

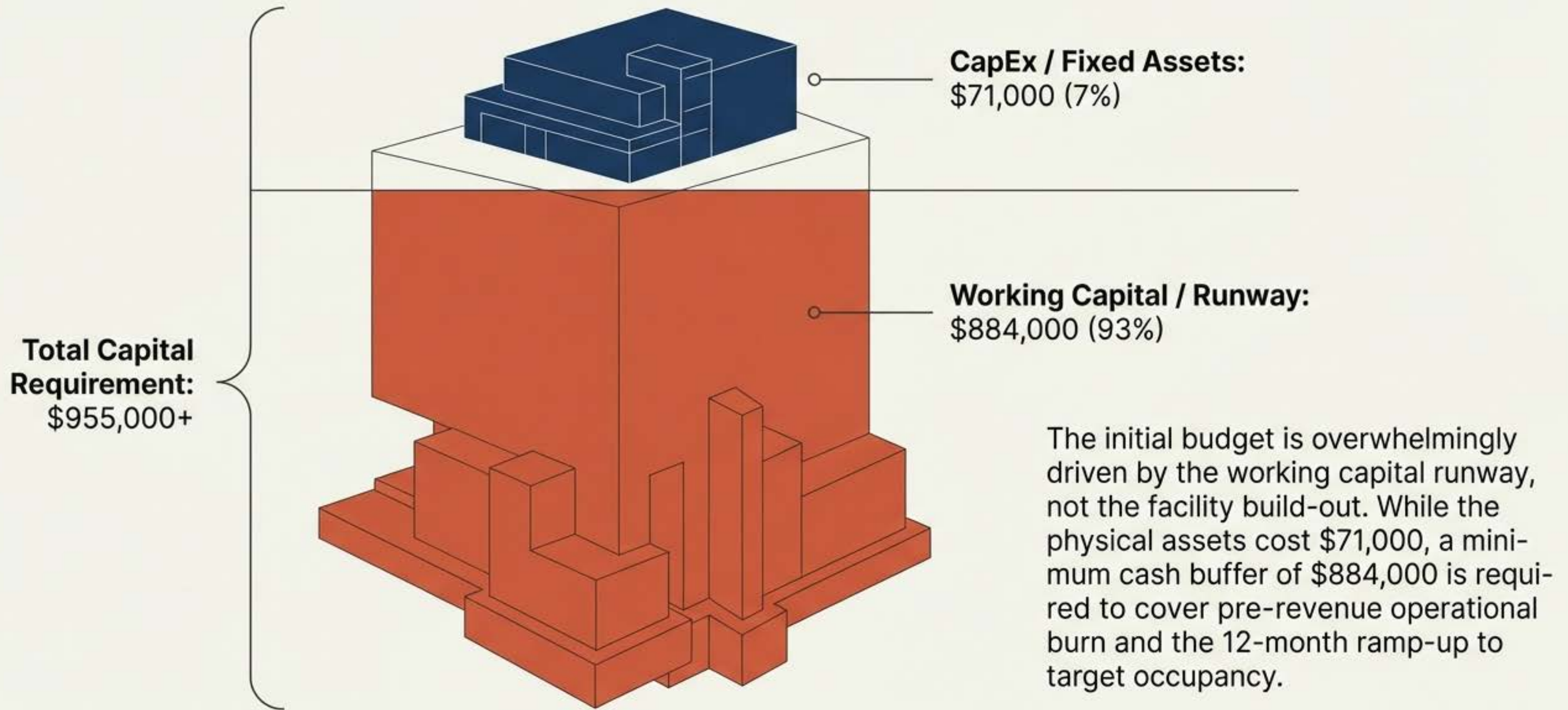
Capitalizing the Premium Dog Daycare Model

From Initial Asset Load to Operational Stabilization



A strategic guide for owners and investors on structuring the \$955,000+ capital requirement needed to bridge the gap between physical build-out and sustainable profitability.

