Passionate Dog Parent 1

51% of pet owners said they would opt for pet subscription services

“My dog gets bored of his meal flavors every month or so”

- Passionate Dog Parent 2

“I use the Bark Box subscription service to order toys and treats monthly for my dog, it makes my life much easier”

- Passionate Dog Parent 3





How can we fix this?

Our Solution

BuddyBundle

We address those problems through a **one-stop** solution offering **personalized**, **premium**, and **sustainable** pet meal deliveries for dogs and cats.

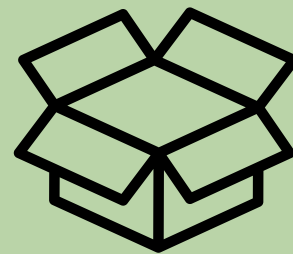
Age

Breed

Weight

Activity

Health



Take our 10 min quiz and get a personalized recommendation

We produce and package food tailored to your pet

Monthly pet food delivered right to your doorstep

Your pet lives a healthier life and you see the difference!

Target Market

Health Conscious Pet Owners



Eco-friendly Per Owners

Pet Owners Seeking Personalized Solutions



Quality Conscious Pet Owners

Market Analysis



Households with Pets (87M+)
Total Addressable Market



Income and Values Based (32M)
Served Available Market



2% Market Share (640K)
Serviceable Obtainable Market

Business Model: Revenue

Subscription Plans

Monthly

Yearly

\$75/month

1 BAG/MONTH

7.5 lbs

\$150/month

2 BAGS/MONTH

15 lbs

Avg. Purchase Qty.

\$840/yr

\$70/month

1 BAG/MONTH

7.5 lbs

\$1680/yr

\$140/month

2 BAGS/MONTH

15 lbs

Avg. Purchase Qty.

Competitive Landscape



Go-to-Market Strategy

Launch

Differentiation

- Luxury, Nutrition-Focused Market
- User test and soft launch

Hard Launch

- branding

Marketing

Online

- Pet content creators
- Pet Online Communities

Physical

- Pet stores, vets, trainers
- brand recognition

Sales

Foot-in-the-Door

- Incentivize sign-ups

Retention

- discounts
- novelty items

Subscription Tiers

Customer Service

Timeline and Milestones



YEAR 1- R&D

- Soft launch and user feedback + research adjustments
- Begin Hard Launch process

YEAR 2- ESTABLISHMENT

- Hard Launch
- Retention and expansion
- Focus on Marketing and growing our audience

