

# **chessbets.fun – Business Plan v3 (April 17 2025)**

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## **1. Executive Summary**

**chessbets.fun is a real-money, PvP chess arena on Solana. Players stake SOL, compete in lightning-fast 3 + 2 blitz games, and the winner instantly claims 93 % of the pool; 4 % goes to the platform and 3 % to the NFT owner of the opening played.**

**Our edge is a seamless wagering experience that feels like any mainstream chess site while an Opening-NFT royalty loop turns creators and competitive players into natural promoters.**

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## **2. Problem & Opportunity**

- 1. Monetisation gap – 150 M+ online chess players generate minimal direct revenue for themselves or for platforms.**
- 2. Cheating distrust – previous real-money chess attempts failed due to engine abuse and payout disputes.**
- 3. Creator under-incentivisation – influencers drive chess viewership but rarely share in platform upside.**

***Why now?* Solana's sub-second finality, negligible fees, and mature wallets make micro-stakes skill wagering finally viable at global scale.**

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## **3. Solution & Product**

**Core Gameplay**

- Stake → Play → Win flow completes in < 10 s from lobby to payout.
- 3 + 2 blitz is chosen for skill expression and natural anti-cheat—engines struggle at this cadence.

### Opening-NFT Flywheel

- Every recognised ECO opening is pre-minted as a compressed NFT.
- Owners receive 3 % of every prize pool when their opening is played, acting as on-chain “promo codes on steroids.”
- NFTs are distributed, not sold, to mid-tier streamers, early adopters, and tournament winners—serving as a bonus and long-term incentive on top of traditional creator deals.

### UX Philosophy

- Web-first and mobile-responsive; one-click Phantom / Backpack connect.
- Dollar-denominated interface hides lamports; haptics + confetti reinforce wins.

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## 4. Market Analysis

Segment	Size	Pain Point	Our Hook
Online chess players	150 M accounts	No real stakes, prizes limited to elite	Earn instantly on every win
Chess creators (50k-250k followers)	5 k channels	Depend on ads / donations	On-chain royalties + revenue share

Skill-based wagerers	\$9 B TAM	Limited chess options, high rake	Transparent 4 % fee, trustless payouts
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Even at 0.1 % penetration (150 k players) each playing one 0.1 SOL match daily, the platform processes 450 k matches/month, generating ~~1800 SOL in fees~~ (\$270 k at \$150/SOL).

## 5. Competitive Landscape

Platform	Real-Money	Web3	Creator Revenue	Fees
Chess.com	✗	✗	Event revenue share only	–
DuelChess / Skillz	✓ (fiat)	✗	None	10-15 %
NFT-Chess (2022)	✗ (P2E token)	✓ (EVM)	Minimal	Inflationary token
chessbets.fun	✓ (SOL)	✓ (Solana)	3 % NFT royalties + direct rev-share	4 %

## 6. Business Model & Unit Economics

- Revenue: 4 % rake on each match escrow.

- **COGS:  $\approx 0.000005$  SOL tx-fees/match ( $< 0.3\%$  of revenue).**
  - **Gross Margin:  $\sim 92\%$ .**
  - **Customer Acquisition:**
    - **Budget  $20\%$  of gross revenue for CAC—mix of sponsorship retainers, tournament prizes, and referral rewards.**
    - **Opening-NFT royalties act as an *incremental* incentive, not the primary compensation for larger creators.**
  - **LTV Model: Avg user plays 15 matches/month at 0.08 SOL stake  $\rightarrow$  \$7 platform revenue – \$1.40 incentives ( $20\%$ ) = \$5.60 LTV. Break-even CAC target  $\leq$  \$2.**
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## 7. Technology & IP

- **Anchor Smart Contracts – audited escrow, ELO PDA, royalty router.**
  - **Compressed NFTs – gas-efficient, enabling thousands of openings for pennies.**
  - **Fair-Play Stack – multi-layer sandbag/smurf defences: provisional caps, behavioural flags, Fractal KYC at higher stakes, device-binding SBTs.**
  - **Open-Source Core – contracts and front-end MIT-licensed; proprietary anti-cheat ML kept closed-source.**
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## 8. Go-to-Market Strategy

1. **Mid-Tier Influencer Partnerships – seed openings + flat-fee sponsorships to creators with 50k-250k followers, targeting authentic communities rather than mega-streamers.**
2. **Weekly Blitz Bounties – open tournaments on Devnet/Mainnet with sponsored prize pools to drive early liquidity and social proof.**
3. **Creator Widgets & API – “Play me for SOL” buttons and OBS overlays showing live royalty earnings.**
4. **Referral Quests & Leaderboards – MagicBlock Soar SBT achievements plus tiered cash bonuses for top referrers.**

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## 9. Operations & Risk Management

Risk	Mitigation
Engine cheating	3 + 2 time, Stockfish variance logs, ELO spike detection, manual review queue
Smurfing / sandbagging	7-layer defence with escalating friction
Regulatory	Curaçao e-gaming licence; KYC for withdrawals > 1 SOL/day
SOL volatility	Treasury 50 % USDC; dynamic stake limits by USD
Smart-contract bugs	Dual audits + 5 % bounty; minimal attack surface

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## 10. Financial Forecast (Conservative)

Metric	Q4 2025	Q2 2026	Q4 2026
Monthly active wallets	10 k	35 k	100 k
Avg stake (SOL)	0.07	0.09	0.11

<b>Matches/month</b>	<b>300 k</b>	<b>1 M</b>	<b>3.5 M</b>
<b>Platform fee (SOL)</b>	<b>840</b>	<b>3 600</b>	<b>15 400</b>
<b>Revenue @ \$150/SOL</b>	<b>\$126 k</b>	<b>\$540 k</b>	<b>\$2.31 M</b>
<b>CAC + incentives (20 %)</b>	<b>\$25 k</b>	<b>\$108 k</b>	<b>\$462 k</b>
<b>OPEX (cloud, audits, 5 FTE)</b>	<b>\$45 k</b>	<b>\$70 k</b>	<b>\$110 k</b>
<b>Net margin</b>	<b>44 %</b>	<b>66 %</b>	<b>75 %</b>

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## 11. Roadmap

- **Apr-May 2025 – MVP:** on-chain match escrow, basic web UI, Devnet tournaments.
  - **Jun 2025 – Mainnet Beta** with opening NFT distribution, stake cap 0.1 SOL, first audited release.
  - **Summer 2025 – Mobile PWA,** USDC cash-out, weekly blitz series.
  - **Q4 2025 – Fair-play v2,** Chess960 support, VIP high-stakes arena.
  - **2026 – SDK** for third-party games, expansion to other board/strategy titles.
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## 12. Vision

**chessbets.fun will evolve into the global skill-gaming fabric of Web3—a trustless wagering layer where any competitive board, card, or strategy game can plug in, turning pure skill into real economic value for players and creators alike.**

**Our north star is to make “*play-to-win-real-money*” as ubiquitous and intuitive as video-on-demand—starting with the timeless game of chess and expanding to every arena where strategic mastery deserves tangible reward**