



Business Plan

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pimpernel

V I R T U A L R E A L I T Y S Y S T E M S

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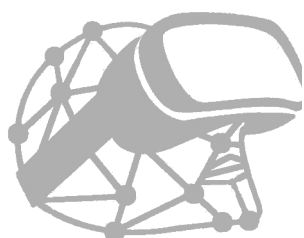
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EXECUTIVE SUMMARY

The Vision:

PIMPERNEL aims to create a world of wonder. We want to build a virtual world where people can work on keeping their real bodies fit and healthy while their avatar is slaying the game play in the virtual world.

The Business:

PIMPERNEL is an omni - directional treadmill that allows the customer to run any direction while fully immersed in the PSVR world collecting our trinkets and treasures scattered throughout game play.

A video pitch and Video demo of our product can be found at:

<https://vimeo.com/user63528160>

The Company:

PIMPERNEL will work as a Virtual Reality Systems company out of a development situated in Ballymena, Northern Ireland. Our company is in the early stages of development as we are currently working on solutions, software and hardware on how to make our product the very best it can be before it reaches our initial customers.

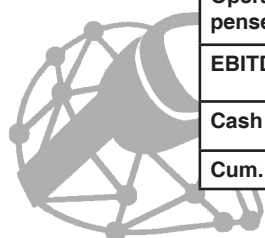
The Market:

We aim to target the gamers market initially by purchasing ad space through PSVR and with the added element of our gaming roadshow. However, in the near future we want PIMPERNEL to be able to cater to everyone who desires it. At the end of the 2018 financial year, around 463,000 Head Mounted Displays (HMD's) were purchased in the United Kingdom thus these will be our main market to target in our first year.

Summary of Key Financial Projections:

Upon researching through the prices of the various engineers we needed along with the amount of new customers etc. we documented the growth of PIMPERNEL between the next years 2018-2021:

	2018	2019 (2%)	2020 (4%)	2021 (6%)
New Customers	463,000	555,600	777,840	1,244,544
Units sold	463,000	555,600	777,840	1,244,544
Revenue	£479,668,000	£690,610,800	£1,353,441,600	£2,474,153,472
Gross Profit	£335,648,600	£517,787,520	£1,138,489,008	£2,130,229,325
Gross Margin	N/A	74%	84%	86%
Operating Ex- penses	£144,019,400	£172,823,280	£214,952,592	£343,924,147
EBITDA	£479,668,000	£690,610,800	£1,353,441,600	£2,474,153,472
Cash Flow	£335,648,600	£517,787,520	£1,138,489,008	£2,130,229,325
Cum. Cash Flow	£335,648,600	£853,436,120	£2,327,573,728	£5,646,887,773



INTRODUCTION

Background:

PIMPERNEL is a Virtual Reality systems company situated in Northern Ireland. The company is the brain child of founder Leah Neeson in early 2019.

The ever increasing rise of Virtual Reality gaming along with the continuing rise in obesity across the globe got Leah thinking. Having a qualification in Performing Arts with Set and Prop Design along with studying for her degree in Interactive Media, she could use these skills gained to create a more fun, exciting way to escape reality and exercise at the same time. Thus, PIMPERNEL was born.

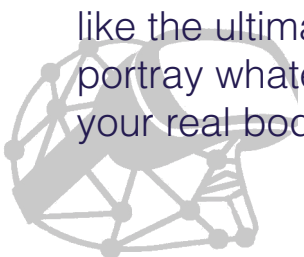
PIMPERNEL is a multi-directional treadmill system which enables customers to escape into the world of Virtual Reality while toning and exercising their “real world” bodies. Not just for children, PIMPERNEL offers a world within VR in which anyone can be whoever they want to be with no limitations along with creating their perfect bodies for their day to day goings in the real world.

In the beginning of PIMPERNEL, the first drafts were going to be inter-locking with your favourite games such as Call of Duty right through to Fortnite however upon looking more into the design properties, we at PIMPERNEL believe it could be the start of a wider world of curiosity.

