

UCI eSports Business Plan

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Executive Summary

The world of competitive video games – eSports – is a massive and rapidly growing industry. Highly skilled competition requires hours of individualized and team training. ESports' popularity now rivals that of traditional American sports. For the past three years twice as many people have watched the League of Legends (LOL) world championship than the MLB World Series or NBA Finals. The growth is now being reflected in mainstream sports media as ESPN recently established an eSports presence with dedicated staff, a website, and its first eSports magazine. It is predicted that by 2017 eSports viewership will exceed that of American football worldwide.

Collegiate eSports is following the same trajectory as the overall eSports industry. In 2014, Robert Morris University (RMU) became the first school to offer scholarships for gamers and four other small, private colleges and universities have followed suit. Currently, a collegiate eSports program includes managing a team of eAthletes, operating a training facility, oversight of a coaching staff, and managing a scholarship program.

UCI is uniquely positioned to initiate and sustain a successful eSports program. The Student Center Board of Advisors recently approved the transformation of the Zot Zone into an eSports arena. The university has over 20 faculty currently engaged in research efforts in the areas of computer gaming. On a student level, we have nationally ranked teams and players currently attending UCI. Southern California is also home to many video game developers that are seeking ways to partner with colleges and universities. The Association of Gamers (TAG) at UCI is the largest student group of its kind in the United States. UCI's competitive gaming team, the ZOTBOYS, are three time national championships in LOL. In 2015 College Magazine recently ranked UCI as the #1 School for Gamers and many students from around the country are choosing to attend UCI because of the strong gaming culture. In

addition, the campus has the largest video game design program and there are several faculty engage in research related to video games.

A clear opportunity exists for UCI to insert itself into the eSports landscape by creating an initiative to support and promote both competitive and recreational gaming. By recruiting, admitting and coaching top-level players, UCI can become the #1 eSports program in the country, and build a brand similar to that of Duke Basketball or Ohio State Football.

See Appendix 1 for an info-graphic summarizing the opportunity.

Background

A business school strategic analysis of Blizzard Entertainment (Irvine, CA), one of the biggest video game developers in the world, revealed to me that eSports is an emerging industry, yet largely ignored by higher education. Currently, the most popular game in the world, League of Legends (LOL) has over 27 million people playing it every day. LOL is a MOBA (multiplayer online battle arena) and pits teams of five players against each other. The objective of the game is to defeat the opposing team by eliminating their players and capturing their base.

For the past three years the LOL World Championships have seen viewership numbers rival the biggest sporting events in the world. Over this time span, the viewership for the LOL World Final has exceeded the viewership of the NBA Finals and the World Series, combined. There are a five private universities in the United States that have begun to offer scholarships for eSports, beginning with Robert Morris University in Chicago in 2014.

After observing the growing trend of eSports, the incredible success of UCI's gaming community began to be apparent. Here are some highlights for UCI's gamers:

- The Zot Boys, UCI's LOL Team, have won back-to-back-to-back national championships
- UCI was voted the #1 School for Gamers by College Magazine in 2015
- The Association of Gamers at UCI is the largest student organization on campus with over 400 paid members so far in 2015-2016
- Press Start, a LAN party at the Bren, had a budget of over \$100,000 and gave away \$30,000 in prizes.
- Many of UCI's gamers have selected UCI over other schools because of the famous gaming culture

After consultation with UCI undergraduates, UCI staff and faculty, professors, MBA students, and entrepreneurs, it became clear that UCI is well positioned to quickly take advantage of this growing eSports movement. The Association of Gamers (TAG) student organization has expressed in helping to develop the eSports program, generously provide consultation and insight to the collegiate gaming landscape.

Many articles and papers have studied the effects on gaming, including research at UCI. One study shows that high school students that play video games and are part of a gaming support group like a high school club or team have higher GPAs than their peers. These high school students are also more open-minded with respect to cultural diversity and difference. Several other studies have shown that gamers are

more likely to persist in trying to solve problems and work together as a team to address an issue.

Like other traditional sports, elite gamers spend a significant amount of time training to refine their skills and abilities to achieve success during competition. Access to top-of-the-line gaming computers and facilities are vitally important to a successful program. Through corporate partnerships, UCI can renovate the Zot Zone to support a collegiate eSports program while also providing a recreational outlet for the general student body to enjoy competitive gaming as a fan or competitor.

