



RAPTOR IN A TOP HAT

Business Plan

Executive Summary

Raptor in a Top Hat is an indie social game developer company made up of graduates who are committed to bring fun and innovative games to the social network Facebook. Although facing a market that has been stagnated by uninspired games designed to make a quick buck our games will fight back by creating gameplay experiences that are fun yet challenging.

Our games will target a wide range of different audiences and make use of trends and popular themes that players want and will find enjoyable.

The games will make use of the popular "Free 2 Play" model, offering the game for free but charging for certain in game items and services. To make our games more fun for everyone we will shy away from the "pay to win" tactic and instead make our games fair to all that play.

Raptor in a Top Hat will be a Private Limited Company financed by the sum of £20,000 in its start up phase, additional avenues of start up capital will be explored but it is doubtful that these will be fruitful due to the nature of the market and the current economy.

Objectives

Raptor in a Top Hat' objectives for its first three years are:

- To produce a handful of well received and fun Facebook
- Target several different audiences
- Offer support to customers who use our games
- Create a friendly and supportive community who love our games

Key to success

To ensure that the company meets its objectives and survives we must ensure that we:

- Design and produce new and innovated games that are challenging yet fun
- Provide tools for community growth
- Study and know what our market wants

Risks

The risks we will face include:

- Inexperience – As a new company we have little experience with this line of work, we have the ambition but know little specifics
- Highly competitive market – Facebook already has a lot of games, our games might not stand out enough to be viable
- Unsure future – Will gamers continue to want games on social networks or will it evolve to something different? Can we change quickly with it?
- Start up capital – We may not have enough money to create a good enough game in a suitable time

Company Summary

Raptor in a Top Hat, an indie social game company made up of ambitious students who want to create a brand new breed of Facebook games. Instead of the usual boring clicking and waiting games we want to bring innovative gameplay and brand new ways of thinking to new and old gamers. Our games will be challenging but will still be fun to play, be it defending Earth against an alien threat with your dad or exploring dungeons with niece and nephew we want everyone to have fun. We will create games for the whole family, games for girls and game for boys and promote fair and enjoyable experiences between each game we make through our robust community tools.

Ownership

Raptor in a Top Hat will be a private limited company. This is so that we can work how we want to and not worry about external problems in turns of leadership and productivity. Primary ownership will lie with myself due to funding the whole project with my start up capital. However employees will be offered a stake in the company for their services.

Our Products

We plan to design, develop and produce Facebook games for people of all ages and backgrounds. Each game will keep the same core mechanics but will be based on and marketed toward a key

target market, this is so we can gain a large market spread and seem in touch with whatever market we are trying to penetrate.

For example our first product game will be called *Fantasy Adventure*, and be based on the current teen trend of vampires and werewolves but with other themes from popular fiction thrown in. After the release of *Fantasy Adventure*, the team will look at current popular trends and work from there, for example a game themed around war and the military which would be aimed at young male adults.

USP

Our games will feature PvE (Player vs. Environment) and PvP (Player vs. Player) multiplayer and team elements and will be based more on skill. Most games with multiplayer components are simple click and statistical fights, our games will feature more gameplay which requires some skill yet be easy to pick up and play.

Each game will be free to play model. The game will be free to play and the player can continue to play for as long as they want for free, however the game will feature a store where players can buy in game items using Facebook coins which in turn are bought with real money. These items will be unique and help the player greatly; we will gently remind the player of the store and the benefits of buying items from it. This model has become very popular recently and has been proven to be very effective and a wise business idea.

Also to keep players interested in our products and more likely to stay we will include leaderboards and promotions. The more players we keep playing the more players see the store and think about making a purchase.

Location

To keep costs low a premise will not be purchased for the first 3 years. Although this will hinder productivity and communication a location is just not needed yet. Instead myself and team members will be working from home using our own equipment and collaboration software.

