

CASE: THE BETTERLIFE PROJECT

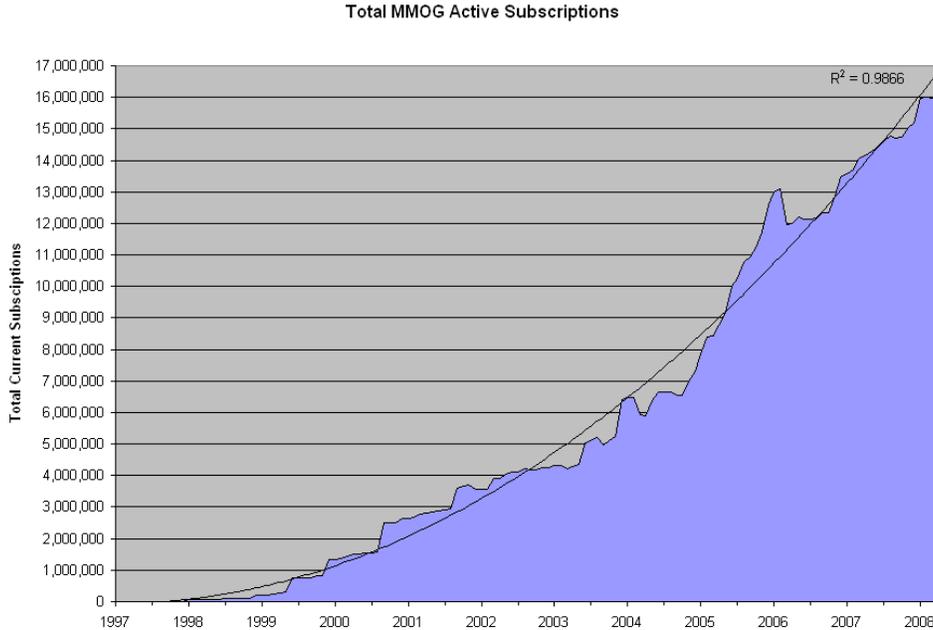
The Roden Scholars' Case Study Competition
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BACKGROUND ON THE BETTERLIFE PROJECT

Roden Inc. is a non-profit organization that was set up by Longhorn Industries. The purpose of Roden Inc. is to serve as a channel through which Longhorn Industries can give back to its community and tackle the community's social entrepreneurship efforts. Since its establishment, Roden Inc. has been responsible for a number of high profile philanthropic ventures with a specific focus on using new Internet technologies.

In its latest venture, executives at Roden Inc. decided the goal for 2009 would be to start work on project 'BetterLife'. BetterLife is a project that envisions merging the worlds of philanthropy, Massively Multi-player Online Games (MMORPGs), and alternate online universes to create a venture that both delivers an excellent entertainment experience and an avenue through which gamers can channel some of their gaming revenue to worthy causes. With the worldwide online gaming market crossing the 200 million user mark in 2007 and [data from comScore](#) indicating that 28%, that is almost one in three Internet users, plays games online, Roden Inc. feels this is an excellent time to begin such a venture. Estimates of revenue generated by MMORPGs range from \$1-2 billion. There is, however, a general consensus that the space is set to [experience exponential growth](#) over the next five years.



Source: MMOGchart.com

In keeping with Roden Inc.'s legacy of establishing projects that are not only beneficial, but sustainable and scalable, BetterLife is envisioned as a self-sustaining enterprise that internally generates all the money it eventually channels to the social challenges that it will tackle. Despite having been carved out of a large online marketing company with substantial financial resources, Roden Inc. has managed to maintain a 'start-up' feel with a lot of emphasis on efficiency as well as a very open communication culture. The Roden Inc. offices are located in Austin, Texas, an area commonly referred to Silicon Hills due to the large number of start-up technology companies that are located in the area. The organization runs out of a converted bakery with two floors of wide open space. Employees are encouraged to work collaboratively and share information freely.

The standard procedure for outlining a project idea and determining the viability of various implementation approaches is captured in a series of steps. First, the executives release a list of the company's priorities for the upcoming two-year cycle. The list undergoes a major revision every

two years with quarterly updates, due to the highly dynamic nature of the online industry to ensure Roden Inc. is always leveraging the latest technology trends to accomplish its mission. Once the list is released, employees are encouraged to brainstorm and develop ideas that create social benefit using technology and are in line with the company's priorities. This year's list reflects the growing trend towards interactive web technology, commonly referred to as Web 2.0 with themes such as social networking, online gaming, and cloud computing featuring quite prominently.