With the growing international popularity of competitive gaming and UCI's academic strength in the areas related to gaming (ie. the gaming design major, engineering, science, technology, and the arts), UCI is poised to have a significant gaming presence in the industry and in the competitive gaming scene. After months of research, outreach to potential sponsors, gaming companies, professional eSports teams, and students, we have a plan to stake UCI's claim as the best collegiate eSports program in North America.

Mission

While all of the current collegiate eSport programs focus exclusively on student competition, UCI eSports will take broader, more holistic, approach. The UCI program will be built on four pillars: Competition, Academics and Research, Community, and Entertainment.

1. **Competition** - We will recruit the best gamers from around the world and offer them scholarships to compete for 'Eater Nation. Our gamers will receive coaching from former professional gamers, who have competed at the highest levels in the world. These coaches, combined with the eSports staff, will redefine what it means to be an elite gamer by instilling the following values: an appreciation for diversity, healthy living, academic success and life balance.
2. **Academics and Research** - UCI eSports is in a unique position to connect academia and gaming. Our academic programs in computer gaming science, digital arts, computer science, engineering, anthropology, law, medicine, and behavioral sciences create a strong foundation for research and inquiry related to gaming. Here are some of the academic and research-based groups interested in partnering with us:
 - Institute in Virtual Environments and Computer Games
 - Film and Media Studies Dept.
 - Informatics Dept.
 - Applied Innovation
 - Office of Research
3. **Community** - A key component to eSports are the fans. We will work closely with and support the UCI gaming community to bring students together in a social and positive setting.
4. **Entertainment** - We will broadcast our gamers to the world and create the most enjoyable viewing experience possible. As the demand grows for live eSports events, we will meet that need by hosting high quality events in the Bren Events Center and Honda Center.

See Appendix 2 for an illustration of our four pillars.

Program Summary

The UCI eSports Arena

One of the essential components of the program will be the new eSports Arena. An eSports arena is an internet cafe or LAN (local area network) gaming center where patrons can play socially for a small hourly fee (usually \$2-\$4). In addition, the space is designed in such a way to accommodate competitive gaming, live events, and internet streaming. By creating a state-of-the-art eSports arena, the program will attract top competitors to UCI, give our teams a first-class training facility, and serve as a hub for all gamers on campus. Additionally, the revenue from the facility will help cover the costs for the eSports staff and program costs, which are tough to get covered through sponsorships.

The 3,500 sq ft UCI eSports Arena will be constructed in the Zot Zone of the Student Center. The location is centrally located on the campus and is in the heart of the Student Center. It is directly accessible from the Student Center Terrace, adjacent to two food courts, the bookstore and the Anthill Pub & Grill. Every campus tour walks by this area and tour guides will be able to showcase UCI's state-of-the-art gaming facility.

The arena will feature 80 powerful gaming PCs loaded with the most popular video game titles. Our official eSports teams will hold regular official practices here. The facility will be open from 12pm-12am daily for public use. During normal operation, students, staff, faculty and community members will be able to use these computers for a \$3 hourly fee. This space can also be available in the mornings for academic use for our Computer Game Science major and Film and Media Arts. The arena will also be an ideal location for special events that require access to multiple computer stations and a large main computer screen. Our main sponsor has already expressed interest in having professional teams hold training camps in UCI's facility in preparation for high profile events. This arena will be the cornerstone of the program and a major hub for all gaming in Southern California.

One of the unique features of our eSports arena will be the free access to premium content within the arena. This will be a feature unique in North America and will create a tremendous draw and incentive for people to game on our computers.

The business model for the eSports arena is based around traditional gaming centers. The anticipated revenue is based on the following assumptions:

- 80 PCs, \$3/hr, 12 hours/day, 6 days/week, 43 weeks/year. We assume an average 40% occupancy rate and an average of 1.5 student workers per hour.

This is a realistic estimate given that we can adjust our schedule to be open longer if our revenue is below our target. There will be opportunities for special events, selling snacks, and merchandise.