The Team

The team will be made up of myself as owner and lead producer. 3 programmers with combined JavaScript, Flash and HTML experience, 2 artists that are attuned to working around games and have experience in Flash and an audio engineer with a background in sound effects and general music. Although the team will be small the combined experience and passion to make games will be more than enough to create fun and high quality games. Also as the team is small it is much more manageable.

I will be on the lookout for graduates with good skillsets and some experience, they are ambitious and the payment requirements will be lower. Also they will already have the equipment they need to do their job thus lowering cost.

Business Structure

Although I am owner and majority holder team members will have an equal say in the direction of the company and the creative concept of our games. The management style will be autocratic but with clear milestones set up for each team member. Business decisions such as legal and budgeting however will be done by me as I have experience and knowledge of it.

Start Up

The start up capital I have for this business venture is £20,000. Finding new sources of investment will be tricky due to the current economic climate and little confidence in smaller indie games companies there for I must keep my costs as low as possible and within the £20,000 limit. I do want to however have as little money in the bank; due to low interest rates I won't make much on money left in the bank, it would be better to use it in the investment.

Labour

First there is obtaining the workforce. As I have stated earlier the team will be made of graduates in the fields of art, programming and audio. As I have little capital I cannot offer much in the way of salary, instead I will offer them £1000 up front and then 5% of any and all revenue we make monthly. Although a little unorthodox after speaking to a few prospective employees they said that deal was fair. The added incentive of being in a games company and getting experience also helps.

Software

These will be the core pieces of equipment that we will use to make our games. Employees will already have the required hardware due to completing their respective course; however they will either own questionable or student licenses for programs that we need. To avoid legal problems and to make sure that the team is using the most up to date and best program possible we will be purchasing commercial licenses and account for the team. These include:

- Adobe Flex – Free coding program for ActionScript.
- Adobe Flash Professional CS5.5 – Art program used by our artists to produce the game's graphics and animations.
- Adobe Flash Builder 4.5 PHP Premium Edition – Another coding program needed to produce the game, this is so that the game can be used online.
- Audacity – Open Source sound manipulation and recording program used for the game's sound effects.
- Microsoft Office Home and Student – Collection of programs needed to document the game.
- Microsoft Office Home and Business – Collection of programs needed to document the game's progress as well as help with the business side of the company.

Accounts, licenses and hosting

As well as programs we also need to obtain certain online services to publish the game with and for team collaboration.

- Hosting from <http://www.bluehost.com/> - The game files will need to be hosted online for them to be playable, also we need online space for a website and forums.
- Dropbox Team License - Online service for saving, sending and backing up versions of the game.
- BaseCamp Basic Plan - Project management software for discussions and status updates.
- Skype – VOIP service for real time communication with the team and holding meetings.

Other

Exposure of our games is a big problem, as a small time indie company we won't be well known unless we produce a sleeper hit. To remedy this I will be setting aside a good chunk of start up cash as part of an advertisement budget.

This will pay for adverts such as banners and pop ups on suitable websites as well small adverts on Facebook and Google.

<i>Item</i>	<i>Price per item</i>	<i>Quantity</i>	<i>Total Price</i>
Labour			
Producer	£1,000.00	1	£1,000.00
Programmers	£1,000.00	3	£3,000.00
Artists	£1,000.00	2	£2,000.00
Audio Engineer	£1,000.00	1	£1,000.00
<i>Total</i>			<i>£7,000.00</i>
Software			
Adobe Flash Builder 4.5 PHP Premium Edition	£571.45	3	£1,714.35
Adobe Flash Professional CS5.5	£635.04	2	£1,270.08
Flex	£0.00	3	£0.00
Audacity	£0.00	1	£0.00
Office Home and Student	£109.99	6	£659.94
Office Home and Business for me	£189.99	1	£189.99
<i>Total</i>			<i>£3,834.36</i>
Accounts, licenses and hosting			
Web hosting (for 1 year)	£30.00	1	£30.00
Dropbox (Team License for 1 year)	£665.31	1	£665.31
BaseCamp (Basic plan for 1 year)	£221.52	1	£221.52
Skype (Free version)	£0.00	7	£0.00
<i>Total</i>			<i>£916.83</i>
Other			
Advertisement	£8,000.00	1	£8,000.00
<i>Total</i>			<i>£8,000.00</i>
<i>Grand Total</i>			<i><u>£19,751.19</u></i>

