Growth Plan

Introduction

Sad Pumpkin Games is a small game development startup which aims to capture some amount of market share in the mobile, console, and PC gaming spaces and achieve self-sustainability by rapidly responding to customer wants and factoring customers into the development strategy from day one. Being a game development startup, Sad Pumpkin Games will likely find it difficult to locate external investment due to the volatile nature of game development and the speed at which trends in gaming shift. As such, the growth plan of Sad Pumpkin Games aims to reduce the need for external funding as much as possible by shipping minimum-viable products to consumers and using consumer input and response to guide the development process as much as possible. Wearing this transparency on the startup's sleeve should not only mean that fewer products are being created for non-existent audiences, but that those products that do fail to find an audience are not huge investments due to their MVP nature.

Stage 1 – Ideation and Identification

The first stage of Sad Pumpkin Games' startup plan is pre-seed and relies on the investment of time, resources, and skill of a small group of industry veterans. These founders will be working part-time on Sad Pumpkin Games in their spare time while using what they have learned from their time in the game industry. The primary goal of this stage of growth is the ideation of possible game ideas that both appeal to the founders and to potential markets. Secondarily, the identification of target audiences that are underserved in some meaningful way is a large part of this growth stage. Finally, establishing tools for rapid game development during this stage will be paramount to future stages of growth. This stage of growth is the most

widely varying in both time and scope but will likely range from three to six months of active development. Once the team believes it has a good grasp on target market(s) and the proper tools are established, the startup will advance to the next stage of growth: actually releasing something.

Stage 2 – MVPs and User Research

The second stage of Sad Pumpkin Games' startup plan continues to be pre-seed investment and sees the small team still working in their spare time to develop and release multiple small games in MVP state. These games will all be built atop the frameworks and toolchains created during stage one, which should make creation, iteration, and deployment much less costly. The overarching goal of this stage is to release multiple games targeted at the markets identified during stage one and using techniques like A/B testing and regional releases to research the behavior of users in these markets. By the end of this stage of growth, Sad Pumpkin Games should be making a small amount of money through purchases (retail or in-app) and ad revenue, as well as have a good handle on what games and features the target markets do or do not want and how receptive the market is to certain concepts. Like stage one, this stage also has a widely varying duration. Sad Pumpkin Games will stay in this stage of growth until at least one of the identified markets has shown significant interest in one or more of the game concepts and the team of part-time founders are unable to keep pace with feature requests.

Stage 3 – Iteration and Hiring

The third stage of Sad Pumpkin Games' startup plan is the first where outside funding will be sought out and when the first employees will be hired. This stage will only ever happen when the desire of the audience outpaces the founders' ability to develop, which signifies that there is the groundwork for growth of the startup. The first step of this stage of growth will be to seek external investment either through short-term means, like loans, or through the engagement with an investor for seed capital. Though game development startups are generally difficult to find investors for, holding off on seeking investment until after the products are proven viable should assuage the fears of some potential investors. Once funding is achieved, either through investment or through one or more of the products' revenues outpacing development costs, the

startup will begin hiring employees to maintain the successful products. The number of employees will vary with the requirements of the team and the desire of the audience to see new features added. Sad Pumpkin Games will continue slow growth in this stage until the existing products and team have grown to be self-sustaining and maintaining a steady profit, which will likely take at least six months to a year of active development.

Stage 4 – Expansion and Continued Growth

Once Sad Pumpkin Games has proven to be capable of reliably growing and maintaining an audience and turning a profit from its games, the final stage will be to expand and continue the growth of the company. At this stage the team will seek to diversify its offerings to wider and more varied audiences using the same techniques and iteration strategies that were used in stages two and three, while continuing to maintain and grow already-established games and audiences. Depending on the success of stage three, Sad Pumpkin Games may not need to seek additional outside funding at this point, but the team may deem it more viable to seek Series A funding by an investor in order to more rapidly expand the team and product offerings developed by the studio.

Conclusion

Game development startups generally die out slightly quicker than others due to the high development cost of games and the massive amount of competition. As such, the growth plan for Sad Pumpkin Games is designed in such a way that failure is the expectation and each stage requires the startup to prove itself either through the well-researched identification of target audiences, the establishment of products with verifiable player demand, or the proven ability to be self-sustaining. This growth plan is intentionally conservative to prevent the loss of large investments, since anyone who's working in a game development startup can tell you that injecting large sums of money into a game does not make that game viable.

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