The above assumptions have been made in consultation with Riot Games, who works closely with gaming centers in both South Korea and China. According to the Riot Business Development officer we are working with,

"We took time to review your budget and wanted to give you some high-level feedback after some diligence internally with a few experts in the space. Historically, the ESports arena model is driven by 1) computer utility (think capacity/supply), 2) player game hours in ESports arenas as a % of total game hours (think demand) and 3) price elasticity. Based on what Riot knows about UCI (the number of players and the game hours of an average college player) and the PC Café space in China and Korea, we feel your estimates are reasonable. Assuming pricing is \$3 per hour played, we feel your revenue projections are achievable."

-Business Development Officer for Riot Games

Competition

UCI eSports will officially compete in the uLoL Campus Series, Riot's top collegiate League of Legends competition. This league takes the top eight teams from four regions (we compete in the West) and, over the course of an academic year, crowns a national champion. Staff will identify top gamers from high school, college and professional levels and recruit them to come play for UCI's team. We will offer 10 scholarships

Community

To support the thriving and robust gaming community at UCI, we will host regular meetings and club events in the eSports arena. Each night of the week can feature a different gaming type and we will provide free use of part of the arena for gaming clubs affiliated with the eSports arena. Additionally, we will offer for non-gamers and to create opportunities for under-represented groups to enjoy the arena and eSports.

Academics and Research

The eSports arena will be available for relevant academic courses between 8am-12pm, before it opens to the public. We will work with faculty and researchers to student topics related to gaming and eSports, ensuring that UCI is leading the way in terms of knowledge creation. We have already connected with two second-year PhD students at UCI. Here's what they have to say about how an official eSports program can benefit their research.

"By supporting the growing arenas of eSports competition and scholarship together, an eSports program would further establish UCI as a center of cutting-edge inquiry into digital domains. This would provide me opportunities to meet both players and scholars who have parallel interests, pushing my own research forward. Since my own research deals with how gaming companies produce knowledge about their player communities, an eSports program would spark productive conversations about how companies tune their games for the highest level of play, and how players themselves are affected by these ongoing processes."

- Colin Ford, Phd student in Visual Studies

"My research is in algorithmic meaning-making, identity in computer-mediated spaces, and the politics of digital experience. More specifically, I've focused my work on the temporality of skillful play at the interval of the frame. An eSports program at UCI would help tremendously to connect theory to practice, opening communication between my work and the practitioners of that which my research takes as its object, skillful play."

-Matt Knutson, PhD student in Visual Studies

Entertainment

There is a tremendous demand for live eSports events and UCI will help generate supply. We will host local, regional and national events in the Bren Events Center and the Honda Center. As our teams develop we will also host regular season matches either live in the Student Center or in appropriate venues.

A key aspect of gaming is the ability to view players compete via a live or previously recorded video stream. Twitch is the most popular video streaming service for the gaming community. All of our matches will be available for free on website streaming services, like Twitch.

Management

UCI eSports will be a part of the Student Affairs Division, with a direct report to the Office of the Vice Chancellor of Student Affairs. Student Affairs is the ideal location of this new program because of their connection to most of the services that are essential for the success of the program. UCI eSports will need to work closely with the Student Center, Admissions, Financial Aid, Housing, Student Government among other units.

Other departments, such as Athletics, have been considered as a home for the program; however, given the inter-departmental nature of the UCI eSports program and the interface with students, Student Affairs is best situated to oversee the program.

In the first year of the program, the staffing will be very lean with everyone serving in multiple roles. Here are the necessary positions for Year one:

Director of eSports:

The Director of eSports will oversee all aspects of the newly-formed UCI eSports program. The Director is responsible for promoting a comprehensive and sustainable eSports program that combines high-level competition against other elite universities; recruitment of academically eligible elite gamers; the operations of a training facility and eSports arena; engagement with faculty to explore research opportunities related to video games; and seeks external fundraising and scholarship opportunities.

The Director will oversee staff, coaches, the eSports training facility and arena, student eAthletes, a scholarship program, marketing, finances, and event planning responsibilities associated with the program. The Director will report into UCI Student Affairs.

Head Coach: League of Legends

The Head Coach - League of Legends (LOL) will be the primary coach and leader for the League of Legends team. The coach is expected to provide leadership, identify and recruit top talent, create strategies for competitions, and represent the program in a positive way.