Market Analysis

Facebook is a global phenomenon; it has revolutionized social networking with over 800,000,000 people registered on it. Although not every person uses it for playing games or wants to there is still a huge market to tap into. Competitors like Zynga have made billions off this market and it is always growing meaning that there is a lot more money to be made and a lot more people out there to be reached.

More and more people are playing and becoming gamers, people from all walks of life and from different demographics who start playing simple free games and then start paying for in game items to enrich their experience or continue playing how they want.

Alot of big name developers have already started creating "Social" versions of there most popular brands to cash in on this increased demand for social games, this shows that there is still a lot of

interest in this market despite the fact that a lot of products and competitors already own big shares in it.

The market is hard to penetrate but history has shown that fun and addictive games can and do become popular thus pulling ahead in market share and becoming big names in the world of video games.

Market Strategy

Through continued development and production of our unique style of games we hope to penetrate the market and gain a good following of fans that A) spend money on Facebook coins for in game items and B) recommend the game to others.

Continued advertisement and word of mouth will help promote Raptor in a Top Hat as a brand and get consumers following our progress for new games, playing them when they are released.

When we have a big enough following a community manager will be hired to oversee the community and help support and enrich it as well as provide news on our future games. The good press from the community will be a big help in ensuring that all our future products are successful.

ARPU and determining user numbers

As our games are “Free 2 Play” we have to rely on our store and the purchasing of in game objects to make any form of return on our games. The Facebook Credits scheme was put in to make it easier for both consumer and developer to make transitions for goods on the social network. It is easy to implement and monitored closely by Facebook, they do however take a 30% cut, something we will have to deal with as it would cost a lot more time and money to implement our own system. Also as the scheme is new and Facebook wants it to succeed we can count on their support which will be of great help.

Not every player is going to purchase items on our store thus making it hard to know exactly how much we will make off each customer. Therefore we have to use Average Revenue per User (ARPU) in conjunction with the amount unique daily users to gauge our returns.

After some research the ARPU for our games has been set to 0.04p, this means for every unique player each day we can expect 4p in revenue.

These will be used with our predicted player numbers to estimate our revenue in the coming years.

Needs and Trends

It is no lie that a lot of Facebook games populate the site, many copy each other mechanic wise and just change a few words and graphics. If this continues the market will become stagnated, consumers will not want to play games that feel exactly the same to something else that they have played.

We hope to curve this by introducing more games that require skill and planning, hopefully with an increased number of them on the market consumer focus will shift forcing other developers to rethink what they make and put into their products.

In the future we predict that games on Facebook will become more complex and detailed. The payment model will not change but with better computers and internet connections consumers will want better graphics and deeper gameplay. Although this is a couple of the years down the road we have already started by trying to bring a richer gameplay experience to basic Facebook games.

Distribution

Our games will be hosted through Facebook for the foreseeable future. The website pulls in a massive amount of traffic and it would be unwise to move our games elsewhere.

In future we may decide to port some our games to iOS, Android and the handheld market, but we will need additional skills and equipment. It also depends on how well received our games are.

Marketing

The most common way we will advertise our products is by online advertisements. These will be found in banners or in pre determined areas on websites that we see as fit. For example if our next game had links to fishing and was aimed at kids we would advertise on junior angler websites as well as websites that are frequently used by the target market. We will also advertise all our games on popular websites such as Google and of course on Facebook.

We can also look to get members of the press to write articles about our games, although a little shady a good article about one of our games will grant us exposure and more players.

Finally our game will make use of social aspects, when someone plays it can be seen by that player's friends. Although not every will be curious some will look into the game and may start playing it on a daily basis. We will have to be careful as to not spam and bombard potential customers as they will annoy them and they will be less then likely to try our games.

