

Franchise Times®

The News and Information Source for Franchising

www.franchisetimes.com

September 2004

PACK MENTALITY:

Every dog has its day of care

Franchising is going to the dogs. Why else would two doggie daycare franchises spring up independently of each other in Colorado?

By Nancy Weingartner

Rueben isn't just the teacher's pet; he's the epitome of the dreaded teacher's kid.

He can get a little mouthy in the play yard; a little overprotective, a little selfish about sharing the bacon-flavored bubbles. What Rueben forgets—like many of his four-legged schoolmates—is he's a dog.

But don't blame Rueben: His mom and dad are the owners of Top Dog

Daycare in Colorado Springs, where dogs are king.

If you're not a dog lover you may find sending your dog to "preschool" one to three times a week a bit decadent. But the socialization creates happy, tired dogs for owners to take home, not to mention avoiding the normal chew-and-destroy missions dogs like to undertake when left home alone. And, for an additional fee, owners can have their dogs spend the night when they're away on business.

Joelle Hilfers and her husband opened Top Dog Daycare five years ago and are now franchising their concept. A little farther north in Denver, Heidi Flammang already has several franchisees on board for her doggie daycare, Camp Bow Wow. And for owners who want their pets cared for in their own homes, there's Boston-based DoggieDay.

As Americans humanize their pets into four-legged children, is it any wonder they don't want to sit at work worrying about what Sparky's up to at home? And just like nanny-cams allow parents to check on how well their nanny is taking care of their children, pet-parents can see what their charges are up to on any given day thanks to a Web-

cam streaming. Some people even have a window open on their computer screen tuned

"We have people call and say they can't see their dog, so we walk their dog out and wave (to the camera)," says Hilfers.

Pet theories

The dog care business is an area that's ripe for franchising, according to Kevin Hein, a partner with the law firm, Snell & Wilmer in Denver, which has taken on several dog-related franchises, including Camp Bow Wow and Bark Buster, a dog training franchise.

A good sign that a concept is franchisable, Hein says, is when you start seeing a lot of "little independents springing up." The nice thing about independents is you have someone out there building awareness of your niche, and they "create interest entirely on their nickel," he says. The fact that two doggie daycare franchises unleashed their programs about the same time will only benefit both of them, Hein contends.

The benefits of going with the branded concept, as opposed to opening a center on your own, Hein says, is getting a leg up on the legal and real estate issues. "There are some pretty unique zoning and environmental issues," Hein says.



Heidi Flammang, CEO of Camp Bow Wow; above, one of her happy campers



Heavy Petting figures

83—the percentage of dog owners who refer to themselves as their pet's "mommy" or "daddy"

59—the percentage of pet owners who celebrate their pet's birthday

10 million—the number of dogs that spend the night on their owner's bed

1 million—the number of dogs that sleep under the covers with their head on the pillow

\$34 billion—the amount Americans spend on their pets each year

Source: Industry figures

For Heidi Flammang, who has seven Camp Bow Wow's open, "zoning is the most difficult part of our business," she says. Typically her "camp" sites have been set up in light industrial areas. The facilities are about 6,000 square feet, and must include indoor and outdoor areas. Both Camp Bow Wow and Top Dog include play equipment, such as kiddie pools and Little Tykes playhouses and slides. "Only a few use it (the play equipment) the way it's suppose to be used," Flammang says.

Inside, campers have cots, so they don't have to sleep on the floor during nap time. And just like their kid-counterparts, not all dogs welcome nap time. "We have to put them in a kennel to see if they're nap-worthy," Hilfers says. "If they bark and carry on, they're not allowed (to stay in the nap room)." Which is a shame, because many of the daycare dogs show up with their own blanket, backpack and favorite toy.

And, just like kids in daycare, the dogs have certain buddies they're excited to see each time they come. Others, such as Winston, a Jack Russell terrier who's also the Colorado Avalanche hockey team's mascot, prefer human contact to canine. Winston likes to spend the afternoon lounging on the couch with the Camp Bow Wow staff. Hilfers says her Top Dog staff is always finding dogs patiently standing under their hands waiting for them to instinctively start petting.

