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BEING YOUNG ENTREPRENEURS



B.Y.E.



Erasmus+

BUSINESS PLAN



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BUSINESS IDEA

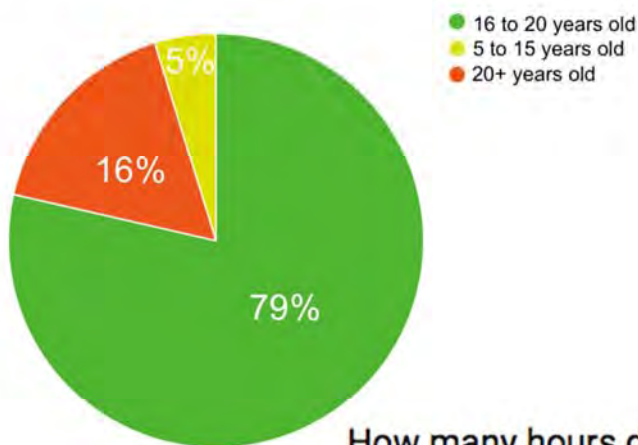
The business idea we have chosen is original, fresh and innovative. It is a Company that creates videogames for private people and distribution companies that provide us with concepts, ideas or thoughts about specific videogames, and we make it happen. Basically, our company manages all the technical work. There is potential for growth for our idea because the market is expanding thanks to the increasing number of devices on which videogames can be played.

MARKET RESEARCH

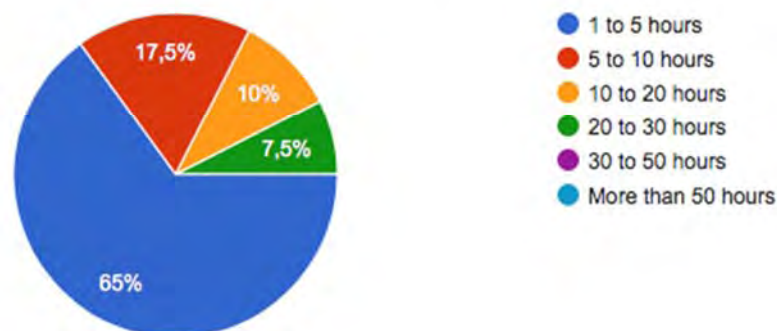
The video game market has been analyzed through the use of primary and secondary sources.

➤ **Primary sources:** survey whose results are the following:

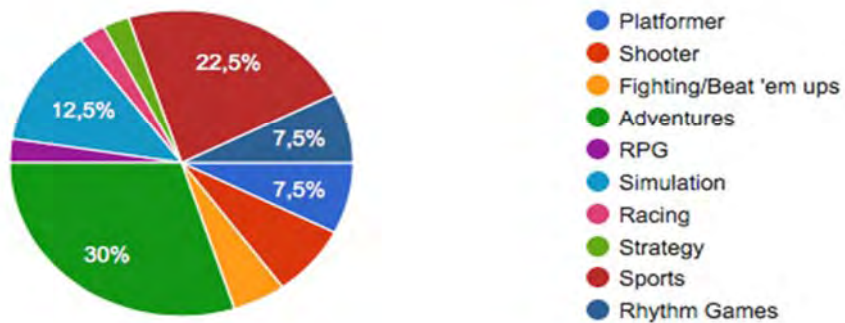
Average Player age



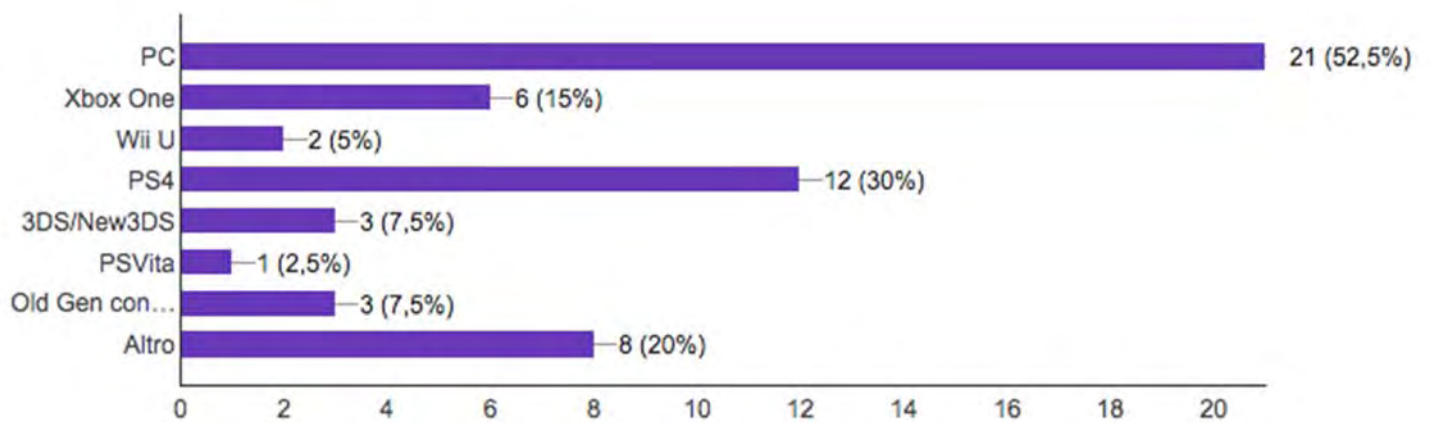
How many hours do you play games every week?



