

# STOCKTIGO



*A business plan report  
Submitted for the Project of*

## **Entrepreneurship and Business Plan**



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## EXECUTIVE SUMMARY

With the advent of digital and online games, we really forget how the board games were the medium of our enjoyment in our childhoods and till we were teenager, but at that point of life we never ever took pain of ever thinking of how our parents save for our better future or how financial learning is important at the later stages of life irrespective of which career you choose, which academic stream you belong to, but we should never blame ourselves for not being well versed with financial knowledge since our childhood, but rather we were always being taught that our academic excellence is always measured from what we achieve from our academic books taught in our schools, but not by how the whole corporate world moves and how by just investing money into the stocks of the companies an individual can earn money. But all it needs is a basic foundation and an aspiration to invest.

So, by getting an essence of above few words, we the budding entrepreneurs try to mitigate the above stated problem with the help of our product “**STOCKTIGO**” which is a board game made in a form which helps an individual to understand how the stock market moves, how the prices of the stock changes and how financial learning is necessary in order to get rid of all the unprecedented situations in life.

We have made the product by considering certain factors in mind like – the design, the way the game will be played and most important, the feel the player shall get while playing. We have made the game in such a manner that every individual can get a feel of being an investor investing in a stock market. This product also helps the player to get a perfect learning of how one should earn profit while being in the market by holding the stock and can also exit at the perfect time.

Market survey has been done in order to make the product more feasible and more flexible for our customers considering all the intricacies and nuances. We hope our product helps the individuals in getting well versed with the financial world and hence with *Dalal Street*.



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## 1. Idea filtration process -

<b><u>Basis</u></b>	<b><u>Idea 1</u></b>	<b><u>Idea 2</u></b>	<b><u>Idea 3</u></b>
<b>Problems faced by customers</b>	No exposure to stock market at an early age. Learning the basics of market at a very late-stage costing time and money	Limited options for organic drinks in the market Tackling between health or taste when choosing the beverage of your choice	Helping parents control the urges of their kids
<b>Probable solutions</b>	An early learning course part of the permanent curriculum of schools  Building a board game which encompasses the fundamentals of stock market	Forming a drink made with organic raw supplements with added flavour.  Opening a shop serving fresh juices	A container which opens after a pre-set time limit
<b>Final Solution</b>	Building a board game unlike others based on the stock market	Making a new organic drink with several health benefits as well as taste	A container which opens after a pre-set time limit
<b>USP</b>	Has a learning curve with the fun of a board game	Focuses on the health of its customers while satisfying their taste buds	Helps the parents in controlling their child's urges for junk food
<b>Feasibility</b>	Completely Feasible, consists of several process requiring proper planning but nothing impossible	Partially Feasible, may have to use some artificial sweeteners which may reduce the healthiness of the drink	Partially feasible as the child may find its way to unlock the container
<b>Marketability</b>	Completely Marketable, with proper advertising and channels of distribution the product can be pushed to its customers	Completely Marketable, with proper advertising and channels of distribution the product can be pushed to its customers	Completely Marketable, with proper advertising and channels of distribution the product can be pushed to its customers
<b>Challenges</b>	Changing the thinking of the consumers Inculcating the fundamentals of a stock market in a board game which are easily	Changing the taste if the consumers  Brutally competitive and also matching the tastes if different individuals	Educating the customer about its several uses  High competition in this area



	understandable by the customers	Storing and evolving	Setting a price point as customers may not want to buy it for high prices
<b>VRIO</b>	<p>Value: Adds value to a favourite childhood activity by making it educational as well</p> <p>Rarity: The Fundamentals of the board game differentiates it from other board games</p> <p>Imitable: Protected by copyrights and trademarks</p> <p>Organisation: The main resource of an organisation i.e. human resource, collective of competent and smart individuals which keep on working towards improving the product</p>	<p>Value: Adds the health benefit to a drink severing double needs of the customer</p> <p>Rarity: No many drinks think of fulfilling these two needs together</p> <p>Imitable: Protected by copyrights and trademarks. Also using rare raw materials</p> <p>Organisation: The main resource of an organisation i.e. human resource, collective of competent and smart individuals which keep on working towards improving the product</p>	<p>Value: Adds the value of health benefit for their child</p> <p>Rarity: Not rare</p> <p>Imitable: Can be replicated unless protected by patents</p> <p>Organisation: The main resource of an organisation i.e. human resource, collective of competent and smart individuals which keep on working towards improving the product</p>



## 2. Main Idea -

Idea 1 trumps idea 2 and idea 3. It is more feasible and requires less legal requirements and approval from the government in case of Idea 2 and cannot be easily replicated unlike idea 3. Also does not have deal with the constant change in consumer taste and lastly faces less competition. Other factors include –

- Creates or adds significant value to the end user: A board game is usually seen as a source of fun for the kids rather than an educational activity. With our product the company is able to make this existing habit productive. This game combines basic information about the stock market but the format remains of a board game as a result the players learn and enjoy.
- Willingness to pay & capacity to pay the consumers: Here, the purchaser is different from the end user. The parent of the user is the one who is going to pay for this product and each parents looks for such products which can satisfy both the fun and educational need of their kids. Parents usually are open to spending a little more on their children if it helps them in becoming more educated as a result the willingness goes up.
- Recognised, Measured Market: The global market value of cards and board games was estimated to be around 12.02 billion U.S. dollars in 2018. This market was forecast to reach a value of 21.56 billion U.S. dollars by 2025. And of this he markets not much innovation has been introduced due to increasing technology. It makes introduction of a new product easier.
- Consumer would like to buy it again: Board games are usually purchased once by each family but repetitive customers can be seen as it can act as a gift. Moreover, more advanced level board games are purchased once the child exceeds a certain age.
- No government regulation: The board game industry does not have a lot of rules as such to be passed. And if any unethical activity is avoided in the production and also in the game then the risk reduces even less.





### 3. Name of business –

#### “STOCKTIGO”

Reason behind naming – A stock game playing with you

**Stock** (security that represents the ownership of a fraction of a corporation)

+

**Contigo** (In Spanish it means “with you”)

### 4. Vision –

*“To empower individuals with the knowledge of financial markets & boost financial literacy”*

### 5. Mission -

*“To provide the complex knowledge of stock markets in the easiest way and provide a start for young minds on their stock market journey”*

### 6. Elevator Pitch –

Do you ever wonder where would you be if you started investing like Warren buffet, or what it is to invest in stocks but always get baffled by the terminology or the dynamic nature of the markets? If yes then stocktigo is the solution to your questions. Every individual wants to earn money via stock exchange but do not know how to enter and those have entered wish they would have done it sooner With Stocktigo we wish to spark interest of people in stocks right from an early age in a fun way . We want them to learn about markets before they start investing in it, if a favorite childhood activity can generate this interest, then more and more investors would come in the market and at an earlier age

We provide a board game built around the fundamentals of Stock markets making learning about the basics of the stock market amusing. We wish to bring forth a product which

- Provides clarity about the basic concepts of stock markets
- Amalgamation of fun and learning
- Substitutes the wasteful activities with something productive

Targeting primarily children above ages of 10 years It can also be a product for families with kids We wish generate revenue by selling directly to customers, it would be sold in retail stores as well as online portals like amazon and flipkart and also through our own website.



## 6.1 Problem:

"There is a problem in the market today, every individual wants to earn money via stock exchange but do not know when to enter. Those who do enter it wish to enter it sooner".

## 6.2 Solution:

"The ideal solution is to spark the interest of the stock exchange at an earlier age. It also ensures that they learn about the market first before investing in it directly. Hence if a favorite childhood activity can generate this interest, then more and more investors would come in the market and at an earlier age"

## 6.3 Product description: -

Our product is a board game built around the fundamentals of the stock exchange; it makes learning about the basics of the stock market enjoyable.

Features: -

It solves the problem of -

- One learning about the basics of a stock exchange at a later stage of life.
- Combines the fun of playing the game with learning.
- Great substitute for today's younger generation of spending their time on wasteful activities.
- Encourages the parents in choosing the right board game for their children.

## 6.4 Target Market –

Our target market is primarily children above the age of 10. However, board games are not only beneficial for learning among toddlers and infants but also, they are helpful in creating learning environment among adults and are increasingly becoming a part of corporate classrooms. The retail sale for board games has increased tremendously and the demand has mainly been from the teen and adult population. The development of mobile applications supporting these games have increased the gaming experience among several age groups.

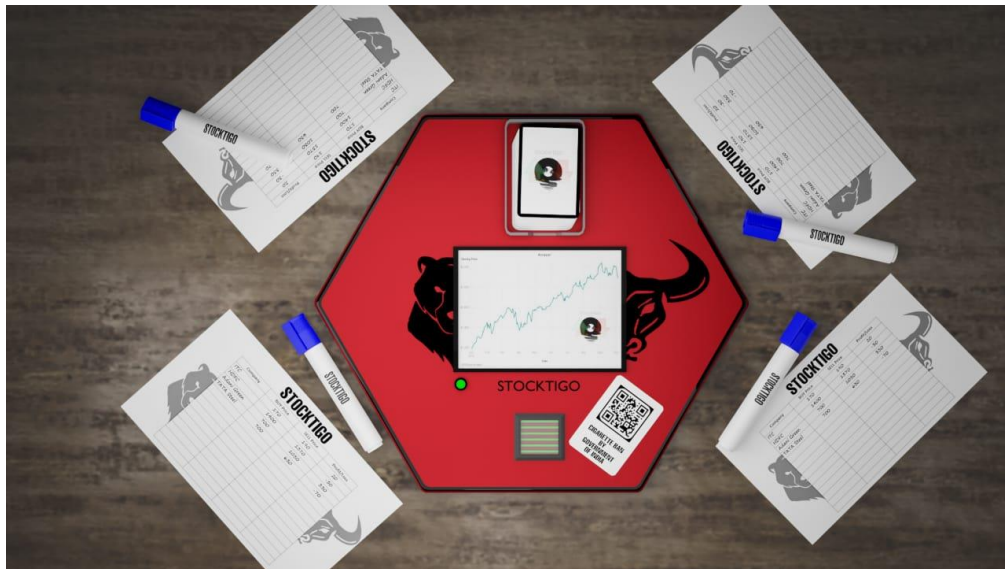


## 7. Unique Selling Proposition –

“Adds a learning curve for its players along with the fun element”.

Thus sparking interest of stock exchange at an earlier age. It also ensures that they learn about the market first before investing in it directly. Hence if a favorite childhood activity can generate this interest, then more and more investors would come in the market and at an earlier age.

## 8. Details & description of the designed board game –



Stocktigo is an electronic board game that teaches players how the stocks markets work and the basic economics behind it in a very simple manner.

1. The game starts with the players choosing one index of their choice. Each index will have around 10-12 company stocks.
2. Once the stocks appear players have to write down any 3 companies, they wish to invest in on the writing board provided with the game.
3. Now 1 player picks up the events cards placed on the board and read it out loud. Event cards contains various news or events that affect the market drastically. The game will contain around 80-100 event cards. The players have to then decide with the stocks the already own and that available on the screen if they want to buy, hold or sell.
4. Once all the players have written their desired action, they have to scan the event card on the scanner provided on the board. As soon as the card is scanned the screen will display a small explanation what would usually happen after such an event.
5. Lastly the player who made the most profit wins. The players can decide when to end the game by just clicking on the end button on the screen.



## 9. Successful company, failed company & startup in the same market or related market around the business idea –

### 9.1 Successful company –

#### Rich Dad Company:

Robert Toru Kiyosaki an American businessman and author, in 1997 launched Cashflow Technologies Inc., a business and financial education company that provides personal finance and business education to people, owns and operates the Rich Dad and Cashflow brands. Kiyosaki stresses the value of games, particularly Monopoly, as tools for learning basic financial strategies.

Kiyosaki created Cashflow, is a board game which aims to teach the players financial literacy by filling in and updating a personal financial statement throughout the game and to focus on cash flow when investing to attain financial independence.

#### There are two stages to the game –

In the first, "the rat race", the player aims to raise his or her character's passive income to exceed the character's expenses through a variety of investment opportunities and understanding their money through accounting so they can exit the rat race. The winner is determined in the second stage, "the fast track".

Where the player is already rich. To win, a player must get his character to buy his "dream" or accumulate \$50,000 in additional monthly cash flow. Although the official winner is in the second stage, the main object and success in the game is focused on the ability to get out of the rat race. While the players are competing to get on to the fast track the quickest, the game is open and requires that another player check or audit your financial accounting.

The game forces the players to do the accounting themselves. The financial statement is in place of "score cards". Therefore, players can see clearly what is happening with their money and shows how assets are expected to generate passive income and liabilities increase expenses.

In 2004, the New York Times wrote a story on the CASHFLOW board game during which Kiyosaki discovered that there were over 3,500 CASHFLOW Clubs around the world. These were groups and organizations of people who got together on a regular basis to play the game. Kiyosaki said, "when we learned of these CASHFLOW Clubs we were ecstatic because the game was doing what it was originally designed to do; allow people to teach others the principles and strategies to improve their financial lives."