Promotions

Any and all promotions will be made through the stores on our games; these could include limited edition items or reductions. We will host these promotions around different holidays especially around ones where players will have more free time to play, for example Christmas.

Also if player figures or general revenue starts to take a turn for the worse we can hold sales to increase our numbers. Players will hopefully return to the game to see what has been reduced and probably make a purchase thus ensuring that they play for longer.

Forecasting

First year forecast

The year will open out with the general concept of the game and its mechanics being finalised and the team getting to work on the design process. The website will be slowly put up and mentioned to friends and families to get interest. Deals with advertisers will start to see what the best way of getting consumer interest is.

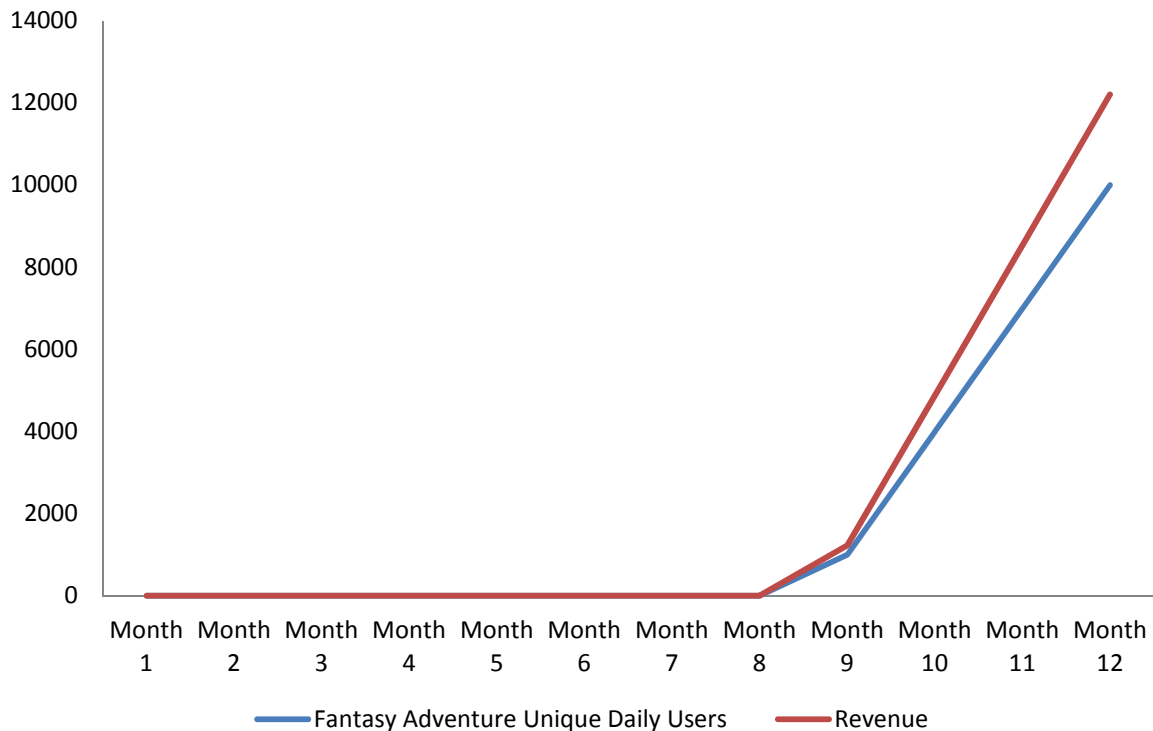
About 2 months before the game's release we will start taking applications for closed beta participants, a select few will be able to try out a beta version of the game to make sure that its multiplayer aspects work fine before we release it to the public.

In the weeks leading up to Fantasy Adventure's release we will start showcasing the game through advertisements to build up a following ready for the game's release.

