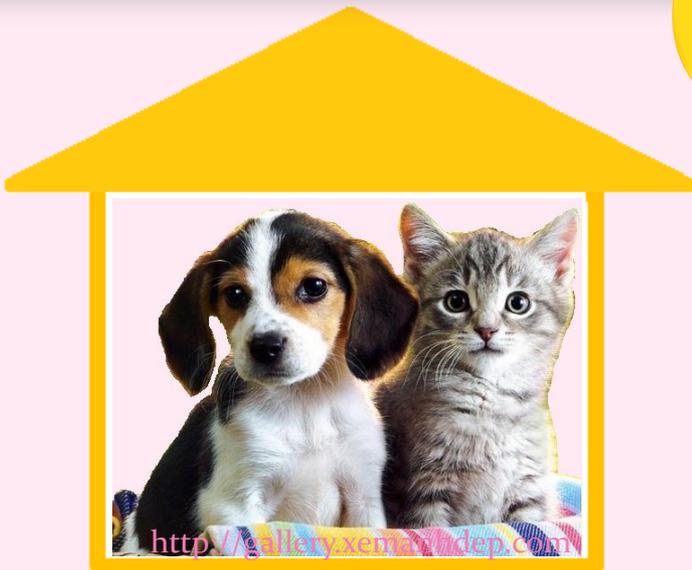


DARLING

@ Home



Ziyi Wu *December 2011*

Table of contents

- The Company
- Market Analysis
- Project Outline
- Cost Calculation
- Conclusion
- References