Today, The Rich Dad Company offers books, games and online products, coaching, classes and CASHFLOW Clubs all geared to uphold their mission: To elevate the financial well-being of humanity.

Monopoly a board game currently published by Hasbro. In the game, players roll two six-sided dice to move around the game board, buying and trading properties, and developing them with houses and hotels. Players collect rent from their opponents, with the goal being to drive them into bankruptcy. Money can also be gained or lost through Chance and Community Chest cards, and tax squares; players can end up in jail, which they cannot move from until they have met one of several conditions.

The history of Monopoly can be traced back to 1903, when American anti-monopolist Lizzie Magie created a game which she hoped would explain the single tax theory of Henry George. It was intended as an educational tool to illustrate the negative aspects of concentrating land in private monopolies. In 1904, Magie received a patent for an invention she called the Landlord's Game. Several variant board games, based on her concept, were developed from 1906 through the 1930s. In 1935, Parker Brothers bought the games copyright from Magie and her husband and later in 1991 Parker Brothers was absorbed by its parent company Hasbro who till date own the rights to the game.

Today the game has numerous house rules, and hundreds of different editions exist, as well as many spin-offs and related media. Monopoly has become a part of international popular culture, having been licensed locally in more than 103 countries and printed in more than 37 languages and generates millions in revenue.

## 9.2 Failed company –

### Zephyr Stock Exchange Game -

Zephyr Toys was founded in the year 1983, firmly based on the principle that 'play' is one the most crucial aspects of a child's development. They own some of India's most well-known toy brands like Mechanix, Blix and Red Bus. Their mission is to impart learning through play. All their products serve the purpose of being fun as well as educative.

One of its products is the stock exchange game, it is a game where one gets to learn the primary concepts of stock exchange, played in 2- 6 teams or individuals. It has board where companies are listed, it has a deck of cards where the cards represent the increase or decrease in the share prices, there are 4 pawns representing number of shares, it has money also where each player gets 6 lakh rupees, there are also windfall cards, one of the players gets to be the broker and rest are investors it has chart where share prices are mentioned.

The company's a success while the product failed. The reason behind the failure of the product is that it is a very monotonous game with vast calculations and only people who enjoy working with numbers will find it interesting, everyone wants to have a leisure time while playing a board game the game seems quite boring for the age group mentioned that is 3 plus because of low sales the product was discontinued.



### Bailout the Game –

Bailout! The Game is a board game created in 2008 by Jordy and Shari Sopourn. The Sopourns, a married couple living in South Florida, were trying to explain the Troubled Asset Relief Program (TARP) better known as the government bailout to their three home-schooled children. Due to the children's young age (the oldest was ten), they had trouble understanding the concept, so their parents turned it into a board game. According to Jordy, the game "took on a life of its own" and the couple decided to self-publish the game.

It's for children of ages 14+ with 4-6 players each player is the Chief Financial Officer of a US bank. The aim is to preside over the institution with the largest debt pile when all players have reached the BAILOUT square, thus securing the right to be bailed out by the government. The players have to choose to be one of the following six US banks.

Washed Up Mutual; Bankruptcy O'America; Worth Farless; Greedy Investors of America; Liquidation Brothers; No Cashvia, when players land on the BANK STRESS TEST space, they must disclose to every other player the details of their banks' balance sheet. Stopping on the Bank Holiday square forces players to transfer all of their banks' debt to the BAILOUT banker (i.e. the government), when players land on the Frantic May and Frivolous Mac spaces, they draw a card that adds a specified amount of losses to their overall exposures from mortgage-backed securities and collateralized debt obligations.

### **9.3 Example of similar upcoming startups, potential success or failure –**

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. The lack of these skills is called financial illiteracy. According to the report conducted by the Global Financial Literacy Excellence Center, only 24% of the Indian adult population is financially literate. In comparison to other major emerging economies, the financial literacy rate of India is the lowest.

This is due to inter-state disparities, lack of formal training and awareness. Individuals and young people are not able to manage their income. A disbalance exists between consumption and savings. For the majority of the population, savings and investment are alien concepts. There is limited information in the school curriculum and financial education is selectively taught to students who want to pursue a career.

Most of the people accumulate piles of cash at their home, rather than using it on investments. Thus, the value of the accumulated money never increases. With financial education, people will manage their finances effectively. India is growing and expanding its base, a good financial education would become an asset for people to get higher earning benefits in return. The doorway to the effective formation of human capital is financial literacy.





## 9.4 Similar Startup –

Praxis is a gamification solution for financial services companies in Asia. They work with their clients to better recruitment, training and lead generation as well as supporting brand positioning and growth. They work closely with clients to deliver Gameplays according to their objectives. No Gameplay is the same. Every Praxis Gameplay is customized to its specific audience and objective, whether for a life insurers agency recruitment, agency or bancassurance training sessions, or for sales and client engagement. Every Praxis Gameplay can be customized to its specific audience, whether for students as part of their class, for companies' employee wellness programs, or for financial institutions' recruitment and training sessions, as well as for their sales and customer engagement.

They have two solutions. A board game and a card game. Both simulate personal finance in an engaging, experiential and fun design. Praxis is smart in that any financial services product can be designed into the game along with news and actions that deliberately impact the experience and learning. Because Praxis simulates financial life so accurately in a powerful and equally fun Gameplay, this unique and effective engagement and learning tool is now being utilized in educational institutions, financial services companies, government organizations and other leading companies in Singapore, Thailand, Malaysia and the Philippines with more coming soon.

There are many technological advancements & many startups that are coming up with digital tabletop games. Examples of two such startups are Tilt Five and Gameboard-1. While Tilt Five is focusing on making tabletop holographic gaming a reality, Gameboard-1 will be a flat computer with a square display, thin, light, and portable, similar to the traditional tabletop games but cardboards will be replaced by touch boards. As such technologies enter the market, we might see consumers shift towards them, however as of now most are still in their development stage and will roll out in the markets with hefty price tags.

## 9.5 Reasons for potential success –

- Need of the time: Our product focuses on giving the upcoming generation the knowledge and power of investing from an early age which will help them achieve their financial goals earlier than the previous generations.
- Perfect timing: As COVID-19 made it difficult for people to go out of their houses the stock markets saw a huge surge in number of people come in. During the pandemic investing in stock markets became a trend and is predicted to be one for some time.
- Successful Marketing: Communication is key. Being able to convey the purpose of the product to the right masses.



- Industry Scope: Even in this advancing world board games will never be out of style soon as this industry can even be paired with the upcoming tech and devices in order to cope up with the time.
- Technology Overload: The coming time is getting overloaded with technology and thus something traditional which gives the people a little off time from the tech is reasonable.
- Digital Detox: In the age of digital detox, many are moving away from screens to boards for entertainment. As these communities grow, board games are also no more about ludo and monopoly.

## 9.6 Reasons for potential failure –

1. Incorrect Pricing: India is a price sensitive market. Selling our product for a higher price than the consumers are willing to pay may result in losses.
2. Unsuccessful Marketing: While being able to market a product correctly can make it a success whereas an unsuccessful attempt at doing the same may result in a huge flop show.
3. Time Constraint: A lot of the board games need too much time to finish and thus can throw away the interest.
4. Monotonous: If the game gets monotonous, the target market may lose interest and the word of mouth may not spread.
5. Uniqueness: If the game becomes like every other board game, the market might not get attracted towards it.

## 9.7 What are we doing differently?

In cash flow the main aim of the game is to impart knowledge in the players about passive income sources which includes various options like bonds debentures rent stocks etc. . The main object and success in the game is focused on the ability to get out of the rat race. While the players are competing to get on to the fast track the quickest, the game is open and requires that another player check or audit your financial accounting. The game forces the players to do the accounting themselves. The financial statement is in place of "score cards". Therefore, players can see clearly what is happening with their money and shows how assets are expected to generate passive income and liabilities increase expenses.





Monopoly aims to impart knowledge among the players regarding buying and trading properties and how to increase one's net worth. Players collect rent from their opponents, with the goal being to drive them into bankruptcy. Money can also be gained or lost through Chance and Community Chest cards, and tax squares; players can end up in jail, which they cannot move from until they have met one of several conditions.

We with our game Stocktigo wish to impart knowledge among the players about the uncertainties of stock market. It also ensures that they learn about the market first before investing in it directly. Hence if a favourite childhood activity can generate this interest, then more and more investors would come in the market and at an earlier age. While Cashflow focuses on overall finance and Monopoly only buying and selling properties our game will be solely focused on the stock market and be more strategy based. There is a serious lack of strategic boardgames in India. Most people know of Ludo and Monopoly, but strategic games can be a powerful tool to educate and inculcate important cognitive skills in children and adults. We further also plan to give our game a few technological touches to keep up with emerging trends. We will also be giving glimpse of real markets and events.

## **10. Industry overview –**

### **10.1 Nature of the Industry – Toys & Games**

### **10.2 Size of the Industry – 1300 crore rupees**

### **10.3 Characteristics of the Industry –**

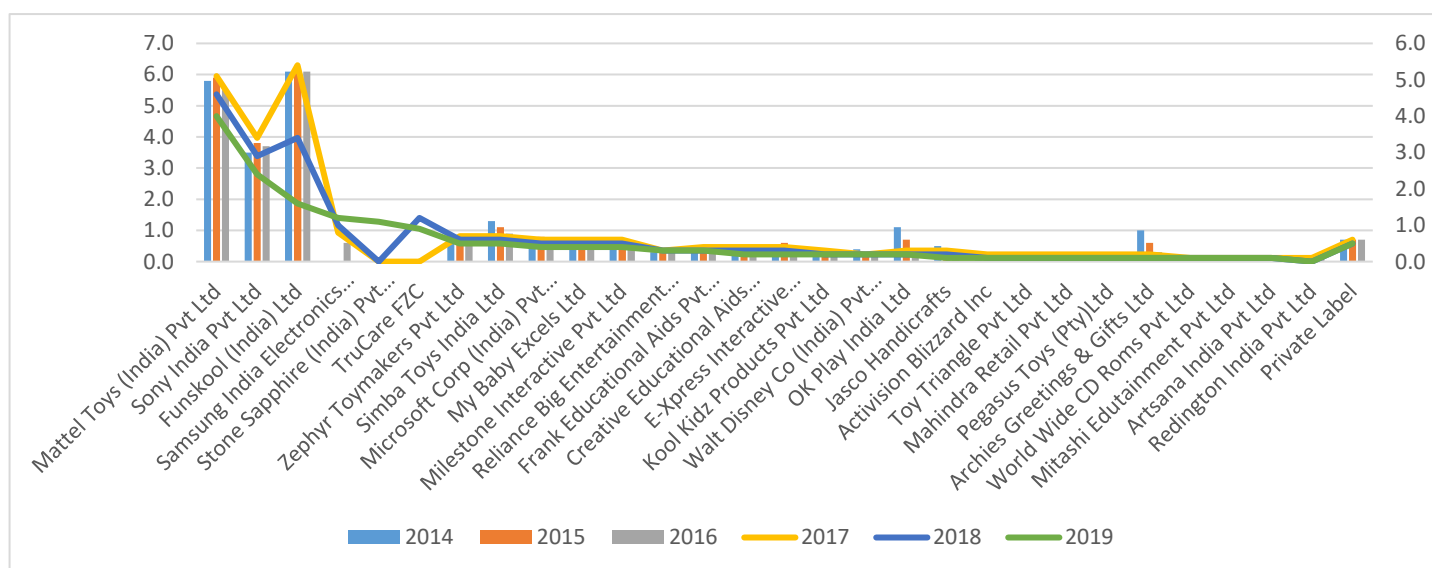
- Board games are table top games that typically use pieces moved or placed on a pre marked board (playing surface) and often include elements of table, card, role-playing, and miniatures games as well.
- Most feature a competition between two or more players.
- The time required to learn to play or master a game varies greatly from game to game, but is not necessarily correlated with the number or complexity of rules.
- The game design drawing is full of artistic creativity, well-made and meticulous. Make each game a work that the player is happy to collect.
- The rules of the game are simple and easy to understand, even for children aged 8-12. On the other hand, the game requires a high degree of strategy, making the game equally attractive to adults.



#### 10.4 Rate of Growth of the Industry –

- The board game industry has always been around a growth of 10-13% CAGR but this can further be boosted by the COVID – 19 pandemic which has forced people to stay inside and once again made them realise the importance of board games.
- Even after the pandemic gets over there would be some after effects of the pandemic for quite some time. Still people would think before going to social events, work from home is not a thing and people have been using their free time in the pandemic on board games. So, all these factors show a good potential growth of the industry.
- Even with technological advances the board games can be modified to cater the tech like various touchpads and devices have been made to play these board games in different ways than the traditional board.
- So even with time the industry growth doesn't seem to go below 10% CAGR and further expected to get a boost from the pandemic.
- Even table-top games include games like Monopoly, Ludo, Scrabble, Checkers, and Chess hold the highest market share, estimated at about 67 percent.

#### 10.4 Composition of Market Share –



We can see from the above graph that Mattel and Funs Kool have been toe to toe for the most market share from the year 2014 and 2019.

