Strategic Management Plan Outline

**Pets Plus**

Anita Cajero, Alan Lieberman, Vickie Ortiz, Lelia Yellowman

MGMT 489

October 10, 2013

1. **Executive Summary**

The Pet Stores industry is ahead of the pack when it comes to sales. Even during the Great Recession, which slowed most of the retail sector, the industry continued to yield positive revenue growth. This trend was mainly driven by an increasing number of “pet parents” – pet owners who treat their four-legged friends as family members. During the economic downturn, when consumers of all income levels tightened their belts, pet parents cut back on their personal discretionary spending first before scaling down on their spending for their pets. Consequently, revenue growth slowed during the recession but maintained its overall positive trend. Revenue was increased at an annual rate of 2.8% to 14.7 billion in the five years prior to 2012. The emerging trend of pet parents has also brought about high demand for premium pet products and services. Pet owners who treat their pets as family treat them with all natural and organic pet foods and treats, in addition to services such as grooming and daycare.

2. **Internal Environment**

* Major customers:
* 62% of American households own a pet
* Rural communities

* Close substitutes:
* Sam’s Club
* WalMart
* Grocery Stores
* Mom and Pop Stores
* Basic strategies:
* Provide small communities with high end pet food along with services not available in the communities – One Stop Shop
* Food supplies for farm animals as well as domestic animals

3. **External Environment**

* Industry size and dollars:
* 2012 -14,000 stores
* $14.7 Billion in Revenue
* 2.8% Growth Rate – 2007-2012
* 3.8% Expected Growth Rate – 2012-2017
* Competitors:
* PetSmart Inc. 44.3% of market share
* PetCo Animal Supplies Co. 20.7% of market share
* Entry barriers:
* High and medium levels of competition
* Industry regulations:
* Pet Animals Act 1951
* Lemon Law for Animals

1. **Strategy Implementation**

* Ask a Vet.com
* Grooming
* Day care for small animals
* Pet Hotel
* Feed for farm animals – Horses, chickens, cows
* Training
* Pet Hospitalization