Student Intern

- Keeping up to date with the professional and collegiate scene, including uLoL Campus Series and The Melee Games.
- Ensuring that the school is in tune with the gaming community at UCI through feedback surveys
- Helping network the school with the industry, including sponsors and professional gaming teams
- Helping student athletes adjust to student life
- Creating promotional strategies for the program to get students into the arena and follow our eSports teams

Student Staff

- Oversees operations in the eSports arena
- Opens and closes the facility
- Provides set-up for competitions and practices
- Graphic Design
- Marketing and Social Media

Future Staff

As the programs grows, there will be opportunities and needs for additional staffing. Some of the needed positions include:

Facility and IT Manager

- Oversee student staff
- Manage the eSports arena
- Provide technical support for equipment
- Develop Information Systems to support competitive team and arena

Event and Summer Camp Manager

- Create live eSports events for official teams
 - reserve and work with appropriate venues
 - ticketing and logistics
- Coordinate tournaments in

Design and Media Manager

- Manage the UCI eSports brand

- Create print and digital content for advertising
- Create, design and manage websites
- Design merchandise

Additional Head Coaches

- Elite understanding of the relevant game and meta
- Ability to motivate and inspire
- Develop team cohesion to make the whole greater than the sum of its parts
- Recruit top student gamers
- Scout competition and create strategy to maximize team success

12 month Timeline

Nov 6, 2015:	Meet with Dr. Parham to pitch the UCI eSports Program
Nov 15, 2015:	IBP Cup – meet with players and sponsors
Nov 16, 2015:	Release Student Survey via ASUCI Facebook
Nov 19, 2015:	Meeting with Student Center Director
Nov 23, 2015:	Pitch to iBUYPOWER
Nov 30, 2015:	UCI Admissions application deadline
Dec 15, 2015:	Present program to Chancellor’s Cabinet
Jan 13, 2015:	Pitch to Blizzard
Jan 20, 2015:	Presentation to the Student Center Board
Feb 8, 2015:	Final Budget and Business Plan to Vice Chancellor Parham
Feb 10, 2015:	Final Budget and Business Plan to Vice Chancellor Michaels
Feb 12, 2015:	Sign agreement with iBUYPOWER and Riot
Feb 24, 2016:	Announce the program
Feb 25, 2016:	Press Conference on SC Terrace
Feb 27, 2016:	UCI/UCLA League match.
Mar 1, 2016:	Director of eSports hired ½ time
Mar 1-31, 2016:	Admissions decisions announced
Apr 15, 2016:	Applications for LOL and Overwatch coach are release
Apr 19, 2016:	Referendum Election results announced
May 1, 2016:	SIR Deadline
May 15, 2016:	LOL Coach Hired
Jun 15, 2016:	Zot Zone begins transformation to eSports Arena
Jul 1, 2016:	Director of eSports full time
Sep 2016:	Week 1 - eSports Arena open house and VIP reception
Oct 2016:	LOL Worlds Screening Party
Nov 2016:	Collegiate Season begins

Budget (Removed)

Budget Notes:

- The year one eSports arena revenue will be lower than in future years as it will not be open over the summer.

Sources of Funds:

- Sponsorships: Companies are flooding into the eSports market including both technology companies and non-endemic sponsors like Coca-Cola and Nissan. Marketing dollars spent in eSports currently go much farther than those spent in traditional sports given the cost/viewer ratio. In year one we expect to get over \$1,000,000 of committed funds to the UCI eSports program. Our first sponsor has already offered to build out the eSports arena, supply top-end computers, and additional cash to support program costs. Additional conversations with sponsors are in the works.
- eSports Arena: This is a business model that has been successful all over the world and even at UTC, across the street. High-end computers with popular video games are rented out for a small hourly fee (\$2-\$4) and gamers are able to game in a social setting with friends. With 80 elite gaming computers, a fantastic location, a high concentration of gamers, unique features, and with frequent events, the UCI eSports arena can be a reliable source of funding in terms of hourly rentals, events, and academic use.
- Academic Research: In 2010 UCI created the Video Game Design major as an interdisciplinary program to prepare students to work in the video game industry. UCI has several faculty teaching classes relating to video games as well as several PhD students doing research on gaming and eSports. With mediocre facilities for courses, the eSports arena could be a viable option for teaching. Therefore, there may be some funding available from the academic programs to create and maintain the space.
- Merchandise: Clothing, accessories, and swag are all very commonplace in the gaming community. We anticipate a large demand for UCI eSports merchandise and expect to supplement our income from licensed gear. There will also be opportunities to co-brand merchandise with partners like Riot and Blizzard.