YEAR 3- GROWTH

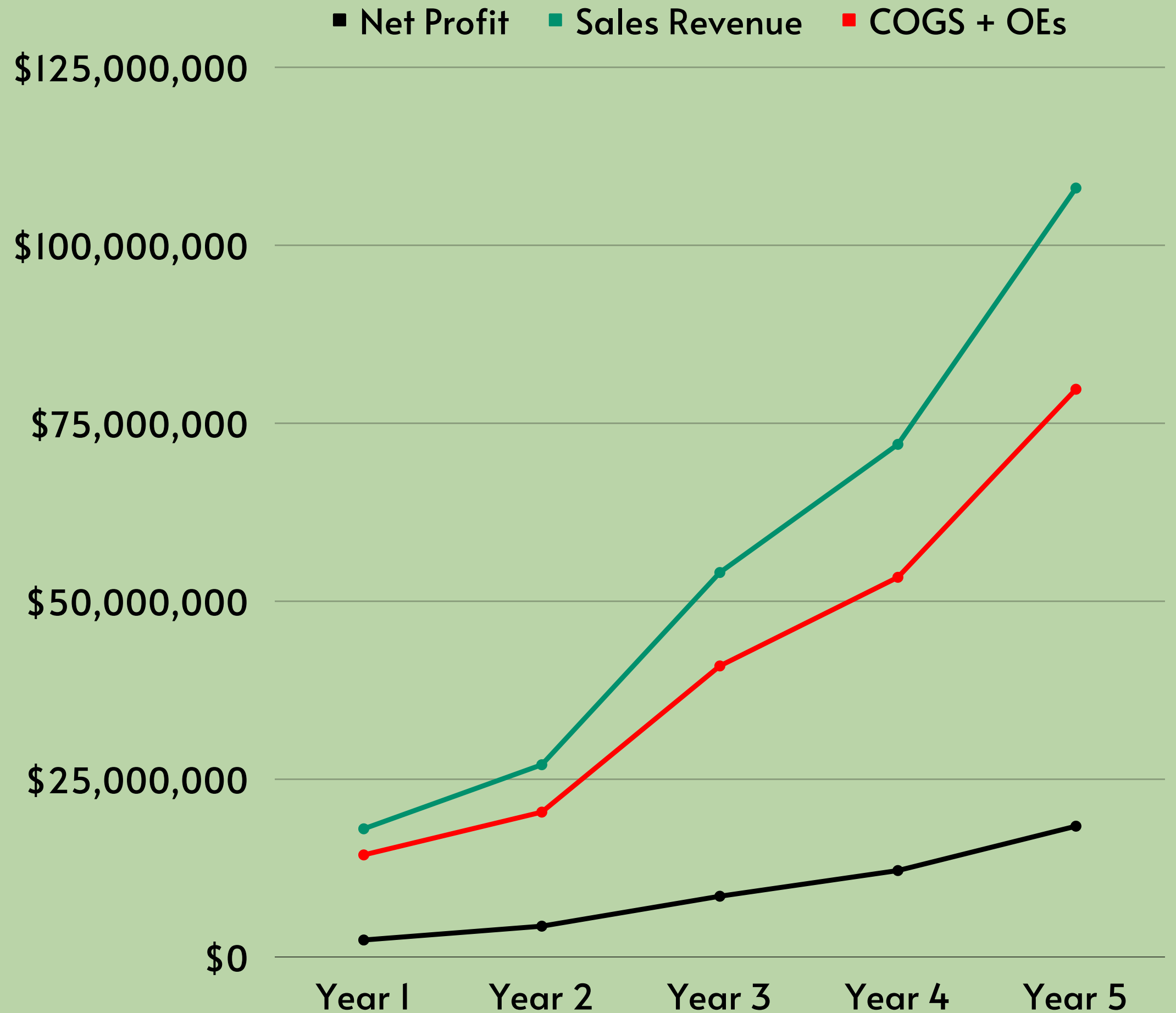
- Briefly elaborate New Product offering
- Start diversify audience
- R&D High costs
- Expect to move to larger warehouse/increase scale of production

YEAR 4- RETAIN

- Expand marketing
- User research on retention rates and improving them

Financial Projections

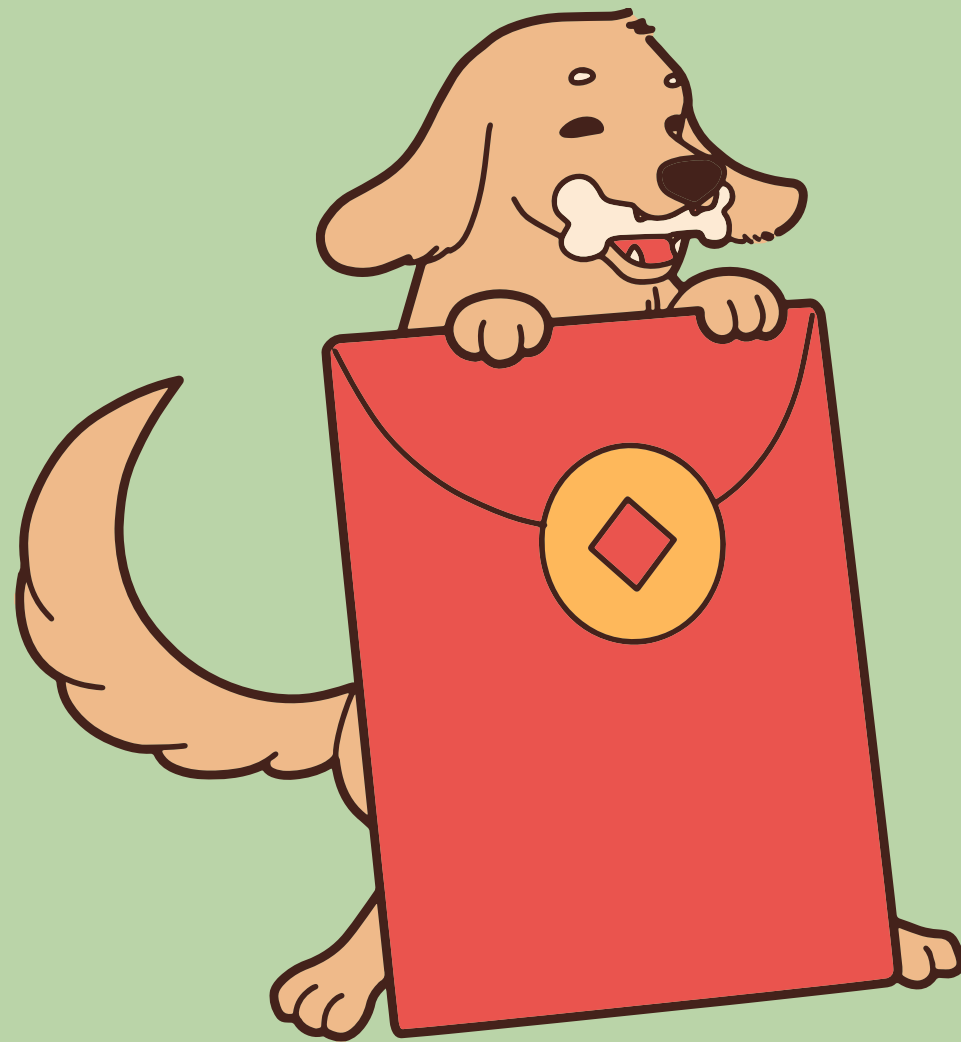
15 lbs/month subscription
\$150 per month
Cost of production: \$7.90 per pound
5 employees → 20 employees (60k Salary)
\$0.30 - \$0.70 Marketing Cost
R&D: \$1 million Y1 & Y3, 300k



