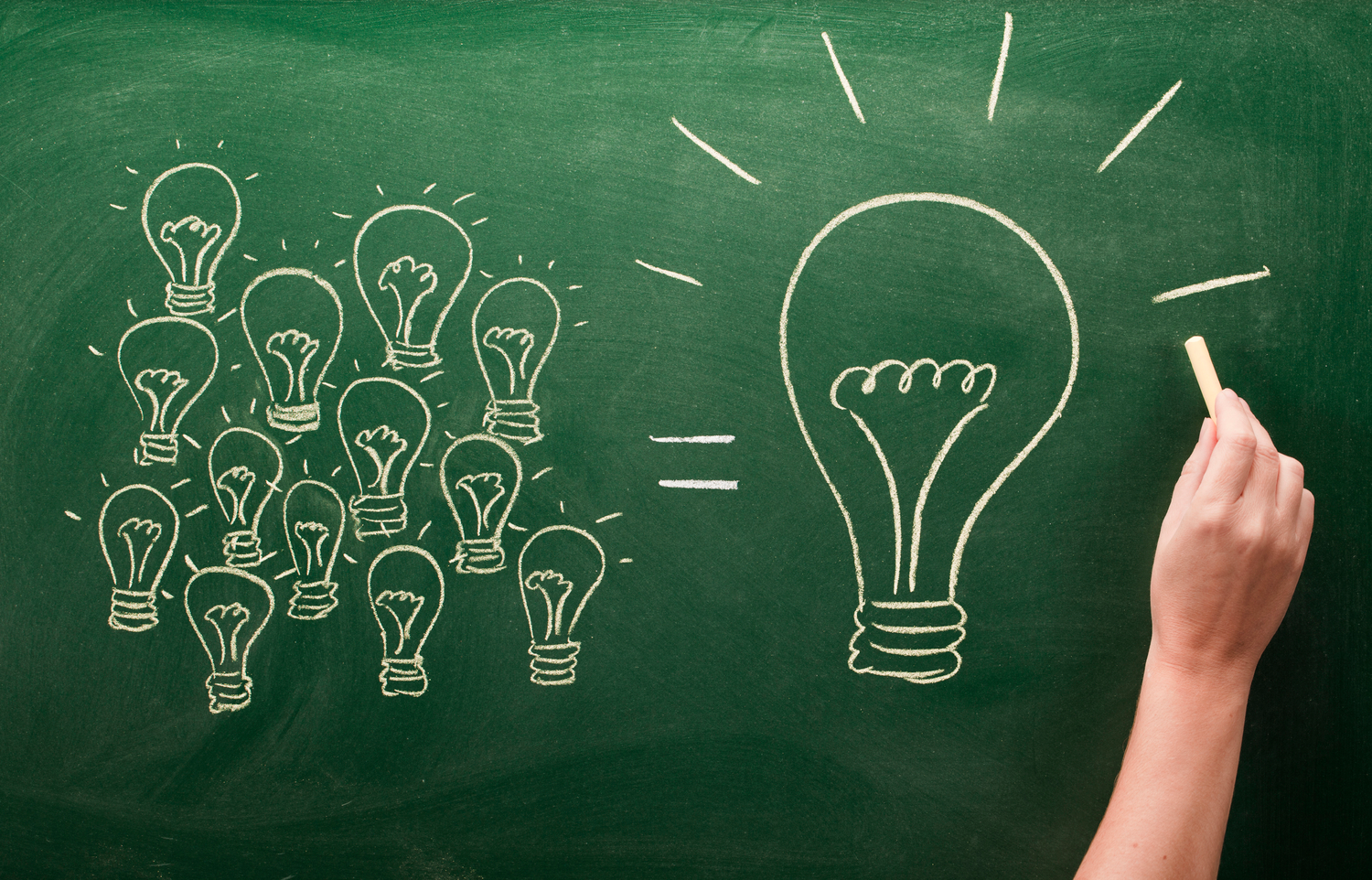
## horizontal line



Technology Entrepreneurship

Assignment No. Two

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**─**

## Group 6

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Robert Gabriel

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## 

# The strength of the idea

## **Degree of novelty**

I think that the idea of creating a universal control is very clever. I have seen various different companies bring out 3rd party controllers for gaming consoles but never a one-for-all controller, so well done guys. The questions I have are:

Don’t gamers generally stick to one platform (console)? So why would they want this?

The aspect of playing online has increased over the last number of years so isn’t the chances of wanting to go to a friend’s house and play with them greatly reduced?

Have you thought of how your customer segment (gamers) will react to this?

As I said above, gamers tend to stick to one console so have you thought of how to design a controller that satisfies customers of all console types.