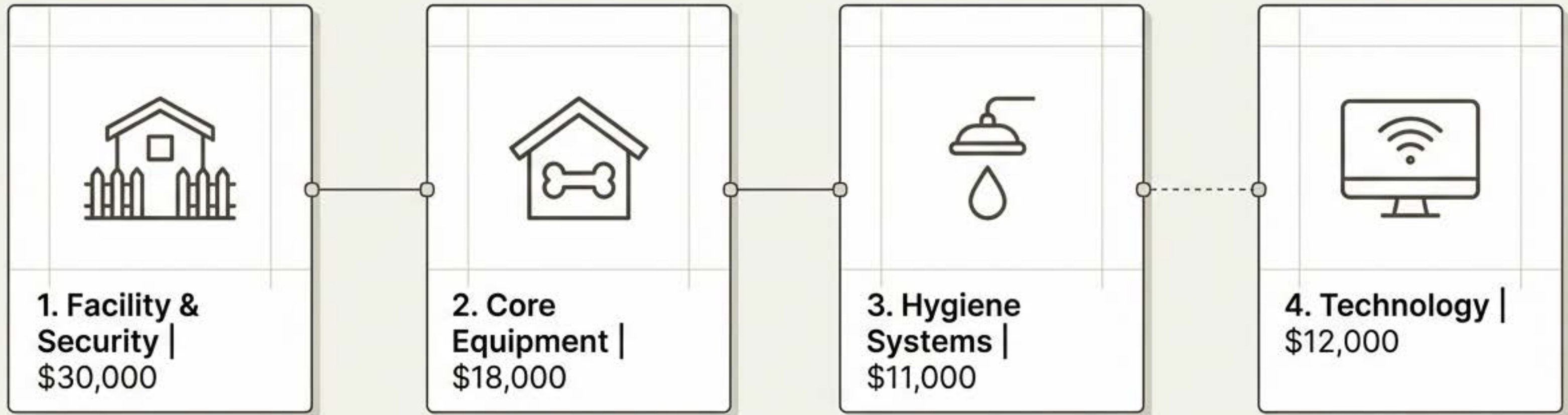
The Liquidity Reality Check



Anatomy of the Fixed Asset Load (\$71k)

