Business Plan for

Virtual Remedy

Produced By

Connor Hale (P1701744) Jordan Lee (P1702727) Matthew Evans (P1702092) Nathan Chaplin (P1705172)

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CONTENTS

		Person
1.	Executive Summary	Nathan
2.	Mission Statement	Nathan

3.	Objectives	Jordan
4.	The Management Team	Matt
5.	The Product or Service	Nathan
6.	The Market	Connor
7.	The Marketing Strategy	Connor & Nathan
8.	Operations	Matt
9.	SWOT Analysis and Risk	Jordan
10.	Financial Forecast	Matt & Jordan

APPENDICES
(suggestions are:)

Appendix A	Market Research	Connor

1. Executive Summary – Nathan Chaplin

Our plans as a group is to provide a product that will allow decrease and remove anxiety, stress and depression. We plan on making a app which will have different situation which will help with different types of symptoms in people with anxiety, stress and depression. This app will be paired up with a Mobile VR kit which will allow the user to be able to separate themselves from there problem in the real world and into a calm and relax virtual reality.

Mission Statement - Nathan
In this part there will be a 30 second pitch on what our idea is and why we have become a CIC company.
Objectives - Jordan
This part of the document will show what our objects that we think we will achieve and by when.
The management Team - Matt
The management team section will show what staff we will have and what roles they will have and be in charge of. **The product or service -** Nathan
This part will show what the product will do and what type of service we will provided with this type of product.

The market - Connor
Marketing will have all in information needed to know about similar types of products, about our customers and out competitors. **The marketing strategy -** Connor and Nathan
The marketing strategy will show how we are going to market our product to the type of people we are aiming it towards.
Operations - Matt
This will talk about employment, insurance and health and safety
SWOT Analysis and Risk - Jordan
This part will show the strength, weaknesses, opportunities and the threats we could encounter while following this product. **Financial Forecast -** Matt and Jordan
This part of the document will show how we will start to get funding for this business and what expenses will be take out. It will also show what how much money we are planning on making.

	Year 1
Total employees (inc. Directors)	**4**
Turnover of Sales	**£224,400**
Total Expenditure	**£207,803**
Profit (Loss)	**£16,597**

. Mission Statement - Nathan Chaplin

The Mission Statement encapsulates in a few sentences why you are going into business. You may think this is obvious, but not so. People start businesses for many reasons and their aims are just as varied. It is particularly important that teams agree on what they are trying to achieve.

For example: To be a leading consultancy service focused on progressive, dynamic and creative thinking providing business development and management support to organisations of all shapes and sizes.
Other examples at: https://topnonprofits.com/examples/nonprofit-missionstatements/

30 Seconds Pitch

Virtual Remedy is a non profit CIC company, which uses virtual reality experiences to help people who suffer from anxiety, stress and depression.
With the aid of specialists and experts in their field, Our Company aims to develop a domestic application to help relieve stress and help people with their mental health.

Why we wanted to go CIC

Our group has decided to go as a CIC company because we would like to help people and not make profit for ourselves from the application. So going a CIC company will allows us to expand, develop and give back to the people with any type of profit that we have made.

3. Objectives - Jordan Lee

Below we have stated the projected goals we wish to accomplish throughout the time with the business (up to the second year). We have also included future ambitions to expand our business as we begin to establish a name for ourselves within the Virtual Reality community.

	Objective	**Timescale**	**Status**
Pre Start			
1.	Establish concept idea.	1 month	Complete
2.	Apply for bank loans and grants.	1 month	In progress
3.	Acquire office space within Swansea to facilitate the company.	1 month	In progress
4.	Purchase hardware e.g. VR Equipment, Gaming computers,	1 week	Complete
Year 1			
1.	Develop experiences within Unreal Engine 4 to be released on Android, iOS and Oculus.	January - March	On going

2.	Organise multiple sessions where we can ask psychologist for information on the various ways to help treat clients. We will aim to organise meetings three times a week for the development stage.	January - March	Appointment times being negotiated
3.	Create advertisements for the application's release.	February - April	On going
4.	Release a demo on iOS, Android and PC.	April	Projected
5.	Advertise and showcase application at Gaming conventions such as Insomnia, E3 Play Expo, EGX	August - October	Projected
5.	Stabilise advertisement for consistent flow of users.	April - December	Projected
6.	Begin bank loan repayment.	April, August, September, December	Dependant on profit margins
7.	Set up research and development department.	November	Projected
Year 2			
1.	Expand experiences to integrate motion controllers used in the Oculus.	April	Projected
Long-term			
1.	Expand simulation library and allow it to be purchased as DLC (Downloadable Content).	Within year 2-3	Projected
2.	Expand experiences to help care for other mental health issues or phobias.	Year 3	Dependant on success of initial application

3.	From the feedback from our Head of Marketing we have gained knowledge that the trends in business, favours subscriptions based	Year 2-3	Projected
4.	Depending on the success and feedback from clients and professionals after the Year 1 and 2, we aim to expand and grow our products to be used as a method of treatment for Doctors and hospitals. Also, the implementation of an EKG (Electrocardiography) reader, to relay brain waves readings to help the doctor treat/diagnose.	Year 3-4	Dependant on success of initial application

4. The Management Team – Matt Evans

4.1 Owners/Manager/Directors:

E.g:

Nathan Chaplin, Lead designer

Skills and Experience: Works within unreal engine 4, knows how to code and make video games. In university studying games design and currently working on a racing game. Had previous experience modelling assets for game and implementing them inside of the game engine. Working part time in screwfix as a sales assistance so has got good communication skills.

Role and Responsibilities: Has to take the information from the marketing team and use the information on the target market to create the app around them. The app needs to tailor to the target market's needs. Taking the information from the doctors and implementing them into the app experiences.

Jordan Lee, Business Planner & Communications manager

Skills and Experience: Animator and rigger for assets and characters within the game. Has a background in engineering and has a good technical mind. Has connections to mental health nursing which is a great help. Works in a take away part time so has great communication and problem solving skills.

Role and Responsibilities: Set reachable objectives within the business and carry out risk assessments. Talking with professional doctors to get guidance on what can be

used within the app experiences to help the people suffering from the mental illnesses. Then passing this information to the design team to implement it into the app. Take the finished experiences and then testing them with the doctors.