Mattel is the owner of one of the strongest portfolios of children's and family entertainment franchises in the world. The iconic brands have been inspiring generations of consumers and have deep emotional connections with a large fan base of children everywhere. The brand portfolio has a range of categories such as Dolls, Vehicles, Infant, Toddler and Preschool, Action Figures, Games, Construction and Plush, and includes popular intellectual properties that they own or license in partnership with global entertainment companies.

Funs Kool is India's leading toy manufacturing company promoted by the MRF group. Funs Kool's mission is to influence parents to spend on toys that enable every child to grow with quality toys that contributes to his/ her wholesome development. The company has one of the largest ranges of toys in India.

A survey done of over 1000 game enthusiasts in the US gave the following statistics...

## 11. PESTEL Analysis -

### **Political Factors**

These are the forces that tends to be altered by the influence of government on the infrastructure of country. The political factors involve environment regulations, employment laws, tariffs, tax policy, trade restrictions, political stability and reforms. Currently there is political stability in the Toys and Games sector of the economy and the Prime Minister also exhorted start-ups and entrepreneurs to turn India into a global toy hub. The countries chances of entering into an armed conflict with its neighbours is currently low. But the country may end in a trade war with China as recently the Central Government put a ban on number of Chinese apps and is focusing more on making the country self-reliant. Recent lockdowns exacerbated the growing demand for board games in the country as people looked for respite from screens and new cultivated family routines.

### **Economic Factors**

Economic factors involve interest rates, inflation, and growth of economy, cost of living, working hours, wage rate and exchange rates. India is one of the top emerging markets in the world but Indian toy industry is fractured, with just 3% of the 4,000-odd manufacturers being large-scale players, about 75% are micro units and 22% small and medium enterprises, according to SGEPC. The domestic toy demand is expected to grow at 15-20% CAGR between 2020 and 2025 as against the global average of 5%. The growing demand for toys in India is fuelled by the rising disposable income, according to SGEPC. Amazon India told ET Magazine it recorded a 100% rise in search and sales of board games and puzzles in the last two to three years.



Flipkart too has seen search traffic for the category go up by more than 50% year-on-year, says Nishit Garg, head of books, general merchandise and home at the online retailer. Funskool India, the toy manufacturer based in Chennai, says board games category has grown by double digits in the last five years and expects it will maintain this growth rate for the next five years. Recently due to COVID India's economy too took a hit like the rest of the world but is expected to recover soon. In the last 10 years, Kickstarter has received \$1 billion in pledges for games and 70% of it has been for developing board games. Local crowdfunding platforms have also swung into action.

### **Social Factors -**

The social factors include safety and health consciousness, various demographics, population growth rates and cultural aspects. Society's culture and way of doing things impact the culture of an organization in an environment. Shared beliefs and attitudes of the population play a great role in how we will understand the customers of the market and design the marketing message for Toys & Games industry consumers. India is home to 25% of the world's children aged between 0 and 12, according to the World Bank's 2019 data. There has also been a major shift from traditional and medium- to low-end battery-operated toys towards innovative electronic toys, intelligent toys as well as upmarket, plush toys, according to SGEPC. The traditional joint family concept that exist in the country will also play a positive role. India caught on the new-age board game to create an ecosystem of cafes and communities.

### **Technological Factors -**

An organization should innovate and be compatible with the technologies. Technology is fast disrupting various industries across the board. A firm should not only do technological analysis of the industry but also the speed at which technology disrupts that industry. Slow speed will give more time while fast speed of technological disruption may give a firm little time to cope and be profitable. Technological advancements remain a major threat for us as online games are becoming more popular. Start-ups focusing on the digitalization of tabletop games may also become tough rivals in the future. Examples of two such startups are Tilt Five and Gameboard-1. While Tilt Five is focusing on making tabletop holographic gaming a reality, Gameboard-1 will be a flat computer with a square display, thin, light, and portable, similar to the traditional tabletop games but cardboards will be replaced by touch boards. As such technologies enter the market, we might see consumers shift towards them, however as of now most are still in their development stage and will roll out in the markets with hefty price tags.



### **Environmental Factors -**

The analysis of the environment including internal and external elements is vital for organization since it impacts on the performance of an organization. Before entering new markets or starting a new business in existing market the firm should carefully evaluate the environmental standards that are required to operate in those markets. The subject of sustainability in the toy industry is becoming more important as each day passes. Manufacturers, retailers, and buyers need to respond to this growing issue in order to remain relevant and competitive as stakeholder concern about our environment surges.

The toy industry is moving in a sustainable direction and there are great examples of toy producers using recycled or bio-based plastics, reducing material use in either the product or its packaging, and designing toys to be more easily recycled at the end of their usable life. However, it is worth noting that from a regulatory perspective, developing a more sustainable portfolio can also be challenging and there are many technical aspects to consider.

### **Legal Factors -**

Legal factors involve the certain laws and regulations which might affect the business operations of an organization. It also includes impending and current legislation that tends to impact on the industry in areas including competition, employment, safety and health. Indian Patent Law is defined by various provisions of The Patents Act, 1970, which has been amended since introduction. Under this law, patent rights are granted for inventions covering a new and inventive process, product or an article of manufacture that are able to satisfy the patent eligibility requirements of having novelty, inventive step, and are capable of industrial application. India also has laws and regulations for safety, health and protection of labourers like Factories Act, 1948 and Contract Labour Act, 1970. Recently the Central Government published the 'The Toys (Quality Control) Order, 2020', (the 'Order') in exercise of the powers conferred under the Bureau of Indian Standards Act, 2016. The Order imposes a strict standard requirement on the regulation of toys and/or materials for use in play by children, or other products as notified by the Central Government. The domestic toy manufacturers and or foreign manufacturers who intend to continue business will have to apply for a BIS.



## 12. Five Force Model -

Porter's Five Forces is a business analysis model that helps to explain why various industries are able to sustain different levels of profitability. This model helps an organization in tackling its competitors. The board game industry is no different from any other industry and faces a lot of competition. The Five Forces model is widely used to analyze the industry structure of a company as well as its corporate strategy. Porter identified five undeniable forces that play a part in shaping every market and industry in the world, with some caveats. The five forces are frequently used to measure competition intensity, attractiveness, and profitability of an industry or market.

1. **Competition in the industry** -The first of the five forces refers to the number of competitors and their ability to undercut a company. The larger the number of competitors, along with the number of equivalent products and services they offer, the lesser the power of a company. Suppliers and buyers seek out a company's competition if they are able to offer a better deal or lower prices. The Board game industry is competitive. The main difference in this industry and others is pricing. Each company has different pricing strategy. Also each company has its own presence as the board games they offer are different. Here the product matters more than the company itself.
2. **Potential of new entrants**- A company's power is also affected by the force of new entrants into its market. The less time and money it cost for a competitor to enter a company's market and be an effective competitor, the more an established company's position could be significantly weakened. An industry with strong barriers to entry is ideal for existing companies within that industry since the company would be able to charge higher prices and negotiate better terms. In this industry there are no threats as such on new entrants.
3. **Power of suppliers**-The next factor in the five forces model addresses how easily suppliers can drive up the cost of inputs. It is affected by the number of suppliers of key inputs of a good or service, how unique these inputs are, and how much it would cost a company to switch to another supplier. The fewer suppliers to an industry, the more a company would depend on a supplier. In our industry the say of suppliers in disrupting the competition is minimal. No rare or unique raw materials are required hence suppliers can be interchanged easily.
4. **Power of Customers**-The ability that customers have to drive prices lower or their level of power is one of the five forces. It is affected by how many buyers or customers a company has, how significant each customer is, and how much it would cost a company to find new customers or markets for its output. A smaller and more powerful client base means that each customer has more power to negotiate for lower prices and better deals. Customers have the ultimate power in this industry, the company depends on the sales as well as customer feedback. The growth is also highly dependent on the customer as for any company to introduce a new product the customers must be satisfied by the previous one.



5. **Threat of Substitutes**-The last of the five forces focuses on substitutes. Substitute goods or services that can be used in place of a company's products or services pose a threat. Companies that produce goods or services for which there are no close substitutes will have more power to increase prices and lock in favorable terms. When close substitutes are available, customers will have the option to forgo buying a company's product, and a company's power can be weakened. In our industry if a game is performing well then it can easily be substituted or several knock off can be created as a result the company should always be the first one to react on any opportunity being introducing a new version or creating an online version.

### 13. Business Model Canvas –

#### **Key Partners** -

Key Partners are the relationships that we will have with other business, governmental, or non-consumer entities that help our business model work. These can be the relationships that our company has with our suppliers, our manufacturers, business partners, etc.

Our Key Partnerships will include -

Supplier- For our raw materials like screens and scanners we will need different suppliers. We will be purchasing all the raw materials from different suppliers at bulk prices which will help us cut down our costs

Manufacturers- After procurement of our raw materials we will assemble our game at a single place for which we will require a factory and labour. We will set up our factory in India, as the cost of labour in India is low as compared other countries

Logistics – After the successful assembling of our game we will be transporting our games to retailers in different cities for which we will tie up with a logistics company like bluedart, delivery, DTDC etc whichever will provide us with cheaper rates

Retailers- Through retailer we will provide our game to the end customer, retailers who have their stores in malls, airport duty free and departmental stores





### **Key Activities -**

Marketing - Our marketing strategy is directed at the communication of the marketing message to the target customer segment the marketing message attempts to associate our brand with having fun with learning. The marketing message is communicated to the target customer segment via an effective utilization of a range of elements of the marketing communication mix such as print and media advertising, sales promotions, events and experiences, public relations and direct marketing.

Research & Development - As our industry is a dynamic one where every day new board games are launched so we need to invest wisely in our R&D department

### **Key Resources -**

The resources needed to create value for your customers. They are considered your assets and they are needed to sustain and support your business. Our key resources will HR that is the people who will help us build the software and hardware of the boardgame. The technology developed will also be an essential resource. Further to protect our technology we will need intellectual property as well.

### **Value Propositions -**

The Value Proposition is foundational to any business It is the fundamental concept of the exchange of value between our business and our customer/clients. Generally, value is exchanged from a customer for money when a problem is solved or a pain is relieved for them by our business.

What is the problem we are solving- No exposure to stock market at an early age and learning the basics of market at a very late-stage costing time and money.

Why would someone want to have this problem solved- An early learning course part of the permanent curriculum of schools by building a board game which encompasses the fundamentals of stock market.

### **Customer Segments -**

Customer Segmenting is the practice of dividing a customer base into groups of individuals that are similar in specific ways, such as age, gender, interests and spending habits.

Our customer segments will include children from ages 10 plus but since parents make decisions for children, we will be targeting parents and young adults who are keen on learning the concepts and dynamics of the stock markets.





## **Customer Relations -**

Customer Relationships is defined as how a business interacts with its customers.

We will be offering a one-year warranty to our customers for the scanners and the screen. We will also be offering 24x7 chat services which will assist the customers if they have any queries with regards to the game or warranty.

## **Channels -**

Channels are defined as the avenues through which your customer comes into contact with your business and becomes part of your sales cycle.

We will be selling our product through various offline retail channels like malls, departmental stores, gift shops, etc. Online sales channels will be e-commerce websites like Amazon, Flipkart and Facebook. We will be providing our board game to educational institutions as a part of recreational activities.

## **Cost Structure -**

Cost structure describes the costs that business occurs through its operations. These include employees, infrastructure, costs associated with all activities as well as sourcing through key partnerships. Our major cost will be the following:

Production Cost – This will include all the material cost that we will incur in manufacturing the product.

Technology Development Cost – The cost that will go into developing the software of the boardgame.

Selling & Distribution – All transportation and logistics related expenses.

Rent/Leasing Expenditure – Costs that will be incurred for renting or leasing of manufacturing unit, warehouse, etc.

Salaries & Wages – Developers, designers and technicians will be the main workforce.

## **Revenue Streams -**

Revenue Streams are defined as the way by which your business converts your Value Proposition or solution to the customer's problem into financial gain. For our business we will rely on both the modes of selling products, online and offline. A transaction-based model is a classic way a business can earn money. The revenue is generated by directly selling an item or a service to a customer. The customer can be another company (B2B) or a consumer (B2C). The price of the product or service constitutes the production costs and margin. Increasing the margin, the business is able to generate more income from sales.



We will be selling our product through various offline retail channels like malls, departmental stores, gift shops, etc. Online sales channels will be e-commerce websites like Amazon, Flipkart and Facebook. Additionally, we will also be selling the product through our own website, which will also contribute towards extra income that will be generated via ads on the website.

## 14. Value chain analysis –

Value chain analysis is the process of looking at the activities that go into changing the inputs for a product or service into an output that is valued by the customer. Companies conduct value-chain analysis by looking at every production step required to create a product and identifying ways to increase the efficiency of the chain.