- Advertising: Nearly all online content contains advertisements. When we put our original content online, there will be some ad revenue.

Key Team Members:

Mark Deppe

Mark has worked in higher education for over 10 years at both UCLA and UCI. He has spent a career working on unique events and projects, leading cross-functional teams to create successful programs with broad, campus-wide support. At UCLA he worked on events such as the Nickelodeon Kids' Choice Awards, the Jazz Reggae Festival, Bruin Bash, Spring Sing, Dance Marathon, Commencement, and Parents Weekend, and major film shoots. At UCI, Mark has advised student government leaders and planned many campus-wide programs such as Welcome Week, Shocktoberfest, six Guinness World Record Breaking events, Celebrate UCI, Homecoming, Summerlands, ReggaeFest and 50th Anniversary events. In addition Mark has served on over a dozen campus-wide committees and boards.

In addition to his traditional job, Mark coached the UCLA Mens' Club Soccer Team from 2008-2011, building a powerful program in California and winning two state titles and placing second in a national championship tournament.

In 2015, Mark completed his MBA program CSUF and during his final courses, conceived and developed the UCI eSports program plan. He looks to use his event planning background, coaching and athletic background, and the tools from his MBA program to make the UCI eSports program the best in North America.

Student Intern

This student is currently the Vice President of The Association of Gamers and has been working with Mark on the eSports project since the beginning. In addition to being a major leader in the gaming world at UCI, he is the co-founder of the High School Star League, which is essentially the NCAA for High School eSports. As a lifelong gamer and eSports fan, he hopes to help build the best eSports program in North America and pursue a career in the eSports industry after he graduates.

Frequently Asked Questions

Q: Gaming seems to attract a small demographic. How is UCI going to encourage non-traditional gamers to get involved?

A: While video games and eSports appeal to a broad and diverse community, that diversity has not translated to the highest level of competition in the most popular eSports. UCI eSports is excited to encourage young women and gamers from underrepresented communities to learn the necessary skills to develop into top gamers. We will do this through outreach events in the community, providing scholarship money for non-traditional gamers, and through targeting camps to provide coaching and encouragement to young folks.

Q: Why is UCI creating an eSports program?

A: We believe that eSports and virtual games are the frontier for intercollegiate competition. UCI plans to lead the way in terms of competition, supporting the community, teaching and academics, and providing entertainment.

Q: How does UCI justify spending money on an eSports program when tuition is so high and other campus resources are underfunded?

A: UCI eSports is built upon a model that will not cost the university any money. In fact, we plan to contribute money back to the university to fund some of those programs that most need additional support.

Q: What if eSports is a passing fad?

A: Nothing lasts forever and UCI eSports will need to adjust to changing trends. We are prepared to reinvent ourselves to meet the needs and desires of our gaming community and are excited for the challenge.

Q: What are some of the benefits of having an eSports program?

A: The many benefits include, but are not limited to, the following:

- Worldwide recognition for UCI as a leader in eSports
- Increased school spirit and Anteater Pride
- Increased interest in attending UCI
- Being a school of 1st choice for gamers
- Increased national ranking for UCI
- Scholarships for student gamers
- Revenue for campus partners
- Creating a 24-hour campus feel

- Increasing student life and activity around the student center

Q: What opportunities will the UCI community have to get involved with the eSports program?

A: Starting in the spring of 2016, we will assemble a board of advisors for the program. The board will consist of students, staff, faculty, and community members.

Appendices

Appendix 1

UCI eSports

The world of eSports

Worldwide, 27 million people play League of Legends every day.