Risk Assessment & Mitigation

Risks	Mitigation Strategy
Customer Misinformation/Misuse	Offering options to review/change answers within 2 hours, tutorials, 24x7 customer support for quiz completion
Supply Chain Disruptions	Establishing multiple supplier relationships, maintaining a buffer stock, and diversifying logistics options.
Risks of data leaks	Implementing robust data security measures and secure infrastructure, transparent user communication about data usage.
Customer Retention	Offering flexible subscription plans, exceptional customer service, and regular product enhancements.

Our Asks

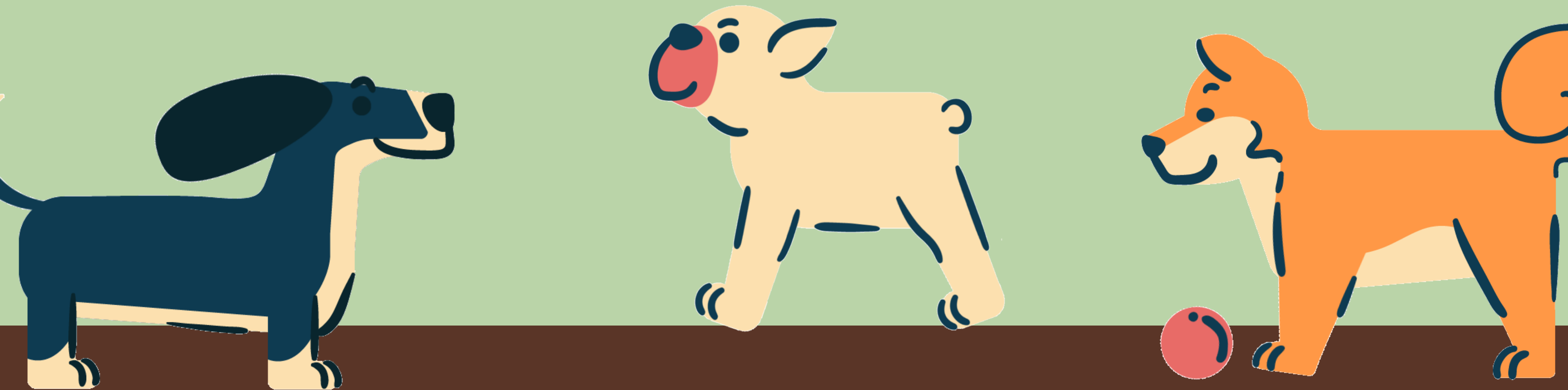


We request the Product Council for:

- Approval to build this online platform
- \$14.5M in funding for operating + goods cost in year 1
 - \$1 million R&D
 - Food Research Scientists
 - Regulatory Compliance Expert
 - Veterinary Consultants
 - Engineering/Design/Marketing

Thank you for listening!

Let us know if you have any questions!



