



Business Prospectus: Veterinarian Services

Created by Battle River Economic Opportunity Committee
(BREOC)

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Business Prospectuses

Veterinarian Services

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Overview

Battle River Economic Opportunities Committee (BREOC) is a partnership of seven municipalities that have taken ownership of driving and leading economic prosperity in their region. This region spans two counties in East Central Alberta, the County of Paintearth and Flagstaff County, which house the municipalities involved: Castor, Coronation, Halkirk, Forestburg, and Heisler.

BREOC has developed a comprehensive strategy to diversify, strengthen, and create long-term success within their regional economic portfolio. An aspect of this plan focuses on support for private sector development and inbound investment. This included creating business prospectuses for different opportunities within the region for potential investors to use and grow into fully realized ventures.

BREOC has identified eight (8) business ideas that they feel represent opportunities in the region and created prospectuses that explore the details of creating and operating the venture.

The Concept

Veterinarian clinics are centres at which animals, both large and small, are cared for if they experience ailments, disease, or require surgery, and special care. Their importance within rural communities and regions stems from their ability to provide emergency care, advise on and administer vaccinations, perform required surgeries, and advise on special diets, and supplements.

For these reasons, the concept presented in this prospectus will be a veterinarian clinic

The following prospectus is focused around creating a veterinary practice within the BREOC area. With the pet care industry growing at a steady rate and being increasingly important within North American society, the timing is ideal for a veterinarian to set up in an area that is currently underserved.

Many devoted pet owners are willing to do the right things to ensure the long-term health of their animal. Aside from small pet-care a large amount of veterinarian service revolves around cattle and other large animals. These two markets merge conveniently in the BREOC area where there is a demand for both small and large animal care amongst the communities. The reasons to begin a veterinarian clinic in the BREOC region are numerous and this prospectus is here to assist an entrepreneur in guiding them through the intricacies of beginning this venture.

based within a municipality in the BREOC region. This veterinarian clinic will provide typical service to smaller animals and have an area for treating large animals such as horses, cattle, pigs, sheep, goats, and more.

Additionally, this veterinarian clinic should be built with the capacity to remotely treat some animals for owners that have difficulty or cannot transport their animals to the clinic. Therefore, this prospectus will be based on companion animal veterinarians, as well as





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large animal veterinarians. A successful veterinarian clinic will have multiple senior veterinarians, as well as young veterinarians who will learn the trade and be groomed for succession.

Another area of this business that should be considered is a retail section. Due to the limited presence of pet stores in the area, there is potential for a successful retail service that sells edible products, feed, supplements, and more.

About the Industry

Operators in the veterinary services industry in Canada provide medical, dental, and surgical treatments for animals. This industry also provides laboratory and diagnostic testing for licensed veterinary practitioners. Companies that manufacture medical supplies or pharmaceuticals for animals are

not included in this industry. Rural veterinarian clinics typically focus on multiple fields of veterinarian medicine to appeal to a wide range of needs in their area, but in addressing the industry, five distinct types of veterinary services were identified.

Companion Animal Veterinarians: The most common type of veterinarian. Companion animal veterinarians specialize in the care of small animals like cats, dogs, and some pocket pets.

Livestock, Food, and Large Animal Veterinarians: These veterinarians focus on the care of large animals and livestock such as horses, cattle, sheep, pigs, and goats.

Veterinary Specialists: Some veterinarians can specialize in Orthopedics, or Oncology to handle special cases, or specific diseases

Exotic Animal Veterinarians: These veterinarians are specially trained or have a special interest in caring for exotic animals including pocket pets, reptiles, amphibians, and birds.

Laboratory Veterinarians: There are many other veterinarians who work behind the scenes in fields such as infectious disease diagnosis, pathology, animal feed production, pharmacology research and many more.

The industry experienced a minor fall in overall revenue due to the impact of the COVID-19 pandemic. As these restrictions start to lift, the industry is expected to rise once again due to the amount of new pet

owners, which is discussed more in 'Customers'. The key industry drivers that will directly affect the veterinarian industry going forward are listed below:

Per capita disposable income: Pet and pet care is inherently based on the amount of disposable income present within a household. Typically, more essential purchases will be made before spending on an expensive surgery or special care for a pet.





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Demand from pet stores: Veterinarians, typically laboratory veterinarians, depend on the amount that their main retailers sell, among these are pet stores.