### Primary Activities -

- **Inbound logistics** – For obtaining the various parts that would be required to assemble the board game like screens, scanners, printed boards and packaging, etc. we will send our custom designs to vendors and companies who specialize in that particular field. We plan on setting up our own assembling unit where the final product will be made. For shipping our orders, we will rely on courier services like Bluedart or Delhivery.
- **Operations** – We will begin by selling our board game to several retail stores in India we will not be decentralizing at this point as we will be offering only one product and the geographic region in which it will be selling is limited. A few years later we will expand our sales to countries like Canada and United States. To avoid making the decision-making process cumbersome and slow we will at this point decentralize our operations model so that we don't miss out on market opportunities.
- **Outbound logistics** –We will be selling our product through various offline retail channels like malls, departmental stores, gift shops, etc. Online sales channels will be e-commerce websites like Amazon, Flipkart and Facebook. We will be providing our board game to educational institutions as a part of recreational activities.
- **Marketing and sales** –Our marketing strategy is directed at the communication of the marketing message to the target customer segment The marketing message attempts to associate our brand with having fun with learning The marketing message is communicated to the target customer segment via an effective utilization of a range of elements of the marketing communication mix such as print and media advertising, sales promotions, events and experiences, public relations and direct marketing.



- **Service** – We aim to deliver the customer services of the highest standards. Our company will be conducting customer satisfaction surveys managed by external parties in a regular manner in order to achieve and sustain high levels of customer satisfaction. We will also be providing warranty for our product in case of any damage to the product.

#### **Support Activities -**

- **Procurement (purchasing)** – For our raw materials like screens and scanners we will need different suppliers. We will be purchasing all the raw materials from different suppliers at bulk prices which will help us cut down our costs. After procurement of our raw materials, we will assemble our game at a single place for which we will require a factory and labor. We will set up our factory in India, as the cost of labor in India is low as compared other countries
- **Human resource management** – Our team consists of five people in the executive roles. A design and tech team of software, hardware and electronic engineers. A team of technicians in the assembling unit who will require prior training. Additional staff for managing orders, maintenance, etc.
- **Technological development** – Technology businesses linger to become a greater percentage of the world economy. They have overhauled oil and gas corporations to become the major public companies in the world, the private marketplace is overflowing with billion-dollar unicorn estimates hidden ever earlier in past, and numerous non-technological businesses are moreover dying at technology's indicators or fetching one with it. As for our company we will need to develop our technology every 2 years in order to keep up with the market.
- **Infrastructure** - The more your business volumes and profit margins increase through the use of innovations like digital infrastructure, the more the market value of your business increase. Keeping in mind the current situation of covid 19 , more and more focus is on working from home so we will be asking our team to work from home.

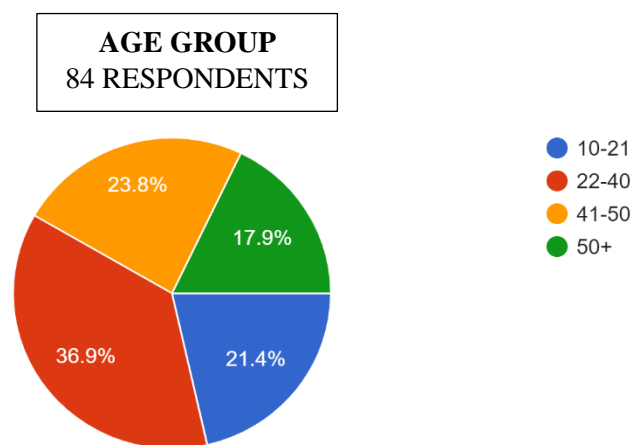


## 15. Market Survey –

The research has been done among the 84 respondents considering the different variables and factors. Primary research has been used as a tool to determine the scope of the product which we are going to launch.

The questionnaire has been designed considering different variables like - familiarity with the stock market, are people eager to invest or want to invest but lacks knowledge, what perception do they carry regarding self-learning. Another factor considered - have they ever tried their hands-on playing monopoly, as our product is related to monopoly so it is incumbent to consider the same for the launch of the product & lastly how much they are willing to pay for the product.

The analysis has been done on the basis of responses got on the survey and thus further collating the set of questions where the ideal customer must have reacted on a similar way.

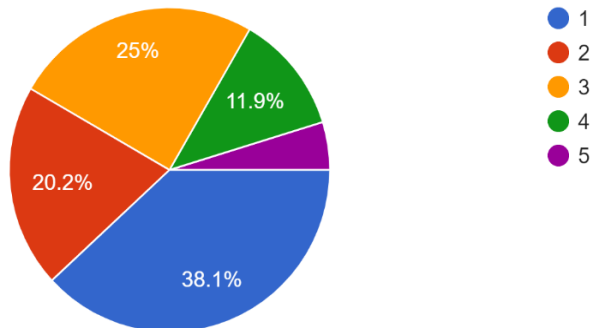


The research done was among the mixed bunch of respondents with 21.4% (18) were of the age group 10-21 with 15 were of 50+, however the majority of the respondents were of an age group of 22-40 which are the millennials, who are also the best critic at the time of launching a new product in the market.

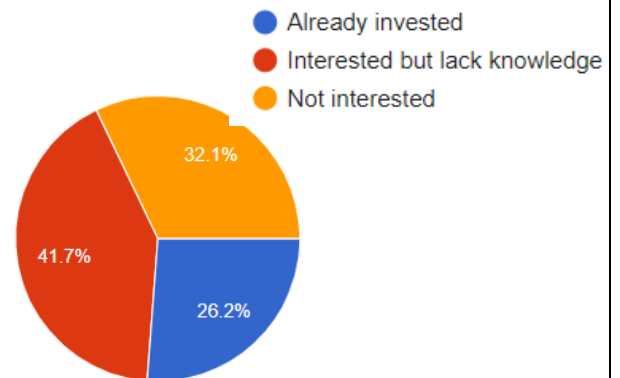


## Familiarity of the product and people's interest in investing –

FAMILIARITY WITH PRODUCT



PEOPLE'S INTEREST IN INVESTING



\*1 being lowest (no knowledge at all) and 5 being highest (active stock market investor).

Familiarity of the stock market plays an important role in the launch of our product. It defines how much respondents are into investing in the stock market which further determines the practicability and to what extent the product is to be created for the customers who are naïve & inexperienced.

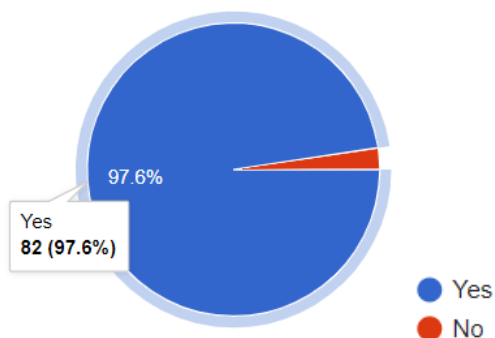
Only 4.8% of the respondents are active stock market investor among 84 respondents which shows only few of them are active investors but if we see in the *figure 2* 41.7% of the respondents are interested but they lack knowledge, seemingly 38.1% of the respondents said they have no knowledge at all about the stock market which shows that the product which we are going to launch must have the attractiveness which lure this prospective investors or interested investors to learn the basics about the stock market and must be freely put their hands on our game without any fear of losing any money.

The research also shows that product must have some quality which gives insight and surreal experience to both risk averse investors as well risk lover investors.

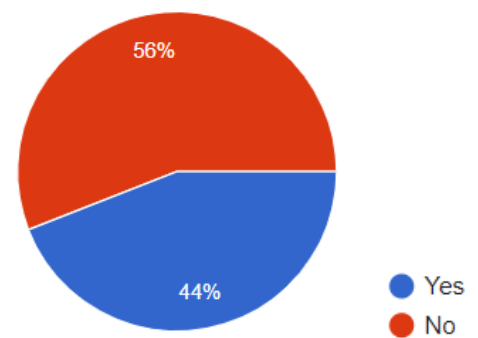


## Are the customers comfortable in self-learning and did they ever play monopoly?

BELIEVE IN SELF LEARNING



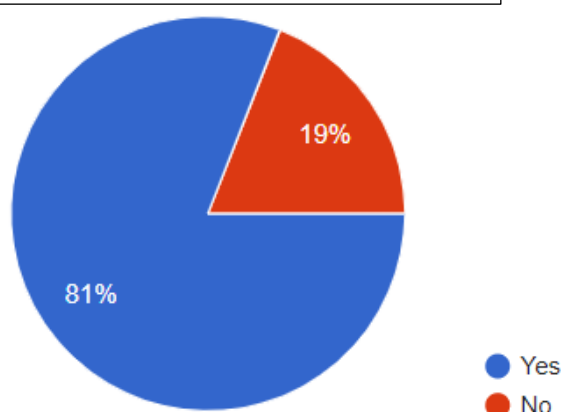
PLAYED MONOPOLY



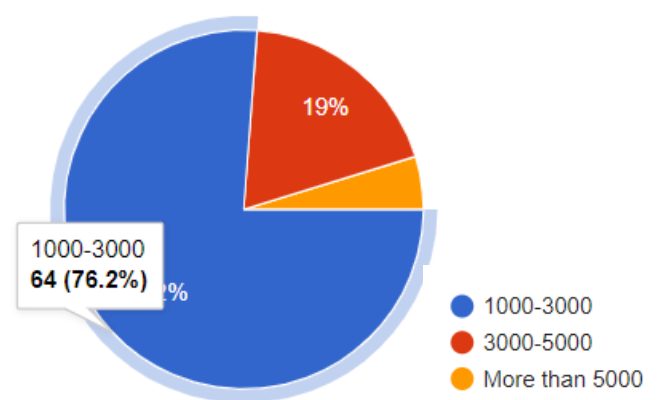
Among the 84 respondents, 82 of them said they believe in self learning. The main ideology of our product is that people learn from themselves and must feel what it takes and what emotions are involved while investing money in stock market with the help of our product. However, the figure - 2 talks about how many of them have played the board game named “Monopoly” because they could relate whenever they play “Stocktigo”.

## How many of them are really interested in playing and recommending to buy it for their younger ones or anyone from the young generation & how much they are willing to pay?

ARE THEY INTERESTED IN PLAYING SUCH A GAME?



HOW MUCH THEY ARE WILLING TO PAY?



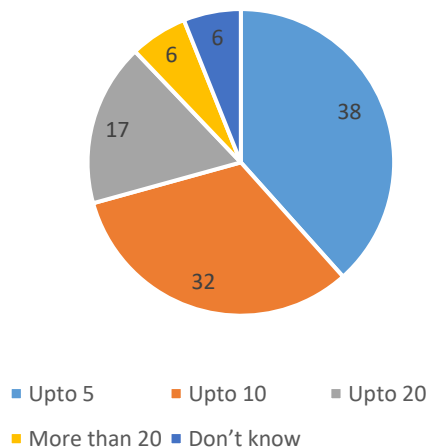
Among 84 respondents, 64 of them said they would like to spend around ₹ 1000-3000 for such a game and 81% of them they are really interested in playing a game.



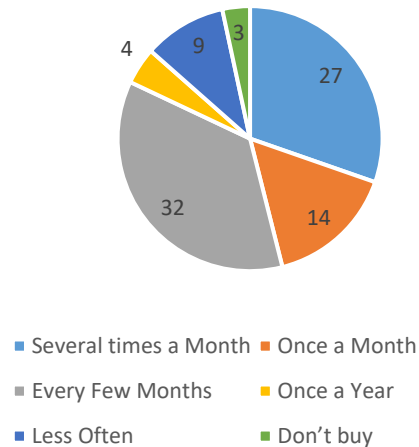
**The following survey done of over 1000 game enthusiasts in the US gave the following statistics -**

**Distribution of card & board games owned and purchased every year -**

Cards & Board games owned by an average gamer.



Games purchased every year



We can see from the above pie charts with majority of the sample owns upto 10 card and board games and the majority additionally purchases new games every few months which seems reasonable as it opens up a lot of scope in the emerging audience. Even the rest of the sample fulfils good criteria for our upcoming product as most respondents in the study owned a good amount of card and board games and were regularly buying new products as well.

Limitation of the Study - The study was done in USA.



## 16. Competitive factors -

Competitive factors cover how businesses who offer similar products or services affect each other

### **Imitators -**

When a successful product is introduced, rival organizations will often respond by trying to undercut it by quickly producing cheaper alternative versions.

The global board games market is moderately concentrated and the top players dominate the largest share. The leading vendors are rapidly leveraging technological advancement to offer innovations and upgrades to a large number of consumers in the global market. The presence of various local and international publishers will result in intensified competition in the global market. We will be focusing on competing on the basis of gameplay differentiation game genre and platform type; we will also be working on digitalization and developing supporting mobile applications to enhance customer experiences in the market.

### **Price wars -**

Companies may start a price war in order to gain customers and increase market.

A price war happens when companies compete for customers by dropping their prices below the rate of their competitors. A price war can be good for customers as they can get the goods and services they want at lower price. We will be offering our product at a reasonable price with various offers and discounts in order to attract a larger customer base.

### **Product differentiation -**

We plan to become more competitive by making products that stand out from the competition in terms of price, quality or service. We plan to do so through our USP which is that we provide a learning curve with the fun of a board game. We would differentiate our product by offering design, appearance or price than rivals.





## 17. Marketing Opportunities –

We can never be sure that a business idea is a success or a potential flop unless we look at the market opportunities. If only the market seems reasonable then the product is going to be a success.