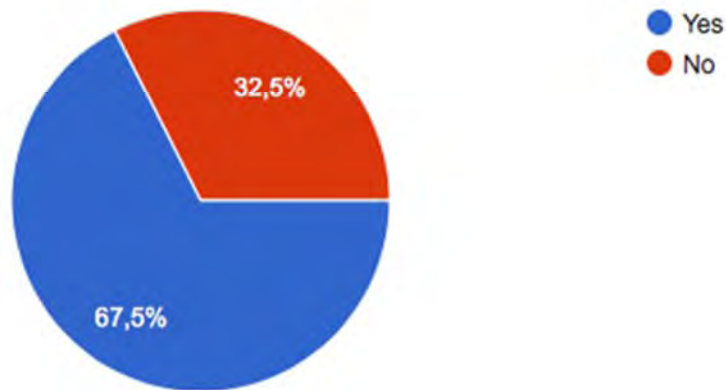
What is your favorite genre?



Which device do you play on?



Would you like to pay a company to help you develop your game idea, regardless if you have programming/art/audio skills or not?



The video game market has been analyzed through the use of **secondary sources**.

- The market trend is positive
- The forecasts, made by statistica.com analysts on the basis of current market trends, are positive until 2021

Revenues on a worldwide basis:

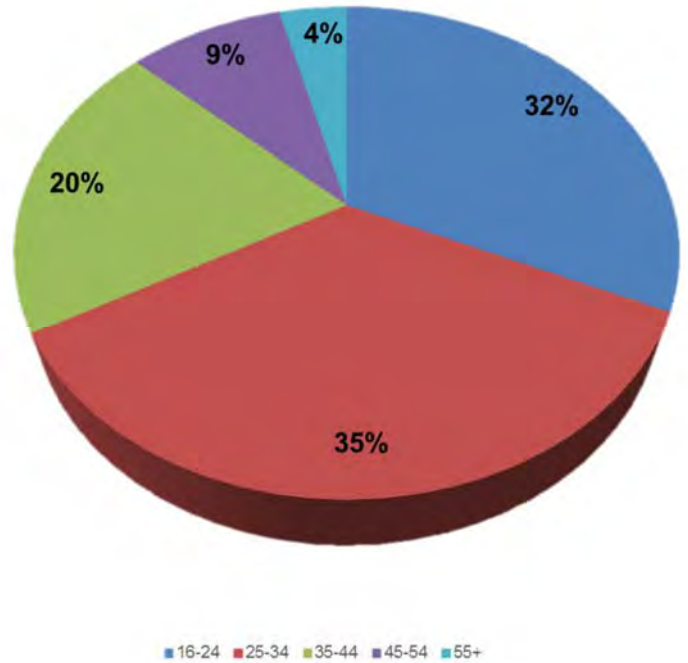
- from **39.799** million US (dollars) in **2015** to **60.130** million US (dollars) in **2021**

The experts think that from 2015 to 2021 the market will grow by **51%**

- At the end of 2016 the expected revenues are of **43.591** million US (dollars), the **9.53%** more than the previous year.

Global Framework of players for different types of games, data updated to 2015:

29.5% download online games
76.4% is a mobile games user
44,35% is an online games user



Age of the users in the global context

This analysis is useful for directing the business of the company and to understand what are the potential consumers on the basis of the target of growth and profitability of our company.



LEGAL STATUS FOR OUR BUSINESS

Legal status for our business: **Co. Ltd (Limited Liability Company)**

Reasons: One of the advantages of an LLC is that its owners, called members, have "limited liability," so they are not personally liable for the debts and liabilities of the LLC. In case of bankruptcy, the members will not have to pay the LLC's debts with their own money.

