Textfyre – Business Plan Changes

(this is a brain dump and may not reflect any organization)

1. I found an article that mentions that “Tweens” (the targeted 8-14 age demographic) has $50 to $100 per month in disposable cash. It also mentions that this age group is spending time and money on casual reading. This is a critical argument for our product’s viability. Should we mention that this is a four year old article? <http://www.mlaforum.org/volumeIII/issue1/Article2Tweens.html>
2. I have met with Janny Wurts, a well known fantasy author and artist and we’re discussing using a portion of Athera, a world she’s developed over the last twenty-five years and has written eight books within. There are at least three more books to be written for this world. She would provide the setting and then we’d be allowed to use the larger character groups, but we would have to develop our own specific characters and Janny would have final editorial revue. We’re talking about a contract that pays royalties as well as a percentage of revenue while we’re using her name.
3. We may be able to get access to Raymond E. Feist through Janny and Feist is a NYT best-selling fantasy author.
4. Realistically, we will have three games done this year. Miradania I, II, and Klockwerk I. If we get large funding ($250k+) we will be able to hire a couple of people full-time including me and we should be able to pump out at least three more games this year.
5. We will need outside assistance to help with sales and marketing.
   1. Purchase a marketing booth for trade shows.
6. We will need to spend $5,000 to $10,000 on the website.
7. We will need to pay off the existing debts which total about $12,000.
   1. $2,000 to Jesse McGrew for the game engine. Jesse receives $50/hr.
   2. $2,400 to Mike Gentry for writing Secret Letter. This is for the $.04/word pre-payment. He receives $.16/word after 500 games are sold, which is $9,600.
   3. $500 to Erika Swanson and Graeme Jefferis for artwork and Inform 7 coding respectively. (These are likely to increase slightly). Erika is paid $25/hr and Graeme is paid $15/hr.
   4. $2,000 to Peter Mattsson for the user interface programming and design. This is an estimate. Peter works at £25 which is roughly $49/hour.
8. Employees:
   1. I would come on board full time in September at a salary of $150,000/year plus health benefits. This is sort of a misnomer since I’m already an employee, but the revenue is all generated from consulting fees. When Textfyre is generating its own revenue, I will be working for TF full-time as the President.
   2. Mike Gentry would come on board on an unknown date for $75,000/year plus health benefits.
   3. Mike Snyder would come on board on May first for $75,000/year plus health benefits.
   4. Jon Ingold would come on board on an unknown date for $50,000/year. He’s in the U.K. so health benefits are likely not required.
   5. Peter Mattsson would work for about $60,000/year or less if there were profit-sharing.
      1. Not sure if we need him FT. Peter has Flash and other UI design and programming skills that may be critical to each publication.
   6. Erika would work for about $40,000/year. Again, I’m not sure if we need a full-time graphic illustrator, but if had one, we could develop comic books, cards, and more on a regular basis.
   7. Jesse would work for $60,000/year plus benefits.
9. Our third series is called Giant Leaps and the first game is about half designed. It’s possible that we could push this to completion this year and have four games out.
10. We need identify management of the company.
    1. Establish a Board of Directors (?).
    2. Establish official Advisory Board.
       1. William Kolomyjec (kuh lom’ check) – Education and Print/Web Marketing Expertise
          1. Bill is in Florida taking care of his mom so I don’t know when he’d be available for a board meeting.
       2. Jeff Tagge – Publishing Expertise
          1. I’m not sure how much I can get out of Jeff. He’s shown interest when I bump into him, but he hasn’t gone out of his way and doesn’t seem to want to be nailed down.
       3. Nick Montfort – Interactive Fiction expertise
          1. Nick lives in Boston I believe and so again, not sure how much access we’d have. He’s sketchy on the business model, but has said he’d help wherever he thought he could.
       4. Dennis Jerz – New Media Professor
          1. Dennis has offered to help in many ways and without pay. He’s offered to man the booth at trade shows, to help with testing, and to help develop educational content. Dennis is in Greensburg, PA so he would only be available over the phone.
    3. Accounting and Bookkeeping.
       1. I found a bookkeeper, but I need to establish a relationship with an accounting firm to handle the books. Haven’t been able to nail one down.
    4. Chief Executive Officer or Business Manager.
       1. I will run things to start, but we will need to hire someone to manage the day to day business activities.
    5. Employees
       1. Mike Gentry has said he’d accept a position. His total comp would be around $90k to $100k/year.
       2. Erika Swanson is also interested, but it may be cheaper to keep her as a part-time sub-contractor.
       3. I have not considered hiring anyone else, but I will ping all of my current subs and find out who would be interested and for how much.
    6. We plan to sell games as downloads, on CD, on thumbnail drives, on mobile phones, and online.
       1. Downloads will be available at launch time and will be $19.95 or $24.95.
       2. CD’s will be available at launch time and will be $24.94 or $29.95.
       3. Thumbnail drives will be available at launch and will be $39.95.
       4. Mobile software will not be available until Q3 or Q4. Pricing is to be determined.
       5. Online play will not be available until 2009 and pricing is to be determined.
    7. Group Licenses
       1. We will directly market licensing deals to schools and libraries through the appropriate vendors (Follett, ?). Pricing is to be determined.
    8. I have discussed licensing old material from Activision, but they seemed to require a down-payment on revenue. I think $50,000 would cover this and it’s a potential strategy for getting our name out and getting some very strong publicity.
    9. We will have games tested by kids through their parents and we will offer some sort of gift card in return. I think we would offer a $50 gift card to Toys R Us, Borders, Barnes & Noble, or some other chain that kids would appreciate. The parents would have to sign the waiver and the kids would have to complete the game to receive the gift card. The game would send us marketing and testing information, but no personally identifiable information (no last names, addresses). I’m expecting to get about 25 to 50 testers involved so this would add up to $2,500.
    10. We have commitments from Wired Magazine, Arm Chair Arcade, Gamasutra, and GrrlGamer.Com to review our games.
    11. We need to have a support phone line. I have no idea how much this will cost. Need to research.
    12. We will need to create an installation package and test it on XP and Vista with various levels of RAM. It might be good to find a place that helps with this.
11. What will Return Allowance be?
12. What will Damage Goods Allowance be?

Follett

50% of K-12 Library Market

Classroom and School Libraries

Non Book Item

Magazine Subscriptions

TitleWave Website – huge database to search for books (mark records)

Will review collection and make recommendations and tell what’s missing or out-dated. Sort by review.

Larger school districts have contracts

Smaller school districts may or may not have contracts

Mrs. Sterns

Leveling: lexile and fountas and ponell

Rainbow resource center – home school resource

Very unlikely to buy from me directly

Follett sells service, not product….they are required to focus on specialties (usually grade level)

Follett Software?

Baker and Taylor – Public Library, BN, Amazon, Borders, Wal-Mart.Com

Anderson Merchandisers for Wal-Mart

Teacher Resources

Ingrahms

Brodart

Borders is downsizing – Jeff will get me a name

BN is doing well – Jeff will get me a name

Books a Million – AWBC – Atlanta

Jeff Tagge – Independent Publisher’s Group – VP Sales

Publishing Advisor