References

1. <https://www.forbes.com/sites/yolarobert1/2020/10/15/pet-owners-are-turning-to-subscription-services-heres-why/?sh=5efc26d414c9>
2. www.statista.com/statistics/250851/
3. <https://www.forbes.com/advisor/pet-insurance/pet-ownership-statistics/>
4. <https://www.justfoodfordogs.com/custom-prescriptive.html>
5. <https://www.petfoodprocessing.net/articles/15034-younger-pet-owners-more-interested-in-personalized-dog-food>
6. <https://www.appsflyer.com/glossary/cost-per-view/#:~:text=A%20good%20CPV%20is%20typically,what%20your%20advertising%20budget%20allows>
7. <https://www.petfoodprocessing.net/articles/15821-new-data-details-high-purchasing-trend-for-premium-pet-food>
8. <https://zignature.com/dog-feeding-schedule-how-much-and-how-often/#:~:text=Assuming%20your%20dog%20has%20a,little%20less%20than%20a%20dult%20dogs>

Appendix: Key Product Features

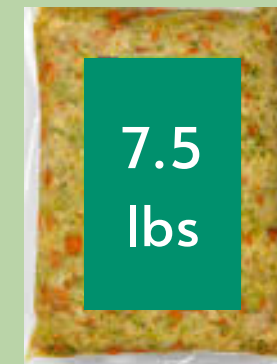
Flavours



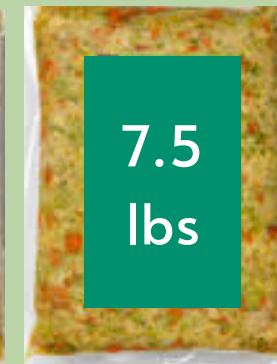
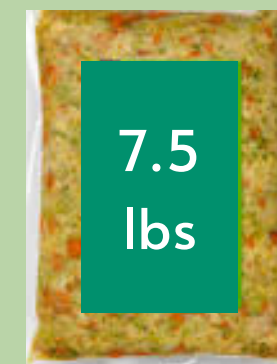
OR any combination of these 4

Monthly Delivery Sizes

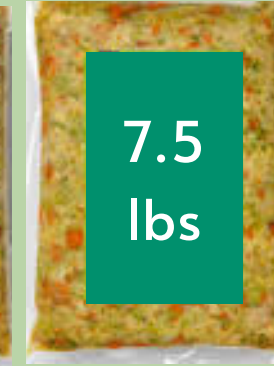
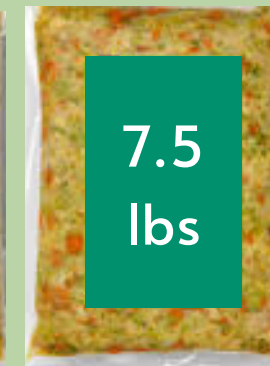
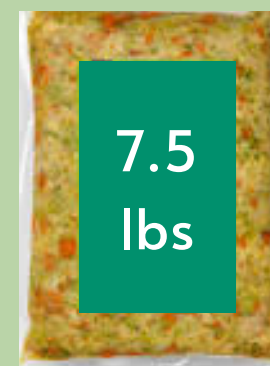
7.5 lbs



15 lbs



22.5 lbs



Appendix: Top-Down Financial Projection

	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
Assumptions						
Total Addressable Market						
Annual Growth		1.0%	1.0%	1.0%	1.0%	
Number of Families with Pets (000)	87,000	87,853	88,714	89,583	90,461	
% families willing to spend \$51-\$100 more on higher quality food	37.3%	37.3%	37.3%	37.3%	37.3%	https://www.petfoodprocessing.net/articles/15821-new-data-details-high-purchasing-trend-for-premium-pet-
% pet-owning families subscribed to pet treat plan	14.8%	14.8%	14.8%	14.8%	14.8%	https://www.petfoodprocessing.net/articles/15821-new-data-details-high-purchasing-trend-for-premium-pet-
Implied premium market (000)	4,803	4,850	4,897	4,945	4,994	
Market Share	2.0%	3.0%	4.0%	4.0%	4.0%	
Average Selling Price						
ASP/Food Bag	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Margin Received	100%	100%	100%	100%	100%	
Revenue/Bag	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Units Sold						often/#:~:text=Assuming%20your%20dog%20has%20a,little%20
Average Bag Life (Months it last)	1	1	1	1	1	https://www.chewy.com/hills-science-diet-adult-urinary/product-question/1729836
Number of Bags/Cycle	1	1	1	1	1	
Number of Pairs Purchased/Year	12	12	12	12	12	
Revenues (000)	\$172,899	\$261,890	\$352,609	\$356,064	\$359,554	

