

GAMECAN

A business plan to execute and monetize “Overstep”

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1- Introduction

There is a big problem in the gaming industry. Triple A games are too expensive, not every player can afford these high cost games. Free-to-play games are poorly developed, because of the lack of big budget and most of the independent teams are not experienced in developing high end video games and also marketing them. Lastly, gamers have to pay extra, to have fun. This is a new revenue generation model that many companies are adopting. It consist of micro-transactions to become more powerful than other players. Also downloadable content which is an extra concept to add more fun to the original game. Gamers have no options but to play these kind of games. The reason is because there is simply no alternative.

E-sports (competitive gaming) is becoming a seriously taken profession and for the people who prefer first person shooters, their options are very limited. E-sports is big in MOBA and MMORPG scene, but for FPS games there are either high cost games or lower end options with a small player pool.

As Gamecan we came up with a solution to answer the aid of millions of gamers. Our solution is to make a free-to-play game, using the latest technologies. Before starting with game design, we did research on the top 50 first person shooters and came to the conclusion that they all have the same game mechanics. To make sure we were correct, we studied the gamer communities and saw issues and opportunities in the current market. Based on this, we have been developing a first person shooter game called Overstep with a lot of unique game mechanics. Some of them are environmental effects that integrate into the gameplay, gravity changes, both mechanical and electrical weapons that function in a unique way and much more, which does not exist on other games.

2- Business Model

Overstep is a Choose to Pay (Free-to-play) Multiplayer Only First Person Shooter where the gameplay dynamics change as abruptly and as unexpectedly as the climate itself, forcing the player to adapt or be scrapped. Overstep will be free to download and can be played without spending any money at all, however players will also be given the choice to buy certain in-game cosmetic products to change the visual appearance of their Plodders and weapons, or obtain certain items faster. These purchases will not impact gameplay and once players reach the maximum level in the game, they will all be on equal footing and can compete for leaderboard rank. Patient and determined players can obtain every single item in the game without spending any money (this will be even faster on the Xbox One version of the game). Overstep will never become a pay-to-win game. Overstep is first project of the video company Gamecan.

The gaming industry reuened over 80 billion dollars in 2015. To get our share of it, we will be targeting 15-25 year old gamers, in countries which have a high in-game purchase rate. The revenue will be generated by selling in-game goods like cosmetics and audio packs. The prices range from 90 cents up-to 200 euros.

The game will be free to download on every platform and the players can enhance their gaming experience by developing their characters through micro-transactions. There are many games out there using this strategy, but interestingly enough, we just have a few major competitors. Based on the used technology and the uniqueness of the game, we can nearly guarantee a position in the TOP5.

In-app purchase segments and revenue projections for 2017:

- Cosmetics – 4.6M€
- Mystery boxes – 2M€
- Boosts – 1.3M€
- Audio packs – 1.1M€

2.1 - Value Proposition

- 1- **Original game mechanics:** Overstep consists of environmental changes, unique game mechanics, high-quality graphics, new concept, valuable gaming experience.
- 2- **Free-to-play game:** Gamers will never have to pay to get something which the game itself does not offer. Every purchasable item can be purchased with in-game currency, which can be earned by playing the game.
- 3- **Game with latest technologies:** Gamecan uses Unreal Game Engine, which is one of the best game engines for shooter games, so people can enjoy a sci-fi game with high technology.

2.2 - Key Activities

1- Steam Greenlight Program

- a. Steam is a major game platform by Valve (famous game company who published Half Life and Counter Strike). Steam will be our platform on PC. Steam has a Greenlight program for independent developers, where independents are posting their games and trying to get vote to become greenlit to publish by Steam. Since our game will be free, we have a huge advantage to become greenlit by community. Considering the 100% positive feedback so far, we are sure that we will collect community votes and earn place to be published in Steam. This is important to show our fans that the game is still under development and we didn't left the building. Using Steam has many advantages. Steam has already more than 125 million users. When they will search FPS and filter FREE games, Overstep

will appear. Steam also has a purchasing integration system where we can use that system safely.

- b. Greenlight has another importance. When we will launch Kickstarter, having Greenlight will show that we already got the support of another community. People will be more comfortable to pledge when a campaign has been greenlit.

2- Kickstarter Campaign

- a. Kickstarter is a benefit corporation based in the United States, which has built a global crowdfunding platform focused on creativity. The company's stated mission is to help bring creative projects to life. Kickstarter has reportedly received more than \$1.9 billion in pledges from 9.4 million backers to fund 257,000 creative projects, such as films, music, stage shows, comics, journalism, video games, technology and food-related projects.
- b. We will use a Kickstarter campaign to get more funding, and reach a much bigger audience. Another advantage of Kickstarter audience is getting fans who are willing to buy in-game purchases. Because supporting a game with funding and buying in-game items has the same kind of customer behavior.