When Fantasy Adventure releases we do expect a small following despite the advertisement, getting the first group of players will be worth it though as they should tell others about the game and friends should see what they are playing and try it for themselves.

In the first month we expect roughly 1000 unique users bringin in about £1,220, this ends up being around £400 profit after royalties and equity payments for the first month of the game being live.

We expect the number of players to steadily increase throughout the remainder of the year to about 12,000 which will bring in around £26,000 in revenue for the year.



£1,849.60 will come out of our bank account in the form of corporation tax and we will hire another programmer to take care of Fantasy Adventure at the industry standard salary for a junior programmer. This will amount to about £6,547.67. Another £996.73 will be paid to renew licenses and our hosting costs for the following year. After all royalties have been paid we will be left with a net profit of £1,479.68 for the first year. We will reinvest £1,400 of this into the advertisement budget.

This will be a great turnout as we will not be in debt at all and be on our way to making quite a bit of profit in the following years.

<i>Total Revenue</i>	£26,840.00
Royalties	
Facebook (30%)	£8,052.00
Employee Equity (35%)	£9,394.00
Costs	
Programmer #1	£6,547.67
License Renewals	£996.73
<i>Operating Profit</i>	<i>£1,849.60</i>
Corporation Tax (20%)	£369.92
<i>Net Profit</i>	<i><u>£1,479.68</u></i>

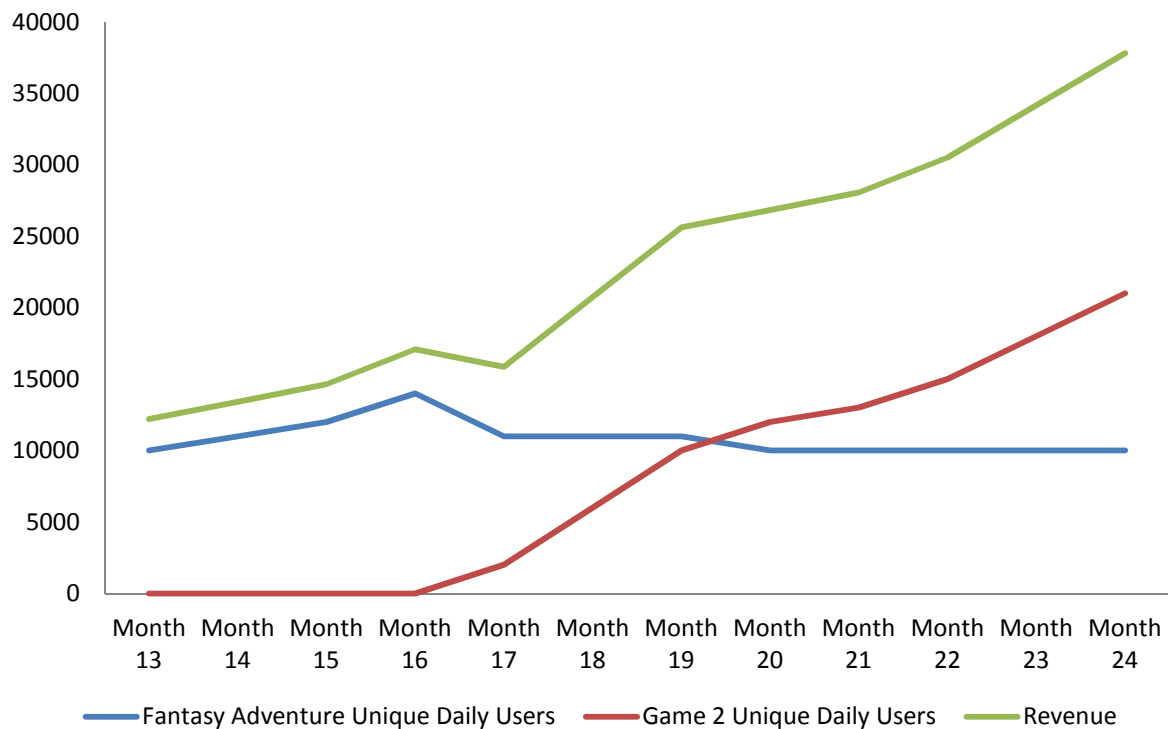
Second year forecast

Our second year as a company starts out pretty well, numbers increase in Fantasy Adventure and we are still in the black until the release of our second game despite having new staff. As with our first game we will host a closed beta to test multiplayer features before release and start advertising a month in advance to increase interest.

