

External assessment 2022

Stimulus book

Business

General instruction

- Work in this book will not be marked.

Case study 1 (Stimulus 1–12)

Stimulus 1

Business profile

The business is a small vet clinic operating in a regional city. The business has operated for 25 years. It has two full-time veterinarians, four full-time vet nurses and two administration staff that service a small but fast-growing community. Staff are paid above award wages, and have all worked at the clinic for more than 10 years.

Current products and services include health checks, vaccinations, emergency medical care and selling animal care products. The business has received multiple awards from the local council and business associations for outstanding contributions to the community.

The business has recently been purchased by Charlie, a newly qualified vet from Brisbane. Charlie is planning to extend the clinic beyond its traditional services and transform the business.

Stimulus 2

Extract of new 1-year strategic plan written by the new owner, Charlie

Vision: Highly qualified staff who provide compassion, care and commitment to our clients' animals' holistic healthcare needs.

Goal: To expand the clinic's services, thereby increasing profitability and growth by 10%.

Actions:

- Create a comprehensive performance management plan for the clinic.
- Investigate offering alternative services — including animal acupuncture, hydrotherapy, puppy training and behavioural therapy.
- Review current clinic location to assess suitability for expansion needs.
- Audit current staff's skills and experience, and upskill all staff.
- Increase market share.

Stimulus 3

Cost of training courses to upskill staff

Course name	Cost	Course details
Animal Dietary Services	\$14 750	2 years part-time
Animal Behaviour Therapy	\$16 950	2 years part-time
Acupuncture and Herbal Therapies for Animals	\$9500	1 year part-time
Veterinary Nursing	\$5500	6 months part-time

Stimulus 4

Extract of financial report for the business

Year	The business		Direct competitor comparison	
	Revenue \$	Net profit \$	Revenue \$	Net profit \$
2016–17	1 020 002	235 001	1 177 332	266 701
2017–18	980 212	220 212	1 223 333	288 659
2018–19	999 221	214 023	1 432 265	301 108
2019–20	929 221	202 923	1 546 432	317 566
2020–21	772 564	156 656	1 675 504	342 256

Stimulus 5

Online customer reviews for the existing vet business



October

I always feel great when I walk into this vet clinic. It's a calm and relaxing place with amazing staff. The vets really know their stuff and my cat is always well cared for by the nurses.

Thank you for the feedback. We love to hear from our clients! Vet Team.



One month ago

I'm new to the area and I guess I expected a little bit more! I'll make the drive to another vet next time. This place only offers basic services. My dog needs extra care and attention; she needs therapy. I don't know why this place has been given a 5-star rating!! Won't be going back!

Thank you for taking the time to provide feedback. Vet Team.



Two months ago

I need a one-stop vet shop that offers more services. Time to update your business!

Thanks for taking the time to provide feedback. We would love to hear your ideas to improve our business. Vet Team.



Six months ago

I have recently moved and it is such a relief to find a vet that offers conventional medicine to animals! Thanks.

Thank you for the feedback. We always recommend bringing your animals in for a checkup. Vet Team.



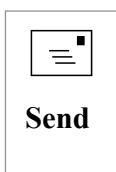
One year ago

Thank you for the great service. I love the range of animal care products you sell too. I'll be back for sure.

Thank you for taking the time to provide feedback. Vet Team.

Stimulus 6

Email from new owner to vet clinic staff



To

All staff

Cc

Subject Meeting

I am here and ready to 'go go go' in my new business. I am changing the business name to include 'Go 2', because I want the name to reflect my new business model, which is to be the go-to place for a greater range of animal health services, including holistic care.

My accountant tells me the business has not shown any financial growth in years. There is an immediate need for change and all employees must be on board.

I will be selecting two of you to complete extensive training in additional animal care services, including hydrotherapy, acupuncture and behavioural therapy. The business currently refers these services to other businesses, when we can provide them ourselves. This is not negotiable. Training will start in two weeks.

I will also be reducing shifts and reconsidering the number of staff employed.

I am scheduling a meeting one hour before the clinic opens on Monday. Attendance is compulsory.

Charlie

Stimulus 7

Online chat between staff members after receiving the email (Stimulus 6)

Nurse 1 We have all worked together for a long time and our clinic works so well. Why do we need to change anything?

Admin 1 Why aren't we all being offered training?

Vet Our current equipment needs replacing, let alone getting new equipment to offer new services

Admin 2 Our customers are loyal and have been with us for years. Will they like the changes?

Nurse 2 We don't have the facilities to offer any new services

Admin 1 I checked our appointments ... we are booked out for the next 3 months

Vet Our current services are high quality and we have a great reputation

Nurse 1 I don't want to do the training. I hope Charlie doesn't pick me

Nurse 2 If we stop referring customers to other providers, how is it going to affect our business?

Admin 1 With all these changes, I hope I don't lose my job

Stimulus 8

Magazine article

Complementary therapies for pets

Industry data shows that over the past two years, household pet ownership has increased from 42% to 68%. With this increase, there has been a higher demand for complementary therapies for four-legged family members, as veterinarians expand the range of services they offer to include more non-medicinal therapies.

