Business Structure

# Executive Summary

Shadow Games will be formed as a developer and publisher of PC games. Its founders and staff are former student from the university of Suffolk with backgrounds and passions for gaming and the gaming industry. The company is launching its first game, Mist, which will begin development on 1st February 2018 and launching on the 26th July 2018

# Objectives

* Shadow Games has set a high sales figure goal 50,000 units in the first year of release for its game, Mist.
* As a measure of success, we want to see Mist in the top selling indie game section on steam. Getting Mist in this list will help to achieve the sales objectives Shadow Games seek.
* To create brand awareness of Mist and Shadow Games LTD: As Mist is a new IP very little will be known about the game, the marketing campaign aims to change that by getting potential customers familiar with the brand and possible future products.

# Mission

What is our mission? with our backgrounds and passions for gaming and the gaming industry, we want to create exciting and challenging gameplay for all our players. We want to create games that you can play together with your friends, family or solo. Primarily we want to give our players a great experience when playing the game, we create.

# Company Summary

Shadow Games are a limited liability company and is owned by Lewis Wilden and John Dorman. limited liability provides protection to the owners of the business, which means that the owners are not personally responsible for the business debts and liabilities. This protects the personal assets and finances of the owners.

Shadow Games have a development team of five members and will develop Mist over a 6-month period.

The game will be released on PC and will be available directly on the steam store. The Team Consists of:

Lewis: Lead Game Designer/Owner

John: Lead Programmer/Owner

Charlie: Game Designer

River: Game Designer

Guy: Artist

# Start-Up Summary

The start-up expenses for Shadow Games is primarily focused on equipment,

software and office space. Lewis and John will each invest £10,000 of personal finances into the company. To decrease the company’s monthly spending, both Lewis and john will only receive 50% of their wage until the game is released and making profit. Below is a table showcasing total cost to develop Mist and total funding.

|  |  |  |
| --- | --- | --- |
| FUNDING | | (£) |
| Investor Funding | |  |
|  | **Lewis** | £10,000 |
|  | **John** | £10,000 |
|  | **Total Investment** | **£20,000** |
| Loans | |  |
|  | **Bank Loan 1** |  |
|  | **Total Loans** |  |
| Other Funding | |  |
|  | **UK Games Fund** | £15,000 |
|  | **Kick Starter** | £75,000 |
|  | **Total Other Funding** | **£90,000** |
| Total FUNDING | | **£110,000** |
| COSTS | | **(£)** |
| Set Up Fixed Costs | |  |
|  | **Basic Website/Blog** | £4,000 |
|  | **Brand Development** | £2,500 |
|  | **Business Entity** | £12 |
|  | **Computer Hardware/Software** | £11,000 |
|  | **Internet Setup Deposit** | £100 |
|  | **Office Furniture/Fixtures** | £2,200 |
|  | **Reserve for Contingencies** | £5,500 |
|  | **Tools & Supplies** | £200 |
|  | **Rent** | £4,250 |
|  | **Legal** | £1,000 |
|  | **Total Fixed Costs (£)** | **£30,762** |
| Average Monthly Costs | |  |
|  | **Advertising** | £3000 |
|  | **Business Insurance** | £300 |
|  | **Employee Wage** | £2,800 |
|  | **Internet Connection** | £100 |
|  | **Owner Salary** | £3,000 |
|  | **Supplies** | £250 |
|  | **Public Utilities** | £45 |
|  | **Community Manager** | £2,983.33 |
|  | **Total Average Monthly Costs** | **£12,478** |
|  | **x Development Months** | 6 |
|  | **Total Monthly Costs** | **£74,870** |
| Total COSTS | | **£105,632** |
| SURPLUS/(DEFICIT) | | **£4,368** |

# 

← Design and creation of a basic website/Blog

← Creation of a Name, Logo and theme

← Register LTD Company

← Computers, monitors, software licenses

← Basic deposit on internet service and hardware

← Desks, chairs, counters and storage

← Unforeseen costs and issue fund

← Office supplies

←Total office rent per year

← On going fees for taxes/other legal issues.