Connor Hale, Head of marketing

Skills and Experience: Works with the unreal engine 4 to make games. Has an artistic background and has a very artistic mindset when it comes to his work. Worked as a web developer, designer and a waiter. This broad set of jobs have given him a lot of useful skills when it comes to making a business. Also has done a in depth course of marketing.

Role and Responsibilities: Establishing the target market (Who they are? Age? etc). To gather information on the target market and relaying that information to the designers of the app so it can be tailored to the audience.

Matthew Evans, Financial Director

Skills and Experience: In university studying games design. Currently working on a racing game for his course. Has experience with creating and texturing assets for the unreal engine to make games. Currently works as a sales assistant at screwfix and has had a previous jobs in retail so has a lot of experience with difficult customers and problem solving.

Role and Responsibilities: Work out the costs of the business over the first year and then project sales and financial costs for the years to come. Also calculate spending on advertisements for events and predict sales around event times.

4.2 Employees (Opportunities to employ others)

Outside people will have to be hired in order to make the business succeed. The skills that we are missing at the moment in the business are, Accounting skills, legal skills and development skills. We will require some outside help to work on publishing the app on the app store as none of us have the experience or knowledge to do so. We need people who have published games or apps to the app store as none of us on the team have got the experience. We also need to consult a mental health expert for advice and guidance when designing the experiences for the consumers with the mental health issues. An accountant will also need to be hired to keep track of spendings and also to give guidance when it comes to financial problems within the business.

4.3 Training & Development Activities:

Training will be required for developing the app. We will need to be trained how to use the softwares to their full capability and build on our knowledge of the unreal engine. Modelling and development skills can be taught via training and even though we will learn a lot of this from university, there are always ways to develop your skills through training. This will help us design and make a better functioning app which will deliver a better experience for the users. We will also need to have business training to better understand how a business is run. Health and safety training will also have to be implemented to all staff to make sure that we are working in a safe environment. Management training might also help with the planning and maintaining the business. Training will help us become better at organising our time and help use plan more accordingly to deadlines and due dates. All of the development team will also need to be health and safety trained, this will make the work environment more safe for everyone who works there.

4.4 Strategic Alliances:

We will need to outsource all legal documentation and implications because no one on the development team has the knowledge or qualifications to deal with such matters. We will need to outsource this information to a trained solicitor, who will deal with these matters. We will also need to outsource all medical knowledge to doctors, medical professionals and phycologists. This is because our app and experiences are meant to be ways for people to deal with their anxiety, stress or depression. Medical professionals and psychologists will have a much deeper knowledge on the phycology and known methods to relieve such mental disorders.

Call-Handling services will also need to be used because we as a team will not have the time to deal will the customer support side of the app alongside the development and creation side.

A research and development team might also need to be outsourced to research into what causes a person's anxiety, depression or stress and then developing a way or method to help overcome the cause and in turn help and relax the user.

5. The Product or Service - Nathan Chaplin

Explain the Product

Our Product that we are selling is a VR app that will have different situations in which it can relieve or ease the pressure of anxiety, stress and depression. This product will allow you to download it on to any smart phone and allow you to use at any time to certain types of phone VR's. With this type of product you will be able to use it any time because of how easy and accessible that product is to get and set up.

With anxiety, people feel anxious and stressed with their surroundings in which the person will break down with anxiety. This product will offer the person to be able to escape the world with simulations that can distract that person dealing with anxiety at that given time.

This software will come with a quick and easy interface which allows the user to quickly access the simulations they want, to help with their anxiety at that time. It will also come with different situations, so the user can have different experiences each time while calming the pressure that they are under.

This product can be downloaded on any Android or Ios Phone and can be used with any phone VR out there.

What it offers to customers People with Anxiety and without Benefits of the product

For a customer, this product will not only help people with anxiety but also without. This then allows any person who is around people with anxiety to understand and help with easing the pressure and anxiousness.

For a person dealing with anxiety, this product will allow them to escape the real world and distract their minds from why they are having anxiety. This will allow that person to be able to take 5 mins to reset and calm down and then carry on with what they are

doing in the day if that's interviews, meetings or colleges. This will then allow that person to be able to get more focus and not get distracted by the anxiety.

For people who do not have anxiety this product is still useful. As it will allow any person to enter the virtual world and see from the anxieties point of view and how the simulation helps that person. This means that this person will be able to see the different types of way to calm people down and then be able to calm the people in the real world down quickly and get to understand what anxiety is.

USP (What make it's it better/different)

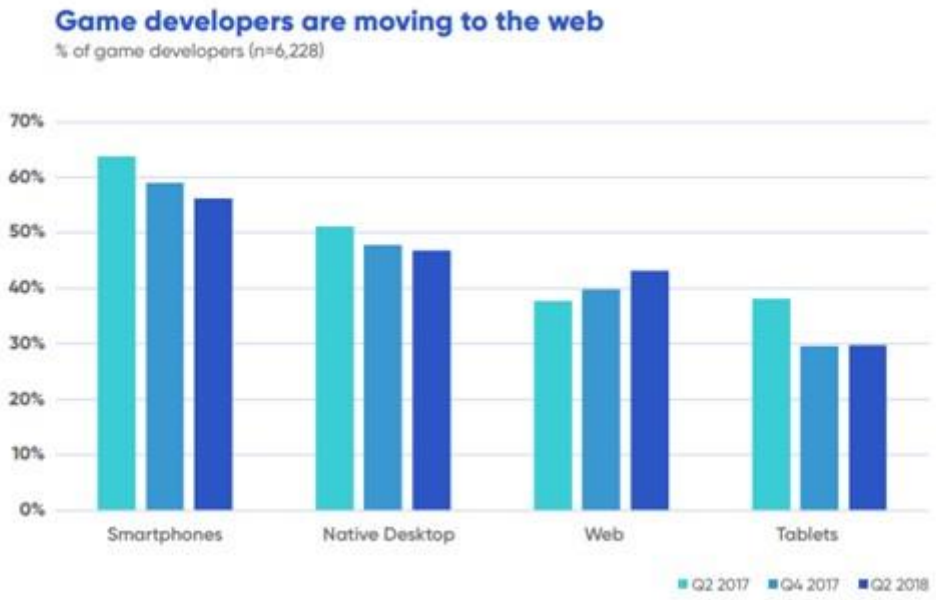
Our Unique selling point is that our product is in Virtual Reality. This means that the user can block out the outside world and the cause of their anxiousness and get immersed into the simulations that we provide with, will then allow the user to feel calm and in control to get back to what they were doing, with reduced or without anxiety, stress or depression.

