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PrecisionProjections

The fantasy football industry has valuations of upwards of 30 billion dollars a year, and it is growing rapidly. Non-betting leagues have grown at a rate of 25% since 2011, with roughly 51.8 million players in the USA and Canada in 2015. To contrast, Daily Fantasy Sports (DFS), such as FanDuel and DraftKings, are growing at even faster rates. Eilers Research estimates that DFS leagues generate 2.6 billion dollars in revenue, and will grow 41% annually until 2020 when these leagues are expected to reach market values of 14.4 billion dollars. Precision Projections taps into the enormous DFS market by providing customers with tailored fantasy football advice. Precision Projections generates a roster that is the most cost effective while maximizing fantasy points. Customers can substitute in their own players, and the roster will adjust accordingly; generating a new roster that uses the customer’s selections and still maximizes points in the most cost effective fashion.

The main proprietary component that Precision Projections offers is its algorithm to project fantasy points. Once the projections are made, a roster which is the most cost effective is generated using mathematical analysis. The algorithm outperforms, on average, all other projection systems available. Additionally, the algorithm utilizes machine-learning techniques, which allows it to become “smarter” every week. At the end of each week, new data comes into the system and the algorithm learns from its mistakes and adjusts to improve on its projections.

Precision Projections provides its customers two main value propositions. The first is the ability to provide customers with a roster that consistently outperforms projections offered anywhere else. The second component of the value proposition, and arguably the most important, is the fact that customers are allowed to pick their own players. The algorithm adjusts accordingly by generating a new optimal roster after each pick. This provides customers with the flexibility of using the service for as many or as little roster spots as they would like, ensuring that the fun of picking your own players is still intact.

The flexibility for a customer to make their own picks is the main differentiating feature between Precision Projections and any other major competition. There are a number of websites that offer a roster that is the most cost effective way to maximize points, but do not allow for the flexibility of choosing your own players. Another popular way that customers decide how to pick a roster is through subscribing to articles written by fantasy experts. These articles do not provide an empirical way of evaluating players, and for that reason they are not reliable enough for fantasy football customers. Precision Projections provides consumers with 21st century data analysis that is tailored to their liking.

Precision Projection’s typical target customer is someone who participates in DFS leagues. An average consumer is a male, between the age of 18 and 45, and is interested in sports. The most important part about the customer segment that Precision Projections targets is that the typical customer has already spent anywhere between one and thousands of dollars on joining DFS leagues every week. As a result, it is already known that these consumers have disposable income to spend on fantasy football. This makes them prime consumers to spend a few extra dollars a week to ensure that the gamble they have just made pays off. This idea and the size of the DFS market itself are the two main reasons the customer segment is so valuable.

Precision Projections is an ecommerce service, which brings with it all of the advantages of ecommerce websites. Specifically, there are very low barriers to entry and overhead costs. The only major costs are labor and hosting of the website and its data. This makes Precision Projections a very valuable investment because the low overhead allows for a low price point and high margins, ensuring quick return on investments. Another very valuable component of Precision Projections is the team that is in charge. It consists of people who know the fantasy football landscape, and have enough technological expertise to develop the product that consumers want.

DFS leagues are in essence gambling on sports, and winning is an addicting feeling. As a result, the main strategy to gain customers is to quickly correlate winning money in DFS leagues with using the Precision Projections service. By making this correlation in a potential customer’s mind, a customer is significantly more likely to continue using the service and to suggest it to a friend. As a result, in order to get consumers “hooked”, Precision Projections will offer a free one-week trial to interested consumers.

Precision Projections is asking for $100,000 for a 25% stake of equity. The market for DFS leagues is huge, and Precision Projections has a product that people in that market are looking for. With the help of a small investment, Precision Projections can continue to polish and refine its product, and eventually begin to sell the product itself.