## **Commercialisation potential**

I believe people with more than one console will definitely see the benefit of the controller. Since many gamers have one console so are you aiming for niche segment in the market,

A major concussion that has been come from us critiquing this idea is the fact, you would have **very little brand recognition**. This is major cause of the audience will always go for the branded controller from the console manufacturer vs the 3rd party one (9 times out of 10), cause the branded one is always going to work flawlessly, cause of the console maker wanting to controller the experience, **how would you overcome the stereotype of being the cheap knockoff 3rd party manufacturer?**

**Feasibility of Idea**

In terms of the idea I think it’s new and creative and there could certainly be a market for it. The main concern I have though is, how feasible is the idea? It seems great but won’t you need permission off each console manufacturer, if you want it to work with their product. On the day you mentioned that connectivity to each device should not be a problem since they all use USB – I think the fact that you mentioned this was good because it showed that you were thinking of how the product would work with each console. My main concern though is the concept actually possible and do you have the knowledge to create the product. There are many different 3rd party controller manufacturers out there, yet no other vendor has developed this product even though it seems logical. Have you considered why they haven’t tried to develop a one-for-all controller?

A Major concern is the fact of the licensing out the technology from all if any of the vendors (Sony, Microsoft and Pc). There are major costs to get 3rd party peripherals onto the consoles and have to be signed (Which allows them to sold in shops) by the console owner. This is a make or break area, in which the companies would normally never sign over all of the rights to share code and technology. Sadly to say this would make it gently fall and slightly get heated **(a tremendous task even)** before you can get it off the ground. How would you go about convincing both console makers to agree to this? Even when you said it would be 55 euros, which is undercutting the official console makers game controllers which are 70 euros.

## **Revenue Sales**

The problem from the revenue streams comes into the fact of the breaking down of the future-proofing the company, keeping it alive past the 1-year mark.

To example it better, there are 25 million consoles[[1]](#footnote-0) sold in the past 2 years. The average console runs a lifetime cycle of 5-8 years.

As stated you plan to sell the game controller for 80 euros , 60 euros(let's say) of that is taken away from costs and wages, licensing fees and marketing etc. You have 20 euros in profit per controller, which is great. (Note this is for within the first year, and the profit margin will grow) .

You then go on to sell 1 million controllers, what do you next? Do you create a new controller with a different design? Do you think that will sell?

How do innovate on your current product if the console lifespan is 5 - 8 years, to keep the company in profit? This is critical for keeping the company alive.

The other revenue stream you wrote about is selling shells for the controller. The trends for people buying seems to be fading, and do you think this will be successful in bringing in profit for the company in a long term? If you go for an officially licenced shell, wouldn't that cut into your profit and drive prices up ?.

Another question, if you were to rush the development and Research, and the product doesn't live up to the hype, with it dropping and not working correctly. How would you bounce back if there is a fault in the first set of controllers and had bad PR?

# Management of time

Time management is the one very obvious area of criticism that I suppose you could have guessed was coming. I stated earlier, that I am fully aware that the idea of presenting in front of a large group can be very challenging so this kind of issue can certainly be anticipated, especially in your group because I am aware that you would not have done many presentations in the past.

However, keeping within the time limit shows that you carefully prioritised what information that needs to be discussed within the presentation and in this case it seems that this is something you lacked. This led to one of your group members having to rush through his segments and I felt this put an extra strain on this team member.

Rather than take this as an insult I would like you to see it as constructive criticism that may help in change your attitude or preparation techniques for future presentations. You may consider rehearsing thoroughly and have a clear understanding of how each segment fit together and efficiently gauge the time that should be allocated for each. I certainly believe that the more experienced you become, the more capable you will be at deciding the amount of information that can be specified in a given time slot.

# Perceived degree of effort put into fleshing out different sections of the BMC

First of all I want to say I believe you put a high level of effort into developing the Business Model Canvas (BMC) but I would still like to point out somethings based on my perception along with my teams. I like how you talked about how the number of gamers in the world, I think you mentioned 1.2 billion, this shows that you researched your potential market. However, I do believe that you could have mentioned how many people have more than one gaming console, this would have shown greater clarity in market size and shown a greater depth of analysis.

## **Value Proposition**

In the value proposition (VP) you mention ergonomics in the design of the controller, this shows that you are thinking of the user and making it as comfortable and efficient for the user so well done. I did mention that gamers may be familiar with the design of one console controller so a bit more research on how you determined that your controller would suit the needs of the users of various different could have been detailed.

Again in the VP you mentioned the price, which was you said was competitively priced at around €80. I think you could have stated, how much the controllers for the individual console costs. This would have shown more level of research and also emphasise the value of your controller.