Research and development expenditure: The more that is invested into the research and development of different pet care products, food, and vaccines, the more the veterinarians can serve their patients and clients.

National unemployment rate: This is congruent with the per capita disposable income. A decrease in employment rate will result in a decrease in veterinary clinic revenue.

Per capita meat consumption: The more meat consumption is increased; the more veterinarians are needed to treat and ensure the health of the animals that we eat.

Market

The market for a veterinarian clinic was analyzed by assessing current and expected industry trends, and the customer base present within the BREOC region.

Industry Trends

There are multiple social trends that are having a beneficial effect on the activity within the veterinarian industry. Most significant is that pet ownership and pet care are at an all-time high, largely with individuals born between 1980-2003. It is typical in Canada and the US that younger individuals, and couples, with disposable income will adopt a pet, or multiple pets, before they have children. These pets are typically very well cared for and little to no expense is spared on their health. Not to be discounted, empty nesters and retiring baby boomers are also increasing their pet purchases.

Secondly, during the COVID-19 pandemic, adopting or purchasing a new pet was a common practice to fill the void created by social isolation. Not being able to interact socially with family and friends had a detrimental effect on the mental health of our society, increasing depression, anxiety, and suicide. To combat this, many people purchased pets to a point where multiple

shelters across Canada experienced a shortage. Among Canadian pet owners, 18% report they obtained a new pet since the start of the pandemic. Many individuals were leaning on a furry friend to assist with their mental health, activity levels, and more, and were shown to have a beneficial effect in many ways.

“Healthy pets mean healthy Canadians. The COVID-19 pandemic has highlighted the special relationship we have with our pets; they are our loyal companions who keep us active and improve our quality of life and our mental health. Animal health products allow our pets to live lives that are as long and comfortable as possible and give us the opportunity to better care for the animals that do so much for our own wellbeing. Keeping pets up to date on vaccinations, feeding them a nutritious diet, and regularly seeing a veterinarian are key elements of pet ownership. Pet owners value their relationship with their veterinarian and the role veterinarians play in ensuring the health of





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the animals in their care. By accessing veterinary care for their pets, animal owners are safeguarding the beneficial relationship we have with our pets.” - Canadian Animal Health Institute

The third significant social trend, and possibly most important for the BREOC region, is that the demand for veterinarians has reached a high level of saturation in the agricultural sector, particularly in rural areas. A lot of cattle processing is becoming centralized around large abattoirs in urban

areas due to the fact that smaller abattoirs in rural areas are becoming less and less common. The draw to urban centres effects all value-added industry and business including veterinarians in these rural areas. The BREOC region contains over 565 farms with cattle and horses, and that doesn't include farms that have pigs, goats, sheep, bison, llamas and more. If a veterinarian clinic can effectively provide services to this demographic, there is an opportunity to start a thriving business.

Customers

The following figure is the market segmentation a veterinarian may experience in Canada. It is generated from industry average data across the country. In the BREOC region, with the sheer number of cattle farms, the farm animal practices are expected to be much more significant. Regardless of

the amount of cattle in the region, household pets and their owners are common and will always need care. This demographic should be prioritized for its cost-benefit ratio. A small animal visit may be thirty minutes and cost the patient \$150.

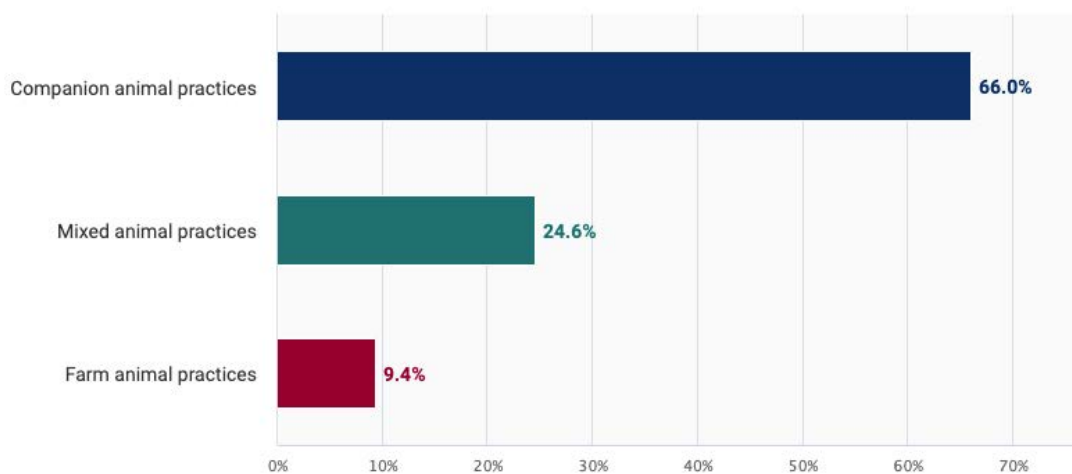


Figure 1. The market segmentation of consumers who seek veterinarian services





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BREOC Regional Market and Trade Area

