

# Dog Daycare Financial Projections: 2026 Operating Cost Analysis

Navigating Fixed Costs, Payroll Levers, and  
Strategic Capital Requirements

Prepared for Investor Review | FY2026 Strategy

# The \$34,000 Reality: Monthly Running Cost Snapshot



Total Monthly Running Cost: ~\$34,000  
(Immediate Break-even point)

Payroll: \$18,583  
(The dominant expense)

Fixed Overhead: \$10,650  
(Lease + Utilities + Insurance + Software)

**Insight:** Payroll expenses dwarf facility costs. The business faces immediate break-even pressure.

# Strategic Framework: Fixed Floors vs. Variable Levers

## The Fixed Floor



Costs incurred with 0 dogs.

- Lease (\$7,500)
- Base Salaries
- Insurance

Insight: High fixed costs require high initial occupancy to avoid bleeding cash.

## The Variable Scaler



Costs rising with dog count (450% - 950% scaling).

- Supplies
- Marketing
- Additional Labor

Insight: Contribution margin must remain above 40%. Staffing costs will change disproportionately.

# The Capital Buffer: Surviving the Start-up Phase



**Strategic Imperative: Secure pre-sold monthly memberships to shorten the runway.**

# Cost Driver #1: Payroll (The \$18,583 Lever)



Owner/Manager  
(\$6,667)

Total 50 FTE  
Projected

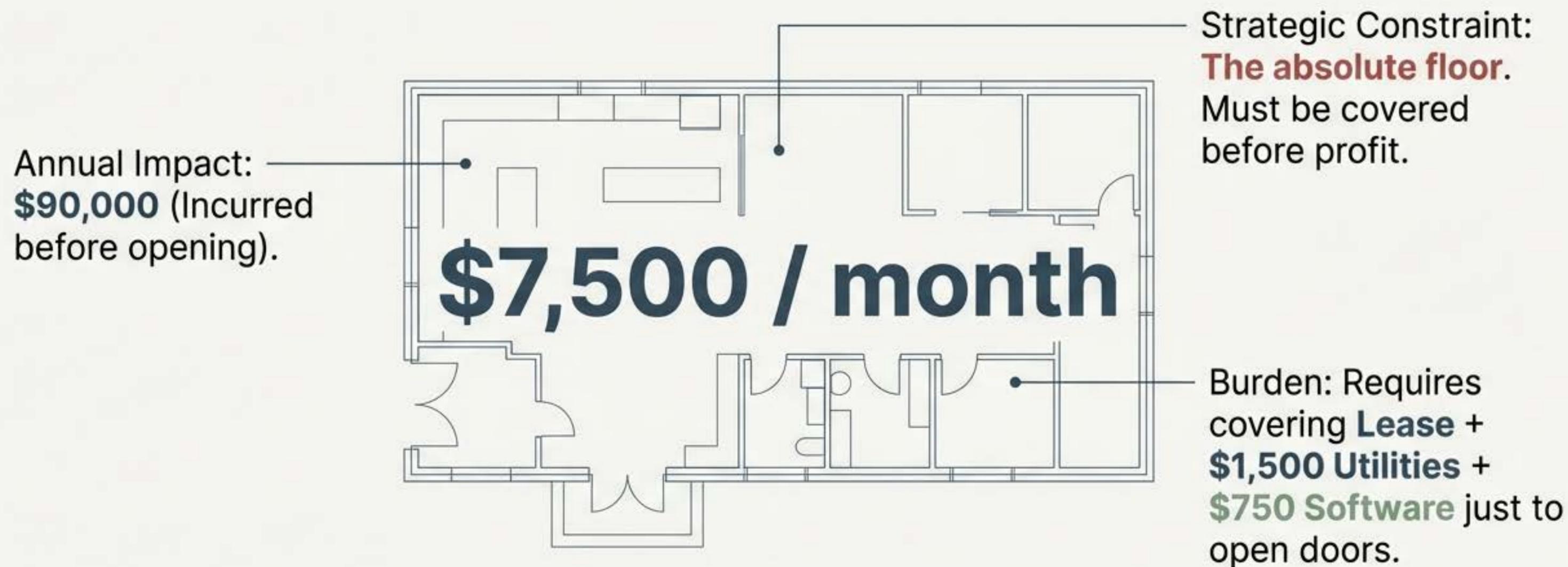


Daycare Attendants  
(\$5,333 for two)