3- Xbox One - Console Launch

- a. First launch will be on Xbox One for console players to raise the attention of PC players. PC has a bigger player base, so we would like to get the feedback from the console players first. According to the feedback there may be some updates for the PC launch.

4- Steam - PC launch

- a. After being greenlit by the community in the Steam Greenlight Program, we will be able to appear in Steam store. Finally we will launch on Steam and operate both in console and PC.

2.3 - Key Partners

- 1- **Microsoft – Azure:** We are using Azure servers to developing our game. We got accepted by start-up program so we have free Azure servers.
- 2- **Microsoft – Xbox:** We have digital distribution contract with Microsoft to launch Overstep on Xbox One. Our main partner overall is Microsoft.
- 3- **Valve – Steam:** The owner of Steam game platform is Valve, which is also a game company. Integrating in-game purchases and promoting Overstep, Valve is an essential partner for Gamecan.

2.4 - Key Resources

- 1- **Employees:** Overall we have more than 25 employees. Including full-time, part-time employees and interns from over 15 countries. The team consist of artists, programmers and marketers. Employees are the essential resource, because the team is making this game. Their ideas, efforts and motivation will affect the end-customer.
- 2- **Players:** Our players/fans are everything. In the end we are making this game to fix a problem for millions of game lovers. Since we adopted relationship marketing, we listen and answer all of our fans, collect feedback and implement new features to the game.
- 3- **Launching Platforms:** Since the game publisher business is slightly outdated, launching on platforms as an independent company is extremely important for us. Therefore Xbox One and Steam are the key resources to reach millions of gamers.
- 4- **Marketing Platforms:** Platforms and channels for marketing are essential to expand our games' news. Especially if they are free. Forums, social media, blogs, websites are the key resource for us. We are planning to use muscle power (less marketing cost) to post everywhere about our game. It will increase the organic reach for audience.

2.5 - Market Segments

Our main market is First Person Shooter games. Other genre of games simply will not interfere with us too much. The big companies have an advantage as they have existed for more than 10 years. They already have brand awareness and series of different games. They are not

producing that many new games, but just launching another version of an existing one. The players are bound to these companies because there is simply none or very little competition. It's as simple as that, they just have the advantage with an ongoing game and there are no alternatives. For example, Counter Strike, a re-developed game, was putted back on Steam by Valve and took other FPS games' market share. So purely based on that example, it's worth penetrating that market to find a spot for Overstep. If we were having the same discussion 10 years ago, no one would even think about competing with the big guys, because they had the publisher power. Now, the internet being our oyster and Microsoft as our partner, Steam Greenlight is a great opportunity for us to reach millions of players. We believe that good content is the best marketing asset out there. Of course we are not naive, thinking that an awesome game will market itself. It's is just a matter of vision and work skills, in balance with the product itself.

- 1- Console First Person Shooters:** There are not many independent companies on Xbox One. Mostly Triple A companies. This gives competitive advantage amongst independents, however a tough challenge against Triple A companies. Their brand awareness is already high and they have a player base. However, being free-to-play and because of our marketing strategy, we have enough power to compete.
- 2- PC First Person Shooters:** There are many shooter games on PC. Of course Triple A companies also exist on PC platform. Because it is easy to publish a game on PC, there is a big competition between independent developers. Our unique concept, high technology sci-fi game will over-power other indie developers. We have a bigger team, larger audience, and better technology. Therefore, again, we will be competing with Triple A companies.
- 3- Mobile Game Market:** Casual players are increasing each day. We want to reach casual mobile gamers as well. Therefore we are designing a Tower Defense game which has the Overstep's history. So we can reach a new marketing segment and increase brand awareness. This will also help us to generate more revenue in different segment.

2.6 - Revenue Generation and Margins

Our project stands out for its design. We have 100% positive feedback about our game and character designs. Players want to customize their characters according to their interest and are willing to pay for it. Unlike an isometric game like League of Legends, in a First Person Shooter you can actually see what your opponent is wearing and it's proven how certain color combinations (e.g. red and black, yellow and black etc.) can psychologically affect the player. We are developing an active strategy for in-game purchases, which will be adapted frequently to attract customers. With mobile application and smart watch integration, we are planning to do price changes and events daily. Players will not miss the chances for discounted items, because they will be informed by their mobile phones and watches. Where ever they go, we will make sure they are notified by the new prices and attract them. We will also be using Journey Builder, which is a powerful campaign planning tool that is used to design and automate responsive campaigns. This means solutions from creating personal in-game offers (based on metrics down to weapon preference) to new customer acquisition with an incredibly low price. So far we are using an automated behavior-based Customer Relationship Manager campaign which generates around 50 new early access sign-ups per week. It is literally insane how effective these strategies are, in terms of conversion rates, compared to the bulk advertisements big companies spend millions on.