← Ongoing advertising and promotion costs

← Equipment Coverage/ Employers’ liability

← Monthly wage for all three employees

← Fee for having an internet connection

← Wage for project leaders (Lewis & John)

← Any supplies including inks, toner etc.

← Main Telephone line

← To Run our social media accounts and website

Another source of income to fund the game and the company will be Kickstarter. We will create a 30-day Kickstarter campaign, this will include a budget document to give potential backers more confidence when donating. We will also be offering rewards to our backers depending on their monetary support, on average majority of backers on Kickstarter spend between $25 and $70 so we will make sure that our affordable perks don’t run out too quickly as we may lose potential backers who can’t afford the higher end perks. Kickstarter will also be used to show updates and the current progress of the game. Shadow Games LTD will also be applying for the UK games fund to boost total funding. If the Kickstarter campaign makes more money than we requested, we will be putting extra fund into more advertising and creating extra downloadable content for the players. However, if the campaign fails Shadow Games LTD will try to apply for a bank loan and restart the Kickstarter campaign later in the Mist development process. This would mean paying loan interest every month which would increase the overall monthly and total cost of the project.

# Spending Breakdown

# Product Description

Mist will be a randomly generated Horror based adventure game for the PC platform. The core game will sell at £9.99 on the steam store. Customers who purchase the game can purchase a season pass which include future DLC’s (New Level/Game Modes) at a discounted price of £4.99. The DLC’s will be available separately without the purchase of the season pass, but each DLC will cost £3.99 each. Shadow Games LTD will also release a demo of Mist which will also be available from the steam store, this demo will obviously be free of charge to the consumer

Players will need a PC with internet access to download the game and multiplayer features. The game doesn’t have any real manufacturing costs since the product is completely digital, but obviously there will be costs associated with the development of the game (shown above). Distribution would be completely handled on the steam store. Valve gets a 30% cut of each sale on the Steam store.

The full game will include a full campaign with several levels, and the choice of 4 difficulties, while the free demo will only feature two level locked on medium difficulty.

The main way of generating income for the game Is purely through sale, as it’s a pc game placing ad into a game that already costs the consumer money may put them off buying it. We will also be pushing the sale of additional content like Extra game modes and Cosmetic items to boost revenue.

# Target Market

Our ideal target audience will be a mix between casual and hardcore gamers. Mist will be slightly more complex for majority of casual gamers however, it will not be too complex that the learning curve prevents people from playing. The randomly generated terrain and varying level difficulty will provide significant depth and replay vale. We will be focuses this game towards males aged 15-25, we are focused here because from our research majority of horror based games are played by males, also majority of female gamers are console uses and this is a PC release only.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Break-Even Analysis | | | | | | | |
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|  | **Break-Even Point (units) =** | **12,293** |  |  |  | **Break-Even Point ($'s) =** | **£85,932.00** |
|  |  |  |  |  |  |  |  |
| Total Fixed Costs | TFC = | £85,932.00 |  |  | Formulas: |  |  |
| Variable Cost per Unit | VCU = | £0 |  |  | BEP (units) = TFC/(SPU-VCU) | | |
| Sales Price per Unit | SPU = | £6.99 |  |  | BEP ($'s) = BEP (units) \* SPU | | |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

The table above show the breakeven analysis of Mist, you’ll notice that the sale price per unit is different this is because I have taken away the 30% steam takes from each sale. Mist would need to sell around 12,293copies to make break even, the variable cost for the product is 0 as its completely digital there are no manufacturing/raw material costs or delivery charges. If Mist was to achieve it sales goal of 50,00 units, the game will be in profit. The estimated time for this to happen varies on the success of the marketing plan and the quality of the overall game.