### **Board Game Industry**

Now looking at the board game industry as a whole now the global industry stands at 13.1 Billion of which Indian size is only 45 million which shows a lot of upside and potential coverage. As the industry shows scope it, the product is more likely to succeed. The industry has been steadily growing and is expected to grow further according to various studies.

### **CAGR**

Also talking about the CAGR the previous predictions of 10% have been bumped to 13% because of the coronavirus pandemic and a lot of people coming back to board games. The market has been experiencing popularity and acceptance among players despite intense competition from digital entertainment sources.

### **Technology**

Even with the technological advances coming up board games can be incorporated with such devices and can be made more fun just like our idea. There are devices being created specifically for playing board games in a digital and innovative way. Also the easiest way is to use app to integrate technology in board game industry, these apps enhance the experience.

### **Data**

In the surveys presented in the reports shows how that a lot of respondents were interested in owning many board games and also were willing to make significant additional purchases. People have always been interested in board games as a way to connect and one of the best way to spend free time, so board games are highly unlikely to get replaced in the future.



## 18. Marketing Strategies -

A marketing strategy is important because it clearly outlines how we will find new customers and promote our products to ultimately get more sales. Now we cannot go all in on the marketing part and also, we have to cover large parts with minimum effort.

### 18.1 YouTube Collaborations –

There are many reputed YouTube channels on stock market that provide information about fundamentals on companies, demat accounts, IPOs and much more. Such channels also advertise various demat companies and therefore would be the best way to reach relevant market. Simply providing information that such product on stock market exists and providing a simple link to access more information would work. We will also reach out to channels that make educational content for children. The cost of brand partnership is in line with the subscriber base of the YouTube influencer and can range from ₹ 12,000 to ₹ 1 lakh per video, apart from additional cost for social media posts.

#### **Dear Sir**

With over 290 videos and 8.22 million subscribers this youtube channel make educational videos for school students especially 10<sup>th</sup> class students.

#### **Intellectual Indies**

Intellectual Indies has over 590 videos uploaded on his channels and a subscriber base of 884 thousand. You can find all videos related to business, marketing and startup here.

#### **Pebbles Live**

With more than 3.28 million subscribers and 4,100 videos this channels focus on making educational videos for kids of pre-school to class 6.

We will be collaborating with these channels wherein it would be a either a barter collaboration or paid collaboration. Barter collaborations would work as we will send our product to youtubers and they give us a review and would ask its subscribers to buy our product in turn we would promote their courses and channel.

Our estimated sales from the following youtube collaborations based on the viewership of the channels is as follows. We assume that at least 10% of the viewers will visit our website after getting to know about it from the youtube promotion and 2% from those visitors will go ahead and purchase the game.

Average views per video for Dear Sir are 47,978, for Intellectual Indies 65,790 and for Pebbles live 1,970. Based on the following viewership we hope to sell around 230 units through these collaborations.



## 18.2 Social Media Advertising –

Nowadays every person being a child or a senior citizen have social media accounts, Instagram and Facebook have come up with sponsored advertisement a simple ad popping up would spread the idea of our product and large audience could be covered.

### **Instagram & Facebook**

According to a report by statista the number of Instagram and Facebook users in India is 140 million therefore promoting our product on these platforms will give our product a wider reach thus creating awareness among consumers about our product. The average Instagram sponsored ads or advertisement CPC (cost per click) costs between 36.69 INR– 146.75 INR.

### **XtremeAds a Google Partner**

XtremeAds is a PPC company in India, they are the storytellers of the PPC advertising world. They stand above other digital marketing and advertising companies through their flair for innovation and passion for high-quality services.

#### **Xtreme Ads Scope of Services:**

- PPC
- Google Ads
- Facebook Ads
- White Label PPC Management
- Social Media Management
- Web Design

We plan on taking the company's Business PPC Package for which they charge ₹21,000 per month. This package comes with various services like campaigning; googles ads setup, types and optimization; Facebook ads, Google Analytic and additionally also provide us with reports of how are ads are performing.

## 18.3 First Product Listing –

### **Amazon's Sponsored Products**

Sponsored Products is an advertising program that helps you promote the products you list on Amazon.in. You choose which products you want to advertise, assign keywords to those products, and enter a cost-per-click bid. When an Amazon shopper searches for one of your keywords, your ad is eligible for display alongside the search results. You pay a fee for this program only when an Amazon shopper clicks on your ad, at which point the shopper is taken to the detail page where your offer is listed. Sponsored Products uses a cost-per-click, auction based pricing model. You set the maximum cost that you are willing to pay when a shopper clicks on an ad for your product. The more competitive your bid is, the more likely your ad will be displayed when an Amazon shopper searches for one of your keywords.



Today, Sponsored Products is a pre-paid service. To enable your ads on Sponsored Products you need to pay in advance and your advertising spends will be debited from your advanced paid amount. You are charged only when a shopper clicks your ad.

You need to set a daily budget for each campaign for your ads to be displayed. The amount you enter is the average daily amount you are willing to spend over a calendar month. For example, if you set your daily budget at ₹ 100, you may receive up to ₹3,100 worth of clicks in that calendar month (assuming a full 31 day month). At the end of the month the average daily value of your advertising spend will not exceed your desired daily spend. However, on any given day you can spend less or more than your actual daily budget. For example, if your budget is ₹100 and you receive ₹50 worth of clicks on the 1st day of the month, you may receive up to ₹150 worth of clicks on the 2nd of the month. This would bring your total spend over 2 days to ₹200, which is in line with your daily budget.

Our total estimated sales from online marketing for the first year is approximately 380 units.

## 19. Sales & Earnings –

We all want our products in full sight at the shelves of any supermarket, convenience store, drugstore or department store. This will boost your sales and give your product the status it deserves. However, in order to get there, you will have to pay for it, and the better the position, the higher the fee. A listing is the introduction of a product/product line in the retail offer of a retail company in a specific retail channel (offline or online), territory, store/s decided by a retail representative (Category Manager, Retail Manager, Store Manager, Buyer) after having received all information and deeply assessed the profit and sales potentiality. A slotting fee is the amount of money/fee required by the retailer, once she/he found potentiality for your product, to cover some direct costs (e.g. opening a supplier code, checking quality standards, list in the IT system, etc.) but mainly to cover the costs of space that is the most scarce/valuable resource for a retailer. Listing fee in modern Indian supermarkets varies anywhere between Rs 2,500-5,000 per SKU.

Initially we plan on sending our product to various gift and departmental stores in Mumbai and a few neighboring cities. We plan to sell our product in around 20-30 select retail toy and gift stores like Magic Star (Dadar), National Toy's & Electronic's (Bandra), etc. We hope to sell around 520 units of our product through retail sales during the first year.

### **Revenue**

#### ***Google AdSense***

AdSense helps you make money from your site. With AdSense, trusted advertisers show their ads on your site, generating revenue. They can generate revenue on either a per-click or per-impression basis. The average AdSense rates in India range from Rs. 100 to Rs. 150 per click, per 1000 impressions, or per action.

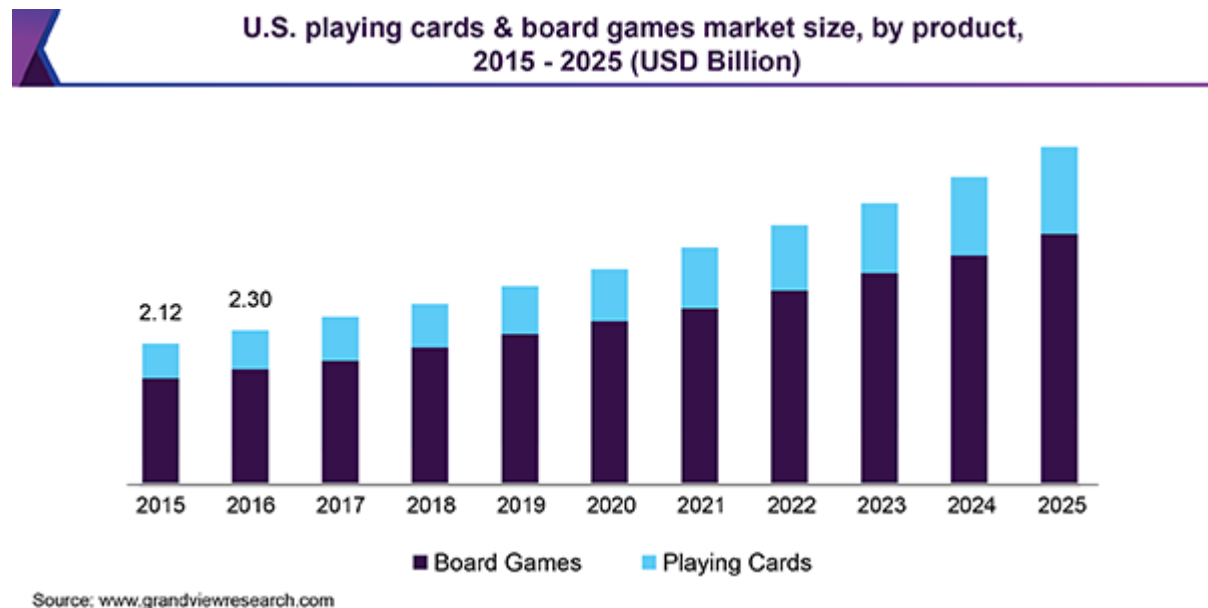


## 20. Market Opportunity Analysis –

### Market Overview

Looking at the market performance and future scope it looks promising. Also the market has less competition from the known brands like Mattel and Funskool which has the most market share and the brand has to compete with them only.

Even with that, the type of our audience is a little different than what Mattel and Funskool are aiming for. So the market shows less competition with a lot of scope in capturing the market share.



### Customer Overview

The survey conducted showed that people are interested in the product and would be willing to pay for it. Also the survey studies presented showed people do own a decent amount of board games and are willing to spend to own more for the games they enjoy.



## 21. Analysis of human resource operations -

### **Analysis of Operations -**

Our business operation model initially will be a centralized model where in one department with different teams serving the organization but as we plan to expand, we would in a later stage will follow a decentralized model where in Different teams serving the organization, no formal business operations department.

We will begin by selling our board game to several retail stores in India we will not be decentralizing at this point as we will be offering only one product and the geographic region in which it will be selling is limited. A few years later we will expand our sales to countries like Canada and United States. To avoid making the decision-making process cumbersome and slow we will at this point decentralize our operations model so that we don't miss out on market opportunities.

Operations will consist mainly of the following activities; procuring material, assembling and shipping. For obtaining the various parts that would be required to assemble the board game like screens, scanners, printed boards and packaging, etc. we will send our custom designs to vendors and companies who specialize in that particular field. We plan on setting up our own assembling unit where the final product will be made. For shipping our orders, we will rely on courier services like Bluedart or Delhivery.

In the later period we plan to hire a senior business analyst A senior analyst will be able to take on a lot of responsibility and act as both an analyst and project manager. This individual can help with hiring the next analyst (preferably another senior analyst), help with better understanding the data gaps, and even some CRM admin work.

### **Analysis of Human Resources -**

Hiring the right fit for the organization and its context is of paramount importance. Behaviorally people who thrive in such environments are the ones who can work with ambiguity, can take quick decisions with limited information, have a high-risk appetite, and are generally not so perturbed by lack of structure and standard processes. The right fit to the startup environment is often more critical than the functional expertise that one brings on the table. Our team consists of five people in the executive roles. A design and tech team of software, hardware and electronic engineers. A team of technicians in the assembling unit who will require prior training. Additional staff for managing orders, maintenance, etc.



## **Our HR department will work towards the following roles:**

Legal Protection: One of the primary role of HR will be to make sure our startup is complying with state and federal laws and regulations so we are protected from potential lawsuits.

Talent Acquisition: Our HR department will help us hire the right employees and ensure there are structured onboarding procedures in place.

Record Keeping: HR departments are responsible for keeping business records, resumes, sensitive information, and performance evaluations; for tracking sick time, vacation time, and workplace accidents; and for keeping other records.

Policy Creation: HR policies will provide employees with a structured work environment. Our HR department might consider creating policies on tardiness, benefits, employee evaluations, discipline, internet policies, dress and grooming standards, holiday leave, and more.

Employee Training: Training new employees not only will help us beat our competition, it will also be a major factor in employee retention.

Company Culture Development: One of the roles of HR in a startup is to make sure the company lives up to its values by hiring people that align with the company's vision.

Having policies in place for employee benefits, company dress code, sick time, vacation time, compliance, training, and more will benefit your company and set you up for success. Here are some considerations for policies.

### Dress and Grooming

How you structure your dress and grooming standards depend on the type of business you run. Startups tend to be very casual with dress codes, but having dress and grooming standards established from the get-go sets the expectation for the kind of work environment you will have. Even a casual dress code should clarify that clothing with holes, tears, or inappropriate or offensive wording or images isn't acceptable in the workplace. It may also be helpful to specify whether piercings or tattoos are acceptable in your work environment. A detailed dress code is great for employees and can help raise employee morale.

### Sick Time

Employees need time off to recover, but everyone probably knows someone who's used sick time when they just needed a day off. While the occasional day off for sick time isn't an issue. This will help our employees understand what is expected of them while protecting y\our company productivity and revenue which is especially important for startups where finances are already tight.



