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Gaming Oasis Business Plan

by

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Table of Contents

Title Page	1
Copyright Permission	2
Table of Contents	3
Abstract	4
Executive Summary	5-6
Market Analysis	6-19
Economics of Business	19-20
Marketing Plan	20-28
Operations	28-29
Financial Projections	29-33
Works Cited	34-35

1. Abstract

Gaming Oasis is a for-profit Esports Production and Management Company founded by Frederick Wiersig. Our Leadership Team includes our President, Frederick Wiersig, our Vice President of Marketing and Operations, Blake Carlyon, our Vice President of Esports Development, Jacob Smith and Patrick Doolin, our Vice President of Business Affairs. We also have several supporting directorial staff members in charge of various operational aspects of the business as well as our amazing intern teams.

We intend to plant our roots here in Huntsville alongside the booming growth we have seen in the entertainment industry and the overall growth of the city. Huntsville, being one of the major STEM cities of the southeast, makes it the perfect location for our state-of-the-art Esports production and management facility embracing our STEM culture. It is a key part of our strategy to develop relationships within Huntsville and its core community, and thus, we hope to leverage Huntsville's booming economic growth to achieve our growth goal. Craft breweries, great food, indulging city life, and unique experiences have made Huntsville what it is today. We want to bolster Huntsville's innovative trends by making it the capital of Southeastern Esports. In any location receiving such a focus on growth, we will be able to capitalize on the heavy foot traffic and the atmosphere of excitement that accompanies every new development. We plan on assimilating into the culture wherever we choose, promoting our business as a staple of Huntsville's entertainment sector.

Gaming Oasis will, at the realization, run the Southeastern Esports League (SEL) along with various other leagues, produce Esports events for the city of Huntsville and other national organizations, manage a Huntsville-based Esports team, and create a state-of-the-art production and Esports competition facility. We will do this through partnering with the city and other staples of Huntsville culture to deliver experiences that delight our consumers, all while cementing Huntsville as the Esports capital of the Southeast. This document will serve as the Business Plan for the Gaming Oasis as it works to gather support and acquire investors for the new venture itself.

2. Executive Summary

I. Mission

Our mission is to provide high-quality technology focused Esports Events and Entertainment to the Huntsville and surrounding Southeastern Esports Community.

II. Vision:

Our vision includes the creation and integration of Esports into the greater Huntsville area while providing a path for students to reach the professional level of competition in Esports without having to leave Huntsville. We will use our Esports leagues and arenas to place Huntsville on the map as an Esports capital in the Southeast and capitalize on the STEM environment here to deliver trust, knowledge, and entertainment to the community.

III. Purpose

Gaming Oasis was founded for the purpose of providing consumers with a premier Esports experience and environment, ultimately developing Huntsville into a repository of Esports in the southeastern region. Gaming Oasis will at realization serve as an “umbrella” for several ventures in our plan. This includes developing a pipeline from high school competition, into collegiate, into professional; developing a powerhouse event and production facility in the Esports environment by partnering with the City of Huntsville and developing the Southeastern Esports League to facilitate competitive Esports leagues throughout the southeast. Our vision of doing this includes Gaming Oasis breaking into a market mostly undeveloped in Huntsville. We hope to leverage our passion for and knowledge within Esports to develop a high quality, gamer-friendly environment the gaming community can unite around. Two of our Directors already have experience hosting events like these, since both Blake Carlyon (VP of Marketing) and Jacob (VP of Operations) founded and contributed immensely to the development and success enjoyed by the UAH Esports club at the University of Alabama in Huntsville. This experience can be leveraged as a direct form of advertising at a minimal cost for the business because we have already developed a strong network of connections. Combined with the hosting and management of the SEL, Gaming Oasis hopes to become an elite experience for Esports as an industry. The primary method for generating revenue for our organization is from team registrations in tournaments and by acquiring sponsorships. The arena will allow us to host events and parties on a

regular basis just like when people have a birthday party at Dave and Buster's. We would also be able to charge people hourly to use the game systems for practice since local teams will want to have a space where they can practice as a team and review plans in person. Another source of revenue for the arena would be to charge for personal training with a coach at the facility if desired. This will be useful because our target audience are groups of people who are trying to reach the professional level of competition. As the SEL grows, we would eventually be able to gain revenue from viewership and possibly broadcasting deals. The ultimate goal is to create the same type of sports environment for college Esports as you would see at an Alabama football game.

3. Market Analysis

I. General Market

As the marketing plan examines the target demographic in extreme detail, the macroenvironment consists of Huntsville and surrounding areas in the Southeast that have an interest in competitive sports and enjoy gaming. Also included in this demographic are parents of children that enjoy playing games and folks that want new experiences. Our Esports venture falls under the NAICS code 711310. This includes arena operators and promoters of performing sports. Gaming Oasis will play the role of both entities in the competitive Esports environment at the following levels:

A. Collegiate

The Collegiate Esports community is one of the primary demographics that we currently provide services for through the Southeastern Esports League. Collegiate Esports is already a large group in the Southeast consisting of over 100 Programs with hundreds of college students in each club. Gaming Oasis plans to cater to the Collegiate Esports community like no other organization within the Southeast. This will be done by using the SEL and by creating in-person events that are unheard of in this region, allowing teams from all over to compete. We hope to create an NCAA football type of experience for Esports to acquire high viewership and possibly broadcasting deals. Through this viewership, tournament fees, and coaching fees, we will be able to generate our revenue.

B. High School

For our high school Esports community, we have plans to integrate them directly within the SEL as we did with Collegiate Esports. Creating a new league within the SEL to allow for high school teams to compete with other organizations within their school system, county, and state. This will allow for high school students to compete on a level and scale never seen before in the Southeast. Gaming Oasis will also help create an initiative for recruitment into Collegiate teams from the high school league allowing players to continue their SEL journey and gain more experience in the Esports Industry. High school will generate revenue in a similar manner to the collegiate level. We will not look to benefit from viewership at this level, but there is still a large opportunity to generate revenue from tournament fees, coaching fees, and renting practice space to local schools.

C. Amateur

For our Amateur Esports community, we have plans to create an entire process for creation, sponsorship, branding, and competition within the SEL and Gaming Oasis family of services. This will allow players who are truly excelling and plan to continue in the Esports Community permanently a true method to do so. This will help create a full-blown ecosystem for Esports in the Southeast creating full professional teams with staff, players, and fans. This all circling back to benefit Gaming Oasis as they will all be directly involved with Gaming Oasis. The amateur level of competition will look to generate revenue in a similar way. With this method, however, we will look to gain revenue mainly from sponsorships. As interest in this level of competition grows, we will also gain revenue from viewership and there will be enough teams to regularly make money from tournament fees.