Appendix: Full Financial Projections

	2023	2024	2025	2026	2027
Sales Revenue					
Total Sales Revenue	\$ 18,000,000	\$ 27,000,000	\$ 54,000,000	\$ 72,000,000	\$ 108,000,000
Cost of Goods Sold (COGS)					
Part cost	\$ 12,600,000	\$ 18,900,000	\$ 37,800,000	\$ 50,400,000	\$ 75,600,000
Packaging Cost	\$ 168,000	\$ 252,000	\$ 504,000	\$ 672,000	\$ 1,008,000
Assembly fees	\$ 48,000	\$ 72,000	\$ 144,000	\$ 192,000	\$ 288,000
Total COGS	\$ 12,816,000	\$ 19,224,000	\$ 38,448,000	\$ 51,264,000	\$ 76,896,000
Gross Profit	\$ 5,184,000	\$ 7,776,000	\$ 15,552,000	\$ 20,736,000	\$ 31,104,000
<i>Gross Margin</i>	28.8%	28.8%	28.8%	28.8%	28.8%
Operating Expenses					
Selling, General and Administrative Expenses (SG&A)					
Sales, Marketing, and Advertising	\$ 72,000	\$ 252,000	\$ 504,000	\$ 288,000	\$ 432,000
Wages and salary	\$ 372,000	\$ 492,000	\$ 816,000	\$ 1,332,000	\$ 1,968,000
Rent and Utilities	\$ 74,400	\$ 78,000	\$ 108,000	\$ 144,000	\$ 144,000
Equipment and Supplies	\$ -	0	0	0	0
G&A					
Total SG&A Expenses	\$ 518,400	\$ 822,000	\$ 1,428,000	\$ 1,764,000	\$ 2,544,000
Total R&D Expenses	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 300,000	\$ 300,000
Total Operating Expenses	\$ 1,518,400	\$ 1,122,000	\$ 2,428,000	\$ 2,064,000	\$ 2,844,000
Operating Profit	\$ 3,665,600	\$ 6,654,000	\$ 13,124,000	\$ 18,672,000	\$ 28,260,000
Tax	\$ 1,282,960	\$ 2,328,900	\$ 4,593,400	\$ 6,535,200	\$ 9,891,000
Net Profit	\$ 2,382,640	\$ 4,325,100	\$ 8,530,600	\$ 12,136,800	\$ 18,369,000
<i>Net Margin</i>	13.2%	16.0%	15.8%	16.9%	17.0%

Appendix: Financial Assumptions

Profit and Loss Statement

Paws&Nourish- Buddy Bundles

<T his is a template for creating a P&L. You would need to adjust it for your business case. For example, if you are not creating physical product, then the expense st

Assumptions:

Revenue

	2023	2023	2024	2026	2027	
Number of units purchased per individual	24	24	24	24	24	
Number of purchasers/sales outlet/year	10,000	15,000	30,000	40,000	60,000	
Number of sales outlets	1	1	1	1	1	
Number of unit sales per year	240,000	360,000	720,000	960,000	1,440,000	
Wholesale price per unit	\$75	\$75	\$75	\$75	\$75	Cost per 7.5 lbs bag is \$75
Sales Revenue	\$ 18,000,000	\$ 27,000,000	\$ 54,000,000	\$ 72,000,000	\$ 108,000,000	

	2023	2023	2024	2026	2027	
Number of units purchased per individual	24	24	24	24	24	
Number of purchasers/sales outlet/year	10,000	15,000	30,000	40,000	60,000	
Number of sales outlets	1	1	1	1	1	
Number of unit sales per year	240,000	360,000	720,000	960,000	1,440,000	
Wholesale price per unit	\$75	\$75	\$75	\$75	\$75	Cost per 7.5 lbs bag is \$75
Sales Revenue	\$ 18,000,000	\$ 27,000,000	\$ 54,000,000	\$ 72,000,000	\$ 108,000,000	

<Revenue assumptions in this section. Note all assumptions that are hardwired are in color while all calculations are native/clear

Notes

Expenses

COGS

Part cost per units	\$52.50	\$52.50	\$52.50	\$52.50	\$52.50	
Packaging cost per unit	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	
Assembly fees per unit	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	