User Interface – This is a key feature of our product as it allows for the user to quickly understand and go through the application to access the content that they need for that time. It will allow the user to be able to quickly locate and go through simulation in which will help them calm and ease the anxiousness that they are feeling in that time.

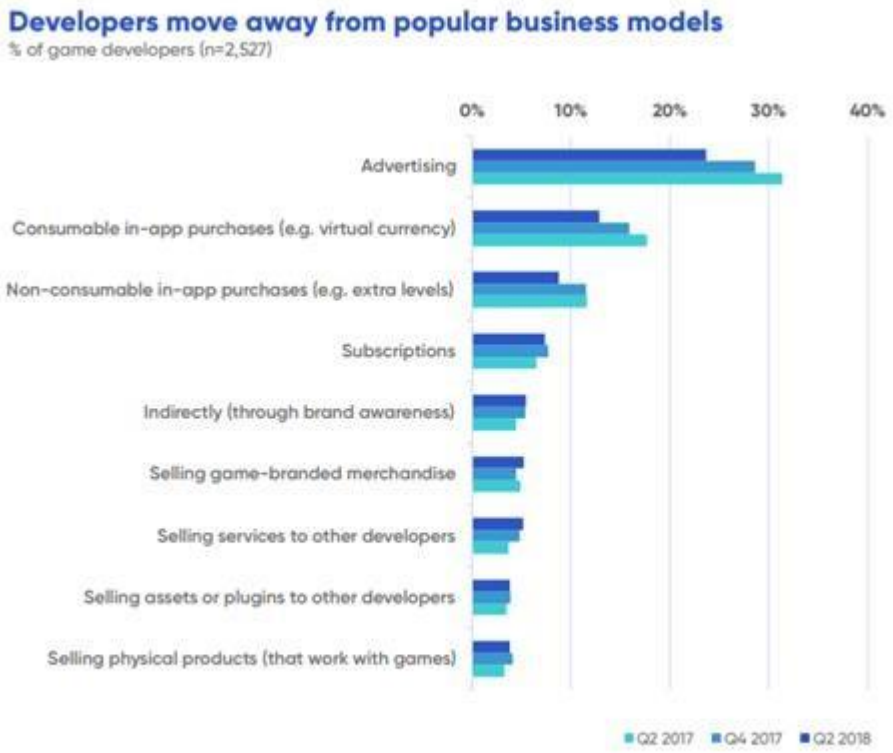
Simulations – Each simulation will be different, this is because not everyone has the same trigger for the anxiety, stress or depression. This means that the app we provide will cater for everyone not just one specific person.

6. The Market - Connor Hale

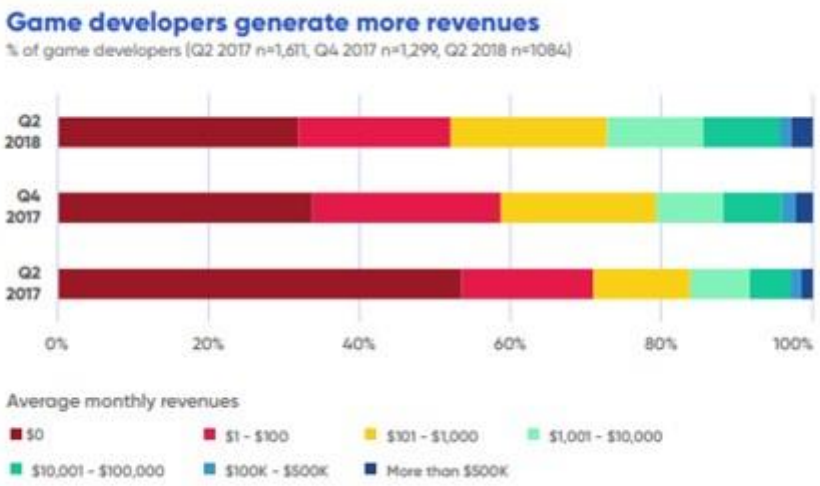
6.1 Market Description - Connor Hale



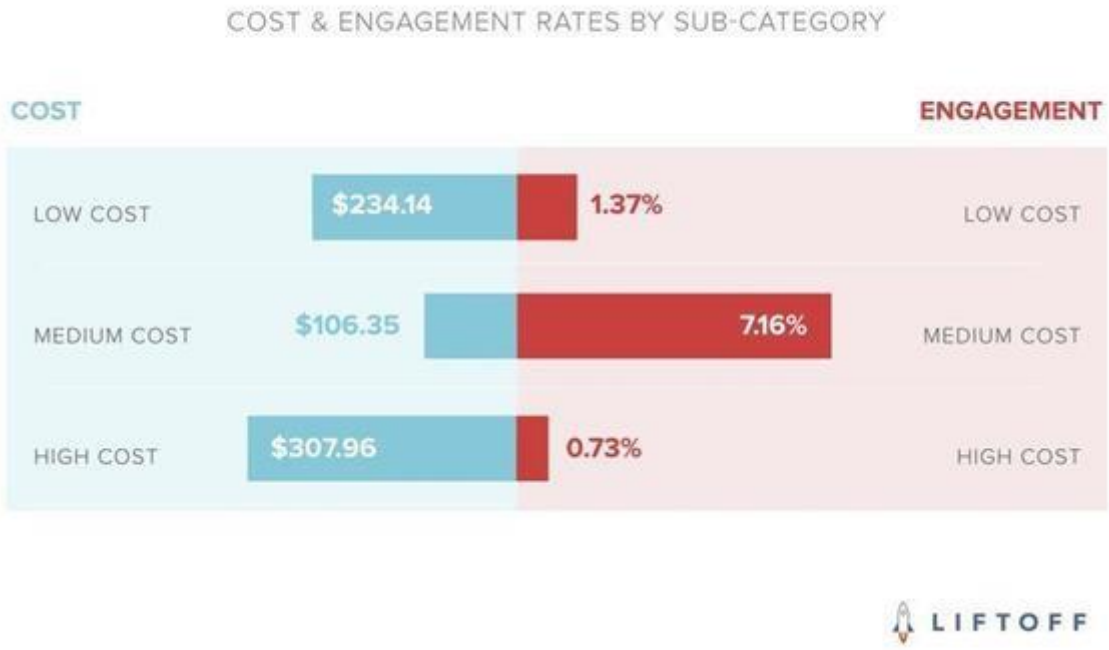
After research into the State of Development 2018 (Developer Economics: State of the Developer Nation 15th Edition - Developer Economics, 2019) for developers report, I came across some information on how game developers are moving towards web development. This may be an issue that we may have to face later as a company, since its steady increase through the years. But with applications becoming more easily formattable and web applications having more power, we may even want to consider moving to a web application in future versions for our app.