Company information:

Leah Neeson (Founder) - has multiple qualifications in regards to design such as A/B grades in both GCSE and A-Level Art and Design, B grade in A-Level Performing Arts with Set and Prop design (as stated above), a Foundation degree in Art and Design practice and is currently dedicating her time to achieve her Bachelor of Science Degree in Interactive Media.

She first became fascinated with the concept of VR in its early stages of production. The thought of being able to escape the real world into a world where there were no limitations to what you could be or do sounded like the ultimate oasis. She wanted to provide a world where you could portray whatever person you wanted to be while you worked on keeping your real body fit and healthy at the same time.



THE MARKET OPPORTUNITY

At PIMPERNEL, our target focus is on gamers and potentially fitness fanatics. We've all heard the news articles before about how playing games is bad for your body and your health deteriorates thus we want to engage our gamers to see this system as an incredible game feature which allows you to run along side your team mates in a Battle Royale situation rather than a boring run on a treadmill looking at a wall.

In early 2018, KZero¹ released a study that predicts HMD (Head Mounted Displays) sales of almost 83 million units for that year in which makes for impressive statistics making VR extremely appealing to larger game developers in 2019.

One of our competitors Virtuix Omni, have stated on their website they have sold over 3,000 systems² to date along with collaborating with over 500 commercial operators across the globe. We aim to smash these targets with producing a significant amount more to show PIMPERNEL is a clear competitor by spanning around 4,000 or more systems within our first two years of opening.

The main locations of our leading markets in omni-directional VR treadmills span across mainly Hong Kong, Australia, Canada and the USA³. With the continuous rise of HMD systems being purchased in key regions like North America, Europe, Asia, South America, Middle-East and parts of Africa.⁴

The likes of Virtuix Omni, KATVR and Infinadeck are our main competitors at this time. Many of their products come in mini or premium versions thus we aim to create our system in a way never created before.

1 <http://www.virtuix.com/production-status-and-vr-forecast/> - the statistics showing the overall sales of HMD's for the year 2018.

2 <https://www.virtuix.com/case-studies/> - case studies Virtuix Omni have included on their website and stats showing their market.

3 <https://www.virtuix.com/case-studies/> - leading countries in omni-directional VR treadmills.

4 <http://thenewsmates.com/virtual-reality-vr-in-gaming-market-2019-with-top-countries-data-evolving-technology-trends-and-industry-analysis-2024/101228/> - statistics showing main sales of HMD systems across the globe.



THE OFFERING

PIMPERNEL is a product like nothing before. The hexagonal base design with a built in omni-directional treadmill allows the customer to walk or run in the virtual world as if they were really there. The customer receives a wearable safety belt that attaches onto PIMPERNEL's waist safety feature so when the customer is in full immersive mode, they aren't in any immediate danger.

Furthermore, the belt is equipped with a safety clip which attaches to the customers clothing. When pulled off PIMPERNEL's waist feature, the entire system goes into safety mode and stops all movement in case of a trip or fall. The trip dampening technology within the waist bungees are designed so that there is an extremely slim chance of you being able to fall off PIMPERNEL resulting in injury.

PIMPERNEL is nothing like our other competitors. Our system allows you to interact with other players via an avatar with the opportunity of collecting credits to progress through the five stages of suits. These suits will be "Real World" purchases (thus meaning, the player will receive the suits in the real world improving their gaming experience). Each time a player collects enough credits throughout certain games, they will be given the opportunity to purchase the different suits using their credits however they must collect the suits in order of:

- Green
- Blue
- Yellow
- Orange

And finally the elusive **Scarlet** Pimpernel suit which comes with tasks to unlock as well as credit price. Once all suits have been obtained by the player, they can then unlock the Second Generation PIMPERNEL system.

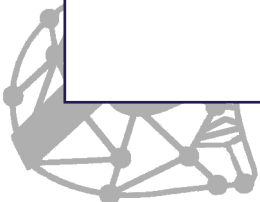
Using state of the art drone technology, our systems will be delivered directly to your door, no fuss, no waiting around for the delivery van. We want to make PIMPERNEL's drone delivery the way of the future in an easy and fuss free way of delivering goods to you directly.



