

Know Your Numbers

Workbook



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Introduction

Congratulations! You've just taken an important step in taking control of the financial results of your business. This workbook will walk you step-by-step through the process of determining important information about your business and why you are or are not reaching your money goals. **Don't worry** if you are not comfortable with numbers or Excel - just follow the workbook step-by-step and take your time.

Our goal is for you to **gain confidence and a better understanding of how your business makes money.** In fact, we want you to feel that purchasing this workbook was the best money you ever spent. After completing *Know Your Numbers* you'll have real information for making business decisions on your pricing, adding more services, increasing wages or adding new support or management positions.

This workbook compiles five of the most important numbers and provides information you can take action on to make more money. You will be guided through reviewing your "Revenue Per Pet" and the impact of discounts you offer. You'll also calculate if you're making money for each service you offer. *Know Your Numbers* will also confirm details on your costs compared to your pricing so you know you're making money on your services.

As a pet service business, you focus on pets and how many are coming into the door each day, week or month. Would it be helpful for you to know the day of the month when the revenue you earned paid all your costs for that month? If yes, then you will love the information provided in our break-even template. **You will know the number of pets you need to service each month to break-even** so the day that pet arrives you can celebrate and start counting your profits. You'll also know the average profit you make per pet served so if that number is not high enough you can take action to increase it.

Know Your Numbers is a great tool to better understand how your business makes money. We want you to feel that these five numbers are your friends or facts on your business operations. So let's get started getting to "know your numbers."



How to Use Your Workbook

Here are the steps you'll take:

1. **Gather financial information** from the last year, including revenue, expenses, and number of pets serviced. Use the detailed [Checklist](#) provided. Your bookkeeper can help you obtain this information.
2. **Input financial data into the included Excel spreadsheets.** The spreadsheets will do all the heavy lifting calculations for you. You just follow the [Excel Template Instructions](#) provided for each of the five key calculations and plug the right numbers into the right spots.
3. **Analyze your results and make adjustments** to rates, discounts or expenses to help grow your business profitably.
4. **Repeat this exercise every quarter** to monitor your progress. Always use data from the last 12 months so that results are not distorted. A full year of data will give you a big picture view. For example, 12 months will smooth out the highs and lows caused by seasonal differences. It will also better average out package payments received, when one payment is made for several months of service in advance. We've included one spreadsheet file for each quarter (labeled Q1, Q2, Q3, and Q4). Also included is a blank read-only Master template file to copy for additional quarters, if desired.

Here is a breakdown of the Excel Template Spreadsheets:

- **Revenue per Pet & Discount Impact** - We often use discounts to get new customers, or earn loyalty with current customers, but do you know how much discounts are effecting the money you're actually making? For example – let's say your full rate for a service is \$30. You have various discounts such as "after 5 days boarding, the 6th day is free" or "save 15% off with this coupon." This spreadsheet will quickly tell you exactly how much income you're making per pet, factoring in the impact of your various discounts.
- **Fixed Cost** - "Fixed Costs" are overhead expenses that you always pay no matter how many or how few pets you service. For example, if you serve 5 pets or 5,000 pets in a month, your rent/mortgage cost will be the same each month. This spreadsheet tells you how much of the rate you charge for each pet goes to paying for your fixed costs. These are also important figures used to calculate your break-even point as well as profit per pet figures.



Template A: Revenue per Pet & Discount Impact

We often use discounts to get new customers, or earn loyalty with current customers, but do you know how much discounts are effecting the money you're actually making? For example – let's say your full rate for a service is \$30. You have various discounts such as "20% off second pet in the same family" or "get a free nail trim with this coupon." This spreadsheet will quickly tell you exactly how much income you're making per pet, factoring in the impact of your various discounts.

Example:

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A: Revenue per Pet & Discount Impact

	Company Total	Service #1	Service #2	Service #3
Total Revenue	\$ 625,000	\$ 325,000	\$ 175,000	\$ 125,000
Total # of Pet Services Performed	32,000	15,000	9,500	7,500
Effective Rate per Pet	\$ 19.53	\$ 21.67	\$ 18.42	\$ 16.67
Current Published Rate		\$ 30	\$ 24	\$ 25
Effective Discount Percentage		28%	23%	33%

Total Revenue – Enter the total annual revenue for the company as a whole and individually for your top three services areas

Total # of Pet Services Performed – Enter the total number of pet services that you performed for the year. You'll enter this information for the entire company and individually for your three services areas.

Current Published Rate – Enter the current "full rate" for each service, not including any discounts.



Template E: Profit per Pet Service Performed

Each time you perform a service, are you making money or losing money? This worksheet determines the profit or loss per pet service performed. Knowing your profit per pet, especially by your key services offered is important insight on how you can make more money.

- **Note:** This worksheet calculates based on the data you entered in Templates A-C. You'll need to complete those first in order to view your profit per pet.

Example:

Back to Menu		E: Profit per Pet Service Performed			
	Company Total	Service #1	Service #2	Service #3	
Fixed Cost per Pet	\$ 10.88	\$ 13.93	\$ 9.16	\$ 6.96	
Variable Cost per Pet	\$ 8.64	\$ 9.20	\$ 8.79	\$ 7.33	
Average Total Cost per Pet	\$ 19.52	\$ 23.13	\$ 17.95	\$ 14.30	
Effective Rate per Pet	\$ 19.53	\$ 21.67	\$ 18.42	\$ 16.67	
Profit or Loss per Pet	\$ 0.01	\$ (1.46)	\$ 0.47	\$ 2.37	
Total # of Pets	32,000	\$ 15,000	\$ 9,500	\$ 7,500	
Profit or Loss	\$ 300	\$ (21,920)	\$ 4,450	\$ 17,770	

Fixed Cost per Pet (Automatically filled from prior sheet)

Variable Cost per Pet (Automatically filled from prior sheet)

Average Total Cost per Pet (Automatically calculated) – This is the average cost per pet service performed. Each time you perform this service, this is how much it's costing you.

Effective Rate per Pet (Automatically filled from prior sheet) – This is the calculated amount for how much income you're bringing in for each pet service you perform. Remember, we used your "full rates" and calculated the impact of your discounts to find out how much you're actually receiving.



	A	B	C	D	E	F	C
1	Back to Menu	A: Revenue per Pet & Discount Impact					
2							
3		Company Total	Service #1	Service #2	Service #3		
4	Total Revenue						
5	Total # of Pet Services Performed						
6	Effective Rate per Pet	[empty]	[empty]	[empty]	[empty]		
7	Current Published Rate						
8	Effective Discount Percentage		[empty]	[empty]	[empty]		
9							

SAMPLE

	A	B	C	D	E	F	
1	Back to Menu	B: Fixed Costs					
2							
3	Property Costs	Company Annual					
4	Rent/Mortgage costs						
5	Property insurance						
6	Property taxes						
7	Total Property Costs	\$ -					
8							
9			Allocation to Key Service	Service #1	Service #2	Service #3	
10			Square Footage per Service Area				
11			Percentage of Facility Used by	[empty]	[empty]	[empty]	
12			Annual Property Cost per	[empty]	[empty]	[empty]	
13							
14	Square Footage	Company					
15	Total Square Footage	-					
16	Cost per Square Foot	[empty]					
17							
18	Fixed Costs	Company Annual					
19	Total Property Costs (from	\$ -					
20	Utilities						
21	Support Staff						
22	Management						
23	Marketing						
24	General Supplies						
25	Other						
26	Total Fixed Costs	\$ -					
27	Total # of Pets	-					
28	Fixed Cost per Pet	[empty]					
29							