In VP you also mention cost reduction and convenience, I thought that was good, convenience is always great selling point so I thought was clever to point that out. Cost reduction of course is another good selling point but I don’t think you made that point very clear, you mention that **it saves money in the long run, in what sense?**

## **Channels**

For channels you mentioned that you mentioned you can buy online and from selected stores. Selling online seems like a very good channel to sell through. I know it was pointed out on the day but selling through selected stores may not be an appropriate channel. Relating back to Porter's Five Forces and in particular “Barriers to entry”, big console manufacturing companies such as Microsoft and Sony can persuade the stores not to stock your controller by threatening to remove their own stock. This is an area that more thought should be considered. I am aware some stores do stock 3rd party controllers and if you are confident that the store would stock your controller I think it’s important that you mention this to emphasise that you are aware of the possibility of that challenge. If you were to sell the controller through stores you did mention that stores would charge a commission fee which will affect your profit margin so I thought this did show some degree of depth when thinking, so well done.

## **Key Partners**

I found it very interesting when you mentioned that you would outsource the manufacturing to Foxconn. This should a good level of understanding of what things need to be done when considering a business venture of this type. The fact you selected and identified a company that can do the manufacturing most cost effectively, shows depth in research, so well done. You mentioned Kickstarter as a crowdfunding website that could help you get initial funding at start. I **see this as a way of generating revenue so why is it not in the Revenue Stream segment?** I am not particularly sure if you thought this part through.

## **Depth of conviction**

Firstly I know how daunting it can be to stand up in front of a room of people so well done to all of you. I like the passion you all showed during the presentation and though clearly some of you seemed more comfortable than others, you were still able to complete the presentation to a satisfactory standard. A few things I did note are as follows:

1. I don’t think you clearly related parts of your BMC, for example when you talked about your key partners you could have explained what key resources are you acquiring from them and you could have possibly linked this to what key activities they would be doing. For example when you spoke about outsourcing to Foxconn in your key partner segment you could have directly related this to the key activities that they would be doing.

2. When going through the BMC you begin by going through the VP – which is great, but then you move on to customer relationships. I don’t think this flows naturally you begin talking about your customer relationships and the channels to the customers before actually stating who your customers are. In my opinion the “what value you bring and to who” are the most important first considerations when developing a business model so this would be an area I would consider paying more attention too for future reference.

3. I also noticed the way to the presentation was presented was a bit uncoordinated. Each of you had 2-3 slides each, instead of each of you selecting slides consecutively - that flow together. You presented slides individually and you seemed to be swapping back and forth. I don’t think this is an entirely effective approach for a relatively short presentation. This led to the presentation going over the allocated time slot so I think you may need to be more aware of this in future.

However, I did like how the presentation slides looked. They did not show too much information, which is a good thing because more attention was then focussed on your presentation rather than reading from the slides. Your group were also very capable of detailing each point you made on the segments so well done. Overall, I believe you explored the idea relatively well across all the sections. You showed good levels of thinking and research when fleshing out the BMC. Some were nervous for the presentation – which can be expected. Ultimately you all performed very well and I find that you put a high level of effort into each section of the canvas so good work guys.

# Mark

Given the following topics discussed in this report so far along with the critiques given, we as a team feel the over score should be in the area of the following 72 %.

The reason for this score has been written thought this document, we believe there might be a full product here to develop and a business around, with a more clear and focused business model canvas along with some of the technology details gone over, which as the licensing fees and how to overcome it ..

We as a group marked group 6 in terms of the presentation overall, BMC evaluation, Ability to answer questions ,Revenue and Cost Structure. and the The strength of the idea. .

We included a marketing table, which has the break down an overall score of the following to be discussed. This is a great mark and well earned.

|  |  |  |  |
| --- | --- | --- | --- |
| Title | Description | Marks | Mark Given |
| Presentation | Ability to get the key messages across with conviction and clarity and with energy; high, moderate, low. | 20 | 15 |
| BMC Evaluation | Research and knowledge learned from using the BMC. Is the information conveyed in the canvas? Could the group do more in terms of research? | 35 | 25 |
| Ability to answer questions | Ability to answer any question with clear knowledge of the area. | 5 | 3 |
| The strength of the idea. | The over strength of the idea and the success in the market, | 20 | 14 |
| Revenue and Cost Structure. | The Revenue streams and the costs, in the long term | 20 | 15 |
| Total marks |  | 100 | 72 |

1. "Sony has sold 25 million PS4, sales double that of Xbox ..." 2015. 18 Nov. 2015 <<http://www.geek.com/games/sony-has-sold-25-million-ps4-sales-double-that-of-xbox-one-and-xbox-360-1629779/>> [↑](#footnote-ref-0)