THE COMPETITION

The competition is fierce within the VR market with the likes of Virtuix Omni, KATVR and Infinadeck being our leading competitors, we always have to be one step ahead. All of these brands create a similar product to ourselves but we have aimed to create a product with the most unique and exciting differences.

Name of Competitor	Price	Strengths	Weaknesses	How is PIMPERNEL better?
Virtuix Omni (Standard)	£380	<ul style="list-style-type: none"> - Concave runner disc with special shoes. - Non-slip technology - Fits comfortably into your living room space (comes in two separate pieces) 	<ul style="list-style-type: none"> - Concave runner made some customers trip and become clumsy. - Only games that can be played using the Omni have to be purchased for this system. 	<ul style="list-style-type: none"> - Flat running surface thus more difficult to trip. - Compatible with any game on Playstation/ HTC Vive or Oculus Rift. - Also equipped with non-slip technology
KAT WALK VR (Standard)	£2280	<ul style="list-style-type: none"> - Been describe as "the ultimate Ready Player One experience" 	<ul style="list-style-type: none"> - no safety belt or safety clip feature. Little to no safety features. 	<ul style="list-style-type: none"> - full safety equipment and design.
Infinadeck (still in the prototype phase)	No price released.	<ul style="list-style-type: none"> - No specific shoe is required so users can wear whatever they want. - Platform is the easiest to manoeuvre on and to crouch etc. 	<ul style="list-style-type: none"> -Platform is too small to run effectively on. 	<ul style="list-style-type: none"> - Large platform for optimal running or walking games. - Players are issued a pair of PIMPERNEL boots with their purchase so no added cost.
Cyberith Virtualizer (Standard)	£450	<ul style="list-style-type: none"> - use of optical sensors to base the track of the movements of your feet when in motion. 	<ul style="list-style-type: none"> - rest of body isn't as controlled as your feet are. - Needs additional expensive features for best experience 	<ul style="list-style-type: none"> - body and feet are fully tracked when the player is in full immersive mode. - no additional features are required for PIMPERNEL to work.



MARKETING

Branding:

The name PIMPERNEL is derived from the fictional character the “Scarlet Pimpernel”. The poem in relation to this begins with:

“they seeks him here, the seek him there;
They seek him everywhere.
That demned elusive pimpernel”

Our company wants people to always be searching for their wildest dreams within our VR world, similar to the French always searching for the Pimpernel. We want PIMPERNEL to become a place of safety and no judging, a place of happiness, a place where our customers can be whoever they want to be without limitations, an oasis to the soul.

Distribution:

PIMPERNEL systems will be distributed through a delivery service straight to the customers door. As PIMPERNEL is a larger product, we would assess the price of postage for the customer however we would include this in the overall RRP starting price of £1,036.

Pricing Strategy:

Upon researching our leading competitors, we documented the standard price of each system from:

- Virtuix Omni = £380¹
- KAT VR = £2280²
- Cyberinith Virtualizer = £450³

1 <https://www.virtuix.com/> - Virtuix Omni price range.

2 http://katvr.com/?gclid=CjwKCAjwm-fkBRBBEiwA966fZNR1INCvR_Up63NqGEyndWTNJIGT_M54gcGEcTG1QI9dZO1mHfpE7hoCvgEQAvD_BwE - KATVR price range.

3 https://www.cyberith.com/?gclid=CjwKCAjwm-fkBRBBEiwA966fZJ0jrGpg8qNvvJUZw4XDX-MFb107QQBH4XDfzup4MpxiqGLU3J4dlo2BoCHEIQAvD_BwE - - Cyberritths price range



MARKETING

We excluded Infinadeck's system from this study as there was no price released as of yet. I conducted an average from my three competitors averaging at £1,036 RRP. Furthermore, we took 30% off this price for my recommended production price of £676.

