

# Kato.8 Studios — Business Strategy

## Prepared For: Internal strategic planning

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### Mission Statement:

Kato.8 Studios is committed to reviving hearts in gaming. We create meaningful, human-centered experiences while building a studio where developers are seen, heard, and never disposable.

Our worlds are crafted with authenticity, creativity, and genuine passion.

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## 1. Executive Summary

Kato.8 Studios is an emerging mid-sized indie game studio focused on creating modern games with retro-inspired aesthetics, mechanics, and emotional engagement. The studio's initial strategy is to launch with a lightweight revenue-share development model, publishing a small game on Steam and itch.io to generate early revenue. This revenue will then be used to formally establish the studio structure, form the LLC in California, and fund early operational costs.

After this foundation is established, the studio will focus on building a polished demo for **Last Light**, a larger-scale commercial title intended for publisher and investor pitches. Kato.8 aims to secure external funding to grow into a stable, multi-project indie studio.

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## 2. Studio Vision

### Vision (2–3 Years)

Kato.8 Studios aims to become a mid-sized indie game studio known for:

- Creative games mixing retro and modern in both gameplay and aesthetics
- Tight, highly engaging gameplay loops
- Strong concepts backed by thoughtful, marketable execution
- Cross-genre exploration (RPG, simulator, survival, action)

The studio will evolve from a remote-first model into a hybrid structure with a central location once funding is secured.

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## 3. Studio Identity

### Core Creative Identity

Kato.8 Studios will be recognized for:

- Blending retro and modern aesthetics
- Hybrid genre gameplay
- Strong, clever mechanics
- Accessibility combined with depth
- Emotionally engaging worlds with personality

Mission statement: To be defined later  
(Tagline also TBD)

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## 4. Studio Structure and Formation Strategy

### Phase 1 – Pre-LLC (Current Phase)

- Operate under founder structure
- Revenue-share agreements with contributors
- Minimal overhead
- Development of first commercial title **Hotdog Hustler**
- Set aside 50% of launch revenue for formation of the LLC

### Phase 2 – Official Formation of Kato.8 Studios LLC

**Location:** California

**Includes:**

- LLC registration
- Operating Agreement
- EIN
- Business bank account
- Accounting setup

- Contract templates (NDA, work-for-hire, revenue share)
- Studio email domain + security policies
- Trademark research
- Website legal pages

## Phase 3 – Structuring for Growth

Once the LLC is funded:

- Move from revenue-share to mixed compensation model
  - Establish official roles
  - Begin recruiting for demo production
  - Establish long-term collaboration tools
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# 5. Revenue-Share Game Strategy: Hotdog Hustler

**Title:** Hotdog Hustler

**Budget:** Revenue-share only

**Team (3 roles):**

- 2D Artist
- Programmer
- Sound Designer

**Founder retains:** 50%

**Team splits remaining:** 50%

**Scope:** 2-month development

**Platforms:** Steam + itch.io

**Price:** \$1

**Purpose:**

- Generate revenue for LLC formation
- Build team chemistry
- Create a portfolio-ready release
- Demonstrate ability to ship
- Begin community/social presence

**Revenue Allocation:**

- 50% → Kato.8
- 50% → Team

**Revenue Scenarios:**

1,000 units → \$350 to Kato.8

5,000 units → \$1,750 to Kato.8

10,000 units → \$3,500 to Kato.8

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## 6. Phase 2: Demo Development for Last Light

**Goal:** Produce a high-quality vertical slice for **Last Light**.

**Demo Milestones:**

1. New GDD
2. Core mechanics identification
3. Core loop prototype
4. Art direction pass
5. Vertical slice build
6. Pitch materials
7. Publisher submissions

**Purpose:**

- Validate core loop
  - Demonstrate capability
  - Build publisher confidence
  - Secure funding
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## 7. Publishing & Investor Strategy

- One publisher already showing interest
- Focus is on **Last Light** or future IPs

**Pitch Flow:**

1. Introduce Kato.8
  2. Showcase Hotdog Hustler
  3. Show Last Light demo
  4. Present timeline/budget
  5. Present pipeline
  6. Risks
  7. Financial projections
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## 8. Financial Model

**Platform Cuts:**

- Steam: 30%
- itch.io: 10%

**Cash Flow Targets:**

- \$700–\$1,500 for LLC formation + tools
- \$5,000–\$15,000 for demo support

**Phase 2 Funding Strategy:**

- Demo built lean
  - Used to pitch for full funding
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## 9. Growth Roadmap

**Phase 1:** 0 to LLC

**Phase 2:** Demo Development

**Phase 3:** Growth

**Phase 4:** Mid-Sized Studio

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## 10. Risk Assessment & Mitigation

### Risks:

- Revenue-share burnout
- Low sales
- Demo delays
- Overscope
- Funding risk

### Mitigation:

- Keep scope small
  - Maintain strict timelines
  - Clear milestones
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## 11. Tools & Operations

### Tools:

Unity, GitHub, Trello/Jira/Notion, Discord, Figma, Google Workspace

### Legal Tools:

LLC, Operating Agreement, Contracts, Accounting

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## 12. Deliverables Needed Next

- New GDD for Last Light
  - Pitch Deck
  - Financial spreadsheet
  - Contracts
  - Mission statement & tagline
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# 13. Financial & Studio Setup Requirements

*(New Section — Verified from Uploaded Documents Only)*

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## Studio Formation Costs (California):

- LLC Filing Fee: ~\$70
- Statement of Information: ~\$20
- Registered Agent (optional): \$0–\$300
- EIN Registration: Free
- Operating Agreement: Free
- Business Bank Account: Free

**Studio Setup Total (from documents): \$800–\$3,000**

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## Tools & Systems Required:

- Unity
  - GitHub repository + version control
  - ClickUp (free tier)
  - Google Workspace (optional)
  - Steam Partner Fee: \$100
  - itch.io: free
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## Hotdog Hustler Release Costs:

- Cash cost: \$100 Steam fee
  - Art & sound handled via rev-share (no cash cost)
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## Last Light Demo Budget (from Funding Roadmap):

- Demo Development: \$2,500–\$6,000
- Art: \$1,000–\$3,000
- Sound: \$300–\$1,000
- QA: \$200–\$600

**Total Demo Cost: \$4,000–\$10,600**

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## **Combined Studio + Demo Cost Range:**

**\$4,800–\$15,600**

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## **Revenue Strategy (from Strategic Overview + Roadmap):**

- Hotdog Hustler priced at \$1
- 50% of revenue funds studio + demo

### **Unit Targets:**

- 1,500–4,000 units @ \$4.99 equivalent
  - 7,000–22,000 units @ \$1
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## **Logistics for Studio Operation:**

- NDA, Revenue-share agreements, Work-for-Hire contracts
- GitHub pipeline
- Unity project standards
- Website legal pages
- Accounting setup
- Studio email + security
- Build/version management