The Company

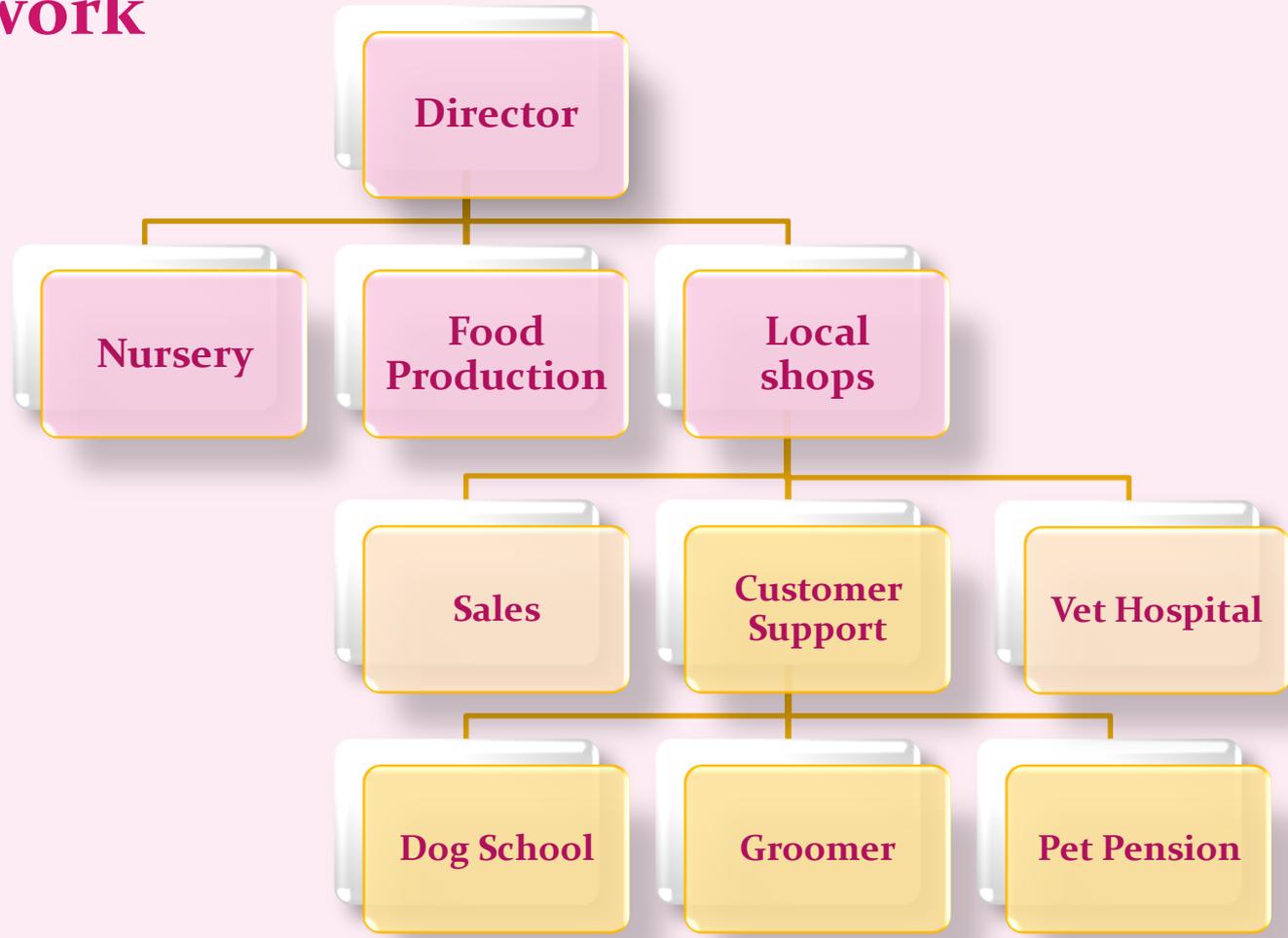
- Legal form

- Company name : 家有宝贝 (Darling at Home)
- Legal form: Company with limited liability →
- Partner number: 4
- Issued business licenses:
 - Commercial license
 - Business certificate

Company Law of People's Republic of China

- Number of partner: 2 - 50
- Minimum capital: 30,000 RMB (3,600 Euro) (New Company Law, article 26)

The Company - Framework

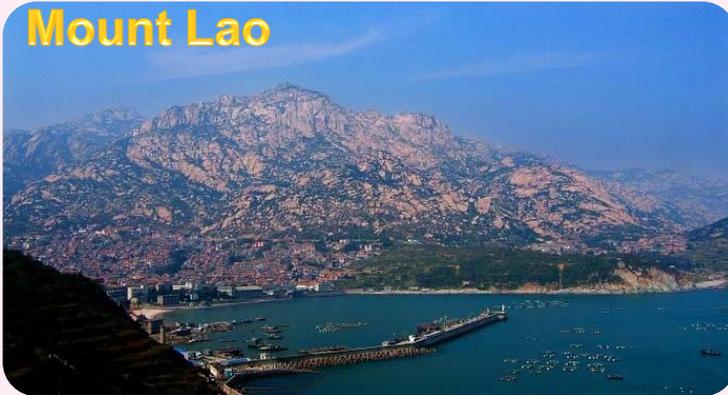


**Market Analysis
- Location**



<http://www.ssicargo.com>

Mount Lao



<http://linguistlist.org>

International Sailing Week



<http://en.nauticwebnews.com>

Evening Scenery



<http://www.fnetravel.com>

Qingdao Haiwan Bridge



<http://www.wikipedia.com>

Market analysis - Location: Qingdao

Total area: 10,654 km²

2010 census

- Population: 8.715 million
- Average lifetime: 80 years old
(859 elders are over 100 years old)
- Population with Bachelor degree or above: 1.295 million

Average annual
GDP growth:
16%

Hometown of
major electronic
companies:
Haier, Hisense

One of the six
„Golden cities“
by the World
Bank out of 120
Chinese cities

Most well-
known Chinese
export beer:
Tsingtao beer

Market Analysis - Target group

- Love animals
- Average or high income



Couples

- Still not ready for getting a baby
- Cannot get a baby
- Children have moved out from home