Furthermore, we intend to produce better and more exciting hardware over the coming years, thus we intend to project our prices up gradually by 2, 4 and 6% thus follows:

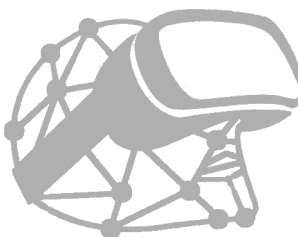
Year	2018	2019 (2% growth)	2020 (4% growth)	2021 (6% growth)
Price of Product per year	£1,036	£1,243	£1,740	£1,988

Promotion:

The United Kingdom is one of the leading gaming countries in the world which is already beneficial to PIMPERNEL. We aim to create a roadshow tour of PIMPERNEL at the leading gaming expo's across the UK. Our research determines the best expo's to promote ourselves at is:

- NEC Birmingham Insomnia 64: 19th-22nd April 2019 (Booth Price = TBC)
- Play Expo Manchester: 4th-5th May 2019 (Booth price = TBC)
- Emerald Isle Comic Con, Belfast: 11th-12th May 2019 (Booth price = £120)
- Dublin Comic-Con: 9-11th May 2019 (Booth Price = £380)
- Dublin Insomnia 64: 9th-11th May 2019 (Booth Price = TBC)

Through completing a Gaming Roadshow, we can promote PIMPERNEL's image, get the name out there and get users and gamers to interact with our product hopefully enticing them to purchase their own.



MARKETING

Sales:

After researching into the usual increase in sales of VR systems coming in around 4% each year, we approximate our sales to rise by 2% each year. The ever increasing growth and rise of PIMPERNEL will allow us to expand our systems and create more and better content in the coming years.

With HMD numbers in the UK reaching 463,000 in the last year, the likes of other leading gaming countries such as USA, China, Japan, and Australia's numbers will continue to increase with the beginning of omni-directional treadmills coming into play.

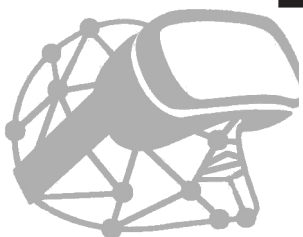
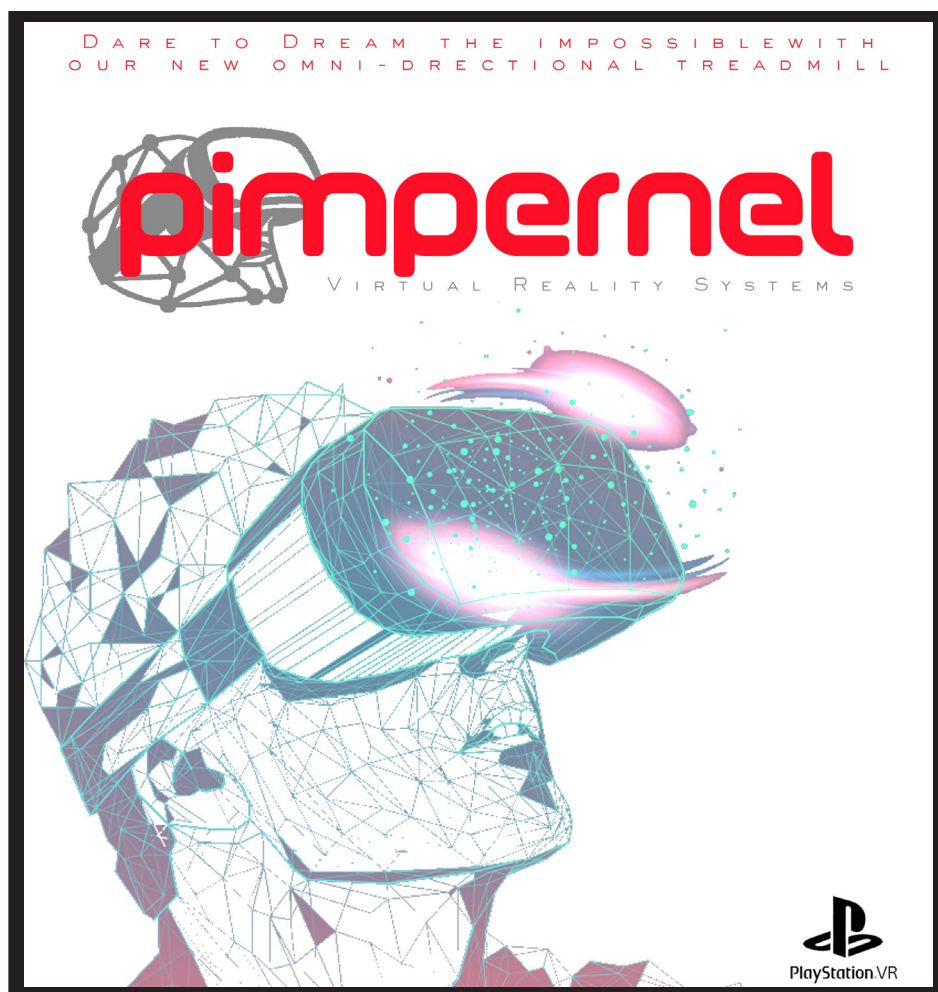
Furthermore, by 2021, we would expect PIMPERNEL's sales to have increased by 6% year on year. We believe this is a reasonable and achievable target considering the ever increasing rise of HMD's and the beginning of omni-directional treadmills.

