



The Loot Box

Gaming & Education Center

Business Plan



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1. Company Overview

- **Ownership:** Ashley Davis-Pygum, Mardreiko Pygum, Derek Davis, Daedra Pygum
- **Company Identity:** The Loot Box, LLC (EIN: 99-2574266) Established April 2024
- **Opportunity:** In Memphis and surrounding cities, crime rates are increasing and youth involvement in those crimes is growing as well. We want to develop a place for all generations where the love of gaming can redirect their focus and give them better futures. Taking people off of the streets and surrounding them with one of today's greatest pastimes. This will provide interested people with options from relaxing gameplay, learning how to code and design games, and even networking with their peers to grow the gaming industry in the Eastern region of the country.
- **Mission:** To enrich our community through gaming, fostering collaboration, creativity, and inclusivity. Our gaming center will serve as a hub where individuals come together to cultivate friendships, develop valuable skills, and embrace diversity. Through innovative programs, events, and partnerships, we aim to inspire positive change, bring a new, fastgrowing industry to our city, and build a stronger and more connected community.
- **Solution:** By capturing the attention of gamers and developers, we can give people a new safe place to go and do something they love. This center won't offer just gameplay, it will teach coding languages, sharpen art skills, bring jobs to the city, and reduce crime by giving people a new reality of generate income and reach their goals outside of the workplace standards that doesn't appeal to them.
- **Company history:** In our household, we are a family of gamers and tech lovers. I have a bachelor's degree in web design and development. I work with code and art in my daily routine, and to relax I play games with my family. My husband and my son are talented and passionate video game players, and my daughter is not far behind with her love of Roblox. In our home, it's a bonding tool. We laugh, we compete, and team up, and we make memories. We also know that's a great career path when wanting to do what you love for a living. My and my web design and has helped me to realize that it's possible to turn your beloved hobbies into income, and absolutely love what you do for work every day. We want to pass that knowledge on to generations to come.
- **Market focus:** The targeted customers include all races and genders. The age groups we expect to be interested in gaming, learning code, and game design will be from 5-40 years of age. We also expect to capture interest in employment from the ages of 16-40 years of age.

- **Competitive advantage:** The top competitors in the community are arcades, (i.e. Dave & Buster's, Main Event, VR Locations). This center offers more than just playing games and winning prizes. The advantage is that there will be a set recurring price (similar to a rec center for membership). The pricing packages include different opportunities you can engage in at the center. Offering courses and coding classes to anyone with that membership will appeal to those interested in joining the field, maybe having issues with going to college or affording the education. There will be educational stipulations put on who wants to learn and join the course. An additional advantage is that we will aid in those people getting employment with gaming companies or developers with the certifications that they obtain from the center.
- **Markets and services:** The markets are children, teenagers, young adults, and older adults who will be interested in participating in gaming, learning, and employment. The services will include playing video games, playing exclusive games, utilizing streaming equipment and space for podcasts and streaming, competing in challenges for prizes or merchandise, and educational coding and art classes to build careers in gaming.
- **Operational structure:** The operational structure will be mechanistic and is expected to include:
 - 2 founders who will also act as chief executive officers
 - Finance manager, general manager of actual location, marketing manager, and human resources manager report directly to CEO's
 - 8 instructors for courses (9 courses but instructors should be able to teach at least two courses)
 - 4 customer service agents (2 working remote on email, 2 working on site with phones and live customers)
 - 4 sherpas (facility assistants to guide and assist members with navigating facility, and answering questions)
 - 2 housekeepers
- **Financial goals:**
 - Generate revenue that can be used to rebuild communities
 - Provide resources to underprivileged youth and adults
 - Build up multiple centers alike across the country.

2. Business Description

The major problems that we are looking to resolve with the facility are:

1. Creating a facility for citizens, especially youth to go to stay off the streets, and find healthy and positive ways to interact with others and put their gaming skills to use.
2. Create jobs in an industry that is primarily dominant in the western parts of the USA. We want to bring that industry to the east and allow people to have an opportunity at a career they'd enjoy.

Video games has become one of America's greatest pastimes. From console games to mobiles games, and even pc gaming. Countless hours are spent on video games and often there is no reward or anything lucrative that comes as a result. This facility will allow those passionate gamers to turn that into an opportunity for networking, learning a new skill, and gaining employment in the field they would love to wake up and work in.