As previously mentioned, there are over 600 farms in the BREOC region containing some type of large animal needing care, be it cattle, horses, sheep, pigs, goats, llamas, bison, or others. Regardless of the community chosen within BREOC to start a veterinarian clinic, there is a massive number of farms requiring professional animal care in the local trade area. With proper messaging, connections, and marketing strategy, a veterinarian can be well-known within the farming community, and provide care to an agricultural network.

When assessing trade area, a one hour driving radius is presumed for veterinarian services. Research suggests that individuals are typically willing to drive up to an hour away for quality veterinarian care. Figure 1 shows the trade area within BREOC, with Alliance as the point of origin as it is the geographical centre of the BREOC region. This trade area includes a large list of communities listed including Bawlf, Daysland, Strome, Killam, Sedgewick, Lougheed, Hardisty, Amisk,



Figure 1 - BREOC Trade Area (1 hour driving radius)

Hughenden, Galahad, Forestburg, Heisler, Bashaw, Stettler, Gadsby, Halkirk, Castor, Fleet, Hanna, Coronation, and Veteran.

Operations

Operations of a veterinarian clinic can be divided into three (3) subcategories;

1. Rules and regulations
2. Physical operational considerations
3. Human resources

Rules and Regulations

Like other healthcare fields, the veterinarian services industry is highly regulated, both

While the operational needs and requirements will need to respect the business model that the entrepreneur(s) wishes to pursue, the following have been provided for key operational considerations.





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provincially, and federally.¹ An outline of federal and provincial legislation is laid out

Canadian Federal Regulations

The veterinary industry in Canada is overseen by the Canadian Veterinary Medical Association (CVMA) who works with the Government of Canada to ensure proper care of animals across the country, while advocating for the veterinarian's scope of practice and their ability to perform their work. Among other duties, they conduct and release research to influence the veterinary practice. They oversee and empower the provincial licencing boards to provide similar services in their jurisdictions.

Province of Alberta Regulations

In Canada, licensing for veterinary medicine is the responsibility of the provincial veterinary association or a separate licensing body empowered by provincial legislation. In Alberta, this association is the Alberta Veterinary Medical Association. The role and authority of the provincial licensing body is to protect and serve the public interest through the regulation of

below, with links provided to complete official documents.

Veterinary drugs are regulated at a federal level, and they are tightly monitored to ensure correct ordering, prescription, and tracking. This is done to prevent the human use of these drugs. The legislation and guidelines surrounding veterinary drugs are intensive and can be found here.

<https://www.canada.ca/en/health-canada/services/drugs-health-products/veterinary-drugs/legislation-guidelines/guidance-documents.html>

the practice of veterinary medicine. The provincial licencing body is also backed by the Veterinary Profession Act of 2000 that outlines the acceptable scope, regulations, and liabilities of practices within Alberta. This document can be found here.

<https://www.qp.alberta.ca/documents/Acts/V02.pdf>

Physical Operational Considerations

The size of the clinic that is to be built, purchased, or leased, has implications on the capacity that the clinic is intended to reach. Therefore, before choosing the size of the

clinic and the necessary equipment, careful consideration must be taken in regard to the business model and desired capacity.

¹The Rules and Regulations were determined using secondary research and are subject to change. The entrepreneur is responsible for the

adherence and knowledge of all pertinent rules and regulations.





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Facility Size and Layout

In terms of overall size, to fit a waiting room, compassion room, two appointment rooms for small animals, an appointment area for

large animals, a reception area, a storage area, and a surgery wing, a veterinarian clinic should expect to take 3,500-5,000 square feet.

Necessary Equipment

Below is a comprehensive list of necessary equipment that needs to be included within a veterinary practice. This may not all be necessary for a start-up veterinary clinic, but it should be considered to provide comprehensive care.

