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Objective.gg: uniting scholastic Esports

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Objective.gg: Uniting Scholastic Esports

by

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HONORS THESIS

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Honors Program

Objective.gg is a startup online recruitment platform within the scholastic esports scene that seeks to unite esports prospects with collegiate esports programs in an effective manner. Currently, there is a large divide that high school and transfer esports prospects must navigate through, and it is Objective.GG's mission to build a bridge over that gap. Objective.gg seeks to accomplish its mission by operating an online platform that allows prospects and collegiate coaches to create their own profiles and connect with one another, building a community around the platform in the process. This platform will be accessible to both prospects and coaches by offering a free tier with basic features such as a short bio and the ability to list esports relevant experience and accomplishments, but additional features such as a longer bio and direct messaging capability will be offered through a subscription-based model with two additional pricing tiers to choose from. The online platform will also be supported by free online tournaments and paid in-person tournaments for Objective.gg platform users, paving the way for increasing community growth and development alongside the online platform, social media channels, and strategic partnerships with gaming brands and LAN centers across the country. Through Objective.gg's three core values of transparency, connection, and community, Objective.gg defines success not only through a monetary lens, but also by showcasing prospects and programs as people and adding value to the blooming scholastic esports scene.

What is Esports?

Esports, short for electronic sports, is simply defined as playing video games competitively. Esports spans across multiple games, and tournaments or events can take place on a multitude of scales, whether that is an offline fighting game tournament in someone's garage or a League of Legends grand final livestreamed to millions of viewers across the world. Just like how there are numerous different sports, esports as a medium has expanded across all types of video game genres. The most popular genres include first-person shooters (FPS) like Call of Duty and Valorant, Multiplayer Online Battle Arenas (MOBAs) such as League of Legends and Dota, and fighting games such as Mortal Kombat and Super Smash Brothers. Esports is so unique in that it breaks boundaries set by traditional sports (Chapman, 2017, What is Esports section). Esports athletes do not need to be extremely tall or fast to succeed like in traditional sports, instead anyone can succeed, regardless of physique, background, or gender (Chapman, 2017, What is Esports section). Esports also defies the spatial limitations that hinder traditional sports because it "is more fast-paced and scalable because of its reliance on digital platforms" (Chapman, 2017, What is Esports section).

In his article Esports: A Guide to Competitive Video Gaming, Josh Chapman defines esports as "a booming global industry" that "holds promise for a multitude of monetization opportunities" (2017, Introduction section). The idea of esports as an industry has grown significantly over the last ten years, with game developers, esports teams, leagues, and businesses investing significantly into the industry, building what it is today. For example, the Kraft Sports and Entertainment, who own the New England Patriots and New England Revolution, are currently in partnership with Oxygen Esports. Additionally, gaming companies and leagues have begun to "develop similar revenue streams as media companies, including advertising, ticket sales, shares of TV rights and more" (Chapman, 2017, Current Monetization Strategies section). Although esports and being an esports athlete was considered a hobby by many, it has grown to be so much more.

Who are the Stakeholders?

Within the esports industry, the four major groups that drive the industry are publishers, leagues, esports organizations, and streamers (Chapman, 2017, Esports Landscape: Involved Parties section).

Publishers are the companies who create and maintain ownership of the games themselves. Publishers hold the most power among the four groups because "they have rights around where the game is played, who can host video game tournaments, and more" (Chapman, 2017, Publishers section). Major publishers include Valve, Riot Games, and Activision Blizzard, all of which own multiple games played in esports circuits around the world.

Leagues can be defined as the entities that operate esports leagues and tournaments where the games are played. If publishers were management, then leagues are the operations department. Esports leagues and tournaments can be divided into 3 tiers. Tier 1 consists of leagues and tournaments where professionals play, have the most recognition, have the largest prize pools, and possess the most value in the community. Tier 2 is comparable to the Minor Leagues in baseball; it consists of leagues and tournaments where up and coming players and organizations can hone their skills. Tier 2 has less recognition and prize pools, but they also often come with a pathway to Tier 1. Examples of Tier 2 include amateur leagues that are tied to professional championship series and collegiate esports. Tier 3 consists of grassroots operations, offering players the opportunity to play in a competitive setting but with minimal prize pools and recognition. Many publishers choose to hire 3rd parties to handle Tier 1 and Tier 2 operations, while Tier 3 operations are mostly community driven.

Esports organizations are the businesses that field the teams who compete in leagues and tournaments. Esports organizations typically hold the moniker of an "umbrella organization" because they often field teams for multiple different games, whether that be under the organizations name or under the name of a franchised location (Chapman, 2017, Organizations (Orgs) section). Esports organizations pay the salaries of their players, coaches,

and analysts using league and tournament prize pools while also endeavoring into apparel, brand management, licensing, and content creation as alternative revenue streams (Chapman, 2017, Organizations (Orgs) section). Often, the success and sustainability of alternative revenue streams "are determined by the following and successes of the underlying players and teams of that specific organization" (Chapman, 2017, Organizations (Orgs) section).

The final of the four major groups are streamers. Streamers are simply defined as individuals "who livestream themselves as they play video games" (Chapman, 2017, Players section). Streamers serve as leaders within the wider esports community and fandom. While not officially in positions of power, many popular streamers within the esports atmosphere are former professional players who possess expert power relative to others in the community, power that often garners a dedicated following. Because of their following, these streamers are often signed by esports organizations or conduct publisher-sponsored streams to promote new or existing games. Lastly, many professional players stream outside of their matches and practices, which drives more traffic towards the organization they play for.