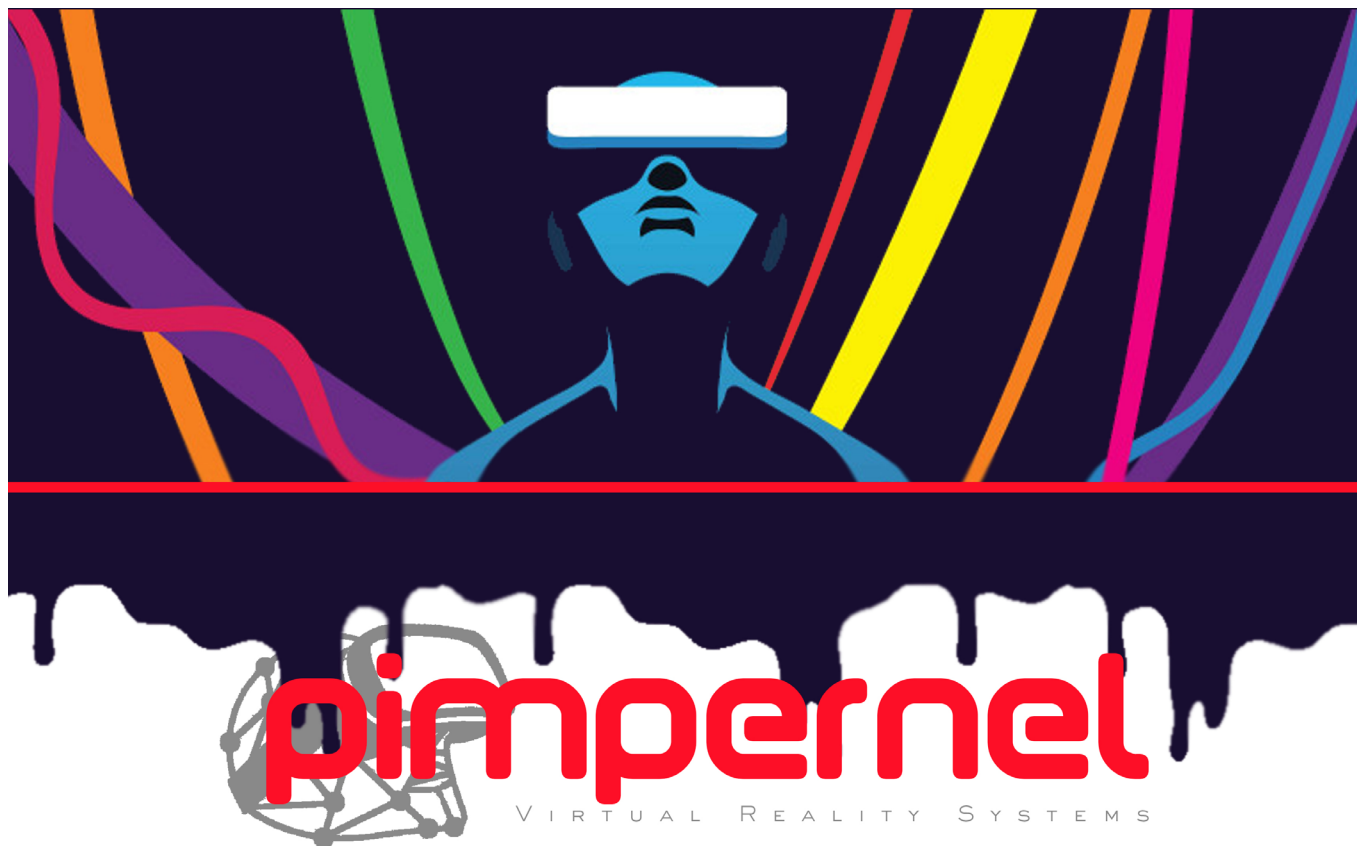
Leave Behinds:

