

Cover Letter

2021-11-26
42 Wellington st

Dear Moonrise Fund,

We are submitting a business plan for our digital game studio Clown Town Games for the purpose of seeking financial support for our game *Blank Canvas*. Included in this document is information regarding our business, and we are eager to hear back from you. We can be contacted at clowntowngames@gmail.com

Thank you for your consideration,

Tomas Martinez, Grady Tarlin, Franco Lee, Joshua Pacheco

Business Plan

Clown Town Games



Tomas Martinez, Grady Tarlin, Franco Lee, Joshua Pacheco

2021-11-26

	2
Cover Letter	0
Executive Summary	4
OUR VISION	4
Business Model Description	4
Target market:	4
A description of products/services	5
Strong understanding of your market	5
Funding Overview	5
Competitive Advantage	5
Company Description	5
Company Profile	7
OUR VISION	7
Products and Services	7
Comparable titles	8
Future products or services:	8
Industry Analysis	9
Studio Information	9
Competition	9
Customers	9
Marketing Plan	10
Pricing Strategy:	11
Twitter	11
Youtube	11
Tiktok	11
Reddit	12
Discord	12
Instagram	12
Imgur	12
Facebook Groups	12
Newsletter	12
Journalism Exposure	13
Friends and Family	13
Operational Plan	13
Objectives	13
Timeline	14

Management Plan	15
Financial Plan	16
Moonrise Fund and Indie Fund	16
Kickstarter	16
Ontario Creates	16
Projections	17
Income Statement	17
Impact Statement	17
Financial outlook	17
Business Exit Strategy	18

Executive Summary

OUR VISION

“We offer players new worlds that they can fall in love with, get lost in, and remember for years to come.”

Our mission is to encourage players to self-reflect through themes of creativity, cooperation, and empowerment. We strive to create unique and engaging worlds through thoughtful narrative and level design. Our ultimate goal is to create unforgettable experiences, filled with compelling characters, stories, and challenges.

Business Model Description

One of our core values at Clown Town Games is cooperation, which led us to choose a worker co-op business model. This model ensures that workers receive equitable compensation for their time and energy. Each of the founding members are directors in the co-op, which gives every member equal part in the creative process.

We are currently in the process of creating a 2d pixel art platformer with horror elements called *Blank Canvas*. *Blank Canvas* is a game about using creativity to process trauma. The game follows young Jesse as they try to deal with the emotional hardships in their life. Anxiety, depression, and fear itself are represented by the crooked clowns who appear in Jesse’s mirror. Jesse uses painting to feel empowered, take control of their fears, and grow as a person.

Our game is similar to *Celeste*, *Jump King*, *Inside*, *Little Nightmares*, or *Gris* and is targeted toward teenagers and young adults (ages 13-24) in North America who are fans of horror (clown horror and freak shows) and pixel art. *Blank Canvas* is different from these due to its unique mechanics and focus on creativity to overcome trauma; it will be 45-90 minutes in length.

Marketing plan

With a \$75,000 marketing budget and a \$9000 travel budget, our studio is well situated to take advantage of any marketing opportunities. We will also invest in hiring a community manager whose focus will be to manage the communities on our marketing platforms which include Twitter, Youtube, TikTok, Reddit, etc.

Clown Town Games is a startup that is currently fundraising, seeking funding for a budget of 300,000. Clown Town Games will request between \$150,000-200,000 in funding from Moonrise Fund, \$75,000-150,000 from Ontario Creates, and launch a kickstarter campaign as well. In the foreseeable future we are confident that we will be able to sell 30,000 units sold at \$12.00 giving us a total profit of \$360,000 which is \$68,830 excess of our budget. This funding will help our studio produce our first title *Blank Canvas*.

Description of Product

Blank Canvas is a game about using creativity to process trauma. The game follows young Jesse as they try to deal with the emotional hardships in their life. Anxiety, depression, and fear itself are represented by the crooked clowns who appear in Jesse's nightmares. Jesse uses painting to feel empowered, take control of their fears, and grow as a person.

Strong Understanding of the Market

We have compiled a market analysis that looks at competing games and the type of players that would be attracted to our game. We have done research on our targeted audience, what they should expect from us, and our product.

Funding Overview

After a social media presence is established, our studio will seek funding through the following channels: Moonrise & Indie Fund, Kickstarter, and Ontario Creates.

Competitive Advantage

- Education in Game Design
- Years of working together
- Diverse skill sets
- New/unique perspective

Company Description

Clown Town Games is a game development studio that creates indie games and operates on a co-op business model. It is based in Brantford Ontario and currently consists of four people. We hope to bring something new and unique to the table, having players enjoy our game as much as we did creating it.