In this part of the 2018 developer report, I also came across the state of current business models. Our current model Non-Consumable in-app purchases) is a still feasible model to follow through with, but we may need to change it in the coming years since its steadily coming down every year. But hopefully future years of development will counteract this, and we may want to move towards a subscription service later (as supported in my other research).



This next part of the report shows that every year Game Developers are generating more revenue compared to earlier reports. This helps support our current model of business and should increase the chance of turning a profit. Mostly due to streaming becoming a more dominant broadcasting service, like TV or Netflix.



This research based off Lift-off subscription reports (Info.liftoff.io, 2019), it tells us that out of three groups:

Low: $6.99 – below

Medium: $7 – $20

High: $20 -$50

The medium price range for a subscription has the biggest conversion rate than the low and high cost ranges. Almost 5 times bigger than both low and high. Meaning that after we become a more established company, the conversion to a subscription version of the app may be the route we take in the future. Ever since the app stores

opened the subscription format for apps in 2016, it had a large impact on the app market.

Appendix (a)

I have done some other market research into buying patterns, the price problem with apps on the app stores, the willingness of customers to pay for instore purchases and the growth of virtual reality.

These are all located in the appendix as additional information on the market research I have completed. For now the referenced material above will be used as my main points of interest.

If you want to view the material it is at the end of this document.

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What is your general summary of the market?

The current summary of the market through research on competitors and customers stands as follows.

That declining rates of customers complying with current business models and platform we are selling on are going down. But future developments on more platforms to sell and ways to sell it i.e. subscription-based applications are on the rise. On top of the fact that game developers are slowly gaining more revenue compared to previous years.

The current customer market could be in the millions compared with the huge competitors that are making millions off the meditation genre of apps (Calm, Headspace). This proves that there is still a market for these apps and that our company is trying to make it more unique for people with VR, also another potential market we can tap into.

Also, the potential value of Virtual Reality growing exponentially in the coming years may have a large impact on the company.

6.2 Market Environment Considerations - Connor Hale

PEST analysis and findings

Political Factors

Government funding (MediTech - ATIC funding) - For innovative products in life science, using technology that will benefit people. I.e mental health or therapy. We can apply for this funding since our product falls in this category.

Economic

Trust funds - as a CIC we could be considered for trust funding. In where we can apply and ask for grants made for charitable companies.

Inflation Rates - will affect how the product is priced and how much we can pay employees.

Foreign exchange rates - This will differ depending on what country we decide to sell our product in.

Social

Demographics - The amount of people who meditate may change as it is more accessible to everyone.

Trends- Virtual Reality is getting more popular as it is getting cheaper and better every year.

Foreign Trends - Depending where in the world VR or meditation may be more popular or spiking in foreign countries and we may need to start putting more ads in those areas where they spike.

Technology

VR research - Since it is still a growing platform, it may change or newer technologies will be introduced and we need to be ready to have it on any platform.

App Testing - Since we will be catering to a large audience for meditation and mental health. The app will need to be thoroughly tested and needs to have good experiences for as many people as possible.

6.3 Competition - Connor Hale

According to an article on Mashable (Ruiz, 2019), most meditation apps that are currently on the app store are subscription based and the cheapest asks for £6 a month to others asking for £11.99 a month. Even one that books a tele therapy session with a licensed therapist for £85 a session.

Concluding that most meditation apps are expensive to say the least. Which is where I feel our app will have its place in the market. Potentially being one of the least expensive options, although it requires a VR headset a phone VR headset can be found for quite cheap. From around £15 - £20.

The current competitive market already holds most of the customers currently, but we may be able to convert others to a more single priced app with expert consulting included.

Summary of findings and evaluation from Porters 5 Forces Analysis

Competitive

Rival strength, with our biggest competitor “Calm” on the field they have the money and the customers to boast a threat to the company. But since they haven’t gone into Virtual reality, it may be a market that we can lead. The fact that they also have an expensive product, with our one time fee may attract more customers to our application instead

There are other VR games on the market however, but aren’t as well known. Which is where our company will shine, since we have plans on using a sizeable budget on advertising and going to game cons

Buyer Power

The buyer power is small, due to the fact of the huge market of current and potential customers in the “meditation” genre of apps. From my market research, it shows a market of almost 18,000,000 people, who regularly meditate or use meditative applications.
Our end goal is to get our product to a high standard for a reasonable price. So hopefully it shouldn’t be an issue.

Supplier Power

The supplier power is virtually non-existent, since applications can be downloaded infinitely (All Depending on the customers that want to download it). But the only set back is that the software we will use to create the application takes 5% of the total earnings but it is free to create with. We as a team all want to use Unreal Engine for our application, since it is one of the cheaper options for starting developers.

But potentially they could up this price but is highly unlikely, due to the hundreds and thousands of developers who use their platform. Even still we can change our software to Unity or even the Godot Engine. All of which are free alternatives to Unreal, but would take time if we decided to switch apps. But will not cost us any money in the long run.

Threats of New Entry

Although the current market on VR meditation is still low, any games development company could potentially do it too. But this will cost a company time and money to set up, due to how long it takes to create a game. To get a decent game up and running with a team of employees takes around a year to create, which is a big commitment and investment.

This almost ensures that it is unlikely a threat of new entry will be a problem for our company for a while. Since there are no real headliner VR meditation apps and because of its niche on the market it isn't a trending genre of game at the moment.

Using our financial estimates, for a team in a building with decent hardware will have an initial cost of around £75,000. This as well help support our claim for a low threat of new entry into our market.

Threat of Substitution

The threat of substitution is a big problem for our company since people who are stressed, have anxiety and depression all have their own ways of dealing with it. For example, a walk in the park, exercising, antidepressants, calm medications to name a few. Including actual meditation which doesn't require a VR headset, since it is something that can be accommodated with lots of substitutes.

