# Executive Summary

Dead Dark Studios is an independent games company founded in 2016 that will create games for Smartphones/ Tablets and PC Indie games.

It is formed of graduated students from University of Suffolk, based in Ipswich, with the intention of developing and published games for Android and IOS smartphones and tablets as well as PC based game stores like Steam.

## Target Audience

Our target audience are male and female players aged 12 and above who like mystery & puzzle solving games.

## Projected Pricing

The aim is to publish the first full version within 12 months with a target price of $10/ £8 per download.

# Company Structure

Dead Dark Studios is a Limited Liability Partnership (LLP) consisting of five partners, each of whom brings distinct skills sets, two are designers with experience in 2D artwork, two are programmers with experience of game concepts and one is an animator.

All are young, eager and have previously worked together as a team on previous projects

We are electing to be an LLP company so we will all be equally responsible for our joint actions with no one partner being solely liable for any misconduct or business debts.

The roles of business development and marketing, operations, finance, and strategy will be shared amongst the five partners, based on their skills.

As the firm grows and salaried staff are required then additional roles such as Human Resources etc, will be allocated or recruited for.

## Location

Initially the company will be based in Ipswich, Suffolk, with everyone utilising home based working for development and other day to day activities, once the company grows we will identify suitable office accommodation.

## Working Practice

Our intention is to use sprint development techniques, meeting up at regular intervals to review progress via video conferencing from our home locations or when necessary using serviced offices or business hubs in the local area.

# Financing

The finances required to start our company are primarily to cover the costs of equipment and software, permanent building premises are not required as meetings will be held in services offices as required.

Initially the software required to do achieve our aim will include Unity Plus, Adobe Creative Cloud and the Google Suite, along with Google Play and Apple Store publishing licences.

## Software & Publishing Costs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Application** | **Features** | **Licences** | **Unit Cost** | **Total** |
| Unity Plus | Development environment | 2 | £320.0 | £640.0 |
| Adobe Creative Cloud | Artwork | 2 | £240.0 | £480.0 |
| Google Suite | Communication, Video Conferencing, Cloud Storage & Documentation | 6 | £80.0 | £480.0 |
| Google Play | Publishing games for clients to download | 1 | £20.0 | £20.0 |
| Apple Store | 1 | £80.0 | £80.0 |
|  |  |  |  | **£1,700.0** |

## Hardware Requirements

All partners will be provided with a Laptop, with a target price of £500 each which currently would provide for an i7 Processor, 8 GB ram and a 250 GB SSD drive.

The above price should also include a three year return to base warrantee, this equates to a total cost of £2500 which could be leased for 2% if purchased from Dell or HP.

## Tax Benefits

As a start-up we can apply for additional tax relief from the government on top of the standard allowable expenses of travel, entertainment, buildings, vat, and other financial costs for marketing/ advertisement.

Since we are all going to work from home most of the time, we can also claim a percentage of our heating, council tax, electricity and rent, as business expenses.

## Legal/ Insurance

We will need to register our company which will incur legal costs, although many of the legal forms can be found and completed free of charge, online on sites such as Gov.co.uk or GetLegal.co.uk, it is sensible to have a budget to cover legal advice on registering the company as an LLP along with the cost of Employee’s liability and hardware insurance.

For the above three costs we have estimated £1,000

## Partner Salary

Based on the junior industry standard salary table below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Job role** | **Annual Salary** | | **Monthly** | |
| **Lower** | **Upper** | **Lower** | **Upper** |
| Programmers | £18,000 | £22,000 | £1,500 | £1,833 |
| Designers | £19,000 | £21,000 | £1,583 | £1,750 |
| Animator | £20,000 | £22,000 | £1,667 | £1,833 |

We intend to pay all of the partners an initial salary of £20,000 plus an equal share of any profits.

When we require additional salaried staff we intend to pay them the living wage, as opposed to the minimum wage as a way of attracting the experienced staff and can afford them.

## Funding

To help fund the initial costs for the company, we intend to apply for a start-up loan from the UK government of £5,000, which will incur an annual interest rate of 6%.

This will also enable us to receive support and guidance from the government to help fulfil our business plan and mentoring for up to 12 months.

There are three factors we must consider when taking out a government loan and they are as follows:

* Credit worthiness, which may be effected by our university debt
* Personal affordability
* Business viability, which this business plan will help to address

Our second funding target is the UK Games Fund, from which we intend to apply for a £25,000 loan. There are some factors we take into consideration which are:

* The grant will not represent more than 50% of our games funding
* Staff from outside the UK cannot be paid with this grant
* No gambling elements in the game
* Do not fund work after the work has been started

Prior to receiving this grant we must make a 2-minute game pitch covering our game idea, market research and future development.

We will still need further funding which we intend to achieve from crowd funding, such as Kickstarter, which is a great way to raise money for our project, as we can post our game idea backed up with art concepts and can then request an amount of money from the public. We can also edit our ideas and concepts whist the project if still active. However, there are risks involved which are:

* The kitchens sink system where investors either reach their required amount of funding or get nothing at all.
* Non-refundable charge for starting a campaign, or 5% of funding received.

Even with these risks we intend to achieve most of our funding through this source.

## Funding Summary

|  |  |  |
| --- | --- | --- |
| **Item** | **Budget** | |
| **Cost** | **Income** |
| Software | £1,700 |  |
| Hardware | £2,500 |  |
| Legal & insurance | £1,000 |  |
| Salaries | £100,000 |  |
| Government Loan | £300 | £5,000 |
| UK Games Fund |  | £25,000 |
| Crowd Funding | £4,000 | £80,000 |
| **Total** | **£109,500** | **£110,000** |

# Marketing Strategy

Whilst crowd funding will create an awareness of our game we will also utilise the power of social media by publishing advertisement videos on YouTube, Facebook and Twitter to raise awareness with a wider audience, as twitter alone has 316 million users worldwide so we see this as a valuable source of potential buyers.

We will also release press kits to the online games market places, such as Steam and Kickstarter and edit them as we develop our game so then we will know if our target audience likes what we are making.

# Profit Predictions

We believe our game will be a great success as there hasn’t been a game published like it since Limbo made by Play dead Studios, which was a major success on Steam.

Taking into account our three target platforms charges below and using the published figures from Limbo we have produced a comparison chart which makes a compelling case for the success of our project.

* Apple IOS Globally install fee is $1.24/ £1 per download
* Android: US install fee is $1.91/ £1.53, Europe install fee is $1.00/ £0.80
* Steam charges 30% of your earnings for using their platform

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Game** | **Platform** | **Cost** | **Charge** | **Annual Units** | **Profit** |
| Phantasm | Apple | £8.00 | £1.00 | 80,000 | £630,000 |
| Phantasm | Android US | £8.00 | £1.53 | 40,000 | £258,800 |
| Phantasm | Android EU | £8.00 | £0.80 | 40,000 | £288,000 |
| Phantasm | Steam | £8.00 | £2.40 | 300,000 | £1,680,000 |
| **Total** |  |  |  |  | **£2,856,800** |
|  |  |  |  |  |  |
| Limbo | Apple | £4.69 | £1.00 | 125,000 | £461,250 |
| Limbo | Google Play | £3.88 | £1.53 | 125,000 | £293,750 |
| Limbo | Steam | £3.99 | £1.20 | 666,667 | £1,862,001 |
| **Total** |  |  |  |  | **£2,617,001** |