Company Profile

Clown Town Games is a co-op established in september of 2021. We design and develop games with meaningful interactions and lasting impacts.

OUR VISION

“We offer players new worlds that they can fall in love with, get lost in, and remember for years to come.”

Our mission is to encourage players to self-reflect through themes of creativity, cooperation, and empowerment. We strive to create unique and engaging worlds through thoughtful narrative and level design. Our ultimate goal is to create unforgettable experiences, filled with compelling characters, stories, and challenges.

The Clown Town Games team is made up of four game designers who met in university and went on to found their own co-op studio. With a wide and complementary skill set, our team has all of the ingredients needed to make meaningful games

- Grady Tarlin is a writer, artist, and designer
- Joshua Pacheco is a writer and programmer
- Tomas Martinez is a programmer and level designer
- Franco Lee is an artist and programmer

Products and Services

Blank Canvas is a game about using creativity to process trauma. The game follows young Jesse as they try to deal with the emotional hardships in their life. Anxiety, depression, and fear itself are represented by the crooked clowns who appear in Jesse’s nightmares. Jesse uses painting to feel empowered, take control of their fears, and grow as a person.

Using the information from our steam tags comparison, we have concluded that we should expect to sell at around 30,000 copies of our game at \$12.00 (as a conservative estimate). We are in a similar position to Jump King, which is Nexile's debut game, which leads us to expect comparable success. Our expected units sold is much lower than the average from our researched games because most of the games analyzed are critically acclaimed and very successful. This gave us the confidence 30,000 units sold at \$12.00 would result in \$360,000, which is \$68,830 excess of our budget. We would also plan to sell our game for the first week at a sale price of \$9.60 (20% off). This sale price takes into consideration our intended audience's buying habits.

Pixel art platformers have been popular since the days of Super Mario, and remain a staple of the modern games industry. *Blank Canvas* brings in horror elements which are seldom seen in the pixel art platformer genre, carving out a unique corner of the market. With meaningful mechanics, challenging gameplay, and a positive message in its narrative, *Blank Canvas* will be able to capture and hold onto the attention of modern gamers.



Comparable titles

Title	Release year	Reviews	Units sold	Price per unit	Developers
Celeste	2018	41,626	1,713,375	\$21.99	Extremely Ok Games, Ltd.
Hollow knight	2017	178,309	7,044,435	\$16.99	Team Cherry
Little Nightmares	2017	65,333	2,939,985	\$24.99	Tarsier Studios
Inside	2016	33,537	1,509,165	\$29.99	Playdead
Unbound worlds apart	2021	401	18,045	\$22.79	Alien Pixel Studios
Jump King	2019	5,982	269,190	\$16.99	Nexile
Shovel Knight: Specter of Torment	2017	333	14,985	\$10.99	Yacht Club Games
Dead Cells	2018	85,901	3,865,545	\$29.99	Motion Twin
Cuphead	2017	80,273	3,612,285	\$21.99	Studio MDHR Entertainment Inc.
Skul	2021	25,211	1,134,495	\$22.79	SouthPAW Games
Gris	2018	46,010	2,070,450	\$19.49	Nomada Studio

Future products or services:

We plan to capitalize on the success of *Blank Canvas* with a sequel of the game titled *Blank Canvas 2: Painted Mirrors*. The community and fanbase built from the release of the first game will boost the initial sales of the sequel. The sequel will build upon pre-established mechanics and esthetics from the first game, so production will focus more on gameplay, level design and narrative.

Industry Analysis

Studio Information

Strengths

Education in Game Design
 Years of working together
 Diverse skill sets
 New/unique perspective

Weaknesses

Inexperienced team
 Small team
 Small following
 No previous games

Competition

- Extremely Ok Games, Ltd.
- Team Cherry
- Tarsier Studios
- Playdead
- Alien Pixel Studios
- Nomada Studio
- Nexile
- Yacht Club Games
- Motion Twin
- Studio MDHR Entertainment Inc.
- SouthPAW Games

Customers

Geography	English-speaking territory
Demographics	<ul style="list-style-type: none"> • Young adult players (13-24 years old) • North American • Horror fans (oddities, freak show, creepy-horror) • Pixel art fans
Psychographics	Personality <ul style="list-style-type: none"> • Values <ul style="list-style-type: none"> ↳ Creativity ↳ Curiosity ↳ Courage ↳ Self-expression