We created some imagery can could be adapted into posters, flyers or leaflets that can be distributed across the region to promote PIMPERNEL. These can also be used in our proposed gaming roadshow to display PIMPERNEL and give those a preview into what we are presenting.



MARKETING

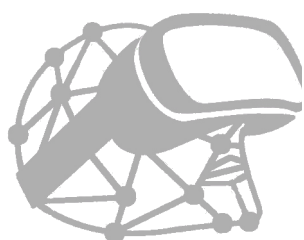




DARE TO DREAM THE IMPOSSIBLE WITH
OUR NEW OMNI-DIRECTIONAL TREADMILL



PIMPERNEL PSVR protective covers



FINANCIALS

Team basis:

For PIMPERNEL to work effectively, we intend to employ approx. 2 Software Engineers, a VR Specialist, a testing Engineer along with the manufacturers. We believe our team of engineers, specialists and creators will set PIMPERNEL in the right direction and promote our sales as quickly as possible.

Marketing:

Working closely with the incredible skill of our marketing team, all of our marketing strategies will be delivered in house.

Revenue deduction from Sony Interactive Entertainment (SIE):

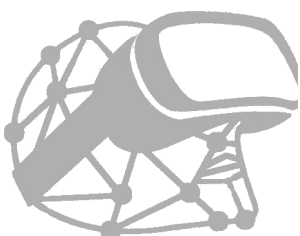
As we are working alongside PlayStation VR for the promotion and partnership of PIMPERNEL, SIE commands 30% of all revenues generated by PIMPERNEL for the use of their product to accompany the experience.

Financial Forecast:

We intend to grow our company gradually by 2, 4 and 6% through the coming years and we will be increasing the price of our product as more features will be included as the years go on. Product Prices are shown below for each year.

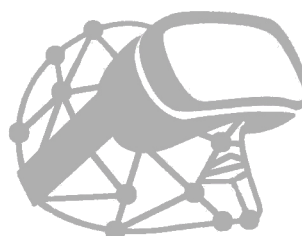
Year	2018	2019 (2% growth)	2020 (4% growth)	2021 (6% growth)
Price of Product per year	£1,036	£1,243	£1,740	£1,988

Our estimated growth from the years 2018 through to 2021 are as follows:



FINANCIALS

	2018	2019	2020	2021
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Units sold	463,000	555,600	777,840	1,244,544
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MILESTONES

Milestone 0: Project Approval - To develop a business strategy, research key markets and business that could help the beginning of our brand. Expand brand identity	Approved June 2019
Milestone 1: Implement Business Plan: - Evolve the manufacturing surrounding the first prototype. Schedule engineers and software developer to begin development phase.	December 2019/January 2020 start date.
Milestone 2: Develop working Prototype: - Design and development stage, testing phases along with trials of safety equipment while user is in immersive mode.	January - April 2020
Milestone 3: Production and Roll Out: - Final testing phases, double check for glitches/bugs etc. And prep for final check and roll out of product.	November 2020
Milestone 4: Growth and Expansion: - Continue to maintain first gen systems and when users begin to unlock the next stage, roll out second gen products.	November 2020 onwards.