Singles

- Feel lonely at home

Market Analysis

- Potential competitor

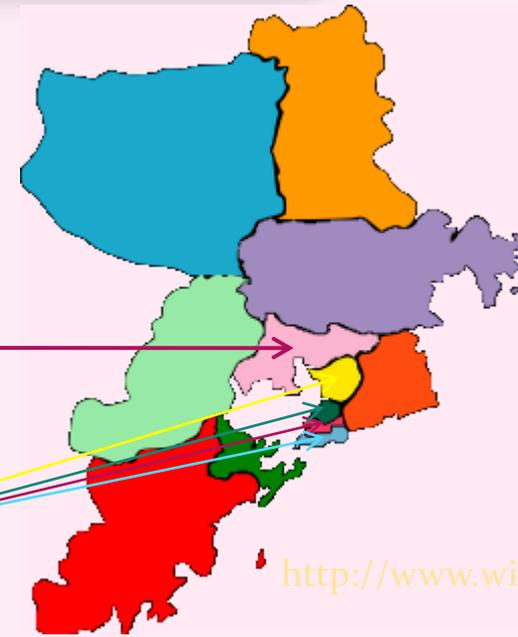
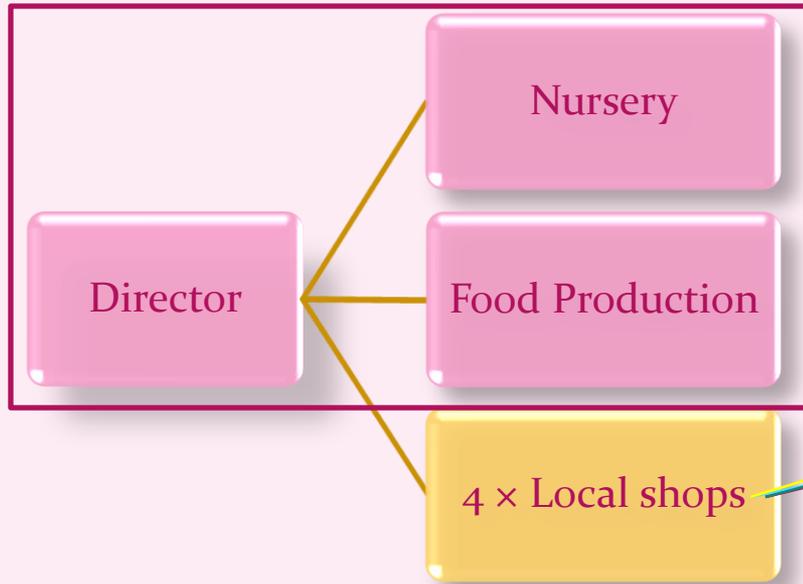


Company name: 派多格 (petdog)

- Legal form: limited company
- Business model: franchising
- Number of member shops: more than 600 (separated in different cities)
- Sales: house pets, house pets necessary
- Service: groomer, veterinarian

Does petdog already exist in Qingdao?

- Not yet



<http://www.wiki.pedia.com>

Project Outline - Location

- Chengyang-qu: low fixed cost, industrial area
- Lichang-qu } high population density
- Sifang-qu } high income
- Shibei-qu } potential customers' resident
- Shinan-qu } high fixed cost

Project Outline -Nursery

- Controlled multiplication (with birth certification)
- After birth treatment: inoculation
microchip implantation

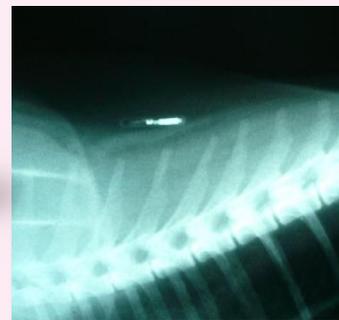


<http://www.freie-allgemeine.de>
<http://lifeofdad.com>

Microchip Implantation



<http://zsoltjodeemom.files.wordpress.com>



<http://gylendogs.files.wordpress.com>



<http://www.newsgd.com>



Imported Dog/Cat food

- potential customers favorite
- expensive

DARLING @ Home

Darling at Home

Dog/Cat food

- high quality product
- reasonable price

Production: national dog/cat food producer in Chenyang-qu, Qingdao
Quality control: *Darling at Home*



Project Outline - Food production

<http://www.threadbombing.com>

Sales

Dogs up 3 months

Cats up 3 months

Customer Support

Dog School

Groomer

Pet Pension

Member Club

Vet Hospital

Illness Treatment

Inoculation

Microchip
Implantation

Project Outline - Local shops



<http://www.telegraph.co.uk>

Sales

Dogs up 3 months

Cats up 3 months

Why do customers buy pets form *Darling at Home*?

<i>Reason No.1</i>	The health of the pets are guaranteed with birth certificate
<i>Reason No.2</i>	Inoculation injection and microchip implantation are cost free
<i>Reason No.3</i>	Membership of <i>Darling at Home</i> pet club
<i>Reason No.4</i>	10% discount of all customer services

Project Outline - Local shops



<http://www.telegraph.co.uk>

Sales

Dogs up 3 months

Cats up 3 months

Which payment possibilities do customers have?