II. The Gaming Sector

Esports is a sector shrouded in mystery to those on the outside looking in. Utilizing some statistics and facts about the industry, we hope to “demystify” this industry in a meaningful way that helps you as a potential investor understand the “why” and “how” a business like ours will be successful. This section begins with definitions. If you are already versed in the Esports environment, feel free to gloss over this section and on to page 5; if not, then this section will be important for defining some keywords that will be used throughout the document.

The ***“Esports industry”*** is a wide, sweeping, all-encompassing umbrella term for “gaming.” This looks like arcades, professional video game players, the video games they play, teams made up of the players, championship events, news networks reporting scores (like ESPN’s dedicated Esports channel!), and companies within the sector such as “Twitch.” The industry is driven wholly by its communities - people that love the games in which Esports players compete. It is no different than being a “fan” of football, or basketball. There are ***“teams”*** that operate within the industry - teams just like the L.A. Lakers or the Miami Dolphins. They play in “conferences” (for a lack of better terminology) with all other teams of their caliber. High profile, extremely successful teams are the moneymakers of which you may have heard - teams like Team Liquid or Cloud9 or 100Thieves. The same type of upward mobility exists for teams in the Esports space as does any other sport. We divide these teams by category - ***Professional, Semi-Professional, and Casual/Amateur***. A good example of this would be a comparison of the University of Alabama’s football team to playing New Mexico State in football (apologies to any Aggie's reading!) You replace Alabama for Team Liquid and New Mexico State for Space Station Gaming, and you realize that the structural operation is nearly the same- there are dynasty programs just like there are run-of-the-mill teams that exist only to represent an organization. There is not a unifying league like the NFL or NCAA for Esports - just high-profile organizations and tournaments unless a game’s development team structures their own league. Riot Games, owner of League of Legends, is an example of a game company that does this - FunPlusPhoenix and NinjasInPyjamas compete inside of Riot’s league for a shot at playing in the World Championship. Blizzard-Activision developed the Overwatch League (OWL) for teams like Boston Uprising and Atlanta Reign and London Spitfire to compete for the World Championship (of Overwatch). Semi-Professional and Casual organizations play in tournaments hosted locally, often hoping to continually sign better and better players to make it into these events and leagues, eventually taking their talents international.

On the subject of ***“players,”*** there is a multifaceted definition that is very complex. For ease of understanding, we define players in this report as “individuals that regularly compete at either the Casual, Semi-Professional or Professional level.” This means a Fortnite player that consistently achieves high match standings but fails to bring his talents to tournaments for one reason or another would not be defined as a “player” in the industry

- rather, the Fortnite player is part of the Esports **“community.”** According to an opinion piece written by Shinggo Lu, a President in the industry, on behalf of *Entrepreneur* (<https://www.entrepreneur.com/>):

- Esports is a multibillion-dollar industry that is expected to reach \$1.8 billion in revenue by the end of 2022.
- There were more viewers for the League of Legends World Championship in 2018 than the 2016 NBA finals (46 million vs. 30 million).
- The 2017 DOTA 2 prize pool rose to \$24 million. The Masters Tournament featured a pool of \$11 million.
- Riot announced that League of Legends had eclipsed 100 million unique monthly active users for the game.

Forbes reported that audience figures for Esports, in general, had grown to 433 million folks in 2019. They allude in the article that “Esports is fast on its way to becoming the most financially lucrative market on the planet.” They extrapolate using growth numbers thus far - predicting that total revenue by 2022 could total \$2.3 billion, a marked increase from Entrepreneur’s projection, passing even Formula One and UEFA Champions League revenue, two of the highest valued revenue-generating sports industries.



This figure is taken from Forbes and represents potential audience growth

With such optimistic views and numbers for growth, one cannot help but wonder - *who* are these people seeing the light? Where are these investors placing their bets, and in what sectors of the industry? Luckily, due to public statements made by these high-profile individuals and financials collected from established institutions, we have some names and their ideas.

- **Michael Jordan** - investment group, \$26 million, aXiomatic Gaming (Owners of Team Liquid)
- **Aubrey Graham, "Drake"** - Partnered with Scooter Braun of CapitalOne Records, undisclosed amount, 100Thieves. Drake also played Fortnite with a popular Esports personality, Ninja, drawing in more than 635,000 live viewers on Twitch
- **Stephen Curry, Andre Iguodala, Steve Young** - \$37 million, Team SoloMid
- **Sean "Diddy" Combs** - investment group, \$30.5 million in PlayVS, a high school Esports league

The list continues for what seems like forever. Many high-profile celebrities with a knack for investing choose to place their bets on Esports - specifically, the teams in the industry. More than likely, though, you are not prepared to give us \$20 million- so what does Return on Investment (ROI) for Esports look like? Well, according to Josh Chapman, a President of an investment firm specifically for Esports ventures, it depends on several factors. If you invest big bucks, you anticipate it will take between three-to-ten years before you get a full ROI. At lower numbers, he expects returns in about two-to-three years. The type of investment matters as well; teams inherently carry more risk, whereas games are the most successful ventures. Technology in the industry is the safest and longest investment one could make. Investing specifically in a game - that is, a team that plays only one game - is highly risky due to the nature of constant innovation in the industry - or games coming out. You risk losing status as a household name for these games and therefore increase risk exposure.

III. Competing Venues

A. ePlex Birmingham

Our primary competitor is ePlex Birmingham. This is a great example of what we strive to achieve and being so far away located in

Birmingham, Alabama, they are not a direct competitor for our arena but more proof of concept. ePlex Birmingham does a good job of managing their web presence through their website as well as marketing social systems such as Discord. They have a large Esports arena and VR arcade with a cafe. This, however, gets lost in translation according to individuals with which we conducted interviews for market research. The owner of the Esports and VR center is an older gentleman that sees the industry as a moneymaker only. This leads to complacency about many details; for example, during a tournament UAH Esports attended, many of the teams had no clue how much of the pot (overall sum of winnable money) went to what teams and the percentages this entailed. The wait times were exceptionally long, and teams often had to set up multiple times around the arcade to play a singular match. This could have easily been improved upon by having a designated location to play during the tournament. These details are often dealbreakers for the consumers and cause post-purchase dissonance, making them not want to return. The owner struggles with an understanding of how to begin tackling this problem which appears to be a lack of enthusiasm and interest in Esports. Many of their tournaments yield zero participants due to the participants viewing the event as a cash grab. Passion is simply not there, and it is obvious to consumers. It is important when organizing tournaments to have separation of tournaments for profit margins and tournaments for the community for retention. Consumers love viewing parties and other fun arcade-like events which is how we will improve upon ePlex Birmingham's model.