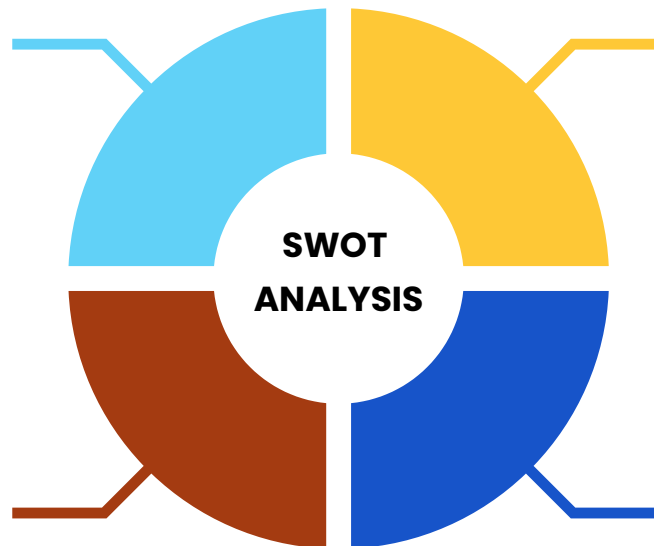
The greatest benefit of this facility will be the development and design course that will be offered at the highest membership, but considerably lower than the cost of a college tuition for the same information. A college tuition for a gaming degree is typically a 2-4-year degree which a cost ranging from \$20,000 to \$40,000. The course they will be taking at The Loot Box will be offered by accredited programs and professional with degrees in the field which will take 6 months to obtain a certification.

3. Market Analysis

- **Industry type:** The intended business is a gaming facility, and there isn't a big market for this type of business yet. It falls under the gaming industry umbrella which generated an estimated \$347 billion. But we will have a smaller market for gaming, but we'll attract the learning youth market as well.
- **Market segmentation:** The gaming segment is continuously growing. The interest in not only gaming but in having a career around gaming. The segments that a lot of our research will be based on are age groups; children ages 5-9, ages 10-14, ages 15-18. Older ages will be grouped from 19-27 and 28+. We will also evaluate the location of where the members live, how far most people are willing to travel, the ethnicity to determine who this appeals to the most.

STRENGTHS:

- Creating somewhere for youth to interact positively in the community
- Teaching gaming development skills at a low cost
- Developing or enhancing social skills among members
- Providing employment to citizens



WEAKNESSES:

- Price of Membership may be too high
- Not enough interest from public
- May be offering too much for one facility
- Location of facility in the city

OPPORTUNITIES:

- Older generations gain more interest in gaming
- Multiple facilities in various locations of the city
- Create new employment opportunities in the city
- Open gaming development business for people to work at with their certifications

THREATS:

- Facility Break-Ins
- Fights over games

4. Operating Plan

Results and sales will be tracked with a common tool called Salesforce which can be tailored to our company's needs. Customer service agents can also use it for tickets or taking notes on calls and other customer interactions. We will also use the management tool Asana to manage projects, workflows, employee onboarding, and other company needs.

We will carefully monitor growth by taking note of which membership have the most and least registrations, when those registrations typically take place, noting the demographics of certain memberships, noting monthly, quarterly, and annual profits or losses, and determining the causes to build strategy to attract new members and interest.

There will be surveys conducted, where the customer can fill them out online, or have slips in the facility they can fill out and leave in a drop box to get member feedback about the technology, teachers, gaming experience, available games merchandise, other staff members, etc. The surveys will be a key tool in retaining members and attracting new membership by giving us a firsthand look at exactly what they want from the facility.

Gaming Experience:

- **Memberships (titles coming from popular tiers of levels within video games):** Common includes Gaming XP, Access to streaming tools and services, podcast room. Rare includes Common benefits, as well as access to the Ruby Room. Legendary includes Rare benefits as well as Dev Courses. Exotic includes Legendary benefits as well as exclusive gaming offers and discounts on merchandise and tournaments. Taught by instructors that have knowledge in the field. Membership plans for families up to 10 people, 2 adults, and 8 children.
- **Gaming XP (Lobby):** Members can come into the facility from 8am – 7pm and play games available at the gaming stations in the main lobby area. This is more a social setting where players can interact with each other, sharing tips and pointers, play single or multiplayer games, or just watch and have fun.
- **Ruby Room:** Available in highest two membership options (Legendary and Exotic) which player get exclusive access to tournaments and special games where they get the chance to win prizes, including merchandise, games, discount on certain items, and tokens to go towards the Vault.
- **Streaming Service/Podcast Room:** Members will have access to one of 3 rooms that will be equipped with camera for security, a bolted down desktop computer, microphone, computer camera for streaming, sound-proof technology, and other gaming tools needed for streaming.
- **Vault:** A section in the merchandise area where members can use tokens, they receive from winning tournaments, aching a quiz, helping a fellow gamer, etc. to redeem prizes from the vault with their tokens. There will be 3 different vaults that will take a different number of tokens, in which the prizes available will vary based on the vault level.