3000 RMB	Average price per dog/cat, about 360 Euro
300 RMB × 12	3600 RMB in total, 20% interest

A **contract** between customer and *Darling at Home* will be signed. In the following cases:

1. The pet is dead before the 10th payment, the customer should pay till the 10th payment is paid.
2. The pet is dead after the 10th payment, no further payment is required.
3. The payment is not paid regularly, a monthly 5% interest will be added to the normal payment.

Project Outline - Local shops

Project Outline - Local shops

Customer Support

Dog School

Groomer

Pet Pension

Pet Club

Darling at Home Pet Pension: best solution for your holiday

<i>Reason No.1</i>	Most comfortable circumstance for the pets
<i>Reason No.2</i>	Cost free pet transport
<i>Reason No.3</i>	Lowest price, best service

What functions does Pet Club have?

<i>No.1</i>	Updating house pets Info
<i>No.2</i>	Organizing annually member trips
<i>No.3</i>	Giving customers suggestions
<i>No.4</i>	Helping pets finding new masters

Investment & Depreciation Cost

Investment Goods	Investment Expenditures[¥]	Depreciation [year]	Annual Depreciation[¥]
Land			
Property[m ²]	1.500.000	0	0
Prop. Purch. Fee 10%	150.000	0	0
Realtor's Fee 2%	30.000	0	0
Legal Fees 1.5%	22.500	0	0
Sum of Land	1.702.500		0
Building			
Administration office	200.000	20	10.000
Multiplication building	1.000.000	20	50.000
Local shops	2.800.000	20	140.000
Sum of Building	4.000.000		200.000
Instalation			
Furniture	50.000	10	5.000
Medical instrument	40.000	10	4.000
Electronics	20.000	10	2.000
Sum of Installation	110.000		11.000
Offsite/Extra			
Licenses	60.000	10	6.000
Company Cars	300.000	5	60.000
Cats	120.000	0	0
Dogs	150.000	0	0
Sum Purchase of Offsite/Extra	630.000		66.000
Unexpected	300.000	0	0
Circulating Capital	457.500	0	0
Total Investment Cost	7.200.000	Total Depreciation	277.000

Cost Calculation

Financing



6,6% interest
3 years running time

Total Investment [¥]	7.200.000
40% own capital funds [¥]	2.880.000
60% outside financing (bank loan) [¥]	4.320.000

Interest paid on debt

Banlance of debt [¥]	4.320.000	2.880.000	1.440.000
Interest rate (%)	6,6	6,6	6,6
Interest Cost Paid p.a. [¥]	285.120	190.080	95.040
a. Repayment [¥]	1.440.000	1.440.000	1.440.000
Total Interest paid [¥]	570.240		
Total repayment [¥]	4.320.000		

Cost Calculation



<http://i.haymarket.net.au>



The cats/dogs will be kept normally till 4 months old before being sold.

Cost Calculation

Consumption Cost of one pet

Empendabel Material	Cost
Food [¥]	160
Inoculation [¥]	100
Microchip [¥]	130
Energy [¥]	10
Total [¥]	400

Consumption Cost of Local shops

Empendabel Material	Cost
Energy [¥]	10.000
Maintenace [¥]	4.000
Total [¥]	14.000
a. consumption for 4 loacal shops [¥]	56.000

Labour Costs

Personal in cost centre	Number	a. Personnel direct Costs [¥]
Administration Office	2	60000
Nursery	4	72000
Food Producer	1	24000
Local Shops	8	144000
Vet Hospital	4	120000
Driver	2	36000
Total a. Labour Cost		456000