B. Arlington Esports Stadium

For our next competitor, we have Arlington Esports Stadium. As a one-stop shop for Esport production and management, the arena boasts wonderful success. However, this stadium is on a much larger scale than what we intend to build. They are a stadium as well as an expo center, whereas we intend to focus less on the expo center aspect. We plan to mimic the facility of Arlington with our own unique amenities/layouts and equipment and begin developing a presence like theirs. Our arena would be scaled differently to better fit the needs of Huntsville and the surrounding communities. We also hope to differentiate ourselves from Arlington Esports Stadium through our increased experience of targeting college and high school teams. Arlington hosts tournaments at the professional level, and we want to help provide for the community of gamers who are trying to reach that level. They are certainly worth the

mention- but as a note, given their distance, we don't expect much (if any) market overlap.

IV. Competing Leagues

A. NACE Starleague

NACE Starleague is currently the largest online collegiate Esports competition with the greatest number of competitors and affiliated colleges in its tournaments and leagues. NACE Starleague allows collegiate teams in the United States and Canada to compete in one of its three divisions. At the highest division is varsity, which means for institutions that offer Esports scholarships as well as other approved club programs. Varsity also has the highest prize pool, with this past year's being \$8000 in scholarships. The two other divisions, Challengers and Open, do not have prize pools and are meant for the less talented teams. The NACE Starleague has a rulebook that is sufficient for most questions that need to be answered, like prize pool, no-show policies, and format.

Overall, they do well at running the league via the Mainline platform, which allows teams to communicate to each other and staff through a match chatbox. Unfortunately, Mainline still has some flaws, like players not being able to see their upcoming matches easily, tournament leaderboards, team statistics, and other useful navigation features. Another point of controversy at NACE is their staff. There have been numerous administrative decisions that hurt its integrity, especially in terms of rulings and rescheduling requests. Sometimes the rulebook has been twisted for personal interests. Recently, a team was allowed to play after showing up to their match after 20 minutes, which is way past their no-show policy. Decisions like these hurt the experience for the players and teams. NACE has fallen out of favor due to these reasons. Their loss of respect in the community and lessened production quality has given us the opportunity to gain market share. We can gain support from colleges by providing an experience that is focused on who matters most: the gamers.

B. NECC

The NECC may be a familiar name in traditional collegiate athletics. They have expanded their athletics to Esports now and look to throw their own twist to make collegiate Esports feel more like traditional sports. They do this by having divisions of varying skill levels that are determined by preceding qualification tournaments. The prizes are the same across all of

their divisions, with a trophy, t-shirts, and HyperX gaming peripherals. Once again, this is great on paper. However, it fails with its format and administrative decisions. Starting with the qualification bracket, many teams did not try their hardest in the qualification tournaments in hopes of making it to lower divisions. Once in the lower divisions, they dominated the competition and won those divisions, which was basically a free prize for them. If Gaming Oasis were to ever incorporate divisions, it would likely be handled in a more professional and statistical manner, rather than a single tournament. Also, these divisions would not all have the same prize, since better teams would be rewarded better. Even without this, we are already outperforming the NECC. We target different markets with them focused on the Northeast region and us in the Southeast, but we have been able to pull schools away from them due to the lack of quality. The SEL provides a more supportive environment for teams who join, and we carry more respect for tailoring the experience to our participants and listening to their feedback.

V. Substitutes

There are numerous substitutes for Esports when it comes to competitive gaming but there are very few substitutes when it comes to the arena aspect of the business. When it comes to arenas, there are numerous small video game arcades that provide access to gaming systems and VR machines, however these businesses will not likely draw away much of our customer base. We believe this because we are targeting gamers who want a very gamer-focused experience. They are much less likely to be satisfied with substitutes and more willing to pay a premium for a high-quality experience. The more concerning substitutes exist in the competitive league aspect of the business. For most video games, there is an internal form of competitive play. This may be in the form of a competitive or ranked game mode or through special tournaments that the game owner, such as Microsoft or Activision, puts on by themselves or with partners. This substitute will not likely be too much of an issue for our college and high school leagues, but it will be more appealing to individuals in the amateur league. We will be able to overcome this challenge with the appeal that all sports teams have: loyalty to your club or school. For college and high school, participants represent their school and compete against other schools. This creates a unique competitive atmosphere that cannot be replicated by the substitute leagues. We also hope to create a similar competitive environment in the amateur league, but it will take time to develop teams and create fan bases to back these teams.

VI. Vendors/Suppliers

A. Equipment

1. HP Omen Desktop and Monitor

HP Omen will be sourced for 20 high-end computers and monitors. The specific computer is the Omen by HP Obelisk Desktop 875-1055xt, although subject to change. These come equipped with some of the most powerful components, including an Intel i7 Processor, RTX 2070 Super Graphics Card, and 16 GB of RAM. Their price is also unbeaten, at about \$1600 per unit, not including the bulk discount. Compared to their competitors, this ranges from 100 to 500 dollars cheaper to equivalent models by other brands. They are also bundling the monitors, which gives us a discount. The monitors are 144 Hz Gaming Monitors meant to allow our players to react to situations quicker than their competitors in-game.

2. SteelSeries Peripherals

We plan on pairing our high-end gaming computers and monitors with some high-end peripherals. We chose SteelSeries as our main peripheral provider due to the overwhelming feedback their equipment gets amongst the gaming community. They like to sell themselves as being the best Esports peripherals, and our experienced staff agrees. Starting with the keyboard, we are going to get the SteelSeries Apex Pro. This is the best gaming keyboard on the market and has an incredibly unique feature beneficial to our center: The key switches are interchangeable. This means that experienced PC gamers who want to have a day at the arcade can hop on our keyboards and customize it to their liking, an edge we have over our competitors. The mouse we are providing is the SteelSeries Rival 3, which is a simple lightweight mouse built to withstand many clicks. Paired with the mouse will be the SteelSeries QcK large cloth mousepad since most gamers prefer cloth mousepads. Lastly, we are going to purchase the SteelSeries Arctic One, an exceptionally good headset with great comfort.

3. VR Headsets

a. HTC Vive

The HTC Vive is the first of two Premium Industry Leading VR Headsets available in the market today. This headset is featured at a higher price point than its competition featuring a 2880 x 1770 display, 90 Hz refresh rate, and a full inside-out tracking system meaning we do not need external trackers. The headset has built-in headphones for audio as well helping to balance out the price from its competition. The HTC Vive also features good integrations with Springboard allowing our staff to have a more hands-off approach with its compatible system and controls. HTC also has a game subscription service called Viveport. Finally, the HTC Vive offers an in-house solution to making the headset fully wireless and untethered.

b. Oculus Rift

The Oculus Rift S is the second of two Premium Industry Leading VR Headsets available on the market today, with a slightly lower price point than the HTC Vive and slightly more user-friendly design it is a great competitor option. The Rift S packs a stunning amount of power into its sleek frame featuring a 2560 x 1440 display running at an amazing 80 Hz refresh rate. The Oculus Rift S also features inside-out tracking technology letting us set up tracking in a space without any external sensors being necessary. The Rift S has some third-party and expensive solutions to going wireless but is not an in-house solution like the Vive Cosmos.

