A blue background with white text

Description automatically generatedStrategic Plan

Contents

[Long Term Goals 3](#_Toc69114045)

[Long Term Financial Targets 3](#_Toc69114046)

[Competitive Advantages 3](#_Toc69114047)

[Current Competitive Advantages 3](#_Toc69114048)

[Planned Competitive Advantages 3](#_Toc69114049)

[Growth Strategy 4](#_Toc69114050)

[Revenue 4](#_Toc69114051)

[Employees 4](#_Toc69114052)

[Timeline 5](#_Toc69114053)

# Long Term Goals

Derivative Games will be taking advantage of multiple genres with a number of different development teams running in parallel.

Target Studio Size: approximately 35 staff by end of 6th year of operations

15 developers working on Hyper casual products and post release

15 developers working on a flagship product

5 miscellaneous staff focused on procedures, company direction and other integral tasks

Made games in 3 different genres by the end of the 6th year of operations, outside of our hypercasual development stream

Relationships with various relevant industry bodies (e.g. publishers, platform vendors)

Be accepted into a platform vendor console development program by the end of 3rd year of operations.

Been in talks with publishers for relevant products

# Long Term Financial Targets

We expect to be profitable by the end of 2nd year of operations due to establishing a working relationship with the publisher Storms.

In order to achieve this, our organisation must make approximately $40,000 AUD per month for 8 developers.

# Competitive Advantages

## Current Competitive Advantages

Rapid development of simple, quality experiences for market release

* Enables the maintenance of publisher deals around Hyper casual releases
* Gives us an advantage over our competition as products released maintain a high standard of quality
* Can also be used to support contract work and minimum viable products (MVP’s) for other projects

## Planned Competitive Advantages

Engaging mobile narrative experiences

* Allows the development of interesting flagship titles
* Can be used to entice new IP partnership deals that can attract new customers to our projects
* Diversifies our companies portfolio

Continuing to develop our existing advantages

* Improving and expanding our tools for rapid mobile development

# Growth Strategy

## Revenue

* Create partnerships with multiple publishers to deliver Hyper Casual Content
* Create novel IP and Flagship titles that deliver revenue directly to Derivative Games
* Expand our titles onto new platforms, including PC and consoles such as PS5, Switch and Xbox Series S/X
* Search for contract work for short term influxes of capital that can fund advertising for our other titles.

## Employees

* Employ Development teams rather than individuals to maintain revenue growth and company cohesion

This generally means one designer to at most 2 artists and 2 programmers

* New staff should be employed when the work is guaranteed to be available, to avoid revenue shortfalls or unpaid hours.
* Expand into independent offices to manage increased staff needs

Must accommodate tech, space and software needs for each new staff member

To expand operations, Derivative Games would need to have a financial position of $12,000 AUD per developer after bringing the additional developer on board plus an additional $2500 for equipment costs. This covers 3 months employment for the team. This is conclusive of an hourly rate that is approximately $25 per hour for a 40 hour week (It isn’t exact because Derivative Games is focused on providing revenue share from projects for developers, but it’s a close minimum).

Alternatively, Derivative Games can contract on developers at a reduced cost for individual projects, which means $4000 AUD available in addition to running costs, prior to a project’s commencement. Ideally, Derivative Games will expand in groups of 3 to enable the simultaneous development of additional hyper casual projects per month.

# Timeline

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Income** | **Employees** | **Activities** |
| ***1st year*** | $0 | 8 | Setting up business  Releasing a number of mobile games |
| ***2nd year*** | $700,000 | 11 | Working with a publisher to publish mobile games  Complete and release our narrative mobile project, also release on PC |
| ***3rd year*** | $1,300,000 | 15 | Release a second narrative mobile project |
| ***4th year*** | $2,000,000 | 18 | Self publish and market hypercasual projects |
| ***5th year*** | $3,200,000 | 25 | Implement a placement and intern program to hire on more employees  Complete and launch a project onto consoles |
| ***6th year*** | $4,500,000 | 35 | Work on large, expansive games |