<http://i.haymarket.net.au>

Computation of cash-flow for 10 years

Year	1	2	3	4	5	6	7	8	9	10
Turnover of Pets [¥]	2.640.000	3.168.000	3.801.600	4.561.920	5.474.304	5.474.304	5.474.304	5.474.304	5.474.304	5.474.304
T. of Customer Service [¥]	88.000	193.600	320.320	472.384	654.962	844.175	1.041.350	1.248.081	1.466.278	1.698.235
T. of Dog/Cat Food [¥]	240.000	528.000	873.600	1.288.320	1.786.264	2.300.797	2.835.236	3.393.563	3.980.556	4.601.947
Total Turnover [¥]	2.968.000	3.889.600	4.995.520	6.322.624	7.915.530	8.619.276	9.350.890	10.115.948	10.921.138	11.774.486
Depreciation Cost [¥]	277.000	277.000	277.000	277.000	277.000	277.000	277.000	277.000	277.000	277.000
Financing Cost [¥]	285.120	190.080	95.040	0	0	0	0	0	0	0
Labour Cost [¥]	456.000	456.000	456.000	456.000	456.000	456.000	456.000	456.000	456.000	456.000
Nursery [¥]	320.000	384.000	460.800	553.600	664.000	664.000	664.000	664.000	664.000	664.000
Local Shops [¥]	56.000	56.000	56.000	56.000	56.000	56.000	56.000	56.000	56.000	56.000
Dog/Cat Food [¥]	216.000	475.200	786.240	1.159.488	1.607.638	2.070.717	2.551.712	3.054.207	3.582.500	4.141.752
Loss carried forward [¥]		-144.590								
Total Cost [¥]	1.610.120	1.693.690	2.131.080	2.502.088	3.060.638	3.523.717	4.004.712	4.507.207	5.035.500	5.594.752
Profit before Tax [¥]	1.357.880	2.195.910	2.864.440	3.820.536	4.854.892	5.095.559	5.346.178	5.608.741	5.885.638	6.179.734
Taxes (25%) [¥]	339.470	548.978	716.110	955.134	1.213.723	1.273.890	1.336.544	1.402.185	1.471.409	1.544.933
After Taxes [¥]	1.018.410	1.646.933	2.148.330	2.865.402	3.641.169	3.821.669	4.009.633	4.206.556	4.414.228	4.634.800
Cash-Flow [¥]	1.295.410	1.923.933	2.425.330	3.142.402	3.918.169	4.098.669	4.286.633	4.483.556	4.691.228	4.911.800
Payment Credit [¥]	1.440.000	1.440.000	1.440.000							
Dividend [¥]	-144.590	483.933	985.330	3.142.402	3.918.169	4.098.669	4.286.633	4.483.556	4.691.228	4.911.800
Equity [¥]	2.880.000	2.880.000	2.880.000							
Interest made on Equity (%)	-5	17	34	109	136	142	149	156	163	171

Total dividend cumulated over 10 years:

30.857.130 ¥ (about 3.702.856 €)

- Due to the project location the potential customer group is huge.
- Well-organized company team, qualified professionals and best medical instruments will lead to high reliability.
- The dog/cat food production will be done by other food producers, therefore, the licensing procedure in food production can be avoided, the preparation period for the project can also be minimized.
- The bank loan will be paid back during three years which can minimize the financing cost.
- According to the cost calculation, the project will obtain a positive dividend up the second year. The total dividend cumulated over ten years will be 30.875.130 RMB, which is about 3.702.856 Euro.

Conclusion

<http://gallery.xemanhdep.com/2009/02/cat-and-dog-photos/>
Company Law of People's Republic of China
New Company Law of People's Republic of China
<http://www.ssicargo.com/En/img/chinaMap.gif>
<http://linguistlist.org/fund-drive/2011/hometowns/xiyan/images/Laoshan1.JPG>
<http://www.fnctravel.com/english/qingdaohotels/intercontinentalqingdao/intercontinental-qingdao-facade2.jpg>
<http://en.nauticwebnews.com/65/qingdao-international-sailing-week-2010>
http://en.wikipedia.org/wiki/Qingdao_Haiwan_Bridge
http://n.b5z.net/zirw/z18b1/i/u/68100167/i//July11/0710Male_and_female.jpg
<http://goodhusbanding.com/talk-like-a-man>
<http://en.wikipedia.org/wiki/Qingdao>
<http://www.apetdog.com>
<http://www.freie-allgemeine.de/typo3temp/pics/c8a9adac94.jpg>
<http://lifeofdad.com/wp-content/uploads/2011/07/angrycat.jpg>
<http://zsoltjodeemomo.files.wordpress.com/2010/06/dog-microchip.jpg>
http://gyllendogs.files.wordpress.com/2010/03/800px-feline_identifying_microchip.jpg
<http://www.newsgd.com/pictures/peoplelife/content/images/attachement/jpg/site26/20110518/90fba69c4465of3d604302.jpg>
http://www.threadbombing.com/details.php?image_id=3914
<http://www.telegraph.co.uk/news/picturegalleries/picturesoftheday/8776225/Pictures-of-the-day-20-September-2011.html?image=11>
http://i.haymarket.net.au/News/20100628115059_RMB002.jpg

References