The Basics of Scholastic Esports

Scholastic esports refers to esports within the educational landscape, most commonly in high schools and colleges. Just like at the professional level, scholastic esports contains schools "forming teams and competing against each other in various esports games and tournaments" (The University of Southern Mississippi, 2023, Collegiate Esports Overview section). Whether these teams are formed as an official varsity team within the school or as a club, there is "a range of perceived benefits for participating students and schools, including increased student engagement" (Reitman, Cho, & Steinkuehler, 2018, p. 12). While high school and college esports teams operate and compete in different leagues, they coexist within the overall scholastic esports scene, meaning athletes may look to continue their esports career as they transition from high school to college, many of whom are approached or actively recruited by multiple colleges out of high school.

Porter's Five Forces

Porter's Five Forces (P5F) serves as an effective model to analyze a respective market. The model divides market activities into five threats, which are then assigned a threat level ranging from low, moderate, and high. The five threats are listed below:

- Threat of Substitutes – What threat do alternative products or solutions pose?
- Threat of New Entrants – What is the barrier to entry into the market?
- Competition – What is the overall level of competition in the market?
- Supplier Power – Do suppliers possess any leverage or power within the market?
- Buyer Power – Do buyers (customers) possess any leverage or power within the market?

Now, using the Porter's Five Forces model, I will analyze the collegiate esports recruitment market, which operates in the gap between high school and collegiate esports.

Threat of Substitutes: Moderate

Existing alternatives to a dedicated collegiate esports recruitment platform include traditional university recruitment, recruitment efforts undertaken by esports programs themselves, or private messaging on social media. University recruitment typically yields low results when looking for esports prospects due to focusing resources on all types of prospective students, while the other two alternatives prove to be more effective in terms of esports but have a significant cost in time and/or funds. Taking all this into consideration, the overall threat of substitutes is moderate.

Threat of New Entrants: Moderate

While establishing a new platform or expanding an existing business may be relatively easy and low cost in the current market (making the barrier to entry low), building meaningful partnerships and relationships with sponsors to develop a sustainable business is much more difficult, making the threat of new entrants moderate.

Competition: High

The collegiate esports recruitment market contains numerous recruitment services and platforms that currently occupy the market. StayPluggedIn serves as a major contender in the market, accompanied by traditional and esports recruitment services where prospects pay specific representatives or agents to market them to colleges. Furthermore, combining a small market such as collegiate esports recruitment with multiple competitors inherently creates a highly competitive environment.

Supplier Power: Low

The suppliers in the collegiate esports recruitment scene are website and online platform providers such as GoDaddy, Wix, or Squarespace. Website and online platform providers do not possess much leverage because their industry is also highly competitive. This grants individuals and businesses the ability to migrate to a competitor if the product offerings or services provided by a company are not sufficient or priced too highly, inherently giving suppliers very little power.

Buyer Power: Moderate

As mentioned previously, it costs time and money to recruit in the collegiate esports atmosphere. While prospects and coaches have the option to choose between platforms and services within the market, the features they are looking for may be absent with certain platforms or services, making buyer power a moderate threat.

Objective.gg

While the collegiate esports recruitment market possesses a high degree of competition, the market is still viable for entry due to the previously mentioned growth in esports as well as the low barrier to entry. This leaves room for a new company, Objective.gg. Objective.gg is a startup online recruitment service specifically designed to connect scholastic esports athletes (high school students and college transfers) with collegiate esports programs across North America. Objective.gg operates as an online recruitment platform, similar to the architecture of competitor StayPluggedIn, as well as a tournament organizer both online and in-person.

Mission, Vision, and Core Values

Objective.gg's mission statement serves as the guide for the entire business while the vision statement outlines how the mission will be fulfilled. The two statements are as follows:

- **Mission Statement:** Our mission is to unite the scholastic esports community in an effective manner.

- **Vision Statement:** Objective.gg will operate an online recruitment platform and organize tournaments that showcase players and programs as people.

The mission and vision statement are accompanied by Objective.gg's 3 core values of **integrity**, **connection**, and **community**. Objective.gg is to hold integrity in all internal and external actions to avoid compromising the customer experience and ensure the mission and vision of the company are upheld. Objective.gg is built to connect the scholastic esports ecosystem, if customers cannot create connections with one another, then Objective.gg is failing to perform its core service. Lastly, Objective.gg is to foster a community passionate for scholastic esports, both within the company and amongst its customers. Failure to uphold the mission statement, vision statement, or 3 core values will indicate a need for strategic readjustment.

The Online Platform

The online platform component of Objective.gg will operate on a subscription-based model and work similarly to LinkedIn, where both professionals and employers have profiles (in this case players and coaches) and can connect via direct messaging and/or following one another. Objective.gg will use Squarespace's enterprise solutions to both build and maintain the online platform. Squarespace is widely renowned within the web design industry and supports thousands of businesses with their enterprise solutions ("Squarespace", n.d.). Upon construction of the platform, users can choose between creating a profile as a player or coach and build their profile accordingly. Much like LinkedIn, the goal is to create a community through user-driven posts and connections, establishing Objective.gg as the leading service for scholastic esports recruitment. Within the platform and for business purposes, players are defined as high school students and college transfer students looking to continue their esports career at the collegiate level, while the term coach encompasses collegiate esports coaches, directors, and scouts.

Because "athletes and their parents start searching for a coach far in advance" it is imperative that players and coaches have options to advertise themselves properly (Klimenko, 2023, Purpose of a Collegiate Esports Recruitment Platform section). Players and coaches will have the option to choose from three separate pricing tiers.