- Exam and Procedure Tables
- Cauterizing Machine
- Lighting
- Veterinary Stethoscope
- Veterinary Ultrasounds
- Portable Ultrasound Scanner
- Digital X-ray Imaging Machines
- Anaesthesia Machines
- IV Pumps
- Washer Disinfectors and Sterilizers
- Veterinary Anaesthesia
- Veterinary Monitors
- Veterinary Tables
- Veterinary Telemetry Systems
- Autoclaves and Sterilizers
- Equine Equipment
- Electrosurgical
- Ultrasounds
- X-Ray Imaging
- C-Arms – Fluoroscopy
- CT Scanners
- MRI Equipment
- Defibrillators
- Dental Equipment
- Infusion Pumps
- Medical Gas
- Endoscopy
- Incubators
- Microscopes
- Respiratory Ventilators
- Scales
- Cages and Crates
- Respiratory Therapy
- Syringe Pumps
- Warming Units
- Research Equipment
- Suction Tools
- Centrifuges

Human Resources

A veterinarian clinic only needs two types of staff to operate a veterinarian clinic successfully and efficiently: the veterinarians themselves, and the veterinarian assistants. Many veterinarian assistants are looking to

Veterinarians

As discussed previously, veterinarians prevent, diagnose and treat diseases and disorders in animals, through surgical,

become veterinarians themselves, which lends itself well to a natural succession planning for entrepreneurs looking to plan an exit strategy early in the business planning process.

medical, and dental care. They are the primary interface by which customer service is judged within the industry because they are





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the main individual that the animal owners interact with. Like in other healthcare fields these patients and their owners can be distraught. The personality and bed manner of the veterinarian are just as important as their knowledge of animal care.

As important as their emotional intelligence, is the amount of veterinarians present. When assessing the number of veterinarians needed to run the clinic the following factors need to be considered.

Veterinarian Assistants

Veterinarian assistants are responsible for answering phone calls, booking appointments and providing pet owners with important animal care information. They act as the administration staff for the clinic, as

Professional Services

As is the case with many doctor-owned clinics, professional services are required to ensure the business is started correctly. Suggested professionals to consult during the start-up stage are listed below:

Legal/Insurance services: These are required due to the liability taken on by the veterinarian to improve the health of pets and livestock. If there is damage done to a

Desired capacity: A veterinarian clinic is limited by the number of veterinarians able to provide care. If a high capacity is expected or needed, considering higher two or three veterinarians.

Desired work schedule: If the owner is also a veterinarian and they are wanting to work part-time, they need to hire other veterinarians to cover the workload.

they handle the invoicing, cleaning, and more. Again, their bedside manner is key with distraught customers and must be considered in the hiring process along with job skill and professionalism.

patient accidentally, there needs to be legal services prepared to deal with a situation such as this.

Accounting/Bookkeeping Services: Often times, doctors are not prepared to deal with this part of their business. Outsourcing to a trusted professional can be a great strategy to ensure it is done properly.





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Marketing

The following section outlines product, pricing, promotions, and channels of distribution, in an effort to aid in the creation of a marketing strategy for a veterinary clinic.

Product/Services

A customer visiting a veterinarian clinic, expect there to be comprehensive service to assist their animal, especially in an

- Routine checkups
- Spay/Neuter
- Vaccines
- Physical Exams
- Fecal Exams
- Heartworm Test
- Dental Cleaning
- Allergy Testing
- Geriatric Screening

emergency situation. These typical veterinarian services include but are not limited to the following:

- Euthanasia
- Bloodwork
- X-Rays
- Ultrasounds
- Short/Long Hospitalizations
- Wound treatment
- Emergency Surgery
- Oxygen Therapy
- Various Medication



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Pricing

Veterinary Practices

Pricing in the veterinary field is too comprehensive to list for the purposes of this document, as it is regulated across Canada and every action within the appointment and surgery rooms has an associated code that is

Retail Products

Pricing of retail products should be based on the cost for which these products are acquired. Choosing a competitive markup price will increase the business

used within an invoice. The Canadian Veterinary Medical Association has created pricing guides for [Small Animal Procedures](#), as well as Large Animal Procedures. The Large Animal Procedure pricing guide is only accessible by Veterinarians and Veterinarian Students.

attractiveness to the consumers. Look at similar pricing competitors such as PetValu, PetSmart, and PetLand.





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Channels of Distribution

While the clinic setting is the main form of distribution for veterinarian services, there are alternative channels through which a customer may receive the product and service.