We are hoping that by being a little better known that our opening numbers will be a bit higher, we also understand that some players from our first release may stop and move onto this game. These are reflected in the numbers.

With the release of this game we will hire on a new programmer to watch over it and help any problems that arise, again paying the standard industry rate and immediately starting on our third game.

The numbers for Fantasy Adventure would start to level out and dip as interest starts to waver, we would hold promotions to keep numbers but we must account for players getting bored or simply finding something else new to play. Numbers for our second game will continue to increase.



We close the year with revenue £97,008.68 after royalties which is really good. Minuses tax and other costs such as renewing licenses and an additional team member the profit for our second year comes to £50,554.98. With such a lot of profit we will reinvest by putting at least £50,000 in the advertisement budget. The remaining cash will be put aside to purchase office space and equipment in the coming years.

<i>Total Revenue</i>	<i>£276,940.00</i>
Royalties	
Facebook (30%)	£83,082.00
Employee Equity (35%)	£96,929.00
Costs	
Programmer #1	£19,643.00
Programmer #2	£13,095.33
License Renewals	£1,076.63
<i>Operating Profit</i>	<i>£63,114.04</i>
Corporation Tax (20%)	£12,622.81
<i>Net Profit</i>	<i><u>£50,491.23</u></i>

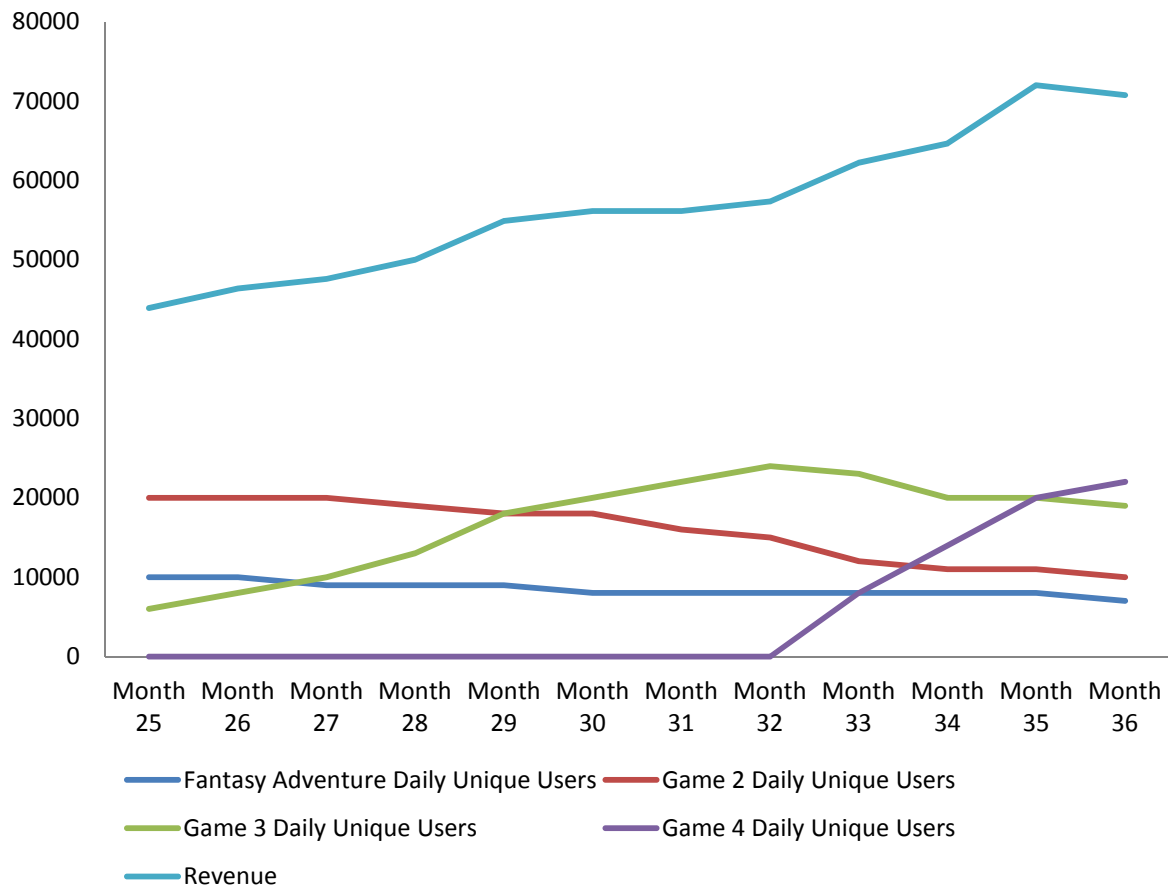
Third year forecast

The year kicks off with the release of our third game and numbers increasing for our second release and falling slowly for our first release.

Unique player numbers should again be higher for our third game due to advertisement and our company. It will steal a few players from our other games but we are prepared for this. Again we will hire someone at the standard rate to oversee this game and start work on our next title.

Numbers will increase for our third game, while numbers fall for our first game and start to stall for our second. We will attempt to remedy this with sales.

In the final four months we will be releasing our fourth game, this will follow the exact guidelines as the previous games and we hope that it will bring in even more players.