Education & Game Development:

- **Courses:** There will be 9 courses offered. Four coding courses -- C++, C#, Javascript, HTML5. Five design/art courses -- Motion Capture, Character Animation, Level Assembly, Game Animation, and Game Production. The coding classes will be offered on Monday, Wednesday, and Friday, while the design courses are offered on Tuesday, Thursday, and Friday. Classes on any and all days will be held for 1 hour. The course times will be 10am, 12pm, 2pm, 4pm. This will give people a chance to come at a time that is more convenient for their schedules. Instructors should be trained in at least 2 of the sources. There will be 5 classrooms total. At any given time, there will only be 5 classes going on at the same time. No class will exceed 15 learners. We will make sure all staff refer to the people taking the course as learners and not students because the ages will most likely vary.

Customer Service:

Two customer agents will work at the facility at a desk or kiosk taking calls and assisting members with membership questions, payments, completing paperwork, etc. Two customer services agents will work remotely responding to email communications from potential and existing members to help with any questions or concerns.

Order Fulfillment:

Orders will be fulfilled in person at the location only during the startup phase (6 months to a year). Merchandise can be purchased in person or online, but only picked up at the facility. No shipping of items will happen until the business's growth shows that we can take those steps.

Payment:

Payments can be made in the form of credit or debit cards, check, ACH transfer, and cash. Memberships payment options will be yearly or monthly. Monthly payments cannot be paid in increments.

Key employees and organization:

For all employees it will be mandatory to have excellent written and verbal communication skills, a clean hygiene, enjoying helping others, understanding of empathy, willing to undergo drug tests and background checks. Anyone with theft or violent charges will not be hired. Those with visible or invisible disabilities are welcome to apply and will have the same opportunity for employment as everyone else. The age for employment starts at 16 years old, with proof provided during the interview process. Management positions will be hired first. CEO's and general manager will collectively interview and hire instructors, customer service agents, sherpas, and housekeepers.

- 2 founders who will also act as co-presidents by having the final decision on all marketing tactics, purchases, employee hires, facility furniture needs, etc.
- 1 Chief Advisor who will contribute to decisions, make suggestions, and manage facility
- Finance manager with at least 10 years of proven experience as a finance manager.
- General manager of actual location with at least 5-7 years of proven experience in a managerial position of a location that entertains 100+ people daily. Understanding of customer service, management, marketing, technology, and gaming.
- Marketing manager with a thorough knowledge of marketing strategies, at least 5-7 years in a marketing overseeing role, and also knowledgeable about the gaming industry
- Human resources manager with at least 10 years of experience managing employee interactions, employee behaviors and patterns, ability to evaluate situations and make solid judgement calls.

- 4 instructors for courses that will have to be well versed in at least one of the other courses being taught in the facility so that they can fill in when necessary or take on more courses if ever needed.
- 1 customer service agents with some type of experience in customer in some way, training will be provided for all customer service roles.
- 4 sherpas (facility assistants to guide and assist members with navigating facility, and answering questions) who have also need customer service experience, a thorough knowledge of tons of video games, genres, developers, consoles, etc. They will be assisting members with multiple things. Some training will be provided for these roles as well.
- 1 housekeepers with no experience needed but will be inspected closely for the first 3 months to ensure they are in fact cleaning the facility effectively.

Facilities:

The facility would need to have multiple rooms. The rooms needed are 5 classrooms, one giant open lobby for main gaming attractions, merchandise room to redeem rewards or purchase branded items, 3 smaller rooms for streaming and podcast creators, 3 offices for CEO's and manager, café room where members can dine and relax, storage space, and separate closet or storage for housekeeping and maintenance supplies.

5. Marketing & Sales Plan

Key messages: Gaming Education for a Better Community – possible tagline

- Take your gaming experience to the next level.
- Learn the gaming design and development industry in a quarter of the time and a fraction of the price of attending a university.