Which is why our plan is to get well known in the market as fast as possible and to offer a genuinely good experience that has been overseen by a professional in the field. This could hopefully lead to a better word of mouth approach to the business.

6.4 Competitor Profiles - Connor Hale

Competitor 1:

Calm

Strengths

They offer a full meditation app for the phone. It has sections dedicated to meditation, sleep, body (Simple Yoga) and music.

They cater for anyone and have a huge fan base spanning across YouTube, Facebook and anyone on the app. Including their 200,000 + five star reviews on the app.

They also have a segment called "Sleep Stories" where they bring in famous actors to voice over their stories. This in particular has a positive response from its fan base, especially one example of Stephen Fry's "Blue Gold" video has 3.2 million views.

Weaknesses

I feel that they lack a good way for their customers to get in contact or give their own ideas on how to change the company. I feel this will be key in having a good and happy fan base. Keeping watch on what the customers have to say and how they would improve it.

The app is subscription based and is quite expensive. Which is a big commitment for newer users who just want to try it out.

Competitor 2:

Headspace

Strengths

HeadSpace also have a significant online presence. With 90,000 reviews on the Play Store by itself, averaging a 4.5 stars and 10,000,000 downloads.

The app is also very big on their research, being one of the few meditation apps that do clinically validated research in improving their own application.

The app is also better for people with no meditation experience as they have “How tos” and they teach the basics.

HeadSpace is an app that is mostly advertised through word of mouth. Relying on how good their app is.

Weaknesses

What I learned from researching this company is that they don't have the personalisation that our application will offer.

The price is also not cheap and is subscription based (paid monthly or annually).

The app also uses a single voice actor, so only people who speak English can understand.

Competitor 3:

Anxiety Free

Strengths

This application is free to download for anyone. It is headed and run by a clinical hypnotherapist. The app is entirely based on self hypnosis to try and alleviate anxiety and stress.

The application is one of a series of applications based on helping people(stress relief, migraine relief, panic attacks, stop smoking, stop drinking and many other applications) that are all free to download.

Weaknesses

The application makes money through ads. This may not help with panic attacks or anyone trying to escape and relief stress. This may have a negative impact on the audience.

The app is barely advertised anywhere, despite being a good application with good features. The lack of exposure on advertising may lead in lack of sales.

This app is almost entirely based on hypnotherapy to help people with anxiety. This is one way of helping but there are more interactive ways to help anxiety and can definitely be used on an easy phone application.

Competitor Conclusion

Each of these apps have distinct features that make them different and their own version of a meditation app.

Using what they have done, here is a few features we may want to consider for our application, using successful and unsuccessful features that the other competitors have used.

One time payment system:

Both of the higher competitors use a monthly/yearly payment business model. But I feel this system may be steering away a lot of newer people who want to get into using meditation applications away. Since this kind of payment system requires a commitment, which may be pushing away a potential market of people who want to try

it out. So having a single payment and free trial system will drive that market towards us by having an easier, less hassle payment system to get into meditation apps.

Ads:

One of the strengths that some of the competitor have is the large social media outreach they get with their ads. Calm for example even had a very successful interactive ad that they used, which simply said “Do nothing for 15 seconds” with rain noises in the background.

Do not rely on a free app:

This format makes it so that the only way to make money is of of ads, which I do not believe is the best format for people looking to relax and not be irritated by ads while they attempt to relax.

Use a variety of experiences:

A good format to use that other apps have used is by having a variety of experiences to try and cater for a wider range of audiences. Using different experiences to make sure any newer customers can have something they like in our app.

7. The Marketing Strategy - Nathan Chaplin & Connor Hale

7.1 Overview of Customers - Nathan Chaplin

Who are my customers?

● **People who are surrounded with anxiety, stress and depression** Our customers are people who are surrounded by anxiety stress and depression in the everyday lives. That aims towards people with or without out of these symptoms. This then allows us to expand out to loads of different types of customers and we can show how it can help people with anxiety, stress or depression.

7.1.1 Key Customer Profiles - Nathan Chaplin

Anxious Ann - Age: 16, Job: N/A

- Don't have Many friends. Very Quiet but is a down to earth person who is kind ● Struggles to get those days cause of here anxiousness ● Loves walks and physical activities and like to game.

How we are going to help with our product.

With this type of person we can see that she suffers from anxiety mainly. So we would help Anxious Ann by putting her into a simulation where so is active outdoors and has characters who are interacting with her. This will then out anxious ann in her comfort zone which will then result in her charming and ready to carry on with her day because she has had that break from the problem she is having in the real world.

Stressed Student - Age: 19, Job: Screwfix

- Lot of stress cause has work and has a job.
- Anxiety get triggered by overloading also by a fear.
- Loves to go out and explore, loves to game and spend time with friends

How we are going to help with our product.

To help this stressed student we will have a simulation where exploring and game are combined as was this does is concentrate the stressed students mind in the game and exploring in the simulation in which will result of the student calming down and not concentrating on the problem the student had when going into the simulation.

Customer 1: people with anxiety, stress and depression

Out first and main customers is to people like Anxious Ann and the stressed student who suffer from Anxiety, stress or depression, as this is a app which is there for these type of people to ease there symptom and allow them to feel better it a short period of time using our app. These type of customers will also be our main priority because out app allows anyone to use it and give ease to that user. As there are so many different situations that can suit anyone

Worried Parent - Age: 30, Job: N/A

- Stressed mom looking after 2. Husband passed away ● Has depression cause worried all the time.
- Loves reading and watching tv and spending time with family and friends

How we are going to help with our product.

We would help this parent as there will be situation in which there won't be loud noises going on but calm and gentle and will have calming object which will allow the worried parent to be able to chill and have a relaxing time. This is similar to yoga where they can breath and chill out.

Office Worker - Age: 45, Job: Call center

- Has a wife and 2 kids
- Struggles financially
- Loves his Family

How we are going to help with our product.

We will have a simulation in which take the Office worker to a completely different location than his everyday life. So instead of being in the office he will be on top of a mountain looking at a fantastic view with animals and relaxing and meditating object and wildlife to ease his stress.

Customer 2: Parents, Family and friends

Our second type of customer is parents, Family and friends like the worried parent and the office worker. This is because these. type of people will be around the person who is having any of the symptoms. So this app allows this type of customer to experience anxiety, stress and depression from the users view. Then this app will show how these people can help people with symptoms so in the real world they will get a understanding on what they are going through and what they can do to help.