We finish this year with 4 games released and a fifth one in production, with roughly £239,247.98 in the bank after royalties and before tax. Removing tax and investing £62,000 into advertisement we are left with £88,091.83 for our third year.

<i>Total Revenue</i>	<i>£681,980.00</i>
Royalties	
Facebook (30%)	£204,594.00
Employee Equity (35%)	£238,693.00
Costs	
Programmer #1	£19,643.00
Programmer #2	£19,643.00
Programmer #3	£19,643.00

Programmer #4	£6,547.66
License Renewals	£1,156.53
<i>Operating Profit</i>	<i>£172,059.81</i>
Corporation Tax (20%)	£34,411.96
<i>Net Profit</i>	<u><i>£137,647.85</i></u>

The Future

With a lot of money in the bank and a few games under our belt it would be wise to look for a premise to move the company too. The money we have would have to pay for rent, utilities, equipment, hardware, cover relocation costs for the team and any taxes we encounter. From here we can look at our products and decide if we need to evolve them to suit the market, maybe hiring on more employees or looking into 3d sprites.

Timeline

Year 1

Month 1

- Company found
- Work starts on Fantasy Adventure

Month 2

- Company Website and forums set up
- Start talking to advertisers

Month 7

- Closed beta for Fantasy Adventure

Month 8

- Adverts for Fantasy Adventure start to appear

Month 9

- Fantasy Adventure is released
- New Programmer hired
- Work starts on Game #2

Month 12

- First financial year finishes
- Renew Licenses and hosting
- Pay taxes

Year 2

Month 3

- Closed beta for Game #2

Month 4

- Adverts for Game #2 start to appear
- User numbers for Fantasy Adventure peak

Month 5

- Game #2 is released
- New Programmer hired
- Work starts on Game #3

Month 11

- Closed beta for Game #3

Month 12

- Adverts for Game #3 start to appear
- User numbers for Game #2 peak

Year 3

Month 1

- Game #3 is released
- New Programmer hired
- Work starts on Game #4

Month 7

- Closed beta for Game #4

Month 8

- Adverts for Game #4 start to appear
- User numbers for Game #3 peak

Month 9

- Game #4 is released
- New Programmer hired
- Work starts on Game #5

Month 12

- Start to look for new premises for relocation.

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