



## ACC 202 Milestone One Guidelines and Rubric

**Overview:** In the first milestone of your final project, you will determine and classify the costs necessary for opening your business. This is a critical step that must be done correctly for you to successfully complete the subsequent milestones and the final submission.

**Scenario: Prior to Opening, Part I:** You plan to open a pet-services business that will offer dog grooming, day care, and boarding. You can be creative in deciding the name of your business (e.g., “Inspiring Dog Care”), its geographical location (e.g., Chicago), and its mission and vision for adding value to the community. You will be asked to make choices for a few other details to customize your case; otherwise, you should use the information below.

There are 12 kennels (single dog only) and the day care area can house 10 large dogs and 12 small dogs each day. The grooming facility is 200 square feet, the boarding facility is 2,500 square feet, and the day care is 1,500 square feet. Your groomer can groom five dogs a day for five days a week; each groom consists of 1.5 labor hours. You also offer dog day care six days a week, and kenneling every day. You have taken out a loan for start-up costs and the monthly payment is \$420; it goes into effect immediately and should be accounted for in your costs. With limited cash contribution and loan funding, you located two angel investors. You will collect a modest draw for the first year of \$600 a month; remember to divide evenly among the services.

Note: For simplicity, base all calculations using 30 days in each month.

You estimate the following staffing needs:

- A groomer who will be paid \$12/hour and work 40 hours a week
- A day care attendant who will be paid \$9/hour and will work 22 eight-hour days per month
- A receptionist who will be paid \$8.50/hour and work 30 hours a week
- A kennel attendant who will be paid \$11.50/hour and will work 22 eight-hour days per month

A complete list of additional costs is provided below:

- Food and water bowls: \$3.59/unit
  - Daycare: Two bowls last for every 75 dogs that attend daycare.
  - Boarding: Two bowls last for every 100 dogs that are boarded; you need two bowls per kennel.
  - Grooming: Each bowl lasts for 20 grooms and you need four bowls at all times.
- Fencing for daycare area: \$1,249; installation of fencing: \$1,000
- Dog grooming arm: \$300
- 12 kennels: \$9,500; depreciation is \$80/month
- Rent: \$650/month; allocate based on square footage
- Utilities/insurance: \$600/month; allocate based on square footage
- Grooming table: \$900

- Grooming tub: \$2800
- Heating system: \$10,000; depreciation is \$83/month; allocate based on square footage
- Clippers: \$136.99; can be used for 100 grooms
- Shampoo: \$103.96 per five-gallon pail, which can be used for 100 grooms
- Cage bank: \$2200 per set of 5
- Salon Tuff Capri mobile carry cart: \$90
- Towels: \$34.99 per 12 pack
  - Day care: You need to have 12 towels for every 25 dogs.
  - Boarding: You need to have 12 towels for every 40 dogs.
  - Grooming: You need to have two towels for every groom per day.
- Scissors: (1) 7-inch straight is \$194.99, and (1) ear-and-nose is \$7.49; each can be used for 200 grooms.
- Toys: \$3.29 per 6-pack; one toy will last for two dogs in day care, per day.
- Cleaning products:
  - Odoban: \$14.55/gallon: Each area will dilute 1 oz to 1 gallon of water; allocate based on square footage.
  - Simple Green: \$15.66/gallon: each area will dilute 1 oz to 1 gallon of water; allocate based on square footage.
- Dryer: \$1250
- Rubberized flooring for day care: \$3800

**Prompt:** Complete the first three tabs, addressing the following **critical elements**:

- Determine the unique **characteristics of your company** in the “Company Profile” tab of your workbook.
- Accurately **classify all of your costs** in the “Cost Classification” tab of your workbook.
- Determine your **per-unit cost** per dog in the “Variable\_Fixed” tab of your workbook. (Most costs are filled in for you. Only compute the missing costs.)

### Rubric

**Guidelines for Submission:** You must complete the first three tabs in your workbook, following the format in the provided template within each sheet.

Critical Elements	Proficient (100%)	Not Evident (0%)	Value
<b>Characteristics of Your Company</b>	Outlines the company’s profile, including its name, location, and mission and vision	Does not outline the company’s profile	10
<b>Classify All of Your Costs</b>	Classifies all costs in the “Cost Classification” tab of the workbook	Does not classify costs in the “Cost Classification” tab of the workbook	45
<b>Per-Unit Cost</b>	Determines the per-unit cost per dog in the “Variable_Fixed” tab of the workbook	Does not determine the per-unit cost per dog in the “Variable_Fixed” tab of the workbook	45
<b>Total</b>			<b>100%</b>