B. Software

1. GG Leap

GG Leap is a groundbreaking management system for Esports centers at a great price. They make Esports centers feel like arcades, with unique features such as personal accounts, integration with Discord, and a point scoring system with a shop. They also host tournaments only accessible through systems with the GG Leap

software, meaning we get people wanting to come to our arcade to represent us in a tournament. Managing the system is also easy since all workers must do is find the account or make a new one and then allocate the time. If we ever have a problem, they can help us with their 24/7 support line. Going with GG Leap is a no-brainer for us, and we are super excited to work with them.

2. Springboard VR

SpringboardVR is like GG Leap, but for VR systems. It is easy to set up and has a reservation system. SpringboardVR allows users to experience VR the way they want. They have a custom game launcher that arcades can customize to fit what their customers like the most. Their launcher separates easy VR games from difficult ones with categories. The customer can expect to experience VR by themselves, with everything easy to navigate. Their software integrates well with HTC Vive Pros, with the only difference on other headsets being the inability to use the home button to return to the custom launcher. We hope to be able to provide the HTC Vive Pros, so our workers do not have to waste the customers' time by changing the game for them. With this minor inconvenience, the pros heavily outweigh the cons. The management system allows workers to reserve times for each station as much or as little as they want. They also have a timer for how long a game is played so we can see what the most popular games at the arcade are. We chose SpringboardVR due to its simple nature and are excited to see where they can take us.

3. SEL System

The Southeastern Esports League will use in-house software designed to be a state-of-the-art Esports League monitoring system. This web-based platform will allow for teams to sign up and manage any tournaments or leagues Gaming Oasis is hosting. Unlike most similar services this will allow us to integrate production and league management directly with our communication platforms and production systems to create a truly one-of-a-kind experience for Esports events.

C. Bargaining Power

We have several hardware and software suppliers that we will rely on to set up the arena and build out our competitive leagues. Due to our desire to provide the best equipment for gamers and provide the brands that they like, we are limited in the suppliers that we can choose from.

However, there are several competitors for these suppliers who create fairly equivalent products. We also benefit from industry standards that lower switching costs. This equipment is usually compatible with complementary products, so we are not limited by our first choice of suppliers. Above is a list of our preferred vendors/suppliers and a description of each product.

VII. Buyers

A. Huntsville

There are many places where an innovative new-tech company like an Esports management/production company could work. Furthermore, there are many spaces right here in Huntsville in which a team could be established. Huntsville is a prime location for such a venture for a multitude of reasons.

1. Cummings Research Park

Being the second-largest research park in the country and the fourth largest in the world, Huntsville is home to several Fortune 500 companies and Space and Defense agencies alike. The Park is home to 300 companies, 27,000 employees, and 11,500 students. Given the environment is research-heavy, it goes without saying that it is a STEM haven - just like the rest of Huntsville. A research study published by SAGE Journals references the link between video games and STEM fields, noting that often the two go hand in hand.

2. Chamber of Commerce

The Chamber currently acts as a metaphorical (and in some cases, quite literal) clearinghouse for all new business endeavors. The Chamber reported in 2019 that the 13-county region was home to 1.1 million individuals. Small business growth in Huntsville is booming, with new business centers popping up every day.

3. Infrastructure

Huntsville has many qualities and incentives set up to drive economic growth. When one considers that Huntsville is

home to an International Airport, it is easy to envision how connected Huntsville is with the rest of the world. This coupled with the fact that Huntsville is positioned well as a prime location in proximity to major cities throughout the United States makes Huntsville a “hub” for business endeavors. There are tax incentives and programs for specific industries here in Huntsville to reduce the operating costs to encourage new growth.

4. Demographics

Huntsville is the 118th largest city in the United States. The average income in Huntsville is \$79,274. The median age in Huntsville is 36.9 years old. Nearly 48% of the population is below the age of 35.

All these numbers sound great but connecting them to the bigger picture is of paramount importance. The growth of Huntsville is evident - look no further than Governors Drive with Campus 805 and Stovehouse, the growing Midcity Development, or the new complex beginning construction on the South Parkway Arsenal Gate region. People - young people - are flocking to Huntsville; more importantly, they are not leaving! As Huntsville develops its scene for young life more, we are seeing more retention from fresh college graduates returning here from out of state. Our target demographic is this younger crowd - the group that likes new experiences and entertainment venues. Ax throwing and Topgolf are staples here - we expect to join the list with event production and a VR arcade, especially with a prime location. Given Huntsville is, candidly, a “city of nerds,” it is easy to connect the dots and understand why exactly Huntsville is primed for a gaming center such as this one. Down the line, we expect to prime the area for an Esports team as well.

B. Bargaining Power

The bargaining power of buyers is dependent on a few factors that have already been covered above. Regarding our main customer base for the arena, we benefit from Huntsville being a wealthy community. While the country has an average income of around \$60,000 per year, Huntsville boasts an average income of around \$80,000 per year. This affluence

helps make our target market less price sensitive because they will be less worried about staying within a budget than individuals in other communities. The decreased price sensitivity helps to lower the bargaining power of buyers. The bargaining power of buyers is also lower due to the fact that our nearest competitor is nearly 100 miles away in Birmingham, AL. Without any direct competition in the Huntsville community, the main factor increasing bargaining power for buyers is substitutes. This is not expected to be too impactful because our target customers are interested in the best, gamer-focused experience and will not be as likely to switch to other substitutes.

VIII. Threat of New Entrants

There is still a large amount of risk for new entrants into this industry due to the stage of the product life cycle that Esports is in. We have determined that Esports is still in the growth stage of the product life cycle and is moving toward the mature stage. The growth stage is characterized by growing demand and expansion in its availability. This stage is also characterized by increased rivalry and threat of new entrants due to the low barriers of entry. Esports currently is experiencing lower barriers to entry when it comes to arenas and college or amateur competitive leagues, because there is a large group of young companies competing in this industry. They are all experiencing significant growth as the popularity of Esports grows and as more and more people look to purchase the product/service. For these reasons, we believe there is still a significant threat of new entrants. However, Gaming Oasis is strongly positioned to take advantage of the low barriers to entry and establish themselves across the whole of the Southeast region. Once established, we will be able to work toward consolidating the market as Esports moves into the mature stage of the product life cycle.

4. Economics of Business

I. Staff

Our staff structure is organized in an organizational chart. Our entire business is implementing the Entrepreneurial Operating System, a system designed to create infrastructure in a business such that a business is a well-oiled machine. Our “Leadership Team” (Board of Directors, but in business leadership terms in EOS) contains Frederick Wiersig, President, Jacob Smith, VP of Esports Development, Blake Carlyon, VP of Marketing and Operations. With this team at the helm, we decide on directions, initiatives, and strategies for each

quarter so that our entire company is on the same page. Beyond these folks, we will need support staff such as our directorial positions, tournaments operators, several casters, production folks, and facility staff.