Dog tales

Both Hilfers and Flammang decided to franchise their concept after numerous requests from clients.

Hilfers was in the TV news business—which she found "more superficial, cut-throat and low paying" than she had envisioned—when she produced a news segment on a doggie daycare center in California. She researched it and found there was nothing like it in Colorado. In addition to developing the business model, she's developed K-9 Connect, a software program that tracks everything from the dogs' medical conditions and eating habits to their owners' purchase history. It also generates a daily electronic report card for owners and tracks all the financial transactions.

K-9 Connect is one of the reasons her business was selected as a finalist by the National Federation of Independent Business for its recent top small businesses awards.

For Flammang, Camp Bow Wow is a redirection of her dream as a young girl

of becoming a vet. Instead she became a pharmaceutical salesperson and a certified financial planner. When her husband died in a plane crash, the tragedy taught her to take risks and "to do what you want—not need—to do."

Opening a doggie daycare was one of the things she not only wanted to do, but saw a real need for. The owner of a "mom and pop" daycare close to her father's house wasn't interested in franchising, so Flammang invented her upscale club concept from scratch. After her first center proved a success, she opened a second, to ensure the concept was viable in other locations.

In addition to the daycare center, Flammang is also developing an ancillary business of dog treats, dog accessories and a private label dog food that was developed for the NYPD's canine unit.

Keeping them home

Not every entrepreneur specializing in canines wants to go to the expense of building a center.

Lou Whitney, CEO of DoggieDay, who describes himself as a "serial entrepreneur," decided to start his business after he had trouble finding reliable care for his three to five Jack Russell terriers. A bad experience at a kennel made him decide to go the in-home care route.

The difference between his service and the mom and pops that do pet sitting, he says, is that he's put a professional face on the industry: Employees wear uniforms, reservations can be booked online and the program is membership based. He's partnered with merchants who accept "DoggieDay dollars" earned for referrals and booking frequency.

Employees give pets medication, such as insulin shots, and bring in the mail and water plants. Clients who get delayed at the office and can't get home to let their dogs out, can call DoggieDay to relieve them of their pet responsibilities.

"I don't see an end to this, every day a new opportunity opens up to us," Whitney says.

His latest opportunity is Pet Shop Girls retail store. He purchased the Boston store with the intention of offering it as an add-on to franchisees. The shops will sell pet supplies as well as massage and acupuncture. In case you're wondering, the massage services will be provided by certified human massage therapists, since as of yet, there's no special certification for

canine massage. But don't rule it out.

Whitney views the in-home pet care business as being similar to where maid service was 10 years ago. At that time only the wealthy had housekeepers, but with the influx of women into the job market, having a cleaning service come to your home became a necessity, not a luxury.

Now it's the dogs day in the sun.

"The pet industry hasn't reached it's full potential dollar wise," Whitney says. "The spending limits are only there by what's available." **ET**

At a glance

When started:

Camp Bow Wow: September 2000

Top Dog Daycare: August 1999

DoggieDay: 1999

No. of units:

Camp Bow Wow: Seven open (24 franchises sold at presale)

Top Dog Daycare: One (franchise program started in July 2004)

DoggieDay: Eight company-owned units

Franchise Fee:

Camp Bow Wow: \$30,000

Top Dog Daycare: \$30,000

DoggieDay: \$18,000 for first, \$15,000 for second and \$12,000 for third

Royalty:

Camp Bow Wow: 5 percent

Top Dog Daycare: 4 percent

DoggieDay: 8 percent

Fees to clients:

Camp Bow Wow: \$20 to \$24 per day for daycare, \$10 extra for overnight

Top Dog Daycare: \$17 for 12-hour day; \$10 for half day; \$22 for overnight (additional \$3 a day charge for a "snack")

DoggieDay: \$13 to \$24 per visit or \$36 for three visits a day (in addition to caring for the pet, workers will take in the mail and newspapers, water plants and in one case, locate passports in the desk and FedExing them to the client)