There were over forty project submissions to this year's competition. All of the project ideas were submitted by Roden Inc. employees and after a grueling elimination process the BetterLife project was selected as the flagship project for the coming two year cycle. Three other runner-up projects were also selected for implementation, albeit with a lesser resource allocation.

Now that BetterLife project has been selected, the team that conceived the idea is charged with the task of designing a full implementation plan for the project. This plan is structured much like a business plan and will be presented along with the runners-up to executives of both Longhorn Industries and Roden Inc. in a venture-pitch-type setting.

More on BetterLife

The BetterLife team developed with the idea of harnessing the power of online gaming for social good. The concept is based on the need to create an avenue through which both the hardcore online gamer and casual player can gain a form of social return while being entertained. Bringing more meaning to the gaming experience in this way would not only fill a need for current gamers, but has the potential to draw in a whole new crowd of socially conscious individuals into the online gaming world. The benefits of pursuing this as a strategy are currently being assessed by the BetterLife team to determine whether it is something they would like to pursue.

BetterLife aims to move in to this socially-conscious gaming space by creating a top-of-the-line gaming experience while channeling revenues to community-benefiting projects. Working from this premise, Roden Inc. began working on the infrastructure of the game, creating the online world, a character generation engine that would enable the Betterlife team to create game characters and/or enable gamers to modify and customize their avatars. Roden Inc. also agreed to provide for all the infrastructural requirements of the game. This commitment of support from Roden Inc. enabled the BetterLife team to focus on creating a compelling game-play idea and tackling issues such as refining their revenue model.

The BetterLife team is currently brainstorming the details of the implementation plan. Top on their list of priorities is ironing out the revenue model for the game, i.e., how it will make money to sustain itself and channel towards charitable causes. To make the project more manageable and help the team think of all aspects of the project, the team broke the overall project into three main parts: **the users**, **the game**, and **the cause**. Now, as the deadline approaches, the excitement is palpable at Roden Inc.'s Silicon Hills office.

CASE COMPONENTS

This case is composed of 3 main aspects: Users, Game, and Cause. It is your task to consider how you will identify and reach **users**, how you will channel their money into the **game** (revenue model), and how revenue from the game will be used to sustain operations and fund a charitable **cause**.



The following list provides some of the questions that you should try to answer:

- **Users**
 - Market Analysis
 - What market segment(s) will you pursue?
 - How large is this market (revenue, customers) and what makes this segment appealing?
 - Marketing
 - How will you reach this market? (pricing/distribution/advertising, demographic studies)
 - How will you differentiate from the competition?
- **Game**
 - Virtual Economies
 - What are the revenue streams for the game? How will real money be converted to virtual money?
 - What is the revenue model for the game? Will it be a one-time purchase, a continual subscription fee, in-game purchases, or a combination of these? Why?
 - Game Play
 - Write a back-of-the-box summary of the game's premise.
 - How will the game relate to your cause (if at all)?
 - Generating Revenue
 - How will you make the company sustainable?
 - How will you allocate revenues from the game to a non-profit?
 - Keeping up with Technology
 - How will the game adapt to emerging technologies to be innovative and stay current with new developments?
- **Cause**
 - Non Profits
 - What non-profit organization(s) will you give money to, and why?
 - How will you measure the impact of your contributions?
 - Users
 - How will users connect to the cause?
 - Why should users care about the problem?
 - What are the returns for gamers (social and/or monetary)?

DELIVERABLES

1. Business Plan
 - 10-15 pages (not including appendices)
 - Should include financial statements
 - Income statement, balance sheet, cash flow statement
 - Project first 2 years' financials and estimate break-even point and cash flow positive
2. Presentation
 - Preliminaries: 25-minute presentation (15 minutes for Q&A)
 - Finals: 20-minute presentation (20 minutes for Q&A)

HOW TO GET STARTED

1. Choose a cause that you want to address. (Examples: AIDS, world hunger, diseases, water, endangered species, and the environment.)
2. Find an avenue by which you can address this problem (Examples: an affiliated non-profit, creating a new initiative.)
 - Things to consider: efficiency (what is the cost of pursuing this avenue?), credibility among donors.
 - Starting points:
 - [Charity Navigator](#)
 - Forbes - [America's Most Efficient Charities](#)
3. Generate a compelling idea for a game by which you will create capital for your chosen avenue.
 - Research trends in gaming, specifically MMO's
 - Starting points:
 - [MMOG Chart](#)
 - Wikipedia: [MMORPG](#)
4. Consider financial/market issues involved.
 - Starting points:
 - UT Library Website -> [Databases](#) -> eMarketer