- 1- Cosmetics:** Gamers can buy cosmetics to play with different outfit, weapons and fashion. Differentiating your character is a big trend in gaming industry. Players want to be different and get recognized by their outfits. Cosmetics will be sold between €0.90 - €200 price ranges.
- 2- Audio packs:** Our music and sounds are also unique. We want to sell audio packs, so players can change their menu and environment music, as well as their command voice. Audio packs be sold between €0.90 - €200 price ranges.
- 3- Physical Products:** Increasing brand awareness is important. When we get in a good position in the market, we want to focus on physical products, such as t-shirts, phone cases and toys. Since we have cool robot designs, small figures and toys will get good attraction. Pricing and cost for toys are still being researched. T-shirts and phone cases will be sold between €10-€20 price ranges. Cost of goods are changing according to production order.

2.7 - Value Chain Structure

We use relationship marketing. Therefore we trust the word-of-mouth marketing. We believe, our value will be to be forwarded by each player, because of our attention on them. Our key partners will help us deliver our value as well.

Proof of concept is another key for us to show our value proposition. Starting with Steam Greenlight, showing our proposition to indie supporters and PC gamers, then Kickstarter to show our game to millions of people who want to help us develop our game. Our value will increase step by step while we reach our marketing goals on each platform.

2.8 - Competitive Strategy

- 1- Free-to-play Game:** Anyone can download the game. This will increase the download rate of the game. More people will have a chance to test the game and give the words to others. It is easy, fast and no cost. Even if a player who has no interest on shooter games, can download and test it, because it is free. This will give competitive advantage against Triple A games with price.
- 2- Launching Platforms:** Not all the games are being launched on two platforms. Independent companies do not have the team or agreement to publish a game especially for console. So launching on console (Xbox One) will give competitive advantage against independent video game companies.
- 3- Marketing Strategy:** Many game companies do not even listen to their fans. They do not care about feedback. We did our research on this subject and talked with players. Got positive feedback for our attention for them. This will give a competitive advantage against all game companies who do not listen to their fan base.
- 4- High Technology:** Most of the teams and companies are still developing retro games with old graphics. Games which look like they were developed in 1990. Gamers want to use the hardware they have. Overstep has the latest technology software, high quality

visuals and mechanics. This will give competitive advantage against developers who has low budget, or lack of team experience.