Veterinarian Clinic: The main channel of distribution is through the veterinarian clinic. Customers will hear across the region that the business is worth the travel.

Centres of Influence: The agricultural community in Alberta is well connected as

they meet up often for auctions, races, and other events. They typically discuss their animals and what has made a difference for them in the recent past. A business creating momentum in this way in a large demographic can be key to its sustainability and success.

Referrals: The pet owner community interacts heavily on what is the best way to treat their pet, and it is no different when it comes to veterinary services.

Promotions

The following are promotional strategies that could be effective for a veterinarian clinic within the BREOC region to follow.

Logo Development: Develop a logo that represents the business and will be used within the rest of your promotions.

Social Media: Facebook and Instagram are the most effective platforms in the BREOC region. Ensure your presence is consistent on these to develop a local following. LinkedIn is also

an effective tool to create relationships with colleagues who can drive referrals.

Website: A website will be key for drawing patients from within the larger trade area.

Promotional Booklets and Pamphlets: At auction houses, popular coffee stops, and more, leaving promotional booklets can get the word out to an important consumer segment.

Financials

The following are tables outlining basic financial information for a veterinarian start up in the BREOC region.

Start-Up Costs

Generally, most veterinarian clinics range from \$120,000 to 1,000,000 in start-up costs. The cost of starting a veterinarian clinic,

however, will depend on the business model of the entrepreneur(s) and the size they envision the veterinarian clinic to be.





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Table 1: Start-up costs for a veterinarian clinic

Item	Cost
Building Rent (Average Cost per Square Foot)	\$8.00-12.00
Building Purchase	\$150,000-500,000
Building Build	\$350,000-750,000
Medical/Surgical Equipment	\$40,000
Lab Equipment	\$30,000
Kennel Equipment	\$5,000
Waiting Room/Examination Rooms Setup	\$10,000
Clerical/Bookkeeping Setup	\$2,000
Practice Management Software	\$3,000
Marketing Materials	\$2,300-8,000
Insurance	\$2,000-3,000
Liability	Dependent on business model
Errors and Omissions	Dependent on business model
Building and Equipment	Dependent on business model
Licencing/Regulations	Dependent on business model
Professional Fees	\$5,500
Legal	\$2,000
Accounting	\$1,500
Consulting	\$2,000
Marketing	\$5,000
Total	\$110,000 - \$860,000

Operating Costs

In operating a veterinarian clinic, the costliest expense are the salaries associated with the veterinarians and the veterinarian assistants. As shown in the table below, it is estimated that a veterinarian clinic will cost

approximately \$52,000-\$56,000 without insurance and licencing fees considered. The operating costs will depend heavily on the business model chosen by the entrepreneur.

