

**INDEX**

|  |  |
| --- | --- |
| EXECUTIVE SUMMARYCOMPANY OVERVIEWPRODUCTS AND SERVICESMARKETING ANALYSISSTRATEGY AND IMPLEMENTATIONMANAGEMENT AND PERSONNELFINANCIAL PLAN | [INSERT PAGE NO.][INSERT PAGE NO.][INSERT PAGE NO.][INSERT PAGE NO.][INSERT PAGE NO.][INSERT PAGE NO.][INSERT PAGE NO.] |

**EXECUTIVE SUMMARY**

[Nox Furia] is a multiplayer online battle arena/role-playing game that forms a unique environment where gamers from different parts of the world can come together in a common platform. The game is available for all types of computer, ranging from desktops to game consoles. The creators of the game are planning to add virtual reality into its arsenal.

[Nox Furia] is set in a world where ancient civilizations battle against supernatural creatures such as dragons and goblins. Unlike most MOBA games, [Nox Furia] gives gamers the chance to create their own characters and to choose their allegiances (good, unknown, or evil) and races (Greek, Roman, Viking, etc.). Teenagers and young adults, especially gamers who love fantasy, will be naturally attracted to the game because of its setting and mechanics.

**COMPANY OVERVIEW**

**Mission Statement:** To create a parallel universe where gamers can indulge in their passion for fantasy gaming.

**Philosophy:** The creators of [Nox Furia] believe that immersive gameplay and originality are the key elements to the game’s success.

**Vision:** To inspire everyone to keep on imagining new things.

**Outlook:** Thousands of video games come out every year, but only less than a hundred of them are successful in gaining market shares and generating profits. Most of the successful games are either a role-playing game or a MOBA game. A few have tried combining both genres together but have failed miserably. Thus, [Nox Furia] will take advantage of an isolated genre where there are almost non-existent competitors, which enables the game to gain the majority of the market share when it succeeds.

**Type of Industry:** Video Game Industry

**Business Structure:** Limited Liability Company

**Ownership:** Limited Liability Company, [Sadie S. Turner], [Myrtle J. Hughes], [Mary R. Dudley]

**Start-Up Summary**: The start-up cost is [$87,921.94], which will be fully provided by the owners. The start-up funding will be used for the game’s production costs, development costs, distribution costs, and advertising campaigns.

|  |
| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $ 6,369.89 |
| Start-Up Assets | $ 81,552.05 |
| **Total Funding Required** | **$ 87,921.94** |
|  |
| Assets |
| Non-Cash Assets from Start-Up | $ 57,492.49 |
| Cash Requirements from Start-up | $ 24,059.56 |
| Additional Cash Raised | $ - |
| Cash Balance on Starting Date | $ 24,059.56 |
| **Total Assets** | **$ 81,552.05** |
|  |
| Capital |
| Planned Investment |
| Owner | $ 87,921.94 |
| Other | $ - |
| Additional Investment Requirement | $ - |
| **Total Planned Investment** | **$ 87,921.94** |
| Loss at Start-Up (Start-Up Expenses) | $ 6,369.89 |
| **Total Capital** | **$ 81,552.05** |
| **Total Capital and Liabilities** | **$ 81,552.05** |
|  |
| **Start-Up** |
| Requirements |
| Start-Up Expenses |
| Rent - 5 Months | $ 1,719.21 |
| Advertising | $ 535.74 |
| Legal Fees | $ 532.78 |
| Staff Training | $ - |
| Insurance | $ 795.72 |
| Other | $ 2,786.44 |
| **Total Start-Up Expenses** | **$ 6,369.89** |
|  |
| Start-Up Assets |
| Cash Required | $ 24,059.56 |
| Start-Up Inventory | $ 2,961.03 |
| Other Current Assets | $ 10,410.92 |
| Long-Term Assets | $ 44,120.54 |
| **Total Assets** | **$ 81,552.05** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$ 87,921.94** |

**PRODUCTS AND SERVICES**

**Product/Service Description:** [Nox Furia] is a free [MOBA/RPG] game that caters to any individual who desires to immerse himself in a fantasy world where ancient civilizations still exist and supernatural creatures run amok. Unlike most MOBA games, [Nox Furia] gives gamers the chance to create their own characters and to choose their allegiances and races. This provides an RPG feel for the game.

[Nox Furia] will have three allegiances—Good, Unknown, and Evil.

As of now, there are only four ancient civilizations available:

* Ancient Greece
* Roman Empire
* Inca Civilization
* Viking Civilization

**Value Proposition:** [Nox Furia] is a combination of the two most popular genres in the video game industry— [MOBA and RPG]. The game is in a position where none has dared to explore yet because of the apparent difficulty in executing it successfully. Therefore, the game will be the only one in the video game market that offers both [MOBA and RPG] styles of gameplay.