2.9 - Gamecan Business Canvas

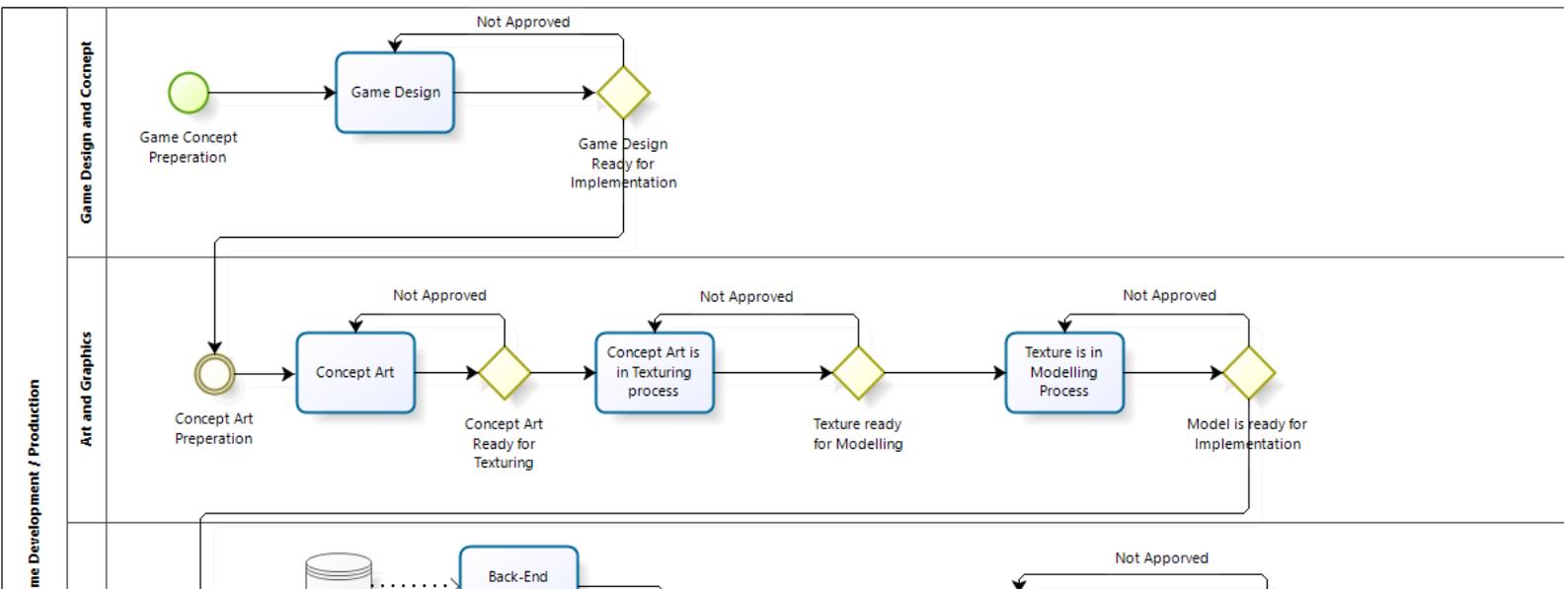
<i>Key Partners</i> <ul style="list-style-type: none"> • Microsoft-Azure • Microsoft-Xbox • Valve – Steam 	<i>Key Activities</i> <ul style="list-style-type: none"> • Steam Greenlight Program • Kickstarter Campaign • Xbox One – Console Launch • Steam – PC launch 	<i>Value Proposition</i> <ul style="list-style-type: none"> • Original game mechanics • Free-to-play game • A game with latest technologies 	<i>Customer Relationships</i> <ul style="list-style-type: none"> • Relationship Marketing • Maintaining them with close communication • More than 10thousand fan base already 	<i>Customer Segments</i> <ul style="list-style-type: none"> • First Person Shooter players • Players who doesn't have high purchase power • Casual mobile game players, who likes tower defense • Xbox One users • Steam users
	<i>Key Resources</i> <ul style="list-style-type: none"> • Employees • Players • Launching Platforms • Marketing Platforms 		<i>Channels</i> <ul style="list-style-type: none"> • XboxOne – Steam • Social Media (Facebook, Twitter, Instagram, Youtube, Twitch) • Forums&Blogs 	

<p><i>Cost Structure</i></p> <ul style="list-style-type: none"> • Server cost • Marketing cost (main) • Salary, studio expenses • Physical product cost 	<p><i>Revenue Streams</i></p> <ul style="list-style-type: none"> • In-game purchases (audio packs, cosmetics) • Mobile game, advertisement inside game • Physical Product selling
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3- Business Process Description