- **Player Base Package (Free)**

  - Name, age, hometown, and school

  - Games played, their in-game name, and ranks

  - Hobbies and interests

  - Esports experience

  - Accomplishments (school and esports)

  - A short bio (250 characters with spaces included)

  - Ability to respond to initial messages (cannot initiate)

- Ability to follow other player and coach profiles

- **Player Plus Package ($4.99 USD per month)**

  - All features from the base package

  - List of accomplishments on profile

  - Players can list what they are looking for in a program (150 characters with spaces included)

  - Longer bio (500 characters with spaces included)

  - Direct messaging capability (ability to initiate direct messages and reach out to other profiles)

  - Ability to create posts

  - Ability to see who viewed your profile

- **Player Premier Package ($120 per year)**

  - All base and plus package features

  - Free in-person tournament entry for a team of 5 at 2 tournaments of choice

- **Coach Base Package (Free)**

  - Name, school, and role within the program (director, coach, assistant coach)

  - Program bio (250 characters with spaces)

  - Games offered

  - Ability to respond to initial messages (cannot initiate)

  - Ability to follow players

- **Coach Plus Package ($35 per month)**

  - All base package features

  - Longer bio (500 characters with spaces)

  - Ability to post program links and social media integration to the page

  - Ability to directly message players

  - Ability to create posts

  - Ability to see who viewed your profile

- **Coach Premium Package ($450 per year)**

  - All base and plus package features

  - Paid feature spot at 2 in-person tournaments throughout the year

The profile pricing tiers make Objective.gg a viable competitor within the scholastic esports recruitment market. Objective.gg offers more flexible pricing options than its competitors, choosing a monthly subscription for its Plus Package rather than a yearly subscription, allowing more accessibility for customers to use the service on a short-term basis if needed. For example, a price of $4.99 per month for the Plus Package for players puts Objective.gg in line with StayPluggedIn's price of $49.99 per year, but if players want to pay on a yearly basis, they also have the option for the Premium Package (Stay Plugged In, 2023). On the coaching side, the premium package is even more valuable, as it is only priced at $30 above what a 12-month subscription to the Plus Package would be. This allows coaches to justify the additional cost relative to paying for tabling features tournament by tournament.

Tournaments

Like its competitors in the market, Objective.gg will operate weekend tournaments in an online and in-person capacity for the player community to participate in. Online tournaments will be conducted on a weekly basis with each week featuring a new series of games. For example, one weekend may feature a Call of Duty and Valorant tournaments while the next week will feature League of Legends and Overwatch. In-person tournaments will be less frequent, taking place on a tri-monthly basis initially and changing to a more frequent schedule if growth and resources allow. In-person tournaments will feature two separate game offerings like the online tournaments.

Online tournament operations will be conducted completely online, allowing for low-cost operations while utilizing existing infrastructure within the selected game to be played. Tournament matchups and brackets will be created using existing 3rd party websites such as Toornament while overall coordination of the tournaments will take place in the Objective.gg discord, where tournament participants can speak to administrators or ask questions regarding rules, format, and any potential prizes. Entry into the online tournaments will be exclusively for players with an Objective.gg account and will be free.

In-person tournaments will serve as one of the key initiatives that distinguishes Objective.gg from competitors such as StayPluggedIn, who only advertise other in-person tournaments rather than running the tournament themselves (Stay Plugged In, 2023). Objective.gg will partner with gaming cafes and esports venues across North America to host the tournaments and provide space for viewers. Locations for in-person tournaments will heavily favor metropolitan areas with large existing customer bases. Not only will the surrounding customer base boost registration numbers, but metropolitan areas typically have much stronger esports infrastructure (gaming cafes and venues) than smaller cities or towns. Like the online tournaments, in-person tournaments will use Toornament and the Objective.gg discord for coordination and overall tournament management. While the costs associated with running in-person tournaments is significantly higher, they allow for customers to connect with one another outside of the platform, bringing players and coaches who may have spoken

through the online platform into direct contact with one another. This is especially beneficial for coaches, who can see potential prospects in person. Tiffany Tran, a coach for St. Mary's Esports, states "[t]he experience of witnessing a player's performance in a competitive environment provides valuable insights'' and that in-person settings like a LAN (local area network) tournament "enables [her] to make well-informed decisions, fostering a stronger connection and facilitating a more comprehensive evaluation of the prospect's potential fit" (Beirne & Tran, *Coaches and Collegiate Esports*, 2023).

In-person tournament pricing will be different for players and coaches and entry will only be for people with an Objective.gg account. For players, tournament entry will be $100 per team, with a maximum of 7 players per team. Teams can be from a high school esports program or a mixture of Objective.gg player account holders. For coaches, the entry fee will be free, or $100 to have a featured spot that will also include dedicated tabling space to advertise their program. Coaches must have an Objective.gg account to attend. Below is a picture of Balance Patch, a gaming café in Boston (*homepage-aboutus-1500x1000*, 2023). This picture demonstrates the existing infrastructure that gaming cafes and esports venues provide and why they are the target locations for in-person tournaments.

Marketing

Because Objective.gg is an emerging company within the scholastic esports scene, the growth and initial success of Objective.gg is highly dependent on marketing efforts. These efforts will be conducted mostly through digital channels, matching the market for scholastic esports recruiting, which conducts most of its operations online. The overall marketing strategy for Objective.gg will be a two-pronged approach, focusing on building community and by approaching high school and collegiate esports programs directly. The overall approach to marketing and advertising will incorporate an informational approach, focusing on advertising Objective.gg's benefits rather than advertising the faults of its competitors. For example, a prospective ad may say "Objective.gg provides flexible pricing options to start your collegiate esports career". This overall approach is beneficial to the company because it reduces costs in a sector of the company that is expected to have high costs. Discord, Twitch, and social media advertising are highly-cost effective tools, allowing for lots of output with minimum costs relative to other alternatives, and by focusing a majority of marketing efforts online, the funds left over can be put towards any in-person initiatives, which are more expensive than online operations due to travel costs, or hiring additional personnel as needed.

