

Buzz City Games Business Plan

Owner

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Market Summary

In 2018, the hobby game market, in its ninth year of growth will be an estimated 1.47 Billion per year¹ industry. CCGs (Collectible Card Games), led by Magic: The Gathering (1993), will become a \$787 Million market in retail sales in 2018. Strategy Board Games, Miniatures, Role Playing Games (RPGs), including Dungeons and Dragons™, and CCGs have added a whole new dimension to the hobby previously limited to classic board games and sports cards. .

Buzz City Games proposes to establish an interactive retail store in Concord, NC, building on the direct experience of the new business' owner in the successful opening and management of such a store Cape Fear Games in Wilmington, NC.

Nature of the Business

Retail - Buzz City Games will be established as a brick and mortar retail hobby gaming operation in Concord, NC. Owner, Andrew Westin's elevated customer service approach will cater to the interests, needs and volume of hobby game customers in the greater Concord area. Buzz City Games will offer first-rate in-store experiences, with opportunities for customers to learn to play hobby games as well as join the growing community of players.

Online - Buzz City Games will also utilize its self-branded e-commerce platform, as well as third party sites (Amazon, eBay, BoardGameGeek and TCGPlayer) to further expand the potential customer base looking to acquire games, CCG singles, and RPGs without seeking the in-store or Friendly Local Game Store (FLGS) experience.

Market Potential

The primary revenue is expected to be from CCGs and a collection of hobby game products including board games and RPGs.

Hobby gaming has historically been geared toward upwardly mobile, college educated males aged 25-40, although young women are rapidly becoming interested in hobby gaming as well. Experience has shown that Buzz City Games as a storefront will draw business from 30+ zip codes, with 28025, 28075, 28027, 28083, 28138, 28124 being in the closest proximity. Colleges and universities within 20 miles will provide ample marketing opportunity for future customers and boast 60,000+ students enrolled. The largest three by enrollment are: UNC-Charlotte (28,721), Central Piedmont Community College (19,487) and Rowan Cabarrus Community College (5,338).

¹ ICv2.com articles on Hobby Games posted March 9, 2018 and July 20, 2017

Key Personnel

For the past eight and a half years, Westin opened and operated Cape Fear Games in Wilmington, NC. Westin grew annual sales from zero to \$2 million in four years. He identified and implemented a lucrative e-commerce business operation including a fulfillment partnership with Amazon. Westin developed best practices, policies and procedures and coached, mentored and motivated a team of 25 employees and 30 contractors to consistently exceed goals and grow the company at a sustainable rate. Westin's custom marketing strategy, created, attracted and retained a local customer base. Using local community outreach through events at schools and museums he cemented the brand locally.

His extensive list of resources and personal experiences enables him to determine value of new games and collectibles in order to purchase them effectively and profitably. Westin also has developed an extensive professional network of contacts within the industry, as well as a market following in Southeast North Carolina. As owner and chief operator of Buzz City Games, Westin will apply his skill and knowledge to build visibility and profitability of the new business in Concord, NC.

Operational Plan

There are three keys to creating a successful Hobby Store business:

- Establish a continuously refreshed and growing inventory of Magic Singles, Board Games, and RPGs through strategic, right-priced purchasing.
- Organize inventory for accurate, speedy access and provide omni-channel, market-focused presentation of available product.
- Provide interactive, in-person gaming experiences for the target market. Attract, develop and retain customers by creating and supporting the local gaming community. Reinforce the positive experience with superior omni-channel customer service.

First Six Months

- Setup and begin local marketing plan to build the local gaming community base.
- Grow e-commerce and Fulfillment by Amazon sections of the business to assist in revenue generation
- Set benchmarks for the holiday season while growing inventory

Second Six Months

- Continue growing local player base while ramping up community outreach
- The slower months, April-July, will offer up time to fine tune best practices and procedures while sculpting inventory for the last half of the year.

Ongoing

- Hobby retail game stores operate in a cyclical nature. Special care will be paid to inventory creep during the slower months. This

phenomenon has been accounted for during cash flow projections in several areas to mitigate potential variance.

- Buzz City Games expects to be profitable by fiscal year 2. Westin will balance the growth of the business with an aggressive repayment plan of monies owed.

Financial Projection

Establishing Buzz City Games will require one to three years of capitalization. Funds will be used primarily for leasing storefront and processing space and the purchase and maintenance of inventory and fundamental equipment, with minimal personnel costs. Based on his experience, Westin anticipates operating the business directly with only one to two added staff members in positions of cashiering, stocking and inventory.

An initial capital investment of \$125,000 is sought at this time. With anticipated growing revenue, this amount should support the business through development and implementation phases over its first two years. A detailed financial projection is available on request. The business will be operated as a Limited Liability Corporation (LLC), with capitalization sourced through private investors and/or small business loans.

Invitation to Participate

A limited number of private investors will be included in establishing and growing Buzz City Games. Those interested in becoming part of this emerging business opportunity are invited to contact the Owner.