- 2.7 million are high school seniors
- If the top 3% of those are good enough to get into UCI, then **81,000 students** might make UCI their **first choice**



Total Viewership (Millions)



Since 2014, five universities in the U.S. have started eSports programs:



Gaming at UCI



- The Association of Gamers (TAG) is the largest student group on campus
- UCI boasts back to back to back national titles in League of Legends

“The Anteaters are a force to be reckoned with.”

—College Magazine 2015
in naming UCI the **#1 school for gamers**

Bringing eSports to UCI

- 1 Build eSports arena
- 2 Hire coaches
- 3 Recruit the best players from all over the world
- 4 UCI becomes the #1 eSports program in the country

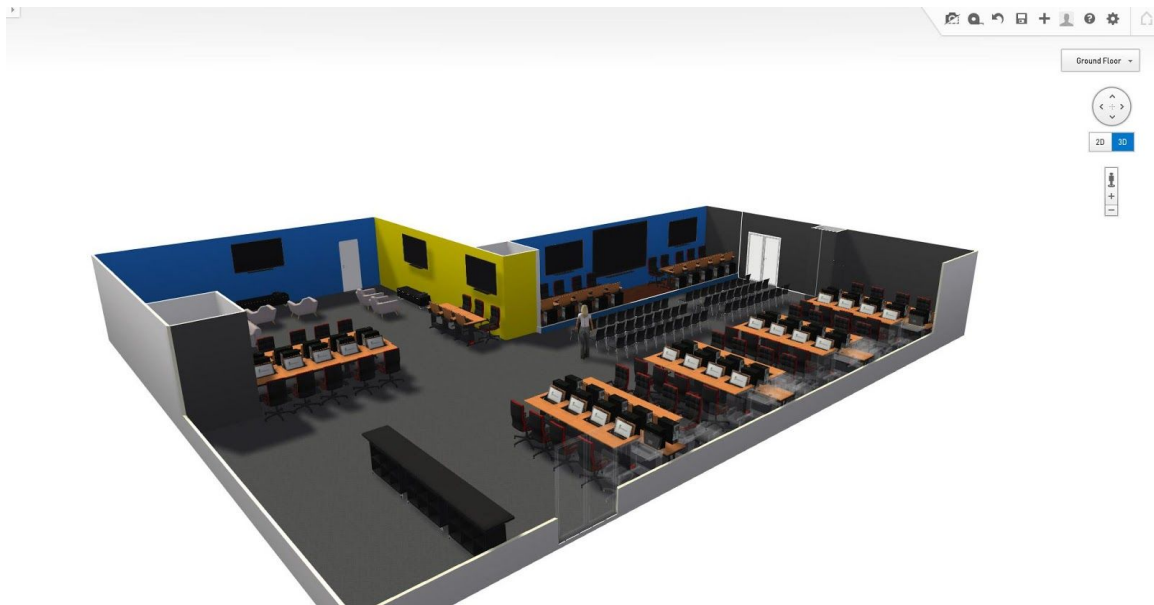
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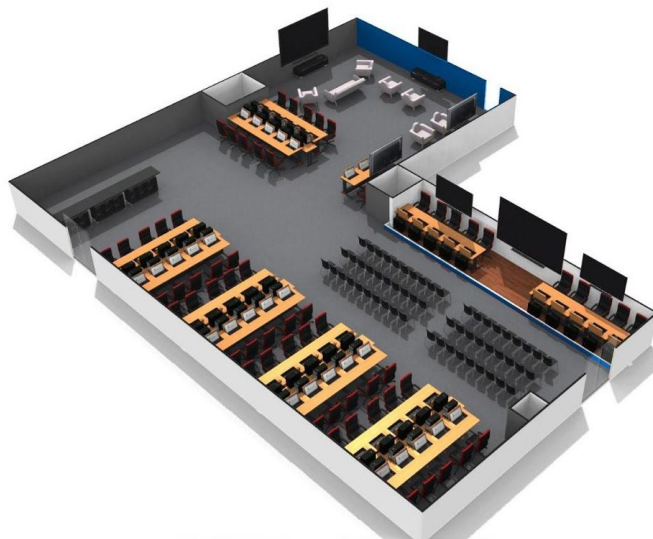
Appendix 2



Appendix 3



Zot Zone rendering - perspective



Zot Zone rendering – top view