Marketing activities:

The following marketing options would provide the company with the best chance of brand recognition, qualified leads, and purchased memberships.

- Digital (website, social media, website surveys, SEO, email marketing, blogging)
- Media (newspaper, magazine, television, radio, podcasts)
- Direct mail
- Joint advertising with other companies
- Word of Mouth
- Print (flyers, posters)

Sales strategy: The sales strategy will consist of various marketing techniques. We aren't selling a service or a product, so the strategy strays from standard sales processes. Sales approaches will include making the membership available to purchase online, over the phone, and live at the facility. For startups, prospective members can get a 25% discount for the first 3 months of their membership. Incentives could fluctuate based on membership prices, and potential interest. Promotions will be marketed on social media platforms, the company's website, and social media ads. Two additional possible marketing tools may be radio ads, and billboards.

6. Technology Plan

Education:

- 11 per classroom (5 classrooms) = 55 classroom computer
- 2 customer service computers (cx assistance, placing merch orders, cx purchases and registration)
- 2 Ink Jet printer connected to all computers through internet

Televisions:

- 3 for Leisure viewing (gaming YouTube Channels, sports, and other streaming)
- 3 for gaming purposes
- 1 for watching security cameras

3 Square Registers

- For accepting payments

LED Lamps & Lights – All rooms

8 Vending Machines = 4 with snacks, 4 with beverages

Gameplay/Streaming Experience

- 10 computers for PC gaming experience (members playing video games) with monitors, speakers, mouse, and keyboard
- 10 Xbox Consoles with monitors
- 10 PlayStation Consoles with monitors
- Speakers, monitor, mouse, and keyboard
- 3 computer for the podcast rooms

Podcast Rooms Additional

- Microphone
- Webcam

Internet

- Xfinity Routers (4-5)
- Xfi Pods for greater internet reach
- Multiple accounts for more stable connections
- Ethernet chords

Security (Xfinity)

- Cameras = 1 in each classroom, 2 in podcast room, 1 in merch room, multiple in open gaming space, multiple outside facility

7. Financial Plan

Principal

- Startup - \$73,545 - \$83,545
- Monthly Operating Expenses - \$84,520 - \$92,520
- Annual Operating Expenses - \$1,014,250 - \$1,110,240
- Inaugural Year Projections - \$1,174,000
- Expected Profit - \$63,760 - \$159,750
- Potential Loss - \$150,000

(STARTUP) Technology & Tech Maintenance - \$51,545

- 10 TV's - \$5,000
- Computers - \$10,000
 - 10 Windows Gaming PCs
- Gaming Consoles - \$12,550
 - 10 Xbox's - \$6,000
 - 10 Playstations - \$4,000
 - 3 Nintendo Switches - \$1,050
 - 3 VR Headset - \$1,500
- 3 Square Register Retail Kits - \$5,700
- Lighting Installation - \$10,000
- Security Equipment - \$5,000
- Curriculum & Tools - \$3,295 (annually)
 - Full Game Design Curriculum by EdVentures
 - 20 Curriculum Topics
 - <https://edventures.com/products/game-design?srltid=AfmBOopaZclsZmrFmn7YFAHD8BEonC1ISLg7nKMnhsLCIs0ZIUh56Fa>

(STARTUP) Furniture & Fixtures - \$22,000 - \$32,000

- Tables, Chairs, Photos - \$10,000 - \$20,000
- 3 Vending Machines - \$12,000

Monthly Operating Expenses - \$84,520 - \$92,520

- Rent/Lease - \$5,000 - \$10,000
- Utilities - \$1,000 - \$3,000
- Staff salaries (14 employees) - \$43,520
 - C-Level Leadership - (2)
 - Admin - (2) - \$9600
 - Teachers (4) - \$16,000
 - Other staff (6) - \$17,920
- Security - \$24,000
 - 3 security officers present at all times, provided by security agencies)
- Insurance - \$200 - \$500
- Maintenance & repairs - \$300 - \$1,000
- Inventory restock (snacks, etc.) - \$500
- Merchandise - \$10,000
 - Apparel - \$1,000
 - Games - \$3,000
 - Gift Cards - \$1,000
 - Toys/Memorabilia - \$3,000

Inaugural Revenue - \$1,174,000

- Inaugural Memberships - \$864,000
- Tournaments (monthly) - \$30,000
- Vending Machines - \$36,000
- Merchandise - \$250,000