## 22. Financial Plan –

### 22.1 Project Cost –

SN	Notes to Account	Per unit	units	Total (₹)
<b>1</b>	<b>Material purchased -</b>			
	Circuit board - cost	300	1,000	3,00,000.00
	Screen - (7 inch)	1,200	1,000	12,00,000.00
	Scanner (3*3.5 inch)	215	1,000	2,15,000.00
	Printing Expenses	251	1,000	2,50,750.00
	Marker Pen	60	1,000	60,000.00
	<b>Total -</b>	<b>2,025.75</b>		<b>20,25,750.00</b>
<b>2</b>	<b>Freight -</b>			
	Transport of raw material to assembling unit + finished good to warehouse (₹)			9,000.00
	Number of rounds			4.00
	<b>Total -</b>			<b>36,000.00</b>
<b>3</b>	<b>Salary (Technician) -</b>			
	Salary of 1 technician			15,000.00
	Number of technician			2.00
	<b>Total -</b>			<b>30,000.00</b>
<b>4</b>	<b>Selling &amp; distribution O/H -</b>			
	<b>Via Amazon Ltd :</b>			
	(Cost of selling 1 unit of ₹4000)	570	380	2,16,600.00
	<b>Via Brick &amp; mortar :</b>	-		
	<u>Transportation Cost -</u>		520	40,000.00
	- No. of trips = 26, - Cost of hiring a vehicle = 2000 per trip			
	<u>Discount on sales -</u>	500	520	2,60,000.00
	<b>Total -</b>		<b>900.00</b>	<b>5,16,600.00</b>
	<b>Advertising :</b>			
	- <u>Social media partners</u>			
	(xtreme ads - 21000 per month)			2,52,000.00
	- <u>E-learn + Youtube</u>			1,20,000.00
	- <u>Amazon first listing product</u>			57,600.00
	160 per day = 4800 per month			
	<b>Total -</b>			<b>4,29,600.00</b>
	<b>Total</b>			<b>₹ 9,46,200.00</b>





## 22.2 Shareholding Pattern –

### STOCKTIGO

<u>SR No.</u>	<u>Name #</u>	<u>Number of shares held</u>	<u>Amt paid-up (Rs.)</u>	<u>%age of total</u>
1	Ishan Garg	20,000.00	150,000.00	20%
2	Harsh Arora	20,000.00	150,000.00	20%
3	Natasha Machado	20,000.00	150,000.00	20%
4	Ria Chopra	20,000.00	150,000.00	20%
5	Rishab Sood	20,000.00	150,000.00	20%
	<b>TOTAL</b>	<b>100,000.00</b>	<b>750,000.00</b>	<b>100%</b>

**Funding** - Our sources of funds will be mainly from the capital contributed by each partner that is Rs. 150000 each and Loan from ICICI Ltd worth Rs.500000 Interest on Loan is only for the initial 2 years as the debt is repaid in the beginning of the 3<sup>rd</sup> year.

## 22.3 Cost Sheet –

S.N	Particulars	Year 1			
		L.F	Units	per unit	₹
	<b>Direct materials :</b>				
	Opening stock of raw materials		0		
	Add : Material purchased	1	1000	2,026	20,25,750.00
	Add : Carriage inward	2	-	-	36,000.00
	Less : Closing stock of raw material		0	0	-
	Direct labour				
	Direct expenses				
	<b>Prime cost :</b>				<b>20,61,750.00</b>
	<b>Factory O/H -</b>				
	- Cost of assembling		1,000	80	80,000.00
	- Cost of Print & Packaging		1000	260	2,60,000.00
	<b>Works cost -</b>				
	- Rent (Office + Warehouse)		-	-	2,72,000.00
	- Salary (Coder) : one time				30,000.00
	- Salary (Technician)	3			30,000.00
	<b>Cost of Production :</b>				<b>27,33,750.00</b>
	Add : Opening stock of finish goods		0	0	-
	Less : Closing stock of finish goods		100	2733.75	-2,73,375.00
	<b>Cost of Goods Sold :</b>		<b>900</b>	<b>2733.75</b>	<b>24,60,375.00</b>
	<b>Selling &amp; distribution O/H :</b>	<b>4</b>			<b>9,46,200.00</b>
	<b>Cost of sales :</b>				<b>34,06,575.00</b>
	<b>Profit/(Loss)</b>				<b>1,93,425.00</b>
	<b>Sales</b>		<b>900</b>	<b>4000</b>	<b>36,00,000.00</b>



- From the cost sheet we can observe the Material Purchased staying the same for the initial two years as the production units and the cost per unit is same. In the third year the cost reduces as the cost per unit goes down because of better relations with the suppliers and the past two years dealing. Then in the 4th and 5th year the cost increases as the number of units produced goes up from 1000 units to 1200 units and unit price remains the same.
- Rent starts to rise after the third year as we take initiatives to expand our operations to other cities.
- Under Selling and Distribution, we can observe the cost being same for the initial two year and then reducing by Rs. 60,000 which is because of the reduction in the expenditure done on YouTube collaborations. In the 5th year again the cost goes down by Rs. 60,000 as the Youtube Collaborations are completely eliminated.

## 22.4 Sales Forecast -

5 YEARS SALES FORECAST							
	Year 1	Year 2	Year 3	year 4	year 5	Yr 2 vs Yr 1	Yr 3 vs Yr 2
<b>Total Units Sold</b>						<b>% Change</b>	
STOCKTIGO	900	950	1021	1118	1246	5%	8%
<b>Avg Unit Price</b>						<b>Difference</b>	
STOCKTIGO	₹ 4,000.00	₹ 4,000.00	₹ 4,000.00	₹ 4,000.00	₹ 4,000.00	-	-
<b>Avg Sales Growth Rate</b>						<b>Difference</b>	
STOCKTIGO		5.50%	7.5%	9.5%	11.5%	9.5%	11.5%
<b>Total Revenue</b>						<b>Difference</b>	
STOCKTIGO	₹ 36,00,000.00	₹ 37,98,000.00	₹ 40,82,850.00	₹ 44,70,720.75	₹ 49,84,853.64	₹ 1,98,000.00	₹ 2,84,850.00
<b>Total Revenue</b>	₹ 36,00,000.00	₹ 37,98,000.00	₹ 40,82,850.00	₹ 44,70,720.75	₹ 49,84,853.64	₹ 1,98,000.00	₹ 2,84,850.00
<b>Avg Unit COGS</b>						<b>Difference</b>	
STOCKTIGO	₹ 2,733.75	₹ 2,703.75	₹ 2,632.98	₹ 2,344.20	₹ 2,201.31	₹ -30.00	₹ -70.77
per unit	1000	1000	1000	1200	1200		
<b>Avg Margin Per Unit</b>						<b>Difference</b>	
STOCKTIGO	₹ 1,266.25	₹ 1,296.25	₹ 1,367.02	₹ 1,655.80	₹ 1,798.69	₹ 30.00	₹ 70.77
<b>Total Gross Profit</b>						<b>Difference</b>	
STOCKTIGO	₹ 8,66,250.00	₹ 10,94,250.00	₹ 14,49,872.50	₹ 16,57,684.15	₹ 23,43,279.89	₹ 2,28,000.00	₹ 3,55,622.50
<b>Total Gross Profit</b>	₹ 8,66,250.00	₹ 10,94,250.00	₹ 14,49,872.50	₹ 16,57,684.15	₹ 23,43,279.89	₹ 2,28,000.00	₹ 3,55,622.50



- This table shows us our projection for the next 5 fiscal years.
- The sales are consistently rising over the 5 years as more units are sold because of increasing product awareness in the market.
- We expect our company to sell around 90% of the total units produced during the first year and then to increase the sales by additional 2% every year compared to the previous years.
- COGS per unit is going in a downtrend as the suppliers are willing to reduce the price of certain components with regular dealing.
- Average margin per unit is in an uptrend because of decreasing cost per unit.
- Total gross profit is increasing because of rising sales and expenses being in check.

## 22.5 Income Statement –

Profit And Loss Account					
Particulars	Year 1 (₹)	Year 2 (₹)	Year 3 (₹)	Year 4 (₹)	Year 5 (₹)
<b>Income -</b>					
Revenue from operations	36,00,000	37,98,000	40,82,850	44,70,721	49,84,854
Change In Inventory	2,73,375	4,08,266	3,42,287	5,62,361	4,40,339
Other Income	5,000	7,500	11,250	16,875	25,313
<b>Total Income</b>	<b>₹ 38,78,375</b>	<b>₹ 42,13,766</b>	<b>₹ 44,36,387</b>	<b>₹ 50,49,956</b>	<b>₹ 54,50,505</b>
<b>Expenses -</b>					
Raw material	20,25,750	20,25,750	19,64,978	23,57,973	23,57,973
Carriage inward	36,000	36,000	36,000	43,200	43,200
Manufacturing	3,40,000	3,40,000	3,30,000	3,96,000	3,96,000
Rent	2,72,000	2,72,000	2,72,000	3,50,000	3,50,000
Salary	60,000	30,000	30,000	36,000	36,000
Advertisement	4,29,600	4,29,600	3,69,600	3,69,600	3,09,600
Selling cost	5,16,600	5,16,600	5,16,600	5,16,600	5,16,600
Trademark	5,000	-	-	-	-
Copyright	7,500	-	-	-	-
Misc.	1,88,373	1,86,248	1,75,959	2,03,469	2,00,469
<b>Total Expenses</b>	<b>₹ 38,80,823</b>	<b>₹ 38,36,198</b>	<b>₹ 36,95,136</b>	<b>₹ 42,72,842</b>	<b>₹ 42,09,842</b>
<b>Profit Before Interest &amp; Tax</b>	<b>-2,448</b>	<b>3,77,569</b>	<b>7,41,251</b>	<b>7,77,115</b>	<b>12,40,663</b>
Interest on loan	75,000	75,000	-	-	-
<b>Profit before tax</b>	<b>-77,448</b>	<b>3,02,569</b>	<b>7,41,251</b>	<b>7,77,115</b>	<b>12,40,663</b>
Provision for tax	-	90,771	-	-	-
Cess@4%	-	3,631	-	-	-
<b>Profit After Tax</b>	<b>₹ -77,448</b>	<b>₹ 2,08,167</b>	<b>₹ 7,41,251</b>	<b>₹ 7,77,115</b>	<b>₹ 12,40,663</b>



- The Income Statement shows the Revenue from Operations and Profit increasing steadily over the 5 years and that is because the number of units sold are increasing.
- The Other Income is the advertisement revenue which we are deriving from our website.
- We have decided to reduce spending on advertising as in the future we expect to focus more on promoting our company through our own social media channels.
- Manufacturing and Rent have increased in the 4th and 5th year due to increase in units produced.
- Interest on Loan is only for the initial 2 years as the debt is repaid in the beginning of the 3rd year.

## 22.6 Balance Sheet –

Particulars	Year 1 (₹)	Year 2 (₹)	Year 3 (₹)	Year 4 (₹)	Year 5 (₹)
<b>EQUITY &amp; LIABILITIES :</b>					
<b>1) Shareholder's fund -</b>					
<b>A) Share capital</b>					
Partners' capital	7,50,000.00	7,50,000.00	7,50,000.00	7,50,000.00	7,50,000.00
<b>B) Reserves &amp; surplus</b>					
Profit & loss	-77,447.50	1,30,719.80	8,71,970.50	16,49,085.16	28,89,748.58
Capital Reserve	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
	6,85,052.50	8,93,219.80	16,34,470.50	24,11,585.16	36,52,248.58
<b>2) Non-Current Liabilities -</b>					
Loan from ICICI Ltd	5,00,000.00	5,00,000.00			
<b>3) Current Liabilities -</b>					
Provision for tax	-	94,401.45	-	-	-
<b>TOTAL</b>	<b>₹ 11,85,053</b>	<b>₹ 14,87,621</b>	<b>₹ 16,34,471</b>	<b>₹ 24,11,585</b>	<b>₹ 36,52,249</b>
<b>ASSETS :</b>					
<b>1) Non-current Assets -</b>					
<b>A) Tangible assets -</b>					
<b>B) Intangible assets -</b>					
Patents & Copyrights	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
<b>2) Current Assets, Loan &amp; Advances -</b>					
Cash & cash Equivalents	8,99,177.50	6,99,078.55	5,98,042.18	8,12,796.27	16,13,120.76
Inventory	2,73,375.00	6,81,641.25	10,23,928.33	15,86,288.89	20,26,627.82
Loan & Advances		94,401.45			
	11,72,552.50	14,75,121.25	16,21,970.50	23,99,085.16	36,39,748.58
<b>TOTAL</b>	<b>₹ 11,85,053</b>	<b>₹ 14,87,621</b>	<b>₹ 16,34,471</b>	<b>₹ 24,11,585</b>	<b>₹ 36,52,249</b>



- Each of the 5 promoters is contributing Rs. 1,50,000 of personal capital into the business. Then the company is also raising debt of Rs. 5,00,000 which is repaid in the 3rd year.
- As startups are not required to pay tax in its initial years of operation according to which certain eligible startups are only required to pay tax for 3 out of 7 years. The company is creating a reserve to meet this liability.
- Inventory is increasing over the years due to increase in Closing Stock.
- The company does not have any fixed tangible assets as all its manufacturing is outsourced.
- Our investments include our intangible assets trademarks and patents.