Businesses providing behavioural therapy for anxious and lonely pets, or acupuncture and hydrotherapy to improve joint health and mobility, have been inundated with people wanting to minimise the use of drugs as treatment for their furry friends.

While these therapies may be expensive, they are alleviating worry for animal owners.

Mary, owner of two dogs, said, 'When I returned to the office after working from home for so long, my dogs were crying all day and digging holes in the garden. Behavioural therapy sessions have really improved their ability to handle the separation.'

Of course, as with all complementary therapies, results may vary between our furry friends.

Stimulus 9

Veterinary services trends over the past five years

Behavioural therapy

16%  increase

Acupuncture therapy

4%  increase

Animal counselling

12%  increase

Clipping and grooming

11%  decrease

Pet kennelling/boarding

37%  decrease

Pet herbal medicine

7%  increase

Hydrotherapy

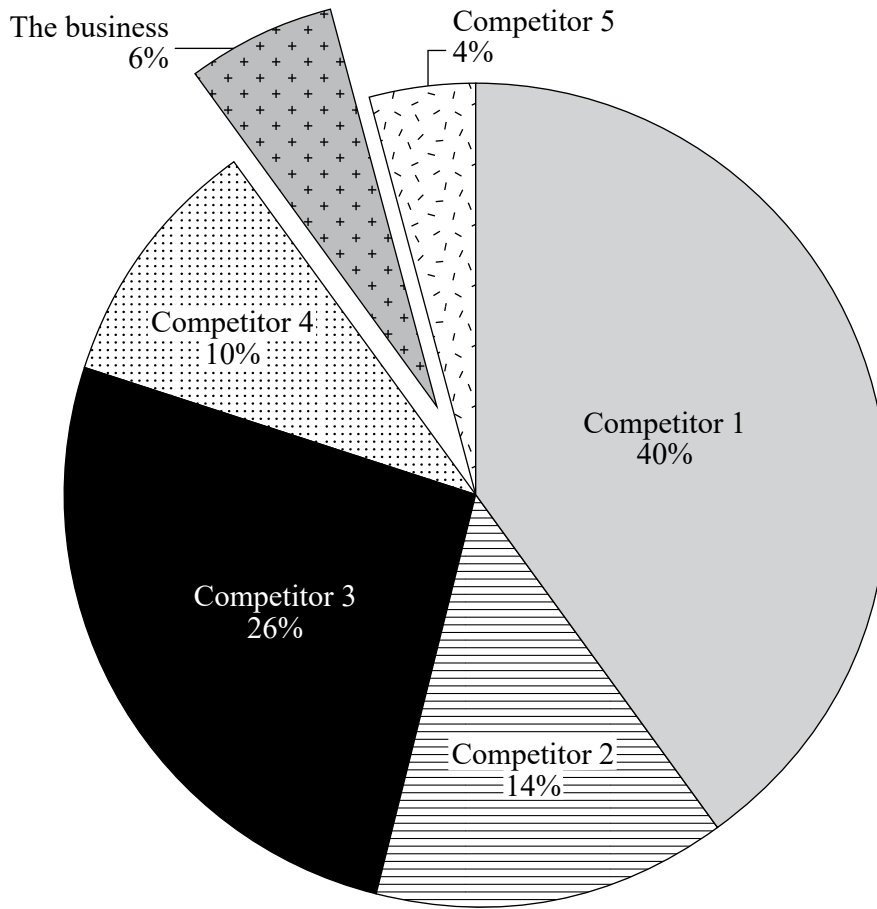
15%  increase

Hip and knee surgery

13%  decrease

Stimulus 10

Current market share of vet clinics in the regional city



Stimulus 11

Newspaper article

A win for the animals!

It has been a long time coming, but Queensland's largest animal welfare group, in conjunction with the veterinary association, has recently achieved success in achieving legislative change. This is a win for all pet owners to ensure the care their animals receive when visiting their trusted vet is compliant with health, safety and wellbeing standards.

The animal welfare group was worried about the growing number of complementary animal therapy services being provided by vets and vet nurses. A spokesperson said, 'We love that the profile of animal wellness is expanding and increasing but we are concerned that many vet nurses aren't presently qualified to perform these services'.

The 1985 legislation allowed veterinary surgeons to deliver therapeutic support to animals; however, qualified veterinary nurses have been unable to provide these treatments. The recent legislative change sees the mandating of veterinary nursing qualifications to include sufficient training in order to perform these services.

Stimulus 12

Renovation costs estimate

Cost Estimate

Customer: Charlie

Project description

Renovate existing structure to add additional rooms and install new equipment and exterior fencing.

Description	Total cost (including GST) \$	
Building extension to include two new consultation rooms	150 000	
Installation of new equipment in existing rooms	50 000	
Exterior fencing for behavioural therapy and puppy training	35 000	
	Subtotal	235 000
	Deposit 10%	
	Discount	
	TOTAL	235 000

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