	<ul style="list-style-type: none"> • Interests <ul style="list-style-type: none"> ↳ Atmospheric horror ↳ Clown horror ↳ Spooky themes ↳ Art
Behaviours	<p>Social Media</p> <ul style="list-style-type: none"> • Twitter (#spookygames, #clown, #pixelart) • Discord (Pixel art, Pixel Art Community, Canadian Game Devs, Glitch, Work With Indies) • Reddit (r/creepy, r/horrorgames, r/indiegaming) • Instagram (horror.video.games, theofficialclownspace) <p>Video media (shows or platforms)</p> <ul style="list-style-type: none"> • Youtube (IGN, Markiplier, ManlybadassHero) • Twitch (Streams of scary games) • Tiktok (#horror, #horrorgames) • Young adult TV shows with spooky themes (eg. Stranger Things) <p>Gaming Habits</p> <ul style="list-style-type: none"> • T for Teen ESRB rating • Fan of casual games • PC gaming • Not a competitive level gamer <p>Purchasing motivations</p> <ul style="list-style-type: none"> • Good reviews from trusted sources • Interesting gameplay seen from a trailer or “let’s play” • Game on sale

Marketing Plan

Our target audience is 14-24 year old young adults who live in North America. They are still in various levels of education, such as high school and post-secondary. There are about 4,500,000 of our target audience in Canada, and 48,000,000 in the United States.

Some of their behaviour patterns include: scrolling on social media apps, watching media content on streaming sites, purchasing fast food and using delivery services, and the older demographics enjoy social events. Many of this population spend their free time on playing video games, such as our *Blank Canvas*. They also socialize with friends, go out for food, and attend events. Those of our target audience that work, work in the service industry, work part time, and/or work entry level positions.

Our audience is comfortable using most commercially available technologies including smartphones, gaming consoles, computers, laptops, and tablets. Our protagonist is designed to be ethnically ambiguous, allowing players of any ethnic background to identify with them. They earn less than \$20,000 a year, and the younger end of the spectrum relies on the parents for financial support. Our target audience values creativity, self-expression, courage, and curiosity. They believe in free-speech, representation, equity, and justice.

Pricing Strategy:

Steam Tags Comparison

Game Title	Units sold	Price of game
Celeste	1,713,375	\$21.99
Little Nightmares	2,939,985	\$24.99
Jump King	269,190	\$16.99
Gris	2,070,450	\$19.49
Average	1,748,250	\$20.87
Expected	30,000	\$12.00

Using the information from our steam tags comparison, we have concluded that we should expect to sell at around 30,000 copies of our game at \$12.00 (as a conservative estimate). We are in a similar position to Jump King, which is Nexile's debut game, which leads us to expect comparable success. Our expected units sold is much lower than the average from our researched games because most of the games analyzed are critically acclaimed and very successful. This gave us the confidence 30,000 units sold at \$12.00 would result in \$360,000, which is \$68,830 excess of our budget. We would also plan to sell our game for the first week at a sale price of \$9.60 (20% off). This sale price takes into consideration our intended audience's buying habits.

Twitter

Building a following on Twitter is a good way to start a community. Sharing the work process and chatting with people about it gets the community engaged, and we will target hashtags about spooky topics, pixel art, and indie games (#indiedev, #pixelart, #spookygames).

Youtube

Youtube is the optimal platform to share long-form devlogs and an official trailer. When we release a demo, gaming youtubers can give exposure to our game. Once our trailer has dropped,

there will be specific channels that share games who will repost our trailer. Giving copies of our game to YouTubers who play games also can be a source of promotion when they make a video of them playing it. The reception of these videos is a valuable source of feedback for our launch strategy.

Tiktok

Tiktok is where we will release short catchy clips of gameplay and memes about our game. Our target audience is 13-24 year olds, who are more likely to use Tiktok than many other social media platforms. To get the most out of Tiktok's algorithm, we will keep track of trends and adjust our clips to fit in with them. Keeping a gallery of properly formatted video clips on standby will allow us to quickly adapt to new trends and increase our chances of achieving viral success.

Reddit

Reddit is the ideal platform for reaching dedicated communities related to our game. It's important to become a part of the community, not just use reddit as a marketing strategy. Reddit will allow us to reach out directly to potential supporters who would be interested in our game. There are numerous relevant subreddits where we could share content from our game, such as r/pixelart or r/indiegaming. When we have collected enough interest for our game we will create our own subreddit where we can interact with our audience and continue building our community. Starting discussions on threads is a good way of demonstrating our design philosophy and answering any questions our audience might have.

Discord

Discord is a great way to interact with our audience directly once we have established a community from Twitter, Youtube, Tiktok, and Reddit. Discord can be used to keep backers engaged throughout development and solicit feedback about game features.