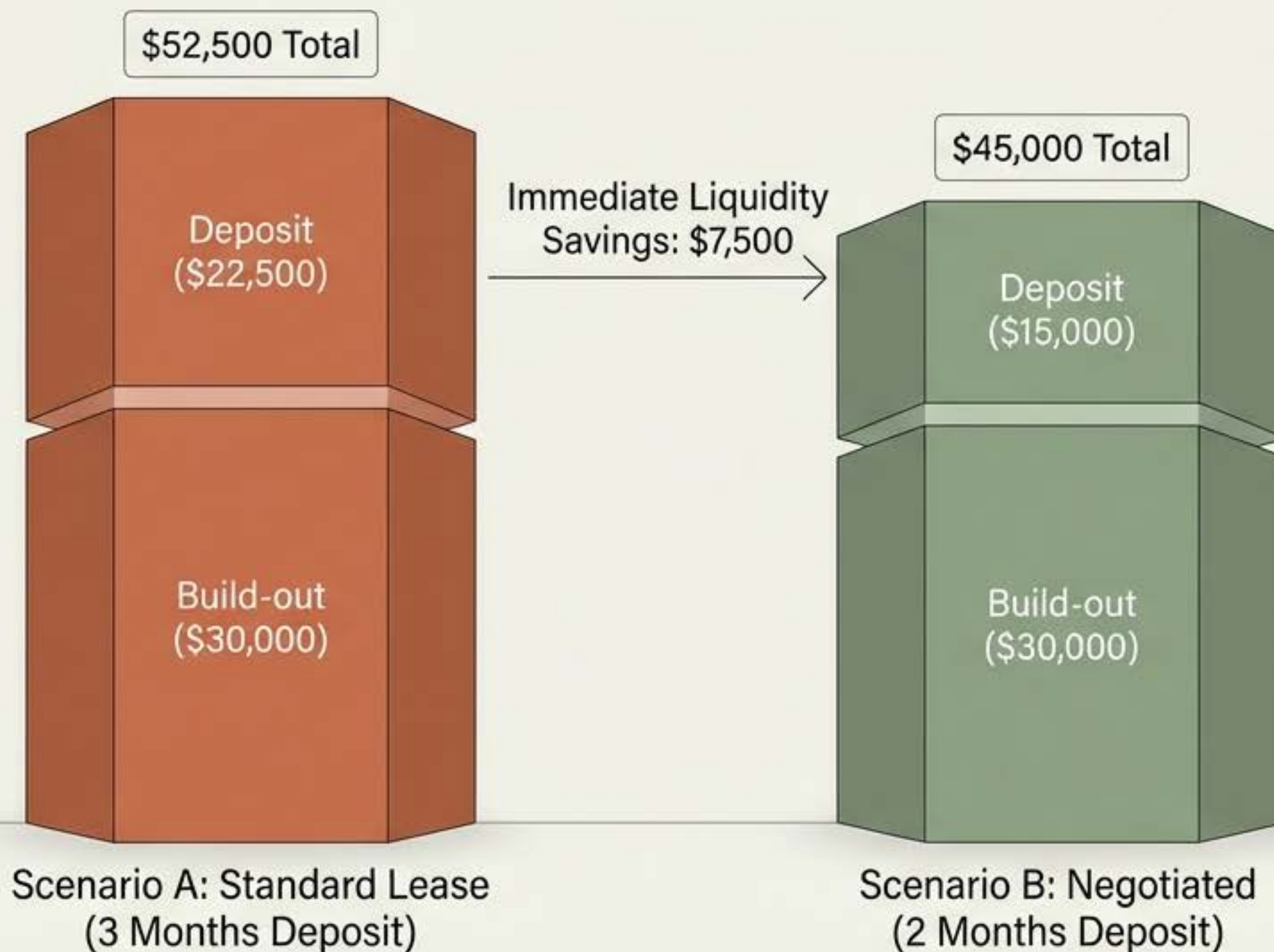


Sunk Cost Reality: These funds establish physical capacity but do not fluctuate based on daily volume. This capital must be fully deployed before a single dollar of revenue is generated.



Facility Build-Out & Lease Leverage

Cash Outlay: Facility & Lease



Negotiate the deposit term.
Reducing the security deposit from 3 months to 2 months saves **\$7,500** immediately.

Landlords prefer shorter terms if financials are strong, but as a startup, you must fight for this liquidity.

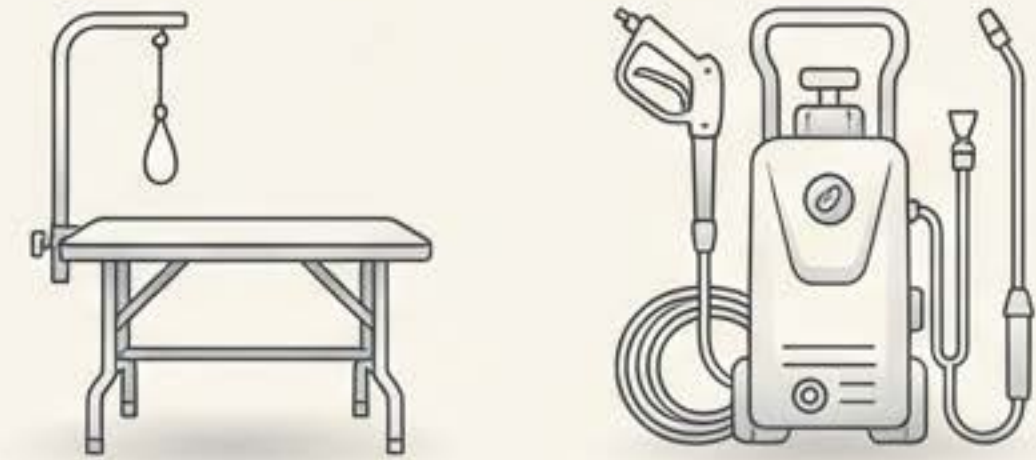
Equipment & Hygiene Standards

The Play (\$18,000)