Conclusion

Our app will be about anxiety, stress and depression and reducing the feeling of them. But our app targets the different type of anxiety, stress and depression. So if two people who have anxiety have a different trigger then our app will be able to help each person as it will have multiple roots and situation in which deal with different type of anxiety. So when marketing out product will with show a timelapse of different ways that our app can help.

This allows us to target a wide audience because we not only specify one type of person or one type of anxiety we would focus them all making sure that everyone using out app can reduce or remove the feeling of anxiety, stress or depression in that moment.

Customer 2: Parents, Family and friends

Our second type of customer is parents, Family and friends. This is because these. type of people will be around the person who is having any of the symptoms. So this app allows this type of customer to experience anxiety, stress and depression from the users view. Then this app will show how these people can help people with symptoms so in the real world they will get a understanding on what they are going through and what they can do to help.

7.2 The Marketing Plan - Connor Hale

7.2.1 Price

Our plan is to have two apps, one that is a free trial and the other which is going to be a premium version of the first.

The IOS and Android versions will be £4.00 for the first expansion of 30 experiences then the second expansion, of 30, for another £4.00. The reasoning behind this is that due to my research on mobile apps, people are less likely to spend full market price for phone apps.

The free trial will be three experiences for free that will rotate through the other 60. This way if the player really liked one experience it would change to another one within three days, hopefully encouraging them to pay for the entire application.

The plan is to sell the 60 experiences, on Oculus for £12 for the full experience.

The paid version will come with custom playlists of experiences, customized set up (Menu, colours), A.I. that will also help you pick an experience based on questions and exclusive premium experiences.

We plan to sell at least 5000 copies throughout the year hopefully making an annual turnover of £60,000 these should pay for the expenses of marketing and our salary.

The four of us that are working on the game will all have a base salary of £15,000. This may be expanded on when we start employing people and taking on manager roles when the game starts to sell.

We may not turn a profit on the first year but the goal is to get ourselves known.

7.2.2 Promotion

Our Direct Marketing plan as a company is to showcase our VR app through events like Insomnia, E3, Play Expo and EGX.

In these events we will have stalls dedicated to VR and let people play test our game. Hopefully this kind of Dev to player interactions will help our company become more recognised in the community.

Our Sales Promotion plan is to have our game demo and free trial set up so every user can try if they like our app.

Our PR promotion would be to support gaming charities that also help promote universal gaming for people with physical and mental disabilities. Hopefully connecting us to people who would help make our game more accessible to everyone, while also helping out a good cause.

A unique ad could make use of Facebook 360 capture capabilities, by having an ad of one of our experiences in a 360 setting. This allows people with or without a phone VR headset to try our app, already preloaded on Facebook. This may make for a good ad campaign and if the results come back positive we can expand and make more.

Another idea to promote our business could be using stress/meditation themed merchandise. Having stress balls, neck pillows, yoga mats, fidget toys and related cheap and close to free merchandise we can use at business meets or outdoor marketing.

Another unique ad could be our take on outdoor face to face marketing. Setting up a tent in busy towns or city centres and giving away free coffee, massages and trials of our app. We can set up during lunch breaks or towards the end of the day, where people are likely to be more stressed. We can also promote our social media awareness by offering a free massage or coffee for a like on facebook or a discount on our app.

We plan to promote our company primarily internet advertising through social media. This includes Instagram, Facebook and Twitter. but we will also have a website dedicated to telling our customers of new currently in development experiences we have and feedback.

We would also have complete coverage of our current status through Twitter and Instagram, showing concepts, future plans and talking directly with our fan base.
Using Internet/ Online Marketing we can also have competitions or have customer vote on what experience we bring out next. This way we can have a decent fan base that interacts with our company.

7.2.3 Product

Easy to use, simplistic UI that will easily guide the player to the simulation they want. The simulations will be laid out in such a way that the player can select an experience based on how they are feeling or how their day went for example. We may also implement A.I. to help our users find the experience for them. The design will be minimalistic and have calm relaxing animation in the background. Our competitors “Calm” has a similar app, but our simulations will be primarily in VR and offer stress free fun for everyone. On top of the fact our company will have professional consultants to help build the experiences

7.2.4 Place

Our app will be available on IOS, Android app stores as well as the oculus marketplace and steam. They will be downloadable from the stores and offer a free trial and paid version of the application. It will all be distributed through the internet and game market platforms.

7.2.5 People

On our first year we will have the four of us as a team working on the game full time, using the salaries we have all determined prior. We also plan to bring in professional consultants and licensed therapists to help make sure that our experiences help the right people and may also want to give us ideas for experiences as well. This will include the charities we will help and hopefully get some useful insight on making it more accessible.

To make sure the staff all have a positive portrayal of the business, it will be a recurring theme that we aim to help people and use gaming conventions as a way of interacting with potential customers and having a good time.
But since all the employees for the first year all helped build the company, we won’t need much convincing to make the company a positive place to work. Since everyone has come together with their ideas and hopefully helped build a successful app.

8. Operations - Matt Evans

- Trading Status

- Employment

The business will have to employ a developer who knows how to develop an app for the app store. An accountant will also need to be hired or outsourced to help with the financial aspect of the business. Legal matters will be outsourced to solicitors. All employees will need a salary and the people who are being outsourced will also need to be paid.

· Insurance

Business insurance will be needed to protect the business from any problems caused by the app. This will also help protect the business if it fails or if something goes wrong.

· VAT Registration

The business will need to be VAT registered so that we can be eligible for a VAT return if we exceed the VAT threshold.

· Equipment and Vehicles

A lot of equipment will be required to start of the business. Development computers will need to be purchased, a VR setup will be needed for testing and development. Laptops will also be required for event demos and also pitches. A central office server will also be required for development. An office space would also need to be rented so that the business has a place to reside.

· Banking arrangements

· Health and Safety

All members of staff will have to be health and safety trained to make sure that people are safe.

9. Risk Factors and SWOT Analysis - Jordan Lee

9.1 SWOT Analysis Findings

Strengths

Expertise – Due to the fact we are within the field where we are learning the application and development of Virtual Reality (VR). The transition from concept to 3D should benefit us greatly, as we will already have the fundamentals of the software accessible to us without extra training.