As mentioned previously, esports is a community, so effectively creating a community for Objective.gg will naturally attract new customers and create growth and brand legitimacy. Objective.gg will use the following channels to create a lively online scholastic esports community:

- **Discord:** The Objective.gg Discord server will serve as the hub for all online operations. The server will serve as a ground to conduct online mixers, special recruiting panels and seminars, community game nights, and allow Objective.gg users to interact to connect and play games with one another. A separate server will serve as an online workspace, providing space for online meetings and communication channels where marketing initiatives can be managed.

- **Twitch:** The Objective.gg Twitch channel will be used to livestream tournaments and community game nights, allowing viewers to tune into thrilling games and support their

friends and family while they compete. Twitch also offers a monetization platform where viewers can donate to the channel or subscribe via a monthly donation.

- **Social Media:** Objective.gg will have a social media presence on multiple platforms, mainly Instagram, X, and TikTok. The primary goal will be to use these channels as an advertisement platform, directing potential customers to the online platform and community Discord server. As mentioned above, advertisements will employ an informative approach and use an upbeat and energetic tone, identifying the benefits of Objective.gg while incorporating testimonials from both players and coaches. The accounts, specifically Instagram and X will also be used as an announcement tool for upcoming events, similar to the functionality of the Discord server.

In-person marketing initiatives will focus on customer relationship management, starting with advertising at in-person scholastic esports tournaments and events by connecting with high school and collegiate program directors, using the informative marketing approach and explaining how the platform can not only benefit recruitment efforts but also their players (specifically at the high school level). Once connections are established, efforts will shift towards retaining customers and ensuring their user experience serves their needs effectively. In-person advertising and customer relationship management will be handled by the president and CEO or marketing or brand management employee, depending on Objective.gg's growth rate and/or available personnel. Below is an image of Discord's logo (*discord-mark-blue.png*., n.d.).

Partnerships

Objective.gg looks to pursue partnerships to grow brand legitimacy, serve as a source of engagement, and serve as operational partners. Companies that possess partnerships with well-known brands are often seen as more legitimate than a competitor without said partnerships. These partnerships can also create engagement with customers and the community through giveaways or simple brand visibility. Lastly, operational partners will help to smooth tournament operations.

When pursuing partners, Objective.gg is looking to partner with companies or brands that are experienced with esports but have competitors that currently occupy a foothold in scholastic esports. This creates a mutually beneficial partnership that grants Objective.gg credibility associated with the company or brand while said company or brand can use the partnership with Objective.gg as a springboard into scholastic esports. Examples of potential partners include:

- **Pulsar Gaming Gears**: Pulsar is a gaming peripheral manufacturer and retailer. Compared to giants like Logitech and Razer, Pulsar is a much newer company. Pulsar currently occupies a decent market share due to innovative products such as their SUPERGLIDES and an industry recognized price-to-performance reputation (Pulsar Gaming Gears & AplusX Inc., 2023, Product section). This would be an opportunity for Pulsar to grow its brand and establish a foothold in the scholastic esports scene rather than the traditional online PC gaming sphere.

- **Monster Energy:** Monster Energy would serve as a powerful partner because they bring brand legitimacy. This partnership gives Monster the opportunity to enter into the scholastic esports scene, which their competitor Red Bull currently holds a strong foothold in. Monster could also serve as an in-kind sponsor, a sponsorship where "the sponsor donates goods, expertise, and other products or services" (Strauss, 2023, Types of sponsorships section). This could be in the form of giveaways and prize pools.

- **Shenanigans Gaming:** Shenanigans Gaming in San Antonio, and other gaming cafes or tournament venues, serve as vital partners to Objective.gg's in-person tournaments.

These venues will be where in-person tournaments are conducted and will reduce the cost of capital needed to run a tournament since they provide necessary infrastructure such as PCs and gaming peripherals.

Objective.gg Team

Being a startup company, Objective.gg's team will remain minimal for the initial launch and early operations of the business until additional hiring can be considered sustainable relative to the progression of the company. Initially, there will be one position that comprises the Objective.gg team as this is fit to be a weekend job. This position will be the president and CEO, who serves as the leader of the company, interacting directly with potential investors and conducting oversight on company operations and support. The position will be supported by marketing and operations internships will support the President and CEO in social media, customer support, and tournament administration and operation. By the beginning of year 4, a salaried employee dedicated to marketing as well as brand management will be hired. For in-person tournaments, venue staff and broadcast contractors will take the place of traditional staff and interns. Lastly, financial services and accounting will be outsourced to reduce hiring costs. Below is an anticipated organizational chart of Objective.gg by the end of the 4th year of operation and with the salaried marketing and brand management employee.