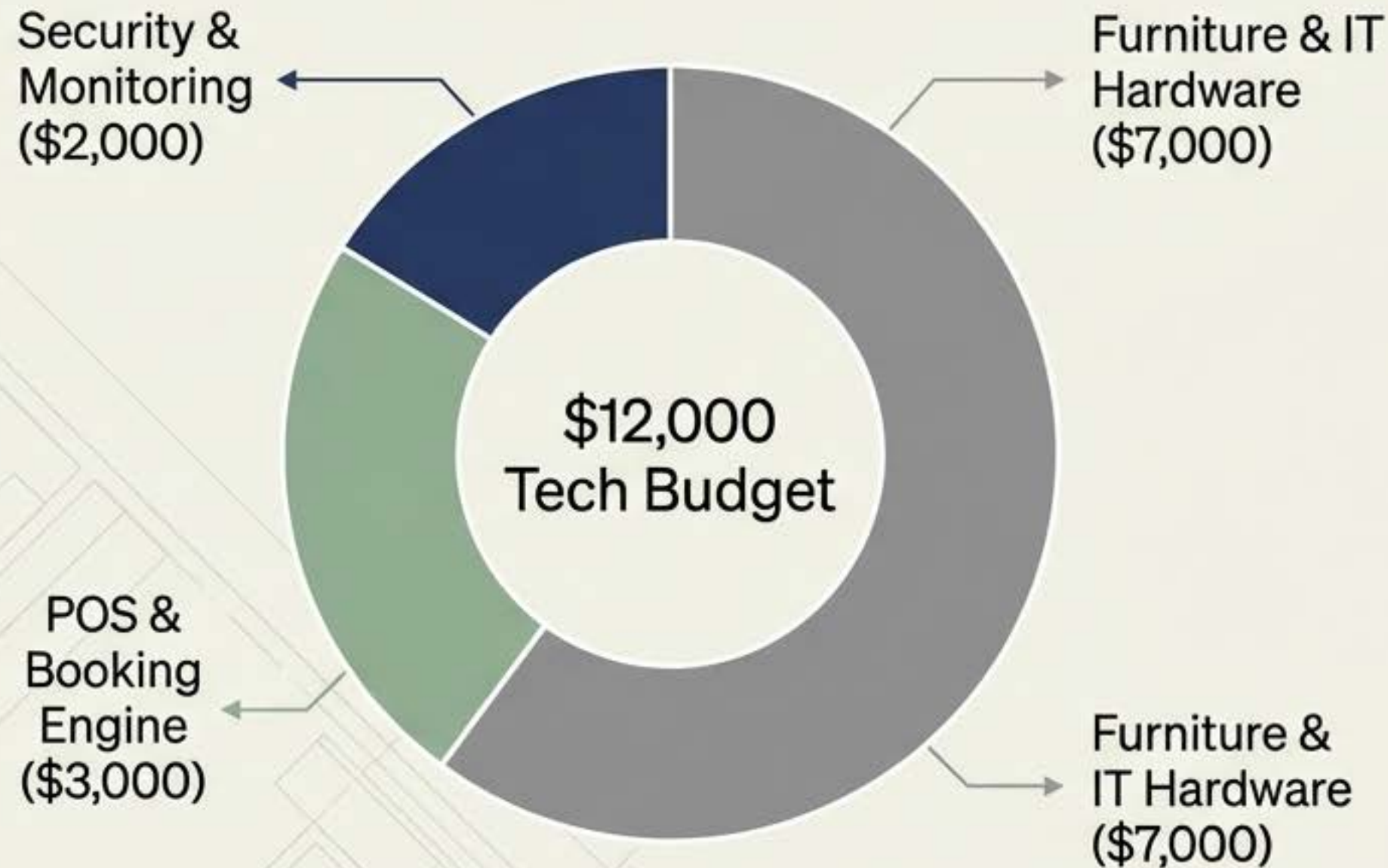
Source durable used play equipment, but never compromise on kennel safety compliance. If onboarding takes the onboarding takes 14+ days, churn risk rises.

The Clean (\$11,000)



Includes \$5,000 for advanced cleaning systems and \$6,000 for grooming setup. Do not discount sanitation; it protects the premium revenue strategy.

Technology & Operational Infrastructure



Revenue Engine: Prioritize the booking system—revenue depends entirely on capacity management.