Project Management – All members within the development team have worked in a team prior to this project, therefore have experience and communication skills with working together, and understands the dynamic of workflow and the distribution of the tasks. Also, while studying with one another has given us good project planning while we developed games throughout our study. This includes the use of Gantt charts and flow charts to help visualise tasks and time frame.

Easy to use – The concept is that the user will be able to simply download the application and then go through a sequence of menus to access the experiences. Will only require the user to use the VR headset functions or look at the chosen option they wish to press for a short period of time.

Market – Due to the ever-growing number of people who are both professionally diagnosed and personally diagnosing themselves with Anxiety and depression, the market will be forever growing. Also, the product is intended to be published on both app store for Android, iOS and dedicated VR stores, therefore meaning that curious users who wishes for a stress relieving experience might stumble upon our app also.

Weaknesses

Start-up cost – Office space will need to contain furniture which will take up some cost, licenses for the various software programmes we will need to be included as some require a business licenses whereas some will require a subscription to maintain licensing. Then the hardware will be the most expensive investment, however it will be a one-off purchase of gaming computer capable of running the software with all necessary peripherals, and then the VR kit itself to allow us to play test the experiences.

Speed of delivery – We project to release a set number of experiences within the library, however there will be experiences constantly being developed and the speed of which it takes to make a 5 minute experience will take a significant amount of time to develop, this is due to the consistent feedback and analysis we will receive from medical experts during the development phase of each experience.
Also, the depending on the feedback and download counts will depend on how many people will see our product in the store. We plan to attend events to help counter this and increase our client base.

Not everyone can go in VR – From experience during study, we discovered that some people are unable to use the VR equipment for significant time, this is due to them feeling lightheaded or off balance while moving etc. This could potentially limit our market slightly.

Voluntary tests on people for research – We will be working in close cooperation with medical professional to help us develop the product, however the real success of the product will depend on how the user interacts with the experiences and the

feedback we receive from them. This will mean we will need voluntary participants to help us with the development of the product.

Medical expert assistance – As established above we will be working with professionals to achieve experiences that are accepted and approved by the medical field. This will include existing procedures and strategies used to help people with mental disorders.

Opportunities

Entering a new market – Due to the recent development within the virtual reality field, we know that the potential for the hardware is vast and unexplored. This meaning we are excited to push the boundaries of what people use VR for currently. The software is new, and the competition is relatively small due to it being so new. However, we project the increase in popularity of VR to bring both business and competition in the future.

Increase quality of product – Through feedback of our clients we are aware of the potential of making an app that could be revolutionary. The quality of the product will only increase as we expand through advertisement and feedback.

Developing new products – After we have established ourselves as a business, have a strong following and have a solid library of experiences to accommodate for our initial market, we intend to branch off and make treatments for more mental disorders and have a wider range and therefore target market. This could include people with phobias such as public speaking and heights.

Room to grow – We are projected in the long-term to branch off and produce experiences to help with other fields of mental stress. This could mean to help users to overcome phobias of stage fright or heights etc.
We also know the potential of the product and depending on the feedback and development of the experiences, we will plan to eventually expand to the doctors and hospitals as a form of alternative treatment for mental health disorders.

Threats

Competitors – Our main competition are those already established for mental health soothing. One of the biggest is “Calms”. It is already established and has the funding and public relations to advertise their product if they choose to branch off into the VR technology.

New Technology Costs - There is also a risk that due to the recent discovery of VR technology, there may be potential for the manufacturer of the hardware to want to

improve their product. This may require us to buy new software and hardware, which will directly impact our income and profit margins.

Potential collapse in the VR market - The market for VR at the moment, is significantly higher due to the recent release of the hardware. This carries a potential threat due to the unreliability of the market. It is so new, there is no guarantee the market is stable or going to suddenly drop in popularity. This is a serious concern that could significantly impact our business success.

Accessibility to the Application - Due to the application requiring internet access to initially download, this potentially could limit the people from downloading the app when we are at events. As some event locations do not have internet access available in the area. On top of that, the application may require Wi-Fi to download, depending on the initial memory requirement. We have to consider the size of the app. This has the potential to turn people away from downloading it if it requires them to clear out room on their phone to test it.

Reliability of Medication - There is no guarantee that people will even take the option outside of taking their medication. They know that medication works and might opt to take the safer and quickest method of relief, in the form of prescribed medication.

9.1 SWOT Analysis Conclusion

From our SWOT Analysis we have established that the potential for our product is high, as there is no hard competition established in the market. We also have the skills and knowledge to push this concept into a real business.
We have also all worked together during study, so the office dynamic and work flow will be good, and communication is something that we will excel at.
The most promising prospect from this business is that, we have a vast range of expandable markets we could later on choose to be involved in. This is all due to the fact VR is not being fully utilised to its full potential.

However we are aware that there is a significant risk if the project was to flop, as the start-up cost alone is a large portion of our bank loan. However, we aim to market and advertise our product efficiently to prepare for the release, and then later showcase the product at popular gaming events throughout the United Kingdom.
We will also need a lot of psychologist feedback to help aid us on the initial development of the application. This is also a very expensive investment. However, we aim to maintain a good quality for each of the experiences we create and will remain in close contact with psychologists to play test and provide us with invaluable feedback. We aim to implement as many know methods of relieving anxiety and depression via our communication with professionals.

10. Financial Summary - Matt Evans & Jordan Lee

We have carried out a financial forecast for our first year within industry. Within this spreadsheet we have documented the different tiers of which the user will be able to purchase from, and clearly showing the units we project to sell.
We have also taken into consideration the events we will be attending e.g. Insomnia, EGX and PlayExpo and the effect it will have on the sales.

Due to the fluctuation in costs during these events we will find that both our sales for standard and premium packages will be greatly increase in the months the events occur. We have however set aside a safety £5000 for each event we plan to attend, to accommodate for the marketing, accommodations we will stay at and travel to and from the events. We also hope that after the events the app will float and selfadvertise from word of mouth or reviews of the events.

In conjunction with the events bringing us a great deal of publicity, we have projected to the sales to fall off over time, and stabilising around 200-800 active users after the buzz of the events fall off.

As pointed out in the SWOT Analysis (9.1) we are aware that the business will require a large investment at start-up to accommodate for both hardware and software. This will include items such as gaming computers capable of running the software, monitors, peripherals, graphic tablets, VR equipment and laptops to allow us the ability to transport our product to events without losing the performance power.
Within the start-up costs, the costs for licenses for our software will also impact our income as it will be in a subscription format throughout the year.