**Pricing Strategy:** [Nox Furia] will adopt the pricing scheme of the current leading [MOBA] game, which is to make the game available to the public for free. However, there will be in-game purchases for premium features such as character skins and loot boxes. This is where the creators of the game can generate revenue.

**MARKETING ANALYSIS**

Video games are exponentially rising in popularity because of their entertainment value and the increasing demand for platforms that allow individuals to briefly escape from reality. However, millions of video games are now forgotten because the majority of the gaming population today, which comprises of teenagers and young adults, are extremely critical of the market. Thus, [Nox Furia] will be designed to meet the hardcore gamers’ criteria for a good game, ensuring great gameplay and originality.

**Market Segmentation**

[Nox Furia] will be focusing its resources on attracting teenagers and young adults to the game because they comprise the majority of the gaming population. These target markets will aid in rapidly gaining market shares.

The table below shows which of the game genres are more popular and at what age group.

****

**Target Market Segmentation Strategy**

Teenagers [(ages 17 and below)]

* Create complex mechanics; most teenagers love a challenge.
* Reward good mechanical plays.

Young Adults [(ages between 18 and 35)]

* Write a good storyline.
* Create quests that follow the game’s storyline.

**STRATEGY AND IMPLEMENTATION**

**Target Market Strategy**

[Nox Furia] aims to increase its sales in the first year by at least [13%]. This will be accomplished by improving the quality and the value of the game’s character skins and loot boxes.

**Competitive Edge**

As of today, there are only a couple of companies who have tried making a game that combines [MOBA and RPG], but they have been unsuccessful in their campaigns. Therefore, the major competitors will be the most popular [MOBA and RPG] games. Nonetheless, [Nox Furia] will stand out among the competitors because it is a unique game that combines both genres.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Nox Furia | * Literally a one of a kind game
* Immersive gameplay
* Available for free
 | Can be considered “high risk, high reward” venture | It will be the first-ever MOBA/RPG game to succeed | Emerging competitors with the same business model |
| Ultra Rapid Fire | Good and long storyline | * Its visual quality is not consistent
* Gameplay has a slow response rate
 | Gamers who prioritize a good storyline over gameplay | Games that have good storylines with consistent visual quality and good gameplay |
| ARAM Online | The most popular MOBA in the US | No storyline | Gamers who enjoy playing repetitive action games all day | Games that have well-rounded action and storyline |

**Sales Strategy and Forecast**

As character skins get better and loot boxes maintain its value, [Nox Furia] targets the following monthly revenues:

****

**Marketing Strategy**

The creators of [Nox Furia] have decided to primarily advertise [Nox Furia] on the most popular streaming app right now—YouTube. This advertising campaign will apparently be paid advertising, so the sales and marketing teams will be meticulously observing this campaign daily to prevent losses.

The creators of [Nox Furia] have also decided to avail the services of a reputable game distribution channel to further improve the game’s brand and to quickly gain the trust of the gaming community.

The sales and marketing teams have kicked-off various activities to move the marketing strategies forward. Here are some of the updates:

**Milestones**

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Advertising Campaign | Pay YouTube to advertise Nox Furia in their streaming app. | January to December 2019 | The game has increased its monthly users by 7%. |
| Game distribution channel | Sign a contract with Steam to avail their services. | ASAP | The game is available to play in Steam. |

**MANAGEMENT AND PERSONNEL**

The [CEO] heads the company that made [Nox Furia] while the executive producer reports directly to the [CEO].

The executive producer will manage these five major departments:

* The art department that creates sketches for visual concepts.
* The HR department that handles all human resources tasks.
* The programming department that gives life to approved game designs.
* The business development department that handles all sales and marketing planning.
* The game design department that gives life to approved visual concepts.

Below is the organizational structure of the company:

****

**FINANCIAL PLAN**

The financial plan includes the projected break-even analysis, profit and loss, balance sheet, and cash flow.

**Break-Even Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fixed Costs** | **Average Price** | **Variable Costs** | **Contribution Margin** | **Break-Even Units** |
| $ 2,514.93 | $ 70.00 | $ 36.07 | $ 33.93 | 74.13 |
|  |  |  |  |  |
| **Fixed Costs** | **Amount** |  | **Variable Costs** | **Per Unit Amount** |
| Rent | $ 1,719.21 |  | Advertising | $ 17.99 |
| Insurance | $ 795.72 |  | Legal Fees | $ 18.09 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** | **$ 2,514.93** |  | **Total** | **$ 36.07** |