Cost Control: Use Wi-Fi cameras to save ~\$500 on installation.



Office: Source used office furniture; clients don't see the back office.

The Silent Killer: Pre-Opening Payroll

Month -3 Month -2 Month -1 Day 0 (Launch)

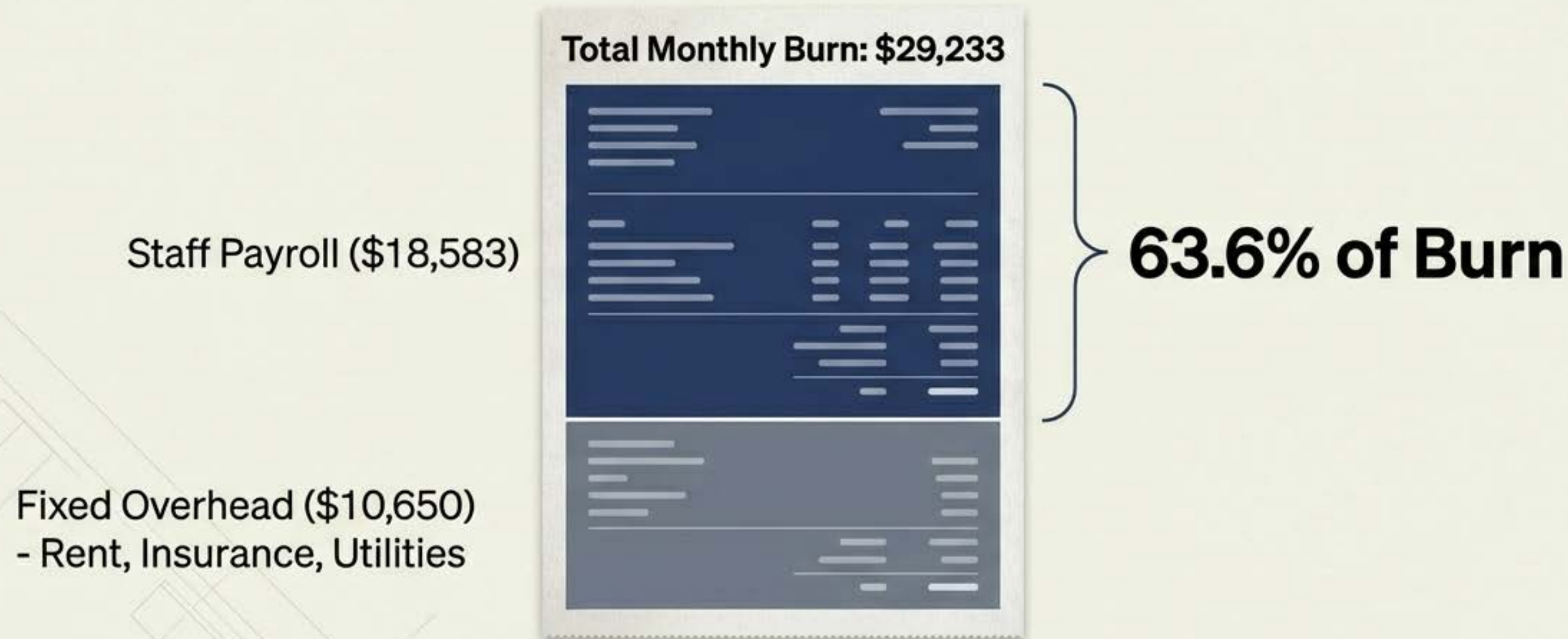
\$55,750 Sunk in Pre-Opening Wages

Risk: If facility inspections delay launch by one month, cash runway shrinks by roughly **\$18,583**.

This is a fixed overhead cost that hits before revenue.
3 Months. 45 FTEs. Training & Onboarding.

Phase hiring to match facility readiness. Do not onboard full staff until Certificate of Occupancy is secured.

Deconstructing the Monthly Burn Rate



Note: Insurance is fixed at ~\$500/month immediately. Inventory (treats/cleaning) scales with revenue, but Rent and Payroll are the fixed anchors.

The Survival Buffer

Why nearly \$1M?