Part cost per units	\$52.50	\$52.50	\$52.50	\$52.50	\$52.50	
Packaging cost per unit	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	
Assembly fees per unit	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	

<https://finmodelslab.com/blogs/startup-costs/pet-food-production-startup-costs>

SG&A

Wages and Salary

months	12	12	12	12	12	
founder salary per month	\$ 2,000	\$ 2,000	\$ 6,000	\$ 7,000	\$ 8,000	
number of founders	3	3	3	3	3	
employees	5	7	10	15	20	
average cost per employee per month	\$ 5,000	\$ 5,000	\$ 5,000	\$ 6,000	\$ 7,000	

months	12	12	12	12	12	
founder salary per month	\$ 2,000	\$ 2,000	\$ 6,000	\$ 7,000	\$ 8,000	
number of founders	3	3	3	3	3	
employees	5	7	10	15	20	
average cost per employee per month	\$ 5,000	\$ 5,000	\$ 5,000	\$ 6,000	\$ 7,000	

<SG&A costs can similarly be mapped to different constituent parts that then roll up into the SG&A detail to be provided in the financials. Customize as ne

Rent & Utilities

rent/month	\$ 5,500	\$ 5,500	\$ 7,000	\$ 10,000	\$ 10,000	
utility and internet per month	\$ 700	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	

rent/month	\$ 5,500	\$ 5,500	\$ 7,000	\$ 10,000	\$ 10,000	
utility and internet per month	\$ 700	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	

Equipment and Supplies

Cost per new employee/founder	\$ -	\$ -	\$ -	\$ -	\$ -	
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Cost per new employee/founder	\$ -	\$ -	\$ -	\$ -	\$ -	
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Outsourced

Sales, Marketing, & Advertising

Advertising cost/unit sold	\$ 0.30	\$ 0.70	\$ 0.70	\$ 0.30	\$ 0.30	
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Advertising cost/unit sold	\$ 0.30	\$ 0.70	\$ 0.70	\$ 0.30	\$ 0.30	
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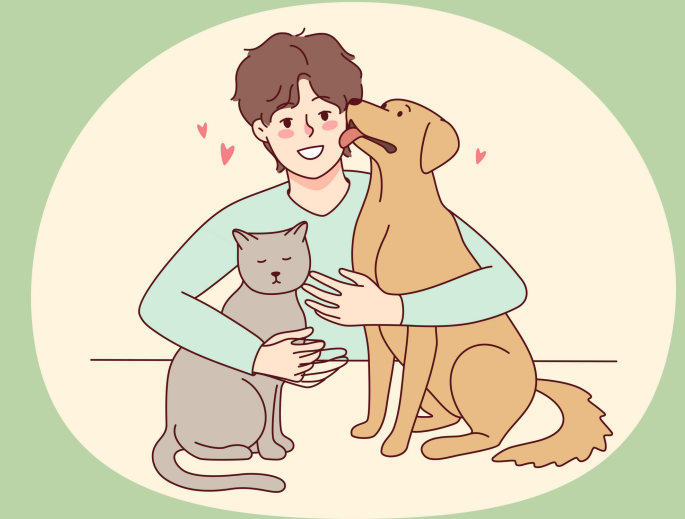
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R&D

Materials processing set-up cost	\$1,000,000	\$300,000	\$1,000,000	\$300,000	\$300,000	
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Materials processing set-up cost	\$1,000,000	\$300,000	\$1,000,000	\$300,000	\$300,000	
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Appendix: Business Model Pt. I



Values	
Quality	Inclusivity
Efficiency	Sustainability

Cost Structure	
Salaries	Research & Development
Marketing	Office & Warehouse Space
Partnership Commissions	Third-party Contracts

Customer Relationships	
Customizable Pet Details	Loyalty/ Rewards Programs
Feedback Forms	24x7 Customer Support



Appendix: Business Model Pt. 2



Key Activities	
Engineering	Product & Ingredients R&D
Hiring/Talent Acquisition	FDA Regulatory Pathway
Public Relations	User Testing

Outsourcing	
Marketing	Legal Services
Accounting, Taxes, Finances	Shipping, Packaging, Logistics
Security	IT

Key Partnerships	
Suppliers	Vets, Pet nutritionists
Pet trainers, breeders	Social Media Ambassadors, influencers