|  |
| --- |
| **Fixed Costs** |
| Rent | $ 1,719.21 |
| Insurance | $ 795.72 |
| **Total Fixed Costs** | **$ 2,514.93** |
|  |
| **Total Units Sold in 1 Month** | **9,636** |
|  |
| **Variable Costs (Unit Sold/Cost per Unit)** |
| Advertising | $ 535.74 | $ 17.99 |
| Legal Fees | $ 532.78 | $ 18.09 |
|  |
| **Total Variable Cost (Per Unit)** | **$36.07** |
|  |
| **Break-Even** |
| **Selling Price Per Unit** | **$ 70.00** |
| Break-Even Point Per Unit [Fixed Costs/(Sales Price Per Unit - Variable Cost Per Unit)] | 10,000 |
| 33.93 |
|  |
| **Break-Even Point in Units** | **295** |
|  |
| **Contribution Margin (Selling Price - Total Variable Cost)** | **$ 33.93** |

|  |
| --- |
| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $ 248,919.43 | $ 323,312.42 | $ 383,557.54 |
| Direct Cost of Sale | $ 62,079.13 | $ 75,323.00 | $ 78,460.60 |
| Other Cost of Sale | $ - | $ - | $ - |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $ 62,079.13 | $ 75,323.00 | $ 78,460.60 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $ 186,840.30 | $ 247,989.42 | $ 305,096.94 |
| **Gross Margin % (Gross Profit/Sales)** | **75.06%** | **76.70%** | **79.54%** |
|  |
| **Operating Expenses** |
| Rent | $ 24,302.19 | $ 24,583.12 | $ 24,618.19 |
| Insurance | $ 6,078.40 | $ 6,445.44 | $ 6,590.01 |
| Utilities | $ 9,440.52 | $ 9,539.38 | $ 9,980.16 |
| Salary (Including Tax) | $ 93,267.79 | $ 121,213.40 | $ 129,409.70 |
| Maintenance & Supplies | $ 4,136.40 | $ 4,449.24 | $ 4,688.39 |
| **Total Operating Expenses** | **$ 137,225.30** | **$ 166,230.58** | **$ 175,286.45** |
|  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $ 49,615.00 | $ 81,758.84 | $ 129,810.49 |
| Depreciation | $ 4,000.00 | $ 4,000.00 | $ 4,000.00 |
| Interest Expense | $ 2,377.89 | $ 1,465.40 | $ 1,122.81 |
| Taxes Paid | $ 43,063.06 | $ 57,549.61 | $ 68,273.24 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$ 4,174.05** | **$ 22,743.83** | **$ 60,414.44** |

|  |
| --- |
| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $ 28,759.90 | $ 52,590.09 | $ 83,936.15 |
| Accounts Receivable | $ - | $ - | $ - |
| Inventory | $ 6,850.36 | $ 8,396.81 | $ 8,457.94 |
| Other Current Assets | $ 13,813.93 | $ 16,295.54 | $ 19,515.36 |
| **Total Current Assets** | **$ 49,424.19** | **$ 77,282.44** | **$ 111,909.45** |
|  |
| Long-Term Assets | $ 55,857.02 | $ 58,255.48 | $ 61,914.38 |
| Accumulated Depreciation | $ 7,261.41 | $ 7,573.21 | $ 8,048.87 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $ 48,595.61 | $ 50,682.27 | $ 53,865.51 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$ 98,019.80** | **$ 127,964.71** | **$ 165,774.96** |
|  |
| Accounts Payable | $ 13,643.09 | $ 13,776.94 | $ 13,828.55 |
| Notes Payable | $ 2,434.06 | $ 5,511.39 | $ 5,990.84 |
| Other | $ - | $ - | $ - |
| **Total Liabilities** | **$ 16,077.15** | **$ 19,288.33** | **$ 19,819.39** |
|  |
| Paid-in Capital | $ 87,921.94 | $ 94,076.48 | $ 106,306.42 |
| Retained Earnings | $ 140,454.03 | $ 350,125.96 | $ 642,333.20 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$ 81,942.65** | **$ 108,676.38** | **$ 145,955.57** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **19.62%** | **17.75%** | **13.58%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $ 28,759.90 | $ 52,590.09 | $ 83,936.15 |
|  |
| **Sources of Cash** | $ - | $ - | $ - |
| Receivables | $ - | $ - | $ - |
| Sales | $ 248,919.43 | $ 323,312.42 | $ 383,557.54 |
| Others | $ - | $ - | $ - |
| **Total Cash** | $ 277,679.33 | $ 375,902.51 | $ 467,493.69 |
|  |
| **Expenditures** |
| Rent | $ 24,302.19 | $ 24,583.12 | $ 24,618.19 |
| Insurance | $ 6,078.40 | $ 6,445.44 | $ 6,590.01 |
| Utilities | $ 9,440.52 | $ 9,539.38 | $ 9,980.16 |
| Salary (Including Tax) | $ 93,267.79 | $ 121,213.40 | $ 129,409.70 |
| Maintenance & Supplies | $ 4,136.40 | $ 4,449.24 | $ 4,688.39 |
| **Total Expenditures** | $ 137,225.30 | $ 166,230.58 | $ 175,286.45 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$ 140,454.03** | **$ 209,671.93** | **$ 292,207.24** |