Zero Revenue Scenario:

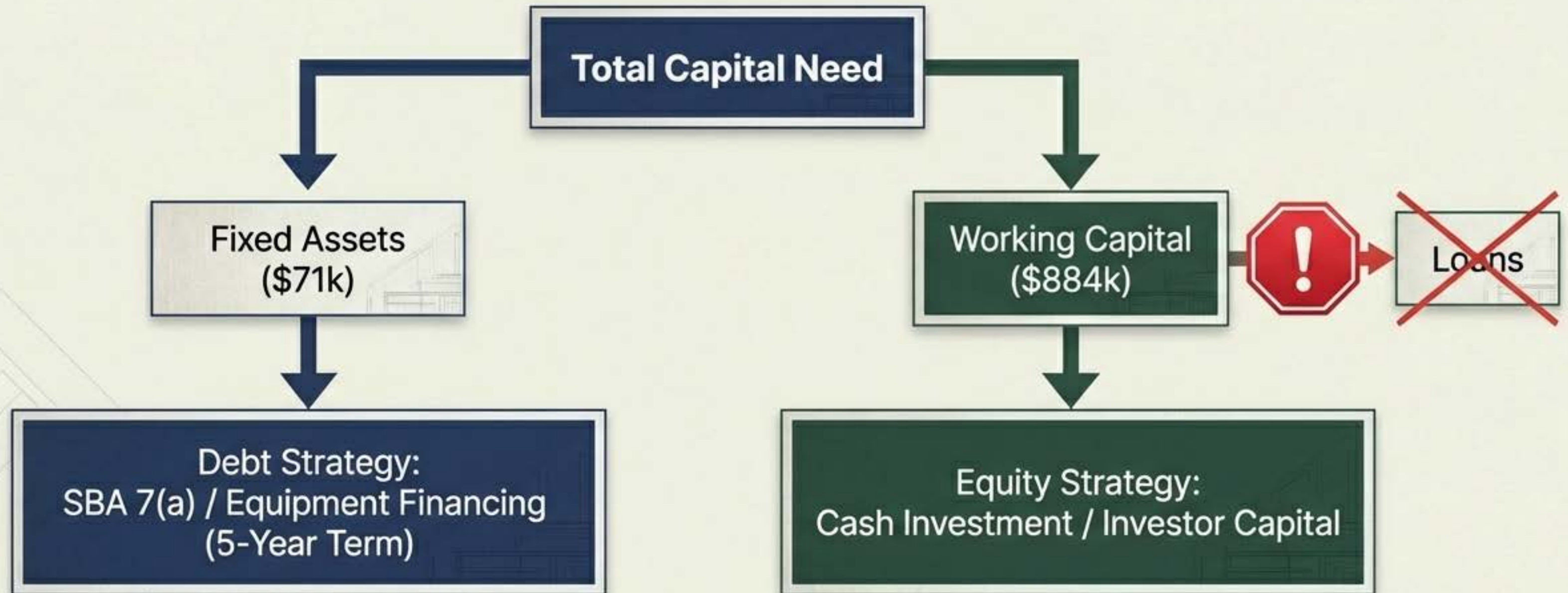
Covers ~30 months of operational burn (\$29k/mo).

Realistic Ramp:

Covers the critical 12-month period required to achieve target occupancy and break-even volume.

This capital is the primary risk factor. It covers the operational gap between Day 1 expenses and the point of stabilization.

Strategic Capital Allocation: Debt vs. Equity



Do not use high-interest debt to fund the burn. The operational gap requires patient capital (**Equity**), while hard assets can support collateralized debt.

Optimization: Reducing the Burn



Aggressive Pre-Sales

Secure 50% of capacity via pre-sales. Revenue from Day 1 directly offsets the \$55,750 payroll drain.



Phased Hiring

Delay non-essential roles. Match staffing levels to the 14-day onboarding cycle of new members.



Lease Defense

Lock in the 2-month deposit cap to preserve \$7,500 in upfront liquidity.

The Profitability Horizon (2026)



The barrier to entry is not the facility; it is the liquidity required to survive the ramp-up. Once the occupancy gap is bridged, the model shifts from cash consumption to generating significant free cash flow.