II. Pay

The management team is incentivized with ownership in the company and each member of the team is splitting an equal share of roughly 20%. Supporting staff, employees will be paid wages that vary based on expertise and how well the employee is performing. There will be plenty of paths for tiered incentive pay to make sure that we are focusing on rewarding employees who are committed to improving Gaming Oasis. Any per event employees will be developed appropriately into a 1099 contract. The future Esports expansion that we hope to have would create a paid Esports Director role as well as salaried Esports Players for the Gaming Oasis Brand.

III. Experience

For supporting staff, a minimum of a GED will be required. Customer service experience of one to two years will be preferred. Preference will go towards individuals that have worked in the Esports industry previously.

IV. Skills

Communication skills will be prioritized. The ability to handle current POS systems will be essential to the front desk and reception area. Team player attitudes and willingness to cooperate and take constructive criticism will be required as well. Above all, a willingness to do what is right and understanding that we are a startup that will likely need engaged employees to help fine-tune the Gaming Oasis Experience.

5. Marketing Plan

I. Summary

Our VP of Marketing, Blake, has performed an analysis of Huntsville, our target demographic and market, and compiled his results and recommendations into a slideshow. In report form, we will be segmenting each major section for ease of navigation and reference. This begins with a summary of the marketing plan's overall strategic objectives.

The creation of a business plan utilizing the marketing plan is a must. The product of our business plan is laid out in this document. We as a business must create a value proposition for the consumer and the city that not only creates

inherent value for them, but inherent value for us as well to begin the development of revenue streams. We then must create and capture the value of our consumers through the tenants of marketing - that is, the delight and satisfaction of consumers when utilizing our product. This capture of value combined with promotional deals and information distribution will ideally create return consumers, out-of-town tourists, and excited Huntsvillians, generating a positive revenue stream through events and partner management.

II. Strategic Information

While many of the strategic objectives are generalized goals, these theories and practices must be applied on a more specific level to help us succeed in our operational goals. We begin by performing a standard SWOT Analysis for Huntsville (Strengths, Weaknesses, Opportunities, Threats.)



With the presence of an international airport within 30 minutes of almost anywhere in the city, Huntsville has made itself an excellent hub for the rising industry of Esports. This will allow for organizations outside of driving distance to have easy logistics when orchestrating tournament events. However, many schools in our target audience will not even have to fly as approximately 75% of the schools within the SEL are within 5 hours driving time of Huntsville. Given

this, Huntsville is able to pull its weight significantly compared to large cities like Atlanta which can become incredibly bogged down with its transportation and infrastructure issues. This also allows for the possibility of hosting large-scale events such as conventions and game reveals. The overall culture of Huntsville further advocates for the emergence of a massive following of the Esports industry with the significant presence of STEM-related occupations. Nearly every student in the colleges of Huntsville is studying to join this job field, and with that statistically comes an interest in gaming. We plan to tap into that culture and capitalize on Huntsville’s uniqueness and “nerdiness”.

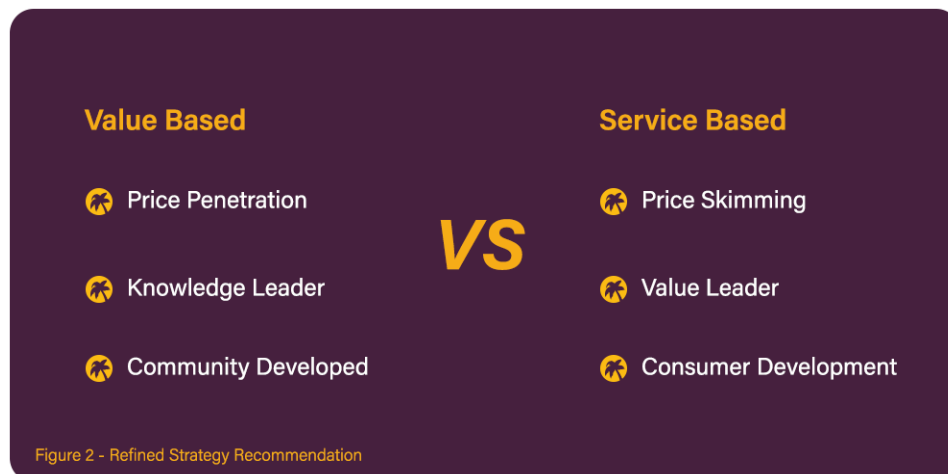
III. Recommendation of Strategy and Market Entry

Given the results of the SWOT Analysis, it is logical to conclude that a Blue Ocean Strategy is uniquely positioned in Huntsville to be the most successful employable strategy. We believe this is due to several factors, notably:

- “Existing” market in Huntsville is a company ill-suited to become a leader
- Huntsville is technologically heavy, a known STEM haven
- Consumers are mostly local
- Consumers may not know they are consumers yet

As a result, the Blue Ocean Strategy (New Market Creation) fits sensibly into our operational procedures. The goals of the strategy are to make competition irrelevant, create new demand, and disprove the value/cost trade-off. Given the environment of Huntsville, we believe a refined strategy will help us achieve these goals and succeed where others have not.

IV. Refined Strategy Recommendation



Rather than explaining each tenant of the table, we instead will cover why we have chosen our stratagem. **Service-based** pricing makes the most sense here as this is the model most Esports centers utilize to create a sense of “fairness” to their consumers. Given the average consumer is utilizing PCs or VRs for an experience, it does not make a lot of sense to offer these things prioritizing a “good deal.” There are, of course, consumers that will pay whatever the price tag for the experience, but this is not our target. As such, we will come up with a reasonable and affordable price point for our implementation of **price penetration**. We are looking to deliver a nice and polished experience. This helps the least common consumer have a heightened sense of importance and accomplishment and will create loyalty and return consumers. As such, beating competition prices or matching price points similarly instead of utilizing price skimming to catch “whales” makes a lot more sense and will help us achieve a revenue stream far easier than the latter.

Given the Blue Ocean environment, we would like to establish ourselves as **knowledge leaders**. There are several reasons that knowledge leaders for FECs are objectively a better strategy than value leaders, and I will take this opportunity to point out why exactly this issue persists. One of our competitors attempts to dip their feet in both ponds, and as such, does neither well. Their reputation as a “knowledge leader” has died tremendously as, once put under a microscope, it is obvious that they have no idea how tournaments, consumerism, and creating repeat business come to fruition. Knowledge leaders gain a reputation of trust and elitism, something that must be maintained to keep “reliability” up. Knowing how tournaments work from the inside, giving fair and valuable propositions for competitions, engaging with foot traffic, and becoming a news source for gaming will keep consumers talking, and will allow us to reap the benefits of such. This bleeds into the most important strategy we have chosen in reference to marketing. **Community development** for a business like this is essential. Where competitors currently have some repeat customers, we know this is not a community. One of our competitors has created a bit of a community, but due to mismanagement, we see discouraged or disheartened consumers. Therefore, we have created a social media content schedule with guidelines on what to post. Doing this along with digital advertising will drive consumers towards our Discord server - a huge tenant of community-based endeavors - where we have already begun interacting with “consumers.” Be it the President, VP of Marketing, VP of Communications, Finance guy - you name it, we are in with our consumers interacting daily where they can interface with us directly. We plan to support this endeavor by hosting events like tournaments or “game nights” where you can come and share a community experience. We know most

often this demographic because our main consumers crave interaction and experience, and we intend to give them just that.