## 22.7 Cash Flow Statement –

Cash Flow Projection						
Particulars	Year 1 (₹)	Year 2 (₹)	Year 3 (₹)	Year 4 (₹)	Year 5 (₹)	
<b>CASH INFLOWS -</b>						
<b>Cash from Operations</b>						
Receipts from Customers	36,00,000	37,98,000	40,82,850	44,70,721	49,84,854	
Other operations	5,000	7,500	11,250	16,875	25,313	
<b>Total Cash from Operations</b>	<b>36,05,000</b>	<b>38,05,500</b>	<b>40,94,100</b>	<b>44,87,596</b>	<b>50,10,166</b>	
<b>Cash from Financing</b>						
Issuance of Stock	7,50,000					
Borrowing	5,00,000					
<b>Total Cash from Financing</b>	<b>12,50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash from Investing</b>						
Sale of Property and Equipment						
Collection of Principal on Loans						
Sale of Investment Securities						
<b>Total Cash from Investing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Cash Inflows</b>	<b>₹ 48,55,000</b>	<b>₹ 38,05,500</b>	<b>₹ 40,94,100</b>	<b>₹ 44,87,596</b>	<b>₹ 50,10,166</b>	
<b>CASH OUTFLOWS -</b>						
<b>Operations -</b>						
Raw material	20,25,750	20,25,750	19,64,978	23,57,973	23,57,973	
Carriage inward	36,000	36,000	36,000	43,200	43,200	
Manufacturing	3,40,000	3,40,000	3,30,000	3,96,000	3,96,000	
Rent	2,72,000	2,72,000	2,72,000	3,50,000	3,50,000	
Salary	60,000	30,000	30,000	36,000	36,000	
Advertisement	4,29,600	4,29,600	3,69,600	3,69,600	3,09,600	
Selling cost	5,16,600	5,16,600	5,16,600	5,16,600	5,16,600	
Misc.	1,88,373	1,86,248	1,75,959	2,03,469	2,00,469	
Tax		94,401				
<b>Total Outflows from Operations</b>	<b>38,68,323</b>	<b>39,30,599</b>	<b>36,95,136</b>	<b>42,72,842</b>	<b>42,09,842</b>	
<b>Financing -</b>						
Repayment of Loans			5,00,000			
Repurchase of Stocks						
Interest Paid	75,000	75,000				
<b>Total Outflows from Financing</b>	<b>75,000</b>	<b>75,000</b>	<b>5,00,000</b>	<b>-</b>	<b>-</b>	
<b>Investing -</b>						
Trademark	5,000					
Copyright	7,500					
<b>Total Outflows from Investing</b>	<b>12,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Cash Outflows</b>	<b>₹ 39,55,823</b>	<b>₹ 40,05,599</b>	<b>₹ 41,95,136</b>	<b>₹ 42,72,842</b>	<b>₹ 42,09,842</b>	
<b>NET CASH FLOW</b>	<b>8,99,178</b>	<b>-2,00,099</b>	<b>-1,01,036</b>	<b>2,14,754</b>	<b>8,00,324</b>	
Add: Cash at Beginning of Period	-	8,99,178	6,99,079	5,98,042	8,12,796	
= Cash at End of Period	8,99,178	6,99,079	5,98,042	8,12,796	16,13,121	
Difference	-	-	-	-	-	



- This is our projected Cash Flow of our company. The cash flow statement includes cash made by the company through operations, investment, and financing.
- During the initial 3 years of the building process of our company, we experience negative Cash Flows as the company is raising funds and meeting its debt obligation.
- In the 4th and 5th year as the units increase the Revenue also increases which make the company Cash Flow positive.

## 22.8 Break-Even Analysis –

Break-Even Analysis	
Selling Price (per unit)	4,000.00
Fixed Cost -	₹
Selling cost	5,16,600
Trademark	75,000
Copyright	5,000
Advertisement	7,500
Rent	1,88,373
Total Fixed Costs	₹ 7,92,472.50
Variable Cost -	
Variable Costs based on rupees amount per unit -	
Raw material	2,025.8
Carriage inward	36.0
Manufacturing	340.0
Misc.	272.0
Total Variable Costs	₹ 2,673.75
Total Variable Cost per Unit -	2,673.75
Contribution Margin per Unit	1,326.25
Contribution Margin Ratio	0.33
Break-Even Point -	
Break-Even Units	₹ 598
Break-Even Sales	₹ 23,90,115

- Here we can see the break-even analysis at a selling price of Rs. 4,000.
- At this selling price, the Contribution Margin per Unit (Selling Price – Total Variable Cost per Unit) comes out to be Rs. 1,326.
- Contribution Margin (Contribution Margin per Unit / Total Fixed Cost) comes out to be 0.33.
- Thus Break-Even Units are 597 and Break-Even Sales are Rs. 23,90,114.



## 22.9 Revenue Model –

A business starts with an idea of how to generate value for a customer. So, if it's a person looking for a table, we can produce a table, market it, ship it, receive payment for it — and, that's our business model. The total amount of money earned, in other words revenue, is the coal that keeps our train running. Depending on the business model's complexity, revenue will cover manufacturing, distribution, marketing, and other costs, until we get profit. But profit doesn't keep the business alive, revenue does. Besides a simple transactional logic, there are many ways we can generate revenue, cover our own expenses, distribute products, and so on.

For our business we will rely on both the modes of selling products, online and offline. A transaction-based model is a classic way a business can earn money. The revenue is generated by directly selling an item or a service to a customer. The customer can be another company (B2B) or a consumer (B2C). The price of the product or service constitutes the production costs and margin. Increasing the margin, the business is able to generate more income from sales.

We will be selling our product through various offline retail channels like malls, departmental stores, gift shops, etc. Online sales channels will be e-commerce websites like Amazon, Flipkart and Facebook. Additionally, we will also be selling the product through our own website, which will also contribute towards extra income that will be generated via ads on the website.

## 22.10 Ratios –

FINANCIAL RATIOS					
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Current ratio	#DIV/0!	15.63	#DIV/0!	#DIV/0!	#DIV/0!
Debt to equity ratio	0.73	0.67	0	0	0
Debt to Total Assets	0.42	0.34	0	0	0
EBIT MARGIN	-2.15%	7.97%	18.16%	17.38%	24.89%
PAT MARGIN	-2.15%	5.48%	18.16%	17.38%	24.89%
Return on Equity	-11.31%	23.31%	45.35%	32.22%	33.97%
Return on Assets	-6.54%	13.99%	45.35%	32.22%	33.97%
ROCE	-6.54%	21.72%	45.35%	32.22%	33.97%
Return on Proprietary fund	58%	60%	100%	100%	100%
Interest Coverage Ratio	-0.03	5.03	#DIV/0!	#DIV/0!	#DIV/0!
Financial Leverage index	1.73	1.67	1	1	1
Absolute Liquid Ratio	#DIV/0!	7.41	#DIV/0!	#DIV/0!	#DIV/0!
Inventory to Working capital	0.23	0.49	0.63	0.66	0.56
Gross Profit Margin	5.37%	7.51%	12.48%	21.58%	28.39%
Net Profit Margin	-2.15%	5.48%	18.16%	17.38%	24.89%



## 1. Current ratio -

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

The current ratio measures a company's ability to pay current, or short-term, liabilities (debts and payables) with its current, or short-term, assets (such as cash, inventory, and receivables). A company with a current ratio less than 1.0 does not, in many cases, have the capital on hand to meet its short-term obligations if they were all due at once, while a current ratio greater than one indicates the company has the financial resources to remain solvent in the short-term.

The current ratio of our company stands for 15.63 for year 2 because of very less current liabilities and more of a current asset. The current ratio stands for not defined because the current liabilities for Year 1, year 3, Year 4 and Year 5 is NIL and because of the stated reason the current ratio is not defined for these years.

## 2. Return on Equity -

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets. ROE is considered a measure of the profitability of a corporation in relation to stockholders' equity.

Whether ROE is deemed good or bad will depend on what is normal among a stock's peers. A good rule of thumb is to target an ROE that is equal to or just above the average for the peer group.

Our return on equity stands for negative for 1<sup>st</sup> year because of loss of ₹ 77,448 in the 1<sup>st</sup> Year, although it shows a positive trend for the other forecasted years because of profits on these years.

## 3. ROCE -

Return on capital employed (ROCE) is a financial ratio that can be used in assessing a company's profitability and capital efficiency. In other words, this ratio can help to understand how well a company is generating profits from its capital as it is put to use.

ROCE can be especially useful when comparing the performance of companies in capital-intensive sectors, such as utilities and telecoms. This is because unlike other fundamentals such as return on equity (ROE), which only analyzes profitability related to a company's shareholders' equity, ROCE considers debt and equity. This can help neutralize financial performance analysis for companies with significant debt

ROCE of our company stands negative for the 1<sup>st</sup> Year and hence shows a positive trend on the other forecasted years and therefore suggests an efficient company.





#### **4. Gross Profit Margin -**

Gross profit margin is a metric analysts use to assess a company's financial health by calculating the amount of money left over from product sales after subtracting the cost of goods sold (COGS). Sometimes referred to as the gross margin ratio, gross profit margin is frequently expressed as a percentage of sales.

If a company's gross profit margin wildly fluctuates, this may signal poor management practices and/or inferior products.

On the other hand, such fluctuations may be justified in cases where a company makes sweeping operational changes to its business model, in which case temporary volatility should be no cause for alarm. Gross profit margin of our company shows a positive trend and gradual increase throughout the years.

#### **5. Net Profit Margin -**

The net profit margin, or simply net margin, is equal to how much net income or profit is generated as a percentage of revenue. Net profit margin is the ratio of net profits to revenues for a company or business segment.

Net profit margin is one of the most important indicators of a company's financial health. By tracking increases and decreases in its net profit margin, a company can assess whether current practices are working and forecast profits based on revenues. Because companies express net profit margin as a percentage rather than a dollar amount, it is possible to compare the profitability of two or more businesses regardless of size.



## 22.11 Backup Plan -

Our possible points of failure are

- **Less Sales in Brick-and-Mortar stores:** We initially are selling (60% of production) our product in stores around the city of Mumbai.
- **Marketing:** Our plan is to invest heavily in marketing in the first year to capture a customer base and reduce it in the second year.
- **Price:** We are a premium product hence we are selling our product at a premium price.
- **New Concept:** One cannot completely understand our business just by looking at its packaging, we have to use digital platforms to show the complete working of our product.

These are some of the possible reasons which may make the company fall short of its target. To tackle these challenges. Here are some of the action plans we have come up with

- **New City:** in case we fall short on our offline sales, our immediate course of action will be to move to a different city or completely shift online.
- **Marketing:** In case there is short fall in sales we will extend our contracts with our marketing channels for the next year.
- **Discount:** We will be conducting continuous surveys to see how the customers feel about our product. If price comes out to be a reason of failure, we will move all our production on house to reduce cost.
- **Fairs and trade shows:** Most of our target markets attend trade shows which can be a key place to educate our customers about our product.



## 23. Expansion Strategies –

To keep up with the completion, market environment and the changing customer's taste a company has to bring in new operations to sustain. It also has to keep expanding to grow and tackle the new challenges which comes its way.

### 1. Diversification Strategy:

- a. New Products: Providing new and advances version of the same principal game in order to increase the target market and customer base.
- b. New Technology: To inculcate new technology entering the market into our board game i.e. connecting it to the live market, etc.

2. **Digitalization Expansion Strategy** - Introducing a complete online version of the game in the form of a mobile app or pc game.

### 3. Integration Expansion Strategy

- a. Backward Vertical Integration:
  - i. Opening our own manufacturing unit to bring all production in house.
  - ii. Increasing the number of warehouses to different regions of the market

### Long term Future Plan:

To enter the education sector, introducing online courses on our own website for young investors. Teaming up with educational institutions for increasing the awareness of finance and planting the early seeds into the young and exploring brains of the future generation of this country for their financially sustainable future.

## 24. Exit Strategies –

An exit strategy, or plan, outlines how a business owner plans on selling their investment in their business. Exit strategies help business owners have an out if they want to sell or close the business. Entrepreneurs must create a business exit plan before starting a business and tweak it as the business grows and the market changes.

Having a strong exit strategy creates confidence in the investor that their money is safe in case the business fails. As a result, it is important for business especially small businesses to have an exit strategy ready during their commencement.

In our company we have two exit strategies, one is when we want to expand and share our sell and the other in case, we do not meet our target.



**Case 1: Merger** – In case our companies perform as per our projection or even better, then our exit strategy would be to merge with a huge board game company which would increase our operations and sales exponentially.

Advantages:

- Help increase our customer base
- Economies of scale
- Better organisational structure
- Higher sales and operations

**Case 2: Liquidation** –

In case our company does not perform as well or earns losses then we will have to liquidate our company and dissolve all our stock and assets. It is important to meet our debt obligations and also return the capital of our investors.