Total Monthly Payroll:	<b>\$18,583</b>
Owner/Manager:	<b>\$6,667</b>
Attendants (x2):	<b>\$5,333</b>

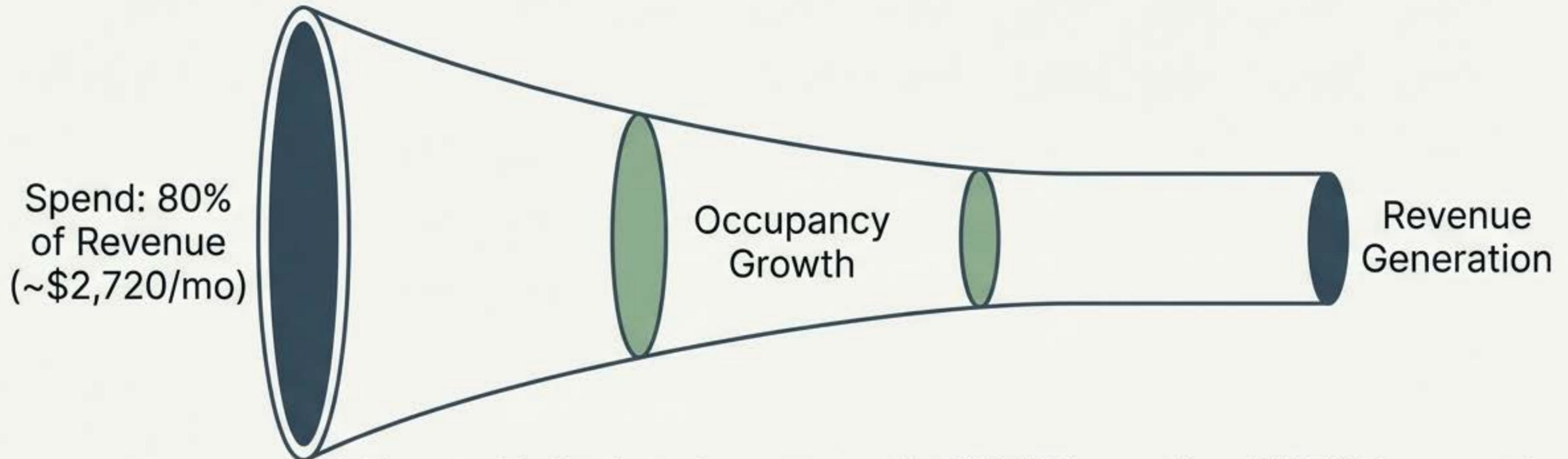
**Efficiency Check:** If average loaded cost per FTE exceeds \$371, the management mix must be reviewed. Overstaffing destroys margins.

# Cost Driver #2: Facility Lease (The Fixed Anchor)



Mitigation: Negotiate Tenant Improvements (TI) and early termination clauses before signing.

# Cost Driver #3: Marketing (Fuel for Occupancy)



This spend is the lever to overcome the \$18,583 payroll and \$7,500 lease costs.

Key Metric: Focus on Lifetime Value (LTV) vs. Customer Acquisition Cost (CAC).

**Risk: Slowing spend too soon causes revenue to drop faster than fixed costs.**

# Cost Driver #4: Utilities (Baseline Efficiency)



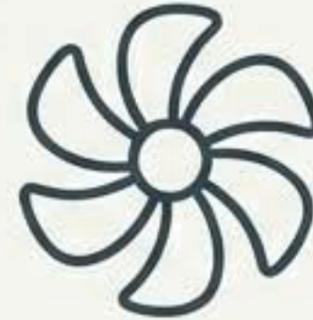
Electric



Water



Gas



HVAC

**\$1,500 / month (Fixed)**

- **Scope:** Covers electricity, water, gas, and HVAC load.
- **Management Strategy:** Savings come from efficiency (LEDs, smart thermostats), not usage cuts.
- **Note:** Comfort is part of the product; usage fluctuates but budget is fixed.