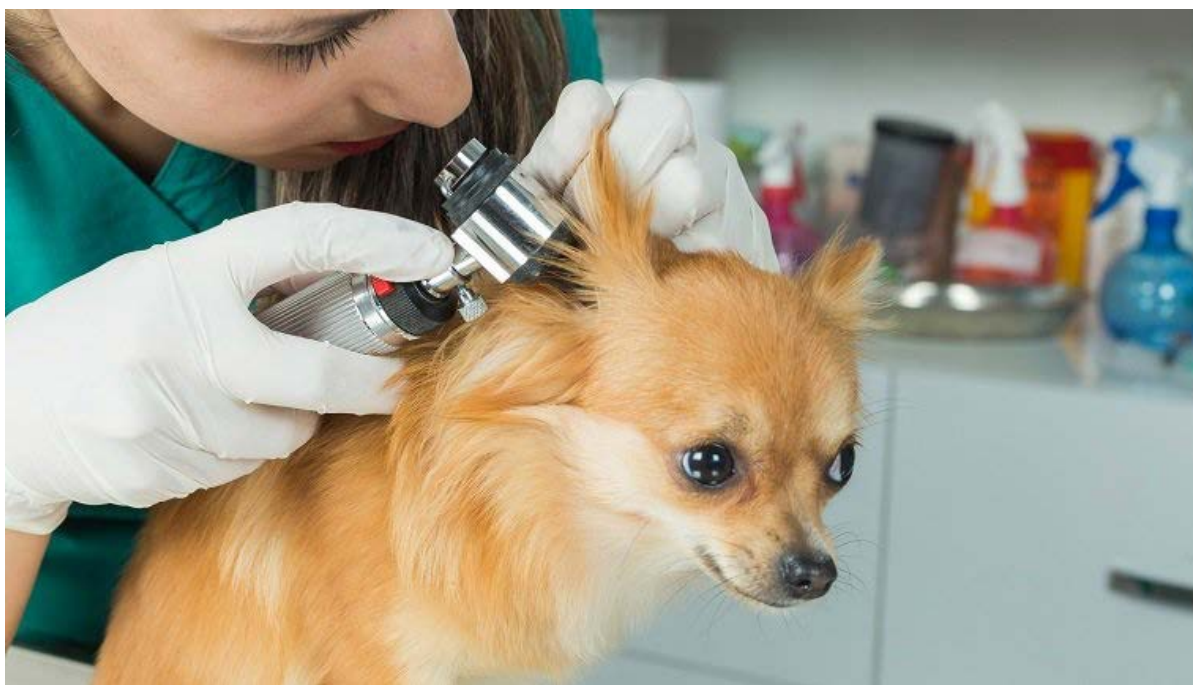




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Table 2: Estimated monthly operating costs for a veterinarian clinic

Item	Cost
Rent/Lease/Mortgage	\$2,500-4,000
Salaries/Benefits (3 Veterinarians, 4 Veterinary Assistants)	\$38,000
Building Maintenance	\$200
Utilities	\$750
Veterinarian Equipment (Surgical, Medical, Dental)	\$8,000
Uniforms and Safety Gear	\$500
Equipment Maintenance and Upgrades	\$1,500
Insurance	\$1,000-\$1,500
Ongoing Licencing and Fees	Dependent on business model
Total	\$52,000





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Income Statements

Below is an income statement showing the average cost of goods, and net profit within the veterinarian industry in Canada.

Table 3: Income statements based off the veterinarian services industry average, presented in percentages of revenue

Revenue	100%
Cost of Goods Sold	26.9%
Wages and benefits	4.9%
Purchases, materials, and sub-contracts	22.0%
Opening inventory	1.0%
Closing inventory	1.0%
Operating expenses	52.8%
Labour and commissions	25.3%
Amortization and depletion	2.2%
Repairs and Maintenance	1.0%
Utilities and telephone communication	1.2%
Rent	3.8%
Interest and bank charges	0.8%
Professional and Business Fees	3.7%
Advertising and Promotion	0.9%
Delivery, shipping and warehouse expenses	0.1%
Insurance	0.7%
Other Expenses	13.1%
Total Expenses	79.7%
Net Profit/Loss	20.3%

Veterinarian clinics are typically profitable ventures, pulling in an industry average of 20.3% net profit. This is due to the high prices associated with the service, as well as the generally low cost of goods.

Critical Success Factors

The following section explores different factors that are critical to the success and survival once the business is operational.

Customer Service and Bed Side Manner:

Taking care of, doing surgery on, or putting down someone’s pet can be an extremely sensitive process. The staff need to possess a great emotional intelligence and professionalism to handle a client who has just lost a family member.

Client Management System: Without a solid client management system, information will not be properly recorded or easily accessed. This can create a clunky customer experience. Make it smooth and keep it professional.

Referrals: Without referrals, the business will not see the growth it may be able to. Ensure that the business’ presence is strong among





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the promotions so people can easily be referred.

Relationships with Community Leaders and Stakeholders: Relationships with community

stakeholders and leaders will be critical for referrals and local perception of the business.

Conclusion

Veterinary practices are becoming increasingly necessary within a culture that is prioritizing their pet's longevity, health, and overall well-being. The industry is currently being pressured by consumer demand particularly in rural areas that are underserved, and have multiple agricultural operations requiring professional animal

care. A region like BREOC is the perfect storm of demand. Setting up a clinic within one of these seven communities would draw individuals looking to take care of their small pets, but it would also draw individuals seeking care for cows, horses, pigs, and more. The need for a veterinarian is clear, are you up to the challenge?





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Contact Us

The Battle River Economic Opportunity Committee is here to help. If you are interested in further exploring this or any business opportunity within the region, contact us today. There are tailored one-on-

one business supports for business start-ups, buying/selling a business, growth and expansions of businesses. The first step is to contact your local Economic Development Officer using the information below.

Economic Development Department – Flagstaff County

(780) 384-4100

ecdev@flagstaff.ab.ca

Carol Thomson

Economic Development Officer – County of Paintearth

(403) 882-3211

cthomson@countypaintearth.ca