## **25. Customer Relationship Management –**

Customer relationship management (CRM) is a set of processes, tactics, and tools that businesses use to administer and interpret customer interactions and data throughout the customer lifecycle. The aim is to develop customer service relationships, encourage customer retention, and increase sales. CRM systems collect data from customers through several channels, or points of contact, with the company, such as the company's website, phone, live chat, direct mail, marketing materials, and social media. Having customer information such as past purchases and interaction history easily accessible can help customer support representatives provide better and faster customer service. Collection of and access to customer data can help businesses identify trends and insights about their customers through reporting and visualization features.

We plan on using social media for our CRM which involves businesses engaging with customers directly through social media platforms, such as Facebook, Twitter and LinkedIn. Social media presents an open forum for customers to share experiences with a brand, whether they are airing grievances or promoting products. We will also be giving our customers 24/7 helpline service in the near future. Additionally, to encourage sales and customers confidence in our product we will be giving a 1-year warranty on the product.



## 26. Legalities –

### 26.1 Logo Trademark Registration –

Trademark registration process of the brand name is not a difficult task. A few simple steps, as explained below and one would have the much-needed legal protection of one's brand name registration in India:

#### **Step 1: Trademark Search -**

Many entrepreneurs do not comprehend the importance of a TM search. Having a unique brand name in mind is not good enough reason to avoid a TM search. TM search helps you to know if there are similar trademarks available and it gives you a fair picture of where your trademark stands, sometimes, it also gives you a forewarning of the possibility of trademark litigation.

#### **Step 2: Filing Trademark Application -**

After you are sure that your chosen brand name or logo is not listed in the Trademark Registry India, you can opt for registering the same. The first step is to file a trademark application at the Trademark Registry India. Nowadays, filing is mostly done online. Once the application is filed, an official receipt is immediately issued for future reference.

#### **Step 3: Examination -**

After a trademark application is filed, it is examined by the examiner for any discrepancies. The examination might take around 12-18 months. The examiner might accept the trademark absolutely, conditionally or object.

If accepted unconditionally, the trademark gets published in the Trademark Journal. If not accepted unconditionally, the conditions to be fulfilled or the objections would be mentioned in the examination report and a month's time would be given to fulfill the conditions or response to the objections.

Once such response is accepted, the trademark is published in the Trademark Journal. If the response is not accepted, one can request a hearing. If in the hearing, the examiner feels that the trademark should be allowed registration, it proceeds for publication in the Trademark Journal.

#### **Step 4: Publication -**

The step of publication is incorporated in the trademark registration process so that anyone who objects to the registering of the trademark has the opportunity to oppose the same. If, after 3-4 months from publication there is no opposition, the trademark proceeds for registration. In case there is opposition; there is a fair hearing and decision are given by the Registrar.

#### **Step 5: Registration Certificate -**

Once the application proceeds for trademark registration, following publication in Trademark Journal, a registration certificate under the seal of the Trademark Office is issued.



## 26.2 Company Registration –

**To register a Indian LLP we need to follow the following steps –**

### **Step 1: Application for DIN or DPIN –**

All designated partners of the proposed LLP shall obtain “Designated Partner Identification Number (DPIN)”. You need to file eForm DIR-3 in order to obtain DIN or DPIN. In case you already have a DIN (Director Identification Number), the same can be used as a DPIN.

### **Step 2: Acquire/ Register DSC -**

The Information Technology Act, 2000 provides for use of Digital Signatures on the documents submitted in electronic form in order to ensure the security and authenticity of the documents filed electronically. This is the only secure and authentic way that a document can be submitted electronically. As such, all filings done by the LLP(s) are required to be filed with the use of Digital Signatures by the person authorised to sign the documents.

**Acquire DSC** -A licensed Certifying Authority (CA) issues the digital signature. Certifying Authority (CA) means a person who has been granted a license to issue a digital signature certificate under Section 24 of the Indian IT-Act 2000.

**Register DSC** - Role check can be performed only after the signatories have registered their Digital signature certificates (DSC) with LLP application.

### **Step 3 : New User Registration -**

To file an eForm or to avail any paid service on LLP portal; you are first required to register yourself as a user in the relevant user category, such as registered and business user.

### **Step 4 : Incorporate a LLP -**

Apply for the name of the LLP to be registered by filing (Application for reservation or change of name) for the same. After that depending upon the proposed LLP, file required incorporation Form 2 (Incorporation document and Subscriber’s statement)

Once the form has been approved by the concerned official of the Ministry, you will receive an email regarding the same and the status of the form will get changed to Approved. To know more about e-Filing process click "All About e-Filing"

### **Step 5: File LLP Agreement -**

After incorporation of LLP, an initial LLP agreement is to be filed within 30 days of incorporation of LLP. The user has to file the information in Form 3 (Information with regard to Limited Liability Partnership Agreement and changes, if any, made therein).



## 26.3 Costs –

Serial number	Particulars	Cost approx	Calculation	Amount
1	DIN	850 per DSC	850*5	4,250.00
2	(DSC depends on the number of director applying for DIN)	1500 per DSC	1500*5	7,500.00
3	RUN(Apply for Name availability of LLP.)	200	200	200.00
4	FiLLiP (Incorporation of Company)	4000	4000	4,000.00
5	Form 3(LLP Agreement)	150	150	150.00
6	Form 8– statement of Accounts & solvency.	150	150	150.00
7	Form 11(Annual filing as per LLP Act, 2008 (every year annually))	150	150	150.00
8	stamp duty	1% of capital contributed	1%*750000	7,500.00
	<b>Total cost of company registration</b>			<b>23,900.00</b>



## 27. Annexures –

### 27.1 – Primary research -

#### Platform Used – Google Forms

##### Market Survey

No matter how careful you are, the one risk no investor can ever eliminate is the risk of being wrong !

We the budding entrepreneurs hope to see every individual as an prospective investor, irrespective of any age barriers or any prior experience about the stock market with the help of our product.

\* Required

Age group \*

- ☐ 10-21
- ☐ 22-40
- ☐ 41-50
- ☐ 50+

Gender \*

- ☐ Female
- ☐ Male
- ☐ Prefer not to say

On a scale of 1 to 5 how familiar are you with the stock market? \*

1 being lowest (no knowledge at all) and 5 being highest (active stock market investor).

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5





Do you currently invest or are interested in investing in the stock market? \*

- ☐ Already invested
- ☐ Interested but lack knowledge
- ☐ Not interested

Do you believe in self learning ? \*

- ☐ Yes
- ☐ No

Have you ever tried hands on playing monopoly ? \*

- ☐ Yes
- ☐ No

If there is a product in the market that increased your financial knowledge and taught you all the essentials of stock markets in a fun way, would you like to play it? \*

The game would be for ages 10+

- ☐ Yes
- ☐ No

Would you buy such a game? \*

- ☐ Yes
- ☐ No

Would you recommend such a product to someone from a younger generation ? \*

- ☐ Yes
- ☐ No

How much would you be willing to pay for this game? \*

- ☐ 1000-3000
- ☐ 3000-5000
- ☐ More than 5000



## 27.2 – Quotations –

 <b>Campus</b> Component	<b>DATE: MAR, 10, 2021</b>  <b>GSTIN: 33EBRPS4160P1ZT</b> <b>PAN: EBRPS4160P</b> <b>IEC: EBRPS4160P</b>  <b>Contact :+919767444555</b> <b>Email: sales@campuscomponent.com</b> <b>Web: campuscomponent.com</b>
ACKRUTI CHAMBERS, OFFICE NO. 308, 3RD FLOOR, NEAR LAXMINARAYAN THEATER , SWARGATE, PUNE, MAHARASHTRA 411037	
<b>QUOTATION</b>	

ID	DESCRIPTION	QUANTITY	UNIT PRICE(INR)	LINE TOTALWITH(18% GST)(Rs.)
1.	TOUCH SCREEN	1000	1200	12,00,000
	7" INCH CAPACITIVE TOUCH SCREEN			
	Display Size: 7 inch Model Number: JWS070EWWCTE035-18L Type: TFT Display Resolution: 800(RGB)*480 Aspect Ratio: 16:9 Contrast: 500:1 (Typ.) (TM) Interface: 50 pins Parallel RGB (1 ch, 6/8-bit) , FPC Model Number: JWS070EWWCTE035-18L			
2.	SCANNER-3*3.5 INCH	1000	215	2,15,000
3.	CIRCUIT BOARD(Raspberry Pi)	1000	300	3,00,000
<b>GST 18%</b>				<b>3,08,700</b>

Terms& Conditions			
Price Basis	EXE, PUNE	CGST	NIL
Delivery	0 TO 15 DAYS	SGST	NIL
Payment Terms	70% ADVANCE	IGST	18% Applicable
Quote Validity	30 DAYS	Shipping Charges	Extra @ actual
Warranty	2 YEARS	Insurance	INCLUDED

**TOTAL**

**20,23,700**

*SUMAN R*  
Authorized Signature





SHOP NO. 184, NEW, CIVIC CENTER  
AREA, BHILAI, CHHATTISGARH 490006

INVOICE #	DATE
2034	7/3/2021

BILL TO	
[Name]	Harsh Arora
[Company Name]	
[Street Address]	
[City, ST ZIP]	Bhilai
[Phone]	
[Email Address]	

CUSTOMER ID	TERMS
564	Due Upon Receipt

DESCRIPTION	QTY	UNIT PRICE	AMOUNT (Rs)
1.Board	1000	251	2,51,000
2. Deck of Cards	-		
3.Packaging and Lamination	-		
4.Marker Pen	1000	60	60,000
<i>Thank you for your business!</i>			
SUBTOTAL			3,11,000
TAX RATE			18%
TAX			55,980
TOTAL			Rs. 3,66,980

If you have any questions about this invoice, please contact  
[Name, Phone, email@address.com]



## 27.3 – Websites Referred –

- <https://venturebeat.com/2019/09/12/gameboard-1-will-be-a-digital-slate-for-your-tabletop-board-games/>
- <https://www.richdad.com/>
- <https://streetfins.com/the-importance-of-financial-literacy-in-india/#:~:text=According%20to%20the%20report%20conducted,of%20India%20is%20the%20lowest.>
- <https://www.smithsonianmag.com/arts-culture/monopoly-was-designed-teach-99-about-income-inequality-180953630/>
- <http://fernfortuniversity.com/term-papers/pestel/nyse4/736-mattel--inc-.php>
- <https://caserighted.com/funskool-india-defend-lead-and-counter-rivals/>
- <https://crs.ul.com/en/knowledge-center/toys-sustainability-value-benefits-challenges-interview-toys-sustainability-experts/>
- <https://patentbusinesslawyer.com/overview-of-patent-law-in-india/#:~:text=Under%20this%20law%2C%20patent%20rights,are%20capable%20of%20industrial%20application.>
- [https://m.economictimes.com/news/politics-and-nation/how-india-caught-on-the-new-age-board-game-culture-of-the-west-to-create-an-ecosystem-of-cafes-communities-back-home/amp\\_articleshow/70005721.cms](https://m.economictimes.com/news/politics-and-nation/how-india-caught-on-the-new-age-board-game-culture-of-the-west-to-create-an-ecosystem-of-cafes-communities-back-home/amp_articleshow/70005721.cms)
- <https://indianexpress.com/article/technology/opinion-technology/india-plays-time-to-realise-domestic-potential-of-boardgames-queens-gambit-chess-7140483/>
- <https://www.financialexpress.com/lifestyle/digital-detox-many-are-moving-from-screen-to-board-for-entertainment/1827723/lite/>
- <https://thrilltable.com/board-games-are-still-popular/#:~:text=Board%20games%20are%20still%20popular%20today.,sales%20increasing%20year%20after%20year.>
- <https://www.quora.com/Do-people-still-play-board-games>
- <https://caserighted.com/funskool-india-defend-lead-and-counter-rivals/>
- [https://www.pna.gov.ph/articles/1071004#:~:text=The%20Praxis%20Gameplay%20teaches%20about,when%20engaged%20in%20actual%20business.%20\(](https://www.pna.gov.ph/articles/1071004#:~:text=The%20Praxis%20Gameplay%20teaches%20about,when%20engaged%20in%20actual%20business.%20()
- <https://www.prnewswire.com/news-releases/global-board-games-market---strategic-assessment-and-forecast-2017-2022-300525080.html#:~:text=The%20global%20board%20games%20market,the%20growth%20of%20the%20market.>
- <https://ocio.commerce.gov/page/operational-analysis-performance-reporting#:~:text=Operational%20analysis%20is%20a%20method,%2C%20schedule%2C%20and%20performance%20parameters.>
- [https://www.factum-group.com/solutions/human-resource-analysis/#:~:text=Human%20Resources%20Analysis%20\(HRA\)%20is,employees%20within%20the%20particular%20organization%2C&text=ways%20to%20strengthen%20employees%20commitment%2C%20their%20performance%20and%20company%20prosperity](https://www.factum-group.com/solutions/human-resource-analysis/#:~:text=Human%20Resources%20Analysis%20(HRA)%20is,employees%20within%20the%20particular%20organization%2C&text=ways%20to%20strengthen%20employees%20commitment%2C%20their%20performance%20and%20company%20prosperity)