AIMS AND OBJECTIVES OF OUR BUSINESS

- The main financial objective of our business is **Profit**.
We expect to get an adequate return on the capital invested and the risk undertaken
- We expect that the revenue of our business exceeds the total costs and we can choose to reinvest

WHO IS YOUR TARGET CUSTOMERS?

Our target customers

- Game distribution Companies that sell the videogames we create to users
- Private customers: high-spenders who ask for customized games

THE LOCATION OF OUR BUSINESS

The ideal location for our business is the centre of our city for the following reasons:

- be visible
- facilitate the dissemination of information and accessibility for anyone interested
- be included within a context in which the job market and all the technical equipment we need (computers, softwares, etc.) are easily available
- be well connected from the logistic point of view in order to be always "on time"

DIRECT AND INDIRECT COMPETITORS

Possible direct competitors

The main competitors are all the game developers who develop and deliver games through their own direct and/or other vendor's channels .

Big companies that could be hard competitors are:

- EA
- Ubisoft
- Nintendo
- Bethesda
- Sony
- Activision

Possible indirect competitors

Many companies develop free games to advertise their products, for example cartoon companies usually make games based on the cartoons, sometimes selling them but nowadays most of them are free mobile games, some with In App Purchases which get a big download number just for the name and because they are free.

COMPETITORS: STRENGTHS & WEAKNESSES

Strengths: The direct competitors are an important part of competition because they have a relatively huge budget, specialized workforce, consolidated know-how and channels.

Weaknesses: Their products are not customizable

MARKETING MIX

PRODUCT: How do you want to design your product?

The product will be a deeply customized game designed for the client

What characteristics do you want to include?

There will be a starting pack for pc and mobile with various addons. We let the end customer to choose several games types and features to be customized according to his own needs/wants. E.g. it would be possible to choose a platform instead of another one.

What kind of “plus” do you want to add for your customer?

We strongly believe that this possibility will increase the value perceived by the end customer and lets us achieve our competitive advantage (gained by the differentiation policy)

PRICE: How is your revenue model structured?

The price per unit sold will depend on the features added by the final customer. It could be reasonable to think that it will be higher than 25% compared to the average market price.

How do your customers perceive the value of your product? What is the price that allows you to make money?

The customer will be aware of the product price from the negotiation phase. Therefore the value paid will be equal to the value perceived.

PLACEMENT: How do you reach your customer?

What are the main channels?

How do you want to take care of your customer, before and after purchasing?

Our channels will be e-mail, a dedicated chat portal and Skype calls (during the negotiation phase). The customer will have the possibility to contact us, ask questions and have any kind of support

PROMOTION: What are the main channel that you want to use to reach your target?

The customer will be reached by using ads on the main social media platforms, by email and on gaming oriented websites through the Web.

SOURCES OF FINANCE

Where will you obtain funding for the business?

Initially through startup accelerators and right after through sponsorships

Identify the start-up budget and working capital requirements

75000€ will be enough money to buy all the computers, licenses and to pay the office rent, the team members and the taxes during the early stage.

Cash flow forecast (3 years)

Initial phase: the cash flow will be hopefully balanced enough so that the balance is never negative

Secondary phase: we will be better known and there will be more customers so there should be the initial profit

Third phase: enough people and other businesses will do a substantial number of requests so that we will get a higher profit

TEAM STRUCTURE

What kind of structure do you want to apply?

Our structure will be a small and flexible organization

What human resources do you need? How many human resources do you need? How much do they cost?

2 Manager/Game Developer founder and cofounder 500€ per month

2 Game Developers 400€ per month

1 Marketing and social media manager (Branding, advertising) 300€ per month

1 Graphic designer (Brand assets and game graphics designer) 300€ per month

1 Secretary (Forwarding customer emails to developers and spam filtering) 200€ per month

note: since the developers are the technical experts about the product they are developing, they will directly reply to the customers until the team gets bigger

ECONOMIC AND FINANCIAL PLAN

The initial amount of 75000€ will be enough to buy everything we need and to pay all the office rent, the bills and to save some money for future investments and emergencies.

There will be the need to upgrade the computers in the future which will be around 700-1000€ if not less, depending on how the hardware market evolves.

The estimated profit can go from 50€ to 5000€ per game depending on the chosen addons which means around 8000€ per month and it will substantially increase if big companies will buy the product.