Instagram

Instagram is a popular place to post pictures and clips promoting the game using hashtags for our targeted audience. Showcasing the game's aesthetic is the best way to use Instagram, posting

pictures of sprites, artwork, and concepts to tease the game. Using the hashtag feature can help us reach out to a more specific group of fans and show off more of our game. Instagram also offers paid promotions, which can help us reach our target audience. We are able to use clips and videos formatted for Tiktok as Instagram reels, which serve a similar purpose.

Imgur

Imgur has a large and active gaming community who are supportive of indies sharing their work. Imgur has a comparable format to Instagram, with posts mostly focused on aesthetics.

Facebook Groups

Similarly to Reddit, facebook allows us to post in groups that would have an interest in the game.

Newsletter

A dedicated newsletter is a good way of releasing updates and important information directly to our committed audience.

Journalism Exposure

Getting attention from the press adds a sense of credibility from well-known sources in the game industry. Once a playable version of our game is ready, review copies will be sent out to various journalism outlets such as IGN and Metacritic.

Friends and Family

As an indie studio, it would benefit us to get as much exposure as we can, even support from family and friends. They would also be a great source of emotional support.

Operational Plan

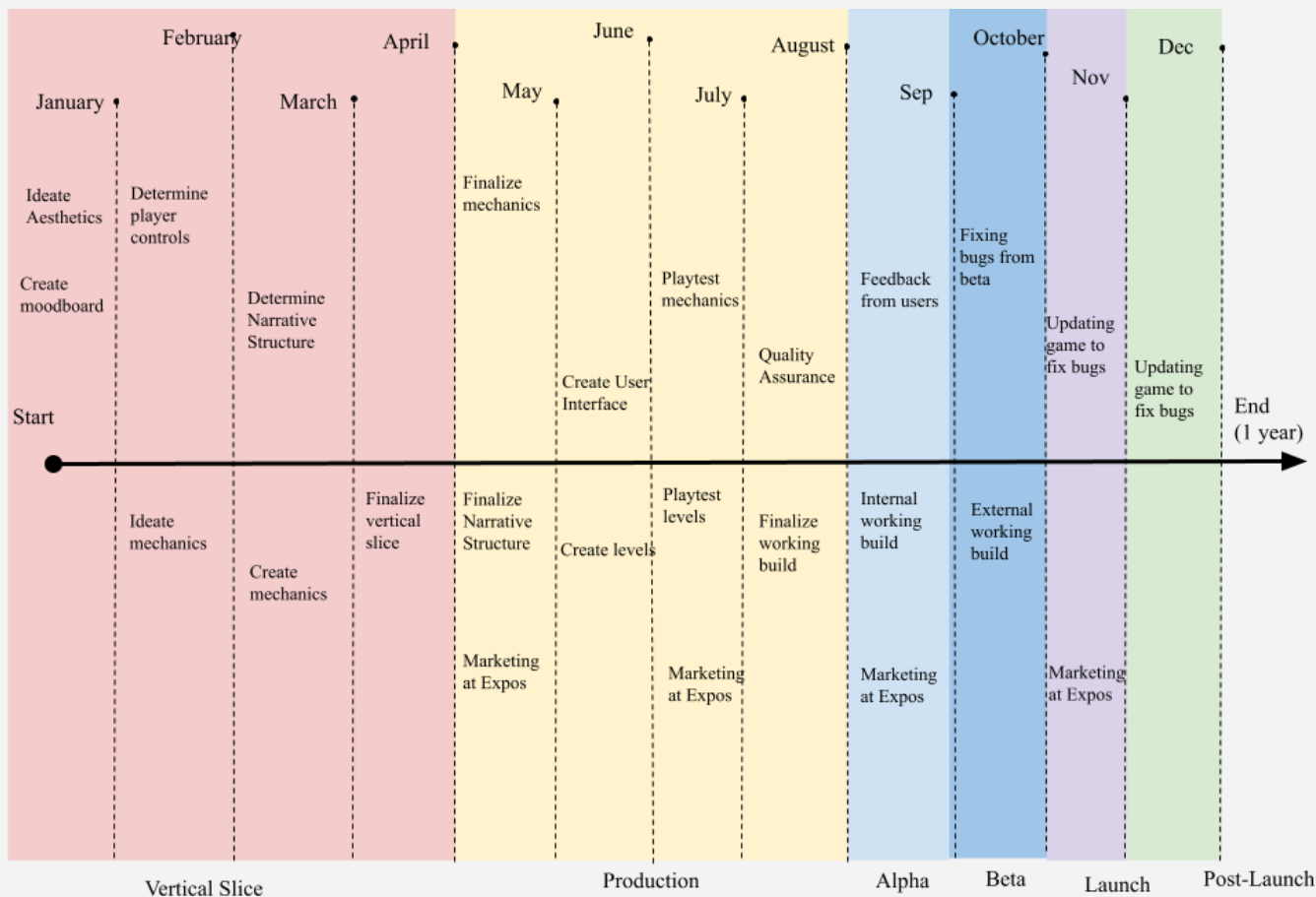
Objectives

Our mission is to encourage players to self-reflect through themes of creativity, cooperation, and empowerment. We strive to create unique and engaging worlds through thoughtful narrative and level design. Our ultimate goal is to create unforgettable experiences, filled with compelling characters, stories, and challenges.

