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|  | **BAHRIA UNIVERSITY, (Karachi Campus)**  *Department of Software Engineering*  **Assignment 3 - Fall 2023** |  |



COURSE TITLE: **ENTREPRENEURSHIP** COURSE CODE: **HSS-421**

Class: **BSE-VII (B)** Shift: **Morning**

Course Instructor: **Dr. Muhammad Yasir** Time Allowed:  **1 Week**

Submission Date: **10/1/2024** Max. Marks: **5 Marks**

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**Enrollment: 02-131202-041**

**CASE STUDY GOLFGAMEZ (B): FUNDING A DIGITAL STARTUP [CLO:01: 5 Marks]**

**Question 01: What questions face MacTavish? And how would you prioritize these**

**problems?**

MacTavish is confronted with various critical questions regarding Golfgamez's future, and effectively prioritizing these concerns is imperative for the venture's success. The following are key questions along with a recommended prioritization:

**High Priority:**

* **Funding:** This stands out as the most urgent and pivotal question. Golfgamez's development, resource acquisition, and launch hinge on securing sufficient funding. MacTavish must identify the best funding source (venture capital, angel investors, crowdfunding, etc.) and secure the necessary capital promptly.
* **Market Viability:** Before substantial investments, MacTavish must assess the market potential for Golfgamez. Determining if a sizable user base can be attracted for sustainable revenue is crucial. Comprehensive competitor analysis and market research are imperative at this stage.
* **Team Building:** A robust team is indispensable for startup success. MacTavish needs to attract and retain skilled software developers, marketing managers, and other key personnel. Offering competitive compensation packages and presenting a compelling company vision are vital aspects.

**Medium Priority:**

* **Product Development:** While critical, product development becomes slightly less urgent compared to securing funding and validating market viability. A well-defined roadmap for app features is necessary, but adaptability based on market feedback is equally crucial.
* **Government Funding:** Exploring avenues like SR&ED tax credits and government programs for R&D support is important. However, this pursuit should follow the initial funding stage and when a solid development plan is in place.

**Low Priority:**

* **Long-Term Growth Strategy:** Although significant, long-term expansion plans can be deferred until immediate challenges like funding, market validation, and product development are addressed. MacTavish can revisit this aspect as the company gains traction in the market.

**Question 02: When considering the crowdfunding option for Golfgamez, what marketing**

**efforts would be required to attract a large base of supporters, and how would offering**

**free versions of the app to these supporters impact the company's future revenue?**

Creating a successful crowdfunding campaign for Golfgamez requires MacTavish to implement a comprehensive marketing approach:

* **Craft a Convincing Pitch:** Develop a concise and compelling pitch that effectively communicates Golfgamez's unique value proposition to resonate with potential backers.
* **Targeted Outreach**: Utilize social media platforms, golf communities, and relevant blogs to reach the specific audience interested in golf-related digital products.
* **Incentives and Rewards:** Implement an enticing rewards system for various funding tiers, including exclusive features, early app access, or merchandise, to attract backers.
* **Community Engagement:** Foster excitement and anticipation by actively engaging with potential backers, addressing queries, and building a supportive community around Golfgamez.

**Regarding the impact of offering free versions of the app:**

**Pros:**

* Expansion of the user base and increased brand awareness.
* Collection of valuable user feedback for product improvement.
* Potential to convert free users into paying customers through in-app purchases or premium features.

**Cons:**

* Risk of cannibalizing potential paying customers.
* Challenges in monetizing free users and establishing sustainable revenue.

The decision to provide a free version should align with Golfgamez's monetization strategy. If in-app purchases or premium features drive revenue, a freemium model may be suitable. However, if the focus is on subscription-based access, a limited free trial might be more appropriate.

MacTavish must thoroughly assess the advantages and disadvantages of offering a free version, conduct market research to understand user preferences, and carefully consider the app's monetization potential before making a decision.

**Question 03: How could the Scientific Research & Experimental Development (SR&ED)**

**tax credit and other Canadian government funding programs benefit the Golfgamez**

**initiative, and what are the eligibility criteria for these programs?**

MacTavish can tap into government R&D funding like SR&ED tax credits to fuel Golfgamez's innovation. However, these often hinge on demonstrating innovative work, overcoming technical challenges, and pursuing genuine technological progress. Requirements vary based on the specific program, so MacTavish should do his research to ensure Golfgamez fits the bill.

**Question 04: What options did MacTavish consider for equity funding for Golfgamez, and**

**what was his strategy for compensating a local software developer and a marketing**

**manager?**

MacTavish explored funding options like venture capital, angel investors, and private equity for Golfgamez. To attract and keep key personnel like software developers and marketing managers, MacTavish needed to design attractive compensation packages. These could involve a mix of salary, company stock, and bonuses tied to performance. Balancing employee incentives with Golfgamez's success would be crucial in tailoring these agreements effectively.