V. Brand Development and Identity/Communicating the Message

Branding, with anything, begins with an idea. The hallmark of any brand is its logo - and as such, the logo needs to reflect the identity of the company and convey a message. With the modernistic trend of minimalism and a return to nostalgia-driven marketing, our logo drafted by our graphic designer works quite well.



Figure 3 - Logo

This logo is simplistic, clean, and efficient. It is easily recognizable and unmistakable for anything other than a palm frond. Once our brand is out in the public eye and we are getting traffic, this logo is great for recognition and will work wonderfully for merchandising (note: the above image is a .png file, so the logo will take on the colors of whatever to which we attach). This is a great starting point and opens several avenues for “voice.”

VI. Voice

A voice is just as important as anything else on the spectrum. Truthfully, no tenant is more important than another as all aspects of the brand identity make up a full picture, like puzzle pieces. Voice, however, is what we present on the outside of our business and needs to reflect our values through social media and interaction. As such, we have chosen a hybrid-voice of Clean and Pristine and Friendly Neighborhood Business.



Utilizing the Clean and Pristine voice when informing consumers about game-related news or operational functions like “game nights” will help consumers get clear and concise messages about start time, cost, and things of this nature. Friendly Neighborhood Business drives engagement and will be our default voice most of the time. The blending of both is necessary for a full and complete image of what we would like to project from Gaming Oasis.

VII. Marketing Channel Recommendations

Our VP of Marketing (referred to from this point as VPM), after analysis, recommends two main types of the marketing spectrum. These are Direct-to-Consumer and Relationship Marketing. The channels that these encompass are:

- Digital Advertising
- Radio
- TV
- Word of Mouth

A. Digital Advertising

Our main Avenue for marketing will be digital advertising. Digital advertising will encompass all of our social media platforms as well as marketing through websites and other online platforms. There are many different types of social media platforms that we plan to take advantage of such as Twitch, YouTube, Reddit, and Twitter. Twitch is a very useful platform for reaching our audience because it is a streaming platform for video game users. You can find almost every type of game on this platform and strategically use it to gain a large following and loyal fan base through the consistent creation of content. YouTube is another platform

that can be used for streaming, but it is largely used for posting videos. Through YouTube, we have a platform where our audience can continuously view our content. YouTube also is a great platform for earning income by running advertisements on videos that will earn revenue for each view. Reddit is a favorite of ours when it comes to digital marketing because it is a hotspot for people who love to game. Reddit is a forum where all types of conversations occur, and it is a great place to find people within your target market. Lastly, we find Twitter to be a very reliable source of marketing. With the way that sports are structured, there is a need for a high volume of posts to keep our audience updated. Twitter is perfect for updating fans on the outcome of matches within tournaments without overwhelming our fans and creating fatigue.

VIII. Focused Strategy

The VPM created a User Persona Archetype using Xtensio and drafted an entire profile of a common consumer.

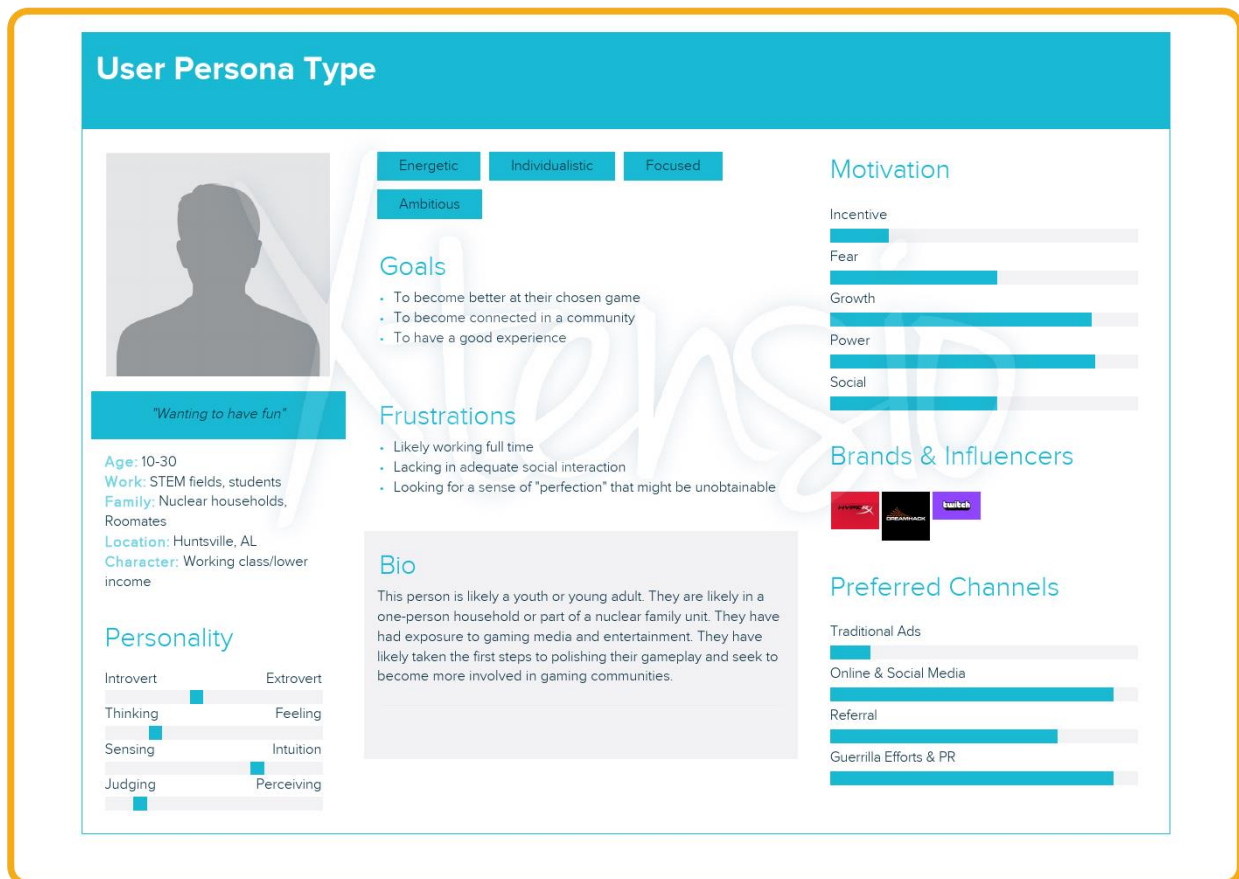


Figure 5 – Strategy Profile

Without reframing the information line by line, referring to the image above, we get a general idea of what a “Consumer Zero” looks like. At this point,

it makes sense to develop Consumer One through Consumer Five, an exercise that helps us answer the questions “when and what.”