Our company is trained to design meaningful games and think critically about design, be it from an ethics, accessibility, and/or educational perspective. For our game *Blank Canvas* we are targeting a genre (horror clowns and freak shows) that does not have many games within it, but does have a large following.



Timeline



Management Plan

Since one of our core values at Clown Town Games is cooperation, we chose to manage our company with the worker co-op business model. This model ensures that workers receive equitable compensation for their time and energy.

Each of the founding members will become directors in the co-op, meaning they will act as the head of their respective departments. This ensures that the quality of the games we make, meet the standards of the company. Future employees who work in the departments within the company, will have a say in the creative process and direction of our projects through voting. This gives every member an equal part in shaping the fabric of the company.

Our main departments include:

- **Art** (Franco Lee)
- **Programing** (Tomas Martinez)
- **Writing** (Joshua Pacheco)
- **Design** (Grady Tarlin)
- **Sound** (Ricardo Lasso)

With the success of each game produced we will expand our departments to be able to create more ambitious and fulfilling games.



Financial Plan

The amount of money we will need to set up the business and publish our first game is \$291,170. We will fund our company, and our first game, through the following channels: Moonrise Fund, Indie Fund, Kickstarter, and Ontario Creates.

Moonrise Fund and Indie Fund

- These organizations fund studios, not projects, up to a maximum of \$200,000
- We will apply with a demo/proof of concept
- We will aim to secure \$150,000-200,000 from this channel

Kickstarter

- This organization requires self-promotion through the kickstarter website
- We will need to create a number of extra “goodies” specifically for this platform, including a 1:00-1:30 minute trailer, a demo, and promotional gifs.

Ontario Creates

- This organization is an interactive digital media fund
- Has investment programs, including: content creation, business development, international development, industry development, and marketing promotion.
- Depending on the success of our kickstarter, we plan to secure \$75,000-150,000

Based on our production schedule and budget for our game, we expect to need around \$300,000 per game if we were to make games of similar scope. We will spend our funds on business management, accounting, legal, marketing, and travel, as well as paying the salaries of our dedicated game designers, writers, artists, and coders. We will be spending a total of \$291,170 over the course of a year divided into the following timeframes:

- Pre-production: \$27,180
- Production: \$231,190
- Post-Launch: \$32,800

Projections

Income Statement

Our expected income revolved around the use of the Boxleiter formula, a formula that assesses video game titles comparable to our game and considers their gross revenue, VAT, returns, ADJ. Regional Pricing, Discounts, Steam Cut, and Net Revenue. Doing this for multiple comparable titles lets us estimate how successful our own game will be.

We used the boxleiter formula on Celeste, Little Nightmares, Jump King, and Gris to determine the average price and units sold for all those games combined. This average is \$20.87 and 1,748,250 units sold, which is an optimistic projection for our game since some of the games in the comparison were incredibly successful and skewed the average. A modest projection would be 30,000 units sold at \$12 each, resulting in \$360,000 gross revenue. A worst case scenario would be 10,000 units or less at \$10 each, which would result in \$100,000 gross revenue.

Impact Statement

Blank Canvas features a compelling narrative about using art to overcome emotional hardship. The protagonist Jesse serves as an example of someone who is able to reclaim control over their fears by expressing them in a safe and productive way: painting. This story offers a positive outlook to players who may find themselves in a similar circumstance.

Financial outlook

As mentioned previously, it is expected that we will sell 30,000 copies of the game for \$12 accumulating a total profit of \$360,000. Merchandise such as posters and shirts will be an addition to our overall cash flow. Crowdfunding campaigns will also play a big part in our overall financial position as we gain support from new consumers. With your help, we can ensure success and returns on investment.

Business Exit Strategy

In the event that we are no longer able to run the business, we will be selling our company. This will ensure that the company stakeholders receive maximum profit for their investment.

Although this could have a potential negative effect on your employees, we will give an announcement months in advance to ensure enough time for them to find new employment.