We have taken into consideration that we will also need above average broadband to allow us to download and upload new software as they come in.

Professional/Expert’s time will be found from family and friends. Other experts and psychologists we aim to assist them in their thesis, while they simultaneously assist us with feedback, analysis and potential development.

We are projecting to release the game in April and therefore expecting our initial release to gather a lot of attention via our marketing and advertisement on social media.

Cashflow VR Entrepreneurship

File Edit View Insert Format Data Tools Add-ons Help All changes saved in Drive

One Year Cash Flow Forecast

Number of sales	January	February	March	April	May	June	July	August	September	October	November	December
Free trial	0	0	0	12000	3000	2500	1000	6000	4000	5000	1500	3000
Standard	0	0	0	4200	1000	600	300	2100	1600	1200	400	1000
Premium	0	0	0	1200	300	200	150	600	800	550	200	400
Oculus	0	0	0	1600	500	400	350	800	1000	750	400	800

Number of sales	Price per sale	Total
38000	£0.00	£0.00
12400	£4.00	£49,600.00
4400	£4.00	£17,600.00
6600	£12.00	£79,200.00

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year 1
Income	£	£	£	£	£	£	£	£	£	£	£	£	£
Free Trial Sales	0	0	0	0	0	0	0	0	0	0	0	0	**0**
£4 App Sales	0	0	0	16,800	4,000	2,400	1,200	8,400	6,400	4,800	1,600	4,000	**49,600**
£4 App DLC Sales	0	0	0	4,800	1,200	800	600	2,400	3,200	2,200	800	1,600	**17,600**
£12 Oculus "Interactive" Sales	0	0	0	19,200	6,000	4,800	4,200	9,600	12,000	9,000	4,800	9,600	**79,200**
Business bank loan	50,000	0	0	0	0	0	0	0	0	0	0	0	**50,000**
Start-Up grant	20,000	0	0	0	0	0	0	0	0	0	0	0	**20,000**
Capital Invested	8,000	0	0	0	0	0	0	0	0	0	0	0	**8,000**
Total Income	**78,000**	**0**	**0**	**40,800**	**11,200**	**8,000**	**6,000**	**20,400**	**21,600**	**16,000**	**7,200**	**15,200**	**224,400**
Costs													
Staff & Director Costs	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	**60,000**
Rent and Rates	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	**24,000**
Fixtures & Fittings	2,500	0	0	0	0	0	0	0	0	0	0	0	**2,500**
Capital Exp. (Hardware)	15,650	0	0	0	0	0	0	0	0	0	0	0	**15,650**
Software/subscriptions/Licenses	336	336	336	336	336	336	336	336	336	336	336	336	**4,032**
Utilities (Water and electric)	340	340	340	340	340	340	340	340	340	340	340	340	**4,080**
Advertising & Promotion	0	1,200	1,200	5,000	1,200	1,200	1,200	5,000	5,000	5,000	1,200	1,200	**28,400**
Accounting	200	200	200	200	200	200	200	200	200	200	200	2,200	**4,400**
Legal	1,000	0	0	0	0	0	0	0	0	0	0	0	**1,000**
Insurance	250	250	250	250	250	250	250	250	250	250	250	250	**3,000**
Repairs/Maintenance	100	100	100	100	100	100	100	100	100	100	100	100	**1,200**
Office supplies	250	50	50	50	50	50	50	50	50	50	50	50	**800**

Appendix (a)

"And the competition is immense. In July, free apps were downloaded 1.84 billion times from the iOS app store, according to Priori Data, a research firm. By contrast, iPhone users downloaded a mere 119 million paid apps. In other words, just over 6% of all apps downloaded were paid for. A report out last month from VisionMobile, another research firm, estimated that more than half of revenues made by app developers don't come from the app store at all. Instead, it is enterprise customers who keep developers afloat."

"The market has shown that… smart use of in-app purchase in a free app is likely to make more money," writes Arment. "Over time, this trend has only become stronger and clearer."

https://qz.com/129699/the-amount-most-people-are-willing-to-pay-for-an-app-is-0until-theyve-actually-downloaded-it/

These are quotes from an article from Forbes website (Quartz, 2019). Taken from research done by Vision Mobile. These both state that apps that are paid for cover only 6% of the market. Which is why we want to bring out the free trial version of the app that includes the three free experiences that rotate through the first thirty we bring out.

The reason for having it rotate is to make sure the app is still engaging for the user by routinely changing the experiences every three days. But also, if a user really enjoyed one experience and it disappears in the next few days, they would be more inclined to pay for the full version of the app.

However, this information does go against our main source of income, I feel that our close engagement with professionals, our close fan base through social media, our advertising plan through social media and on top of plan for gaming events will put us at a significant advantage. ***https://www.cio.com/article/3195155/mobile/why-some-people-are-willing-topay-for-a-mobile-app.html***

https://www.forbes.com/sites/quora/2016/03/23/theres-a-psychological-reasonwhy-people-dont-want-to-pay-for-apps/

Both these articles (Miller, 2019),(Forbes.com, 2019) cover serious topics on consumers willing to pay money for an in store application. This also puts our current main source of income under pressure.

Although this may be a cause for concern, we also have future plans or other ideas on making money of this app more efficiently if this kind of selling doesn't work.

But again, as previously stated our current business model and plan should give us the edge over other companies that just bring out a game and hope for the best.

https://www.adweek.com/digital/meditation-apps-are-becoming-a-source-ofzen-in-an-overstressed-world/

This part of customer research from adweek (Birkner and Birkner, 2019) I have found that there 18,000,000 Americans that meditate. Considering our app will most likely cater for that market, it also caters for people with anxiety and depression, broadening the market even more. Although this doesn't cover people who are willing to buy a meditation app, if we market it correctly through advertising and gaming events, we may be able to tap into the millions of people who meditate.

https://www.marketwatch.com/press-release/virtual-reality-market-size-is-projectedto-be-around-us-33-billion-by-2022-2018-08-30

This customer market research also covers the projected market of Virtual Reality. Which could potentially be 33 billion by 2022 according to market watch (MarketWatch, 2019). Through my research I have come across multiple research reports all projecting the same type of growth in the coming years. Meaning the potential growth of the company may potentially be larger in the coming years of VR.

(The source of all the results needed a paid for license to view the full report, so I could not show the full extent)

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