- Consumer One - “Jack” 24yo, Sales Rep, Newlywed
- Consumer Two - “Eliza” 17yo, Retail Clerk, Partner
- Consumer Three - “Tom” 36yo, Account Manager, “Married to the Green”
- Consumer Four - “Hilary” 11yo, Full Time Student, Part of a Nuclear Family
- Consumer Five - “David” 19yo, Unemployed and not a student, Single

After an analysis and breakdown of each consumer and lifestyle, we get a few takeaways. For One, we have word of mouth, digital advertising, and direct marketing is effective as One likely has Spotify, Hulu, and Netflix with no commercials, rendering TV spots and radio ads useless. Combining this with the fact that One holds opinions of their adjacent high, word of mouth and social media are paramount to reaching this individual, as is direct marketing and the formation of relationships. For Two, word of mouth likely gets her in the door, but we must answer the question of “How do we get the words in her peers’ mouths?” This question is answered quite simply, as we position VR as an empowerment tool and a new experience. This age range is likely still in high school and is looking for new and unique opportunities - allowing them to try VR and be immersed in an industrial building is paramount to creating consumers. Once again, we have word of mouth being extremely important as well as a focus on digital advertising. Three can afford a PC and VR rig and are likely wealthier individuals. For Threes, we ideally market this as a conquest. Tournaments in and productions will attract highly ambitious individuals that otherwise might not be interested in our offerings as a production and Esports company. Appealing to a sense of childhood wonder may work well with Threes. Digital advertising for Three as well as positioning as a “conquest” will be extremely important. Fours are consumer-lites. This means we would be targeting the parents more than the individual. This age group desires acceptance from peers - it makes sense to market birthday parties as “the coolest birthday party ever!” This may turn our venue into a default place for parents to bring their kids when they wish to go for drinks with family and friends. Digital advertising will have to reach the parents. Five is an individual with low MAD (Motivation, Action, Desire). These are those that are home and in their own small friend groups - digital advertising is a must for reaching this demographic that is likely already heavily ingrained with technology. We market events as community building and establish a second place “to call home” for these individuals and we have created repeat, loyal consumers. They want to be part of a social group, and Gaming Oasis is able to provide.

To summarize, there are no shortages of avenues on which to advertise and market. It is paramount we use the right channel for the right people. Digital Advertising is where we can cast our widest net, and word of mouth is where we can focus on building our reputation as community and knowledge leaders. If we delight the consumers, the power of reference will drive folks in through our doors.

IX. Execution/Getting Out There

VPM and our Director of Communications (henceforth referred to as DC) drafted a content calendar with refined strategies and details on what and when to post after researching competitor ad traffic and post engagements. The question stands: How do we get out there? Our answers, for now, are simple. We are hosting tournaments, we are establishing our reputation, and we have begun digital advertising. The bottom line is that engagement is what will drive our business to succeed where others have not. This concept is what we have used to come up with actionable strategic goals for the marketing department.

6. Operations

I. Day to Day Operations

Gaming Oasis, when not running high-profile events, will run on an interval time-pay format offering Esports to the masses. Consumers will pay for a certain amount of time on either the VR Headsets or Esports Arena computers. We plan on offering bundles and monthly memberships to our consumers to maximize value propositions. This allows us to give the consumer a complete experience in our arcade section and create return consumers and bolster loyalty.

II. Tournament Operations

Gaming Oasis will primarily use our Esports Facility as an event site. The facility is designed specifically around the requirements for the Southeastern Esports League to create an incomparable experience for our league's Esports Athletes. Featuring state-of-the-art production equipment, elite gaming stations, and room for spectators, we are able to offer the best space possible to host our curated leagues for teams from all over. The facility financially could operate as an event facility on a larger scale once every 3-6 months featuring high-profile tournaments and remain unopened for the remainder of the year due to the sourcing of sponsors and event registration costs of Esports bringing in a revenue multitude higher than the expenses present. However, we want to bring Esports to the masses and give the opportunity for a unique experience to those

who aren't Esports Athletes yet and are more of the traditional gamer as found in our day-to-day operations section hopefully turning them into one of our athletes later down the line.

III. Efficiency Model

Our efficiency model for the maximum profit per usage is amazingly simple. Utilizing the extremely basic formula of net income equals sales subtracting total expenses, our business model can operate surprisingly cheaply. Our expenses are the base formula, due to not having inventory costs, of (cost of electricity per VR/PC usage session) + (costs of internet bandwidth usage per session.) Due to this formula, our efficiency model is based solely on operating costs. Our profit margin grows in an exponential fashion when placed as a function of time sold- if we utilize a price point that is sensible/hour in the arcade, we will be approaching efficiency. When hosting events with a set cost model and sourcing enough participants and teams to cover those costs, we can use the remainder of the revenue to meet our necessary profit margins.

7. Financial Projections

I. Startup Costs and Expenses

Our Startup Costs include quite a few high-profile purchases whether that be our Virtual Reality Equipment or our Esports and VR Ready Gaming Computers. Our current estimates come out to be around \$75,000 to \$100,000 for our total upfront costs, providing us enough room to be comfortable when purchasing our equipment upfront. The list is ever-changing every day because we are adding new expenses to make Gaming Oasis the best it can be, giving our clients the best experience possible. Once we get past the original startup expenses, we can once again look back at our profit margins and consider a few of the recurring expenses such as our GG Leap and Springboard. Both systems function relatively the same as managing game licenses and the arcade for Esports/PC Gaming and VR, respectively. Another recurring expense would be our utilities, electricity will be a large expense with 20 or so 750-Watt gaming computers and a larger tier HVAC unit to account for human heat exertion as well as the computer's heat exertion. Our higher-end PCs will feature water cooling and more powerful fans to run cooler and more efficiently as well to help with these expenses. Another utility to consider would be the internet we would need to run our arcade. Realistically we do not need the fastest WIFI as a lot of our events will be as local tournaments, but we need faster speeds to help download games, keep them updated, and accommodate for the possibility of a fully online

tournament taking place from inside the arcade. A huge perk to our business model ends up being that all these monthly expenses do not add up to a huge percentage of our revenue with hourly employees only taking up a little bit more leaving a considerable amount of revenue that can be reinvested to help further the Gaming Oasis Experience.