Marketing and Brand Management Employee

President and CEO

Operations and Support Intern

Operations and Support Intern
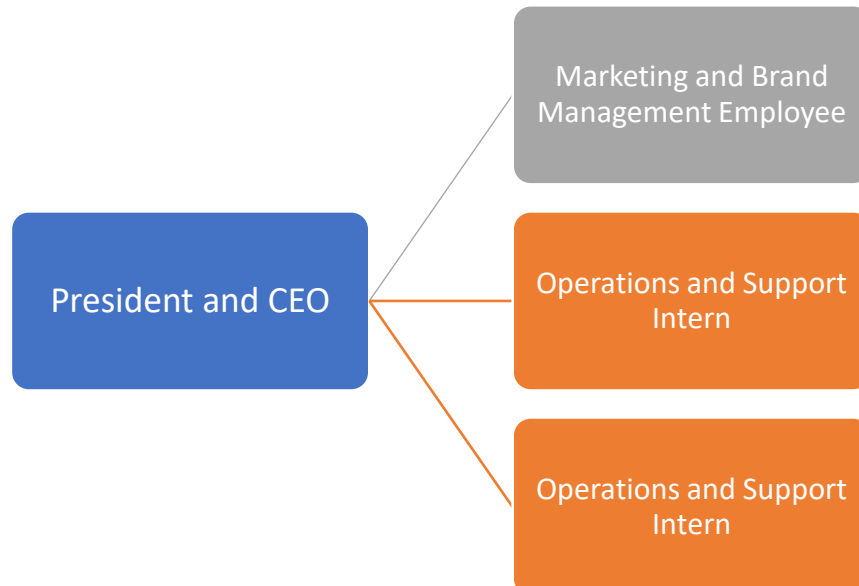
Risks and Mitigations

Unattractive Pricing Model (high) (low) - An ineffective pricing model would directly affect both the online platform and tournament aspect of Objective.gg, making the impact of the risk high. However, the likelihood of the pricing model being unattractive is low because the prices for Objective.gg's services are competitive relative to market standards and even undercut some competitors. If the pricing model does turn out to be ineffective, Objective.gg can adjust by offering discounts or specials on monthly and yearly packages or tournament entry fees.

Unable to Attract Partners (medium) (medium) - Initially, finding partners who are willing to work with an emerging company will be difficult, but not impossible, making the likelihood of failing to initially attract partners a medium. To attract partners and mitigate this risk, Objective.gg looks to partner with companies and brands that are either new to scholastic esports or have competitors currently in scholastic esports, giving Objective.gg credibility associated with the partner brands while the partners can use the partnership with Objective.gg as a springboard into scholastic esports. The overall impact of not establishing partners would also be considered medium, because while Objective.gg can run without partners, a lack of partnerships would make growth more difficult.

Low Tournament Attendance (medium) (medium) - Objective.gg tournaments, specifically the in-person tournaments, are something that sets Objective.gg apart from competitors within the market, so while low tournament attendance would not prove detrimental to the online platform, it would affect the overall business by putting more pressure on the online platform to bring in revenue, putting the impact of this risk at a medium. The likelihood of occurrence for this risk is also a medium, because while tournaments will be advertised across all social media channels and on the online platform, initial attendance may be low as the company begins to gain traction within the market, eventually increasing attendance as the company grows and gains recognition.

Expenses and Projections:

The budgeted expenses for the operation of Objective.gg in year 1 of operation are as follows (Kriss, 2020).

Online Platform (Website) Operation and Maintenance	$	480.00
Broadcast Expenses	$	1,000.00
Marketing Expenses	$	500.00
Tournament Expenses	$	3,500.00
Travel Expenses (Tournaments & Marketing)	$	4,000.00
Discord	$	120.00
Outsourced Accounting	$	2,500.00
Liability Insurance	$	750.00
Intern Wages (20 hours at $15/hour)	$	21,400.00
Total Year 1 Budgeted Epenses	**$**	**34,250.00**

Expenses in year 2 of operations are expected to increase slightly, totaling to $35,500 while year 3 expenses will increase due to a larger travel budget, larger tournament budget, and an additional intern, cementing the year 3 budgeted expenses at $51,000. Lastly, year 4 expenses will increase with expanded marketing expenses to maintain growth and the addition of another intern or promoting an existing intern to the marketing and brand management position, depending on the growth of the company, putting year 4 budgeted expenses at either $67,600 (with intern) or $75,250 (employee). There are multiple alternatives to year 4 anticipated expenses because it is important to "consider that there will be some variation because the budget is essentially forecast" (Glover & Levačić, 2020, p. 112). Having two alternatives for anticipated costs provides flexibility in case of an underestimated or overestimated forecast.

Despite the growing scholastic esports scene in North America, initial subscription and tournament registration numbers are projected to be low. This is because many new ventures within the scholastic esports scene are often initially perceived as illegitimate by both players and coaches. Regarding these numbers, there are two cases, a base case, and an ideal case. The base case scenario employs an exponential growth model with a growth rate of 12% while the ideal case scenario employs the same exponential growth model, but at a growth rate of 17.5%

and 15% greater overall subscription numbers in each category relative to the base case. The tournament registration numbers remain the same for both cases and are projected using 12% exponential growth model. For coaches, this exponential growth is projected for all 4 years, however the player growth grows significantly less between years 3 and 4 because these numbers represent team registrations that occur outside of the premium packages, to which there is a maximum capacity. While the ideal case serves as the predicted growth level and outcome of operations, the base case, or what may be considered the conservative case, demonstrates the potential of slightly lower performance and growth than anticipated.