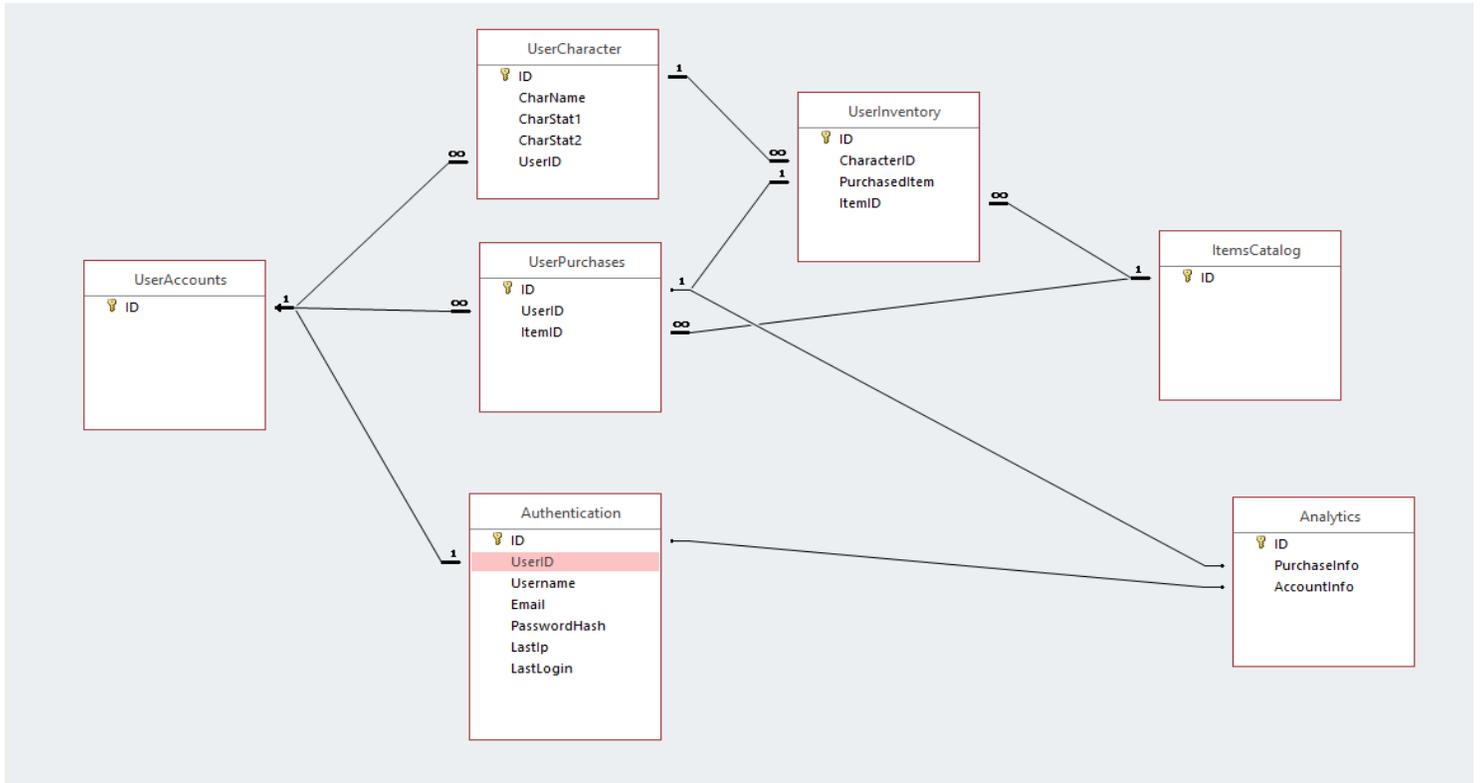
Business process shows the beginning from preparing the “Game Concept” until the “Revenue Generation”. It has 4 layers as follows: Game Design and Concept – Art and Graphics – Development – Marketing.

The idea is, everything starts with game concept and to complete the process, one player must buy an item, another saying customer must make an in-game purchase.



4 - Access Database

The database model shows the structure. Attributes are not set yet. Development team is on process of designing the database.



5 - Balanced Scoreboard

A **Balanced Scorecard** is a performance management tool used by executives and managers to manage the execution of organizational activities and to monitor the results of actions. Fundamentally a balanced scorecard provides a summary level view of organizational performance at a quick glance and includes key performance indicators (KPIs) across four main areas or perspectives:

Financial Perspective: KPIs for productivity, revenue, growth, usage, and overall shareholder value.

Customer Perspective: KPIs for customer acquisition, customer satisfaction rates, market share, and overall brand strength.

Internal Process Perspective: KPIs for resource usage, inventory turnover rates, order fulfillment, and quality control.

Learning / Growth Perspective: KPIs for employee retention, employee satisfaction, and employee education, training, and development.



Theme:	Objectives	Measures	Targets	Initiatives
Operating Efficiency				
Financial Perspective	*High revenues Profitability	*Increase in sales revenue - *Increase of the market share	Year 1 : +8% Year 2: +11% Year 1 : +7% Year 2: +8%	*Easy in-app purchase system *Various of products to sell
Customers Perspective	*Fulfill customer satisfaction *Convenient service to play Overstep *Better game with different mechanics	*Download numbers *In-game hours *Feedbacks about Overstep *In-game Purchases	*15-25 old gamers *25 % more players per year *100% of the feedback is positive	*Different game experience *Good customer support *Always communicating with customer *Collect feedback

<p>Internal Perspective</p>	<ul style="list-style-type: none"> *Attractive sales build *Maintenance *Download rate 	<ul style="list-style-type: none"> *In-app purchase rate *Server speed *Download numbers *Feedback 	<ul style="list-style-type: none"> *Daily sales *Zero server problem *Daily increase of downloads *Positive feedback 	<ul style="list-style-type: none"> *Monetization specialists *Efficient software development
<p>Learning Perspective</p>	<ul style="list-style-type: none"> *Satisfaction of employees *Satisfaction of stakeholders *Trained employee base 	<ul style="list-style-type: none"> *Employee sustainability *Partnership deals with stakeholders *Faster development 	<ul style="list-style-type: none"> *Long-term contracts with employees *New partnership agreements *New project 	<ul style="list-style-type: none"> *Training for employees *Presenting new projects to stakeholders