A. Facility Expenses

Similar to many other sports stadiums, one of the most expensive elements of the entire project would be the stadium itself. In our case that is no different with our state-of-the-art Esports Facility being priced out at around \$3.5 million. This money will be used to acquire a property in the Huntsville area and then transform it into an Esports venue. We will not be building a new building, but we expect it to be expensive to build the proper facilities and install the necessary equipment. This on its own is quite a feat to accomplish. Luckily for us and similarly to the traditional world of sports, sponsors are the primary method of funding for this facility. For our facility specifically, we are lucky enough to have a lot of Esports Industry Talent interested in the facility already and have a few sponsors lined up to work alongside Gaming Oasis with the funding and creation of the facility.

II. Return on Investment

Return on Investment Calculated using a Percentage of the Average Monthly Users			
Month	Percent of Expected per Month	Monthly ROI	
October	90.00%	\$53,379	
November	95.00%	\$56,345	
December	120.00%	\$71,172	
January	90.00%	\$53,379	
February	90.00%	\$53,379	
March	90.00%	\$53,379	
April	100.00%	\$59,310	
May	110.00%	\$65,241	
June	120.00%	\$71,172	
July	120.00%	\$71,172	
August	90.00%	\$53,379	
September	85.00%	\$50,414	
<p>Estimates based on community factors such as school calendars, holidays, summer vacations, and various others. Although, with events and general use we should stay at the 100% average year round regardless.</p>			

3 Month ROI (October - December)	
\$	177,930.00
6 Month ROI (October - March)	
\$	355,860.00
1 Year ROI (October - September)	
\$	711,720.00
3 Year ROI	
\$	2,135,160.00

Figure 6 – ROI Sheet

Our Return on Investment is calculated similarly to a lot of the service industry giving a percentage value for how much of our customer base on average would be in the arcade during a given month. This is calculated based on local events, school calendars, common vacation time, holidays, etc. The numbers are then compiled and an ROI for 3-month, 6-month, 1 year, and 3 years is given. These numbers provide an expected ROI for those time periods. As you can tell, without even accounting for scaling profits as we grow, the ROI is quite pleasant to look at from the beginning while still giving us plenty of room to grow and expand in the future.

III. Profit Estimates

Our Profit estimates are calculated in a few ways, Subsection A is our “Expected Revenue” allowing for you to get a good average of what revenue you should expect from the arcade. Subsection B gives you an outlook of what we can eventually achieve as we grow over time. This is the maximum amount we can earn with our current setup if all-time slots were reserved. No Revenue Expectations can be considered for any events we host as we cannot be sure of the data associated with them.

A. Expected Revenue

Time Slot		Expected Daily Intake Based on Community Gathered Stats					
Start	End	Number of Esports	Esports Cost p/Hr	Esports Made p/Hr	Number of VR	VR Cost p/ hf hr	VR Made p/hr
12:00 PM	12:30 PM				2	\$15	\$30
12:30 PM	1:00 PM	4	\$10	\$40	3	\$15	\$45
1:00 PM	1:30 PM				3	\$15	\$45
1:30 PM	2:00 PM	5	\$10	\$50	3	\$15	\$45
2:00 PM	2:30 PM				3	\$15	\$45
2:30 PM	3:00 PM	5	\$10	\$50	3	\$15	\$45
3:00 PM	3:30 PM				5	\$15	\$75
3:30 PM	4:00 PM	6	\$12	\$72	5	\$15	\$75
4:00 PM	4:30 PM				5	\$15	\$75
4:30 PM	5:00 PM	7	\$12	\$84	5	\$15	\$75
5:00 PM	5:30 PM				6	\$18	\$108
5:30 PM	6:00 PM	8	\$15	\$120	6	\$18	\$108
6:00 PM	6:30 PM				6	\$18	\$108
6:30 PM	7:00 PM	10	\$15	\$150	6	\$18	\$108
7:00 PM	7:30 PM				6	\$18	\$108
7:30 PM	8:00 PM	11	\$15	\$165	6	\$18	\$108
8:00 PM	8:30 PM				6	\$18	\$108
8:30 PM	9:00 PM	11	\$15	\$165	5	\$18	\$90
9:00 PM	9:30 PM				4	\$15	\$60
9:30 PM	10:00 PM	6	\$10	\$60	4	\$15	\$60
		Daily Revenue (Averaged)					
		\$ 2,477.00					
		Monthly Expected Revenue (Based on 30 Day Month)					
		\$ 74,310.00					
		Monthly Expected Expenses (Estimated)					
		\$ 15,000.00					
		Monthly Expected Profit					
		\$ 59,310.00					

Figure 7 – Expected Revenue Sheet

Based on what we have gathered from the community we are able to get an accurate grasp of what our time populations might be on an average day, of course, this could be higher or lower, but this represents the average. Based on this average we can grasp an accurate profit

margin for the month at \$59,310 giving us a healthy margin of profit based on our expected expenses.

B. Maximum Revenue

Time Slot		Maximum Required Daily Intake Based on Expected Expenses (Max Profit)					
Start	End	Number of Esports	Esports Cost p/Hr	Esports Made p/Hr	Number of VR	VR Cost p/ hf hr	VR Made p/hr
12:00 PM	12:30 PM	12	\$10	\$120	6	\$15	\$90
12:30 PM	1:00 PM				6	\$15	\$90
1:00 PM	1:30 PM	12	\$10	\$120	6	\$15	\$90
1:30 PM	2:00 PM				6	\$15	\$90
2:00 PM	2:30 PM	12	\$10	\$120	6	\$15	\$90
2:30 PM	3:00 PM				6	\$15	\$90
3:00 PM	3:30 PM	12	\$12	\$144	6	\$15	\$90
3:30 PM	4:00 PM				6	\$15	\$90
4:00 PM	4:30 PM	12	\$12	\$144	6	\$15	\$90
4:30 PM	5:00 PM				6	\$15	\$90
5:00 PM	5:30 PM	12	\$15	\$180	6	\$18	\$108
5:30 PM	6:00 PM				6	\$18	\$108
6:00 PM	6:30 PM	12	\$15	\$180	6	\$18	\$108
6:30 PM	7:00 PM				6	\$18	\$108
7:00 PM	7:30 PM	12	\$15	\$180	6	\$18	\$108
7:30 PM	8:00 PM				6	\$18	\$108
8:00 PM	8:30 PM	12	\$15	\$180	6	\$18	\$108
8:30 PM	9:00 PM				6	\$18	\$108
9:00 PM	9:30 PM	12	\$10	\$120	6	\$15	\$90
9:30 PM	10:00 PM				6	\$15	\$90
		Daily Revenue (Averaged)					
		\$ 3,432.00					
		Monthly Expected Revenue (Based on 30 Day Month)					
		\$ 102,960.00					
		Monthly Expected Expenses (Estimated)					
		\$ 15,000.00					
		Monthly Expected Profit					
		\$ 87,960.00					

Figure 8 – Maximum Revenue Sheet

When populating every time slot with the maximum number of people we can find the maximum expected profit for any given day. This can grow with our space but based on our current setup we are able to earn \$87,960 maximum profit per month. This is also based on the same expected expenses.

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