When combining Objective.gg's budgeted expenses with the predicted subscription and registration numbers, the overall gross profit can be projected for years 1 through 4 of operation. When projecting profits from the plus packages, it is assumed that 70% of plus packages are maintained for all 12 months of the year while 30% are only maintained for 6 months to reflect the dynamic pricing model in play. As seen below, the base case will have met break-even in year 3 while the ideal case will just reach break-even in year 2. The base case uses a year 4 budget of $67,600 (additional intern) while the ideal case uses the year 4 budget of $75,250 (salaried employee) so that growth can be properly supported and maintained from a customer standpoint. If the ideal case were to use $67,600 as the budgeted costs instead, the gross profit for year 4 would be $38,860. Both cases, alongside their subscription and registration models, show a significant growth between years 2 and 3. This is due to a multitude of factors, including maximizing operational capacity, increasing marketing activities, expanding the team, and operating with brand recognition and experience, enticing new customers who otherwise may not have considered Objective.gg at a previous time. While initially Objective.gg will be operating in the negative, both cases show growth in years 3 and 4, indicating positive signs for the future. The projections and the condensed income statements for each case can be seen below and on the following page:

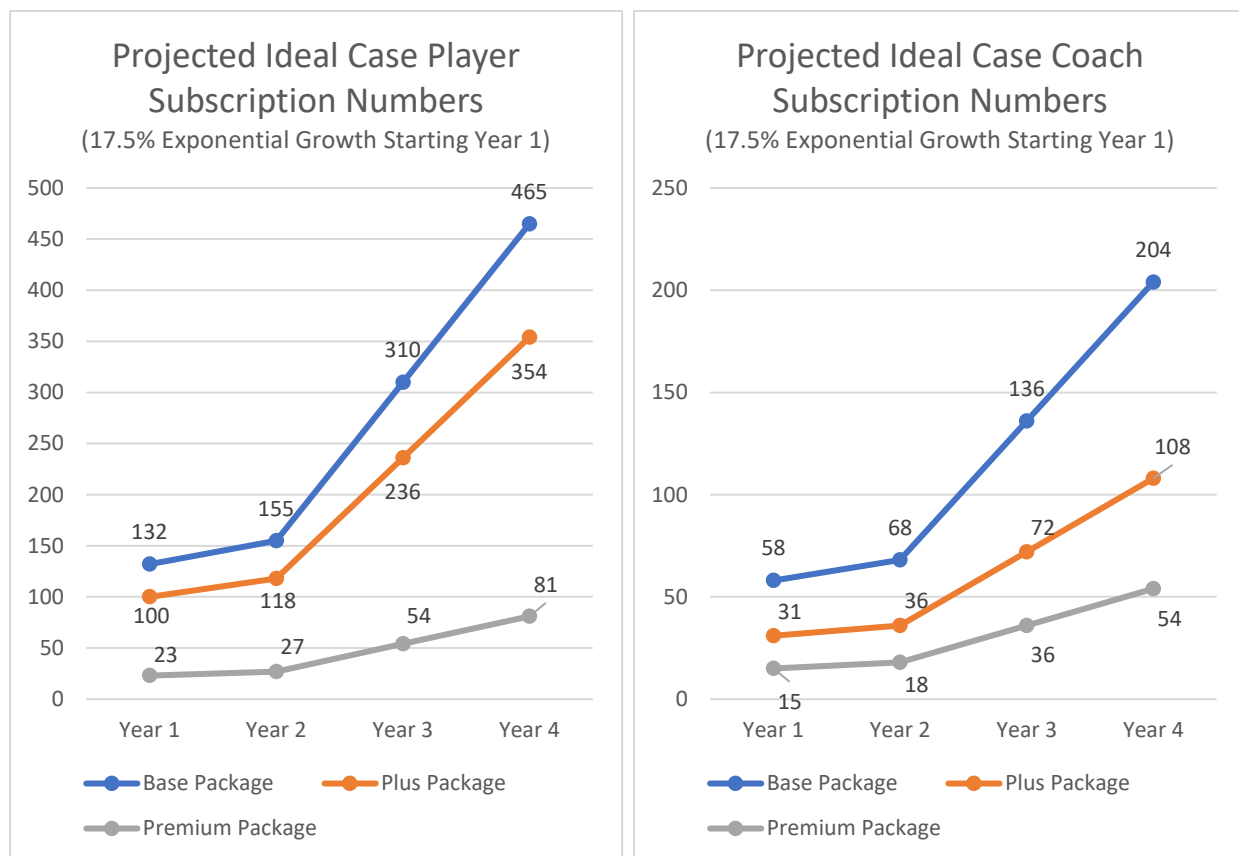Projected Player and Coach In-Person Tournament Registration

	Year 1	Year 2	Year 3	Year 4
Player Registration	50	55	110	125
Coach Registration	7	8	16	24

Base Case Projections:

Projected Base Case Player Subscription Numbers
(12% exponential growth starting Year 1)