# Cost Driver #5: Cleaning Supplies & COGS

~\$1,190 / month

20% of  
Revenue

Cleaning Supplies  
(\$680)

15% of  
Revenue

Dog Treats  
(\$510)

- **Key Distinction:** These are Variable Inputs (COGS) that impact Gross Margin, unlike the fixed Lease.
- **Tactics:** Negotiate unit pricing on bulk buys; audit waste daily.

# Operational Support: The Safety & Compliance Layer

## Business Insurance

**\$500 / month**

Liability & Property coverage.  
Critical for dog-on-dog injury risk.  
Do not underinsure to save 5-10%.

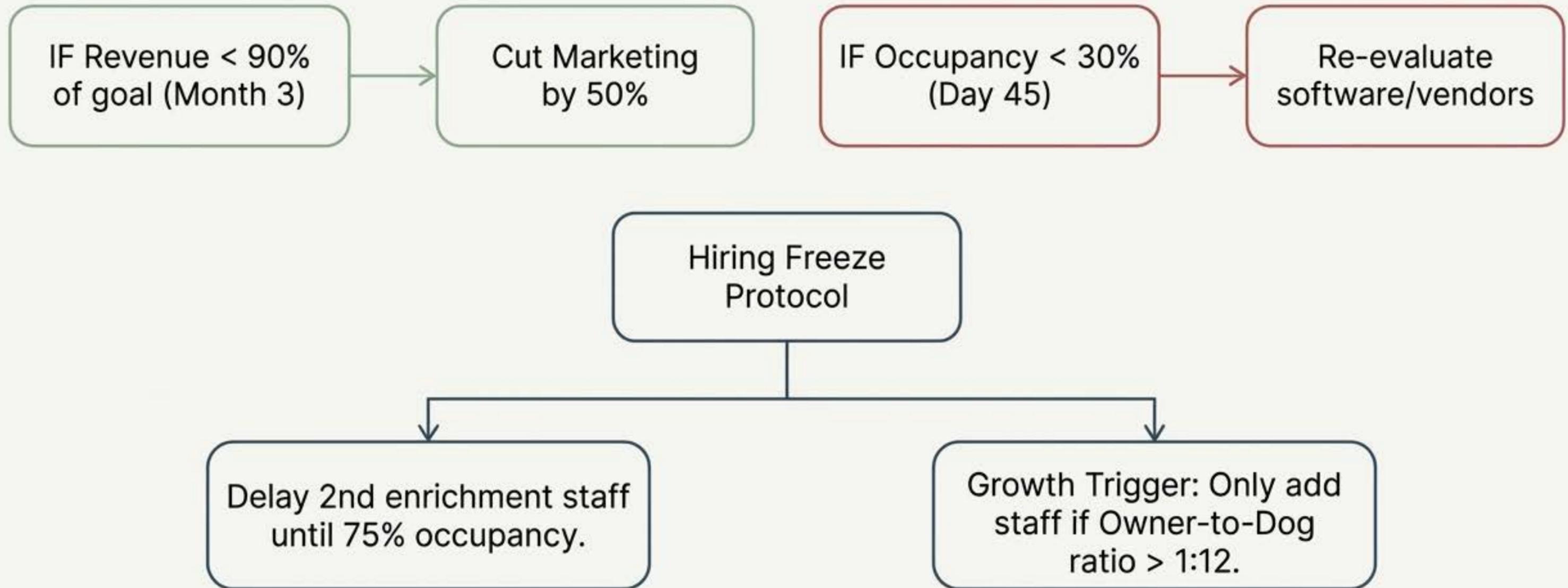
## Software & Pro Fees

**\$750 / month**

Booking Systems (\$350) +  
Legal/Accounting (\$400).  
Non-negotiable overhead.

Missing these payments risks operational halts.

# Scenario Planning: Low Occupancy Triggers



# Financial Health Checklist



**\$34,000** Monthly Break-even identified and modeled?



Payroll (\$18,583) optimized for staff-to-dog ratio?



**\$884,000** Capital Buffer secured for CAPEX and initial burn?



Marketing Spend tied dynamically to occupancy targets?

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**Closing Insight:** Profitability relies on balancing the premium service promise (High Labor) with strict fixed cost management.

# Q&A and Financial Appendix

Detailed line-item projections and vendor quotes available upon request.

