

4.2: Salty Pawz Background



Several years ago, Wanda went to the local animal shelter looking for a new dog, and when she arrived, the most pathetic-looking bulldog-boxer mix she had ever seen greeted her. The puppy had terrible skin problems, had lost almost all of his fur, and his skin was pink from scratching. The poor thing looked like a naked mole rat, but Wanda fell in love with him on the spot. She promptly filled out the paperwork, named him Cosmo, and took him to the vet. Her vet was cautiously optimistic about the dog's prospects for recovery but advised Wanda that, in addition to medication, Wanda would have to be very careful about what she fed him. As a result, Wanda began to research dog food and was horrified at the low quality of the foods and treats available. She looked into healthier alternatives and, after some experimentation, developed several recipes that Cosmo could tolerate. As her friends watched the evolution of Cosmo from sickly pup to happy dog, they began to ask Wanda to bake those treats for their dogs, as well. Soon, friends of friends were calling her for her creations, and before she knew it, Wanda was in the gourmet dog-treat business.



As a result of this blossoming interest in what she was doing, Wanda has been successfully baking and selling dog treats out of her home for the past several years, using the product name “Salty Pawz.” The demand for her custom dog treats has grown to the point that she has a couple of friends who help her on a regular basis. Several months ago, she began selling her treats on Etsy.com. Since then, her online orders have started to outpace her capacity. This month, her brother-in-law set up a website for Salty Pawz. At first she was excited that more people would have access to her products, but she didn't anticipate how many orders it would generate.

She has been talking to entrepreneurs in her hometown to get advice about taking her operation “to the next level.” She has questions and concerns about almost every aspect of business—finances, business structure, marketing, production, and overall strategy: Does she even want to grow Salty Pawz further? And if so, how would she grow it successfully?

General Information About Salty Pawz

- The business was established in 2010 as a sole proprietorship. Wanda has been claiming all of the income and expenses for her business on a Schedule C of her personal income tax return. She uses a CPA to prepare her taxes but maintains the daily bookkeeping herself. Salty Pawz has shown a profit since 2011.
- Salty Pawz currently operates out of Wanda's home in North Carolina; her kitchen has been certified by the local health department to operate as a commercial kitchen.
- She does not currently need a business license because all of her product is shipped, and no customers come to her home.
- Salty Pawz does have a Federal Employer Identification number for tax withholding purposes, a NC Sales Tax identification number, and is registered with the NC Employment Security Commission for the purposes of reporting NC Unemployment Insurance Tax.

- Two of Wanda’s friends help her on a part-time basis, primarily at night and on weekends after their regular jobs. She pays them in dog treats and is not currently paying salaries or wages.
- Wanda’s brother-in-law manages her website, posting information about her products and keeping the information on the company current. He doesn’t charge her anything, but she feels badly asking him to do too much work for free.
- Wanda spends most nights answering emails and inquiries through Etsy and her website while her friends bake and package the treats. She is working fifteen-hour days, seven days a week, and she knows she can’t maintain this pace much longer. She is very reluctant to change how she is doing business because she doesn’t want to risk the success she has had so far.
- She is using the local “Pack & Ship” to get her dog treats to her customers, but sometimes she finds herself running there more than once a day. She is trying to figure out a better way to handle shipping but hasn’t come up with a solution.

Contributors and Attributions

CC licensed content, Original

- Salty Pawz Background. **Authored by:** Linda Williams and Lumen Learning. **License:** [CC BY: Attribution](#)

4.2: [Salty Pawz Background](#) is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.