Projected Base Case Coach Subscription Numbers
(12% exponential growth starting Year 1)
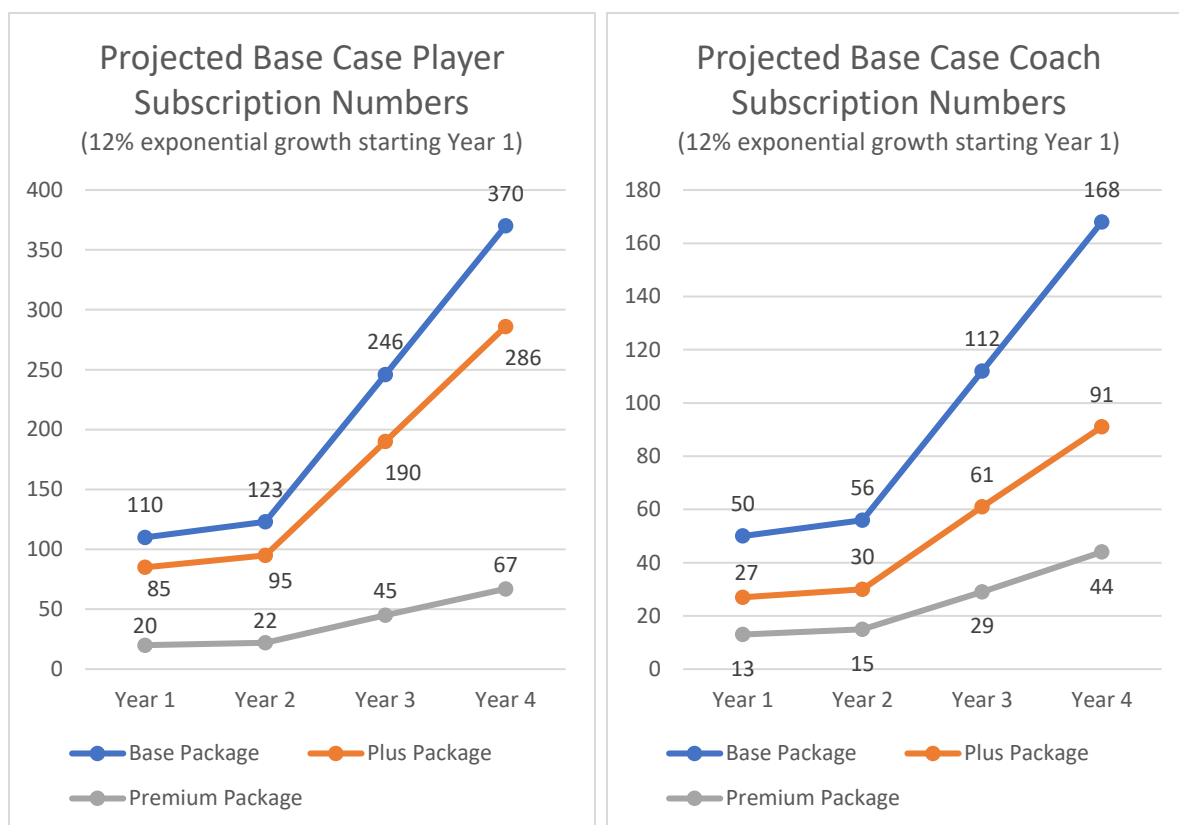
	Base Case Projected Revenue (At Year End)					
Year of Operation	Player Plus Package	Player Premium Package	Player Tournament Registration	Coach Plus Package	Coach Premium Package	Coach Tournament Registration
Year 1	$ 4,350.00	$ 2,400.00	$ 5,000.00	$ 9,660.00	$ 5,850.00	$ 700.00
Year 2	$ 4,860.00	$ 2,640.00	$ 5,500.00	$ 10,710.00	$ 6,750.00	$ 800.00
Year 3	$ 9,690.00	$ 5,400.00	$ 11,000.00	$ 21,840.00	$ 13,050.00	$ 1,600.00
Year 4	$ 14,580.00	$ 8,040.00	$ 12,500.00	$ 32,550.00	$ 19,800.00	$ 2,400.00

Base Case Projected Gross Profit (At Year End)		
Yearly Revenue	Costs and Expenses	Gross Profit
$27,960.00	$ 34,250.00	$ (6,290.00)
$31,260.00	$ 35,500.00	$ (4,240.00)
$62,580.00	$ 51,000.00	$ 11,580.00
$89,870.00	$ 67,600.00	$ 22,270.00

Ideal Case Projections:

Projected Ideal Case Player Subscription Numbers
(17.5% Exponential Growth Starting Year 1)

Projected Ideal Case Coach Subscription Numbers
(17.5% Exponential Growth Starting Year 1)

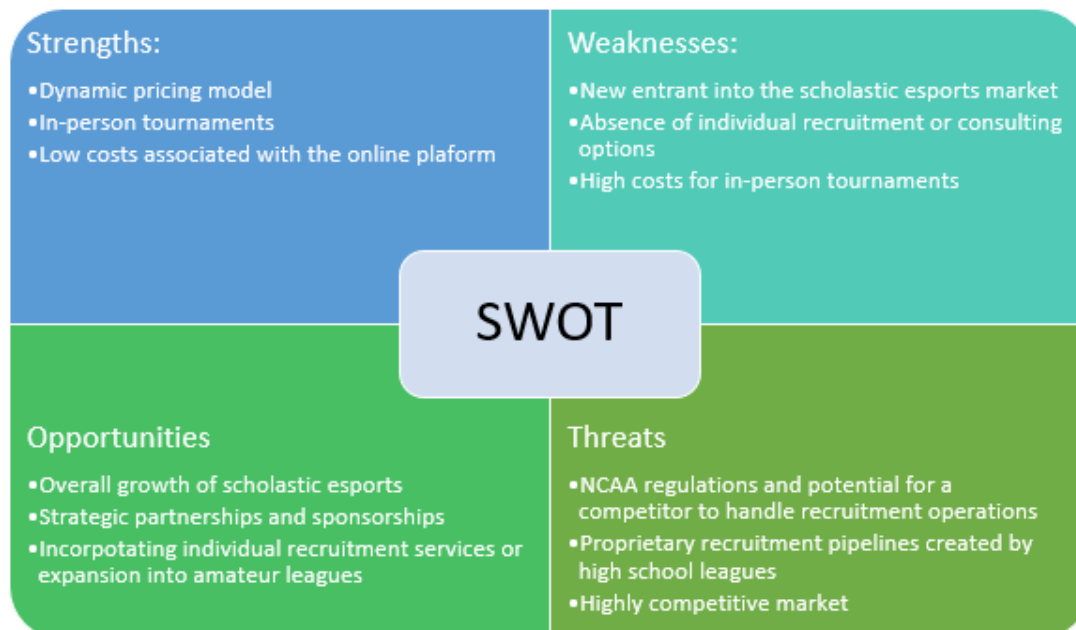**Ideal Case Projected Revenue (At Year End)**

Year of Operation	Player Plus Package	Player Premium Package	Player Tournament Registration	Coach Plus Package	Coach Premium Package	Coach Tournament Registration
Year 1	$ 5,100.00	$ 2,760.00	$ 5,000.00	$ 11,130.00	$ 6,750.00	$ 700.00
Year 2	$ 6,030.00	$ 3,240.00	$ 5,500.00	$ 12,810.00	$ 8,100.00	$ 800.00
Year 3	$ 12,030.00	$ 6,480.00	$ 11,000.00	$ 25,620.00	$ 16,200.00	$ 1,600.00
Year 4	$ 18,060.00	$ 9,720.00	$ 12,500.00	$ 39,480.00	$ 24,300.00	$ 2,400.00

Ideal Case Projected Gross Profit (At Year End)

Yearly Revenue	Costs and Expenses	Gross Profit
$ 31,440.00	$ 34,250.00	$ (2,810.00)
$ 36,480.00	$ 35,500.00	$ 980.00
$ 72,930.00	$ 51,500.00	$ 21,430.00
$ 106,460.00	$ 75,250.00	$ 31,210.00

SWOT Analysis:

The following is a SWOT analysis of Objective.gg:

Strengths:
- Dynamic pricing model
- In-person tournaments
- Low costs associated with the online plaform

Weaknesses:
- New entrant into the scholastic esports market
- Absence of individual recruitment or consulting options
- High costs for in-person tournaments

SWOT

Opportunities
- Overall growth of scholastic esports
- Strategic partnerships and sponsorships
- Incorpotating individual recruitment services or expansion into amateur leagues

Threats
- NCAA regulations and potential for a competitor to handle recruitment operations
- Proprietary recruitment pipelines created by high school leagues
- Highly competitive market

Strengths:

The major strength and competitive advantage of Objective.gg is its dynamic pricing model relative to competitors. Objective.gg's pricing is on a subscription-based model like its competitors; however, Objective.gg offers unique features at multiple price points, with each price point occupying a monthly or yearly renewal plan. Additionally, Objective.gg will be the only competitor in the market to offer in-person tournaments. These tournaments not only create an additional revenue stream, but they also serve as methods of public engagement. Lastly, operating the online platform itself is relatively low-cost, which allows for some funds to be allocated elsewhere in the business as needed.

Weaknesses:

The biggest weakness that Objective.gg faces is being a new entrant into the market. As mentioned in the P5F analysis, to be successful in collegiate esports recruiting, meaningful

partnerships and relationships need to be established within the scene. This would involve Objective.gg taking on marketing costs to accomplish this. Another weakness of Objective.gg is that unlike some competitors, there is no presence of one-on-one recruitment options, where a customer will pay Objective.gg to help them individually. Alongside costs for marketing, Objective.gg will also encounter high costs when managing its own in-person tournaments.

Opportunities:

Opportunities for Objective.gg stem from the growth of high school and collegiate esports, the target market segments for the platform. As the ecosystem grows, opportunities for strategic partnerships and sponsorships with leagues, teams, and promoters will present themselves as ways to grow the business financially and within the public eye. Objective.gg also has the option to incorporate recruiters who work one-on-one with customers or to expand to recruitment for amateur esports teams that would play in qualifiers for independent leagues outside of the high school and collegiate scene. Lastly, if collegiate esports eventually fall under the banner of the NCAA, Objective.gg should look to establish a strategic partnership and be the official esports recruitment services provider for the NCAA, a move which could completely transform the business and instantly propel Objective.gg to the top of the market.

Threats:

Alongside established competitors such as StayPluggedIn, Objective.gg is also potentially vulnerable to the NCAA. If esports is eventually incorporated under the NCAA banner and a strategic partnership is not established with Objective.gg, recruitment responsibilities are likely to be handed to a competitor and/or be standardized and have strict regulations. This development would cut out many competitors or services within the market as a whole. Additionally, if existing high school leagues attempt to create proprietary pipelines, they would directly compete with Objective.gg.

Justification for Investment:

Objective.gg seeks to enter and drive innovation within the scholastic esports recruitment scene through an online platform with an approachable pricing model and industry leading features where players will "be able to show off academic and any previous [e]sports performances" while incorporating in-person tournaments where players can showcase their skills in front of coaches and scouts across North America (Beirne & Garcia, *Esports Recruitment Interview*, 2023). Additionally, Objective.gg seeks to go beyond just being a service, but a community where customers can connect, play games, and enjoy what makes esports fun and exciting, the people. This approach will set Objective.gg apart in a niche and competitive market and serve as a launchpad for growth alongside strategic partnerships with both traditional brands tournament organizers and marketing initiatives conducted through social media platforms and a focus on customer relationship management; the Objective.gg logo used for marketing can be seen below (Beirne & Hirter, *Objective.gg-logo*, n.d.). The financial prospects for Objective.gg support this sentiment, showing growth in both conservative and ideal subscription and registration scenarios despite low initial numbers. This growth is paired with flexible options to accompany future financial decisions in years 3 and 4 of operation. With all this in consideration, investing in Objective.gg makes uniting the scholastic esports community both possible and profitable.

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