

ESPORTS FUNDING GUIDE

How esports teams, organizations and sports clubs can create solid and profitable revenue streams and secure the operation and development of their esports activities.

+

*Experiences
from over
100 esports
organizations*

+

*Proven principles
and strategies to
create profitable
revenue streams*

+

*25 concrete
ways to
generate
revenue*

+

*Inspiration
from Red Bull
and Razer*

+

*A case study
of an active
esports
organization*

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Esports Funding Guide

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Anyone who reads this will have a good understanding of the commercial mechanics in esports, and have a ton of actionable insights to implement right away. Great and informative book.

Jonas Gundersen, Chief Commercial Officer, NORTH A/S

Table of Contents

Introduction	9
About the author	11
Chapter 1 Define your management team.	13
Chapter 2 Define the organization and your goals	17
Goals	23
Creating the story of your esports organization.	25
Case Study: Apple and their why.	29
Chapter 3 Financing	33
Chapter 4 Defining your services and products.	39
Chapter 5 Creating your sales & marketing deck.	41
Chapter 6 Presales	47
Chapter 7 Sales.	51
Chapter 8 Partnership management.	57
Chapter 9 Ideas to generate revenue	59
Create revenue: ideas.	61
Chapter 10 Fundraising	73
10 step guide to apply for grants and funds.	75
Chapter 11 Investors	79
Chapter 12 Case Study: Bredballe IF esports.	81
Chapter 13 Inspiration from the esports industry: Razer	85
Chapter 14 Inspiration from the esports industry: Red Bull	89
Chapter 15 The S-11 model.	91
Outro.	92

Introduction

Running an esports team or organization is hard and expensive. This book is written for esports teams, organizations and sports clubs working with esports. My mission is to provide a wide range of ideas and ammunition for potential revenue streams so you can develop and run profitable esports teams and organizations.

In 2015, I founded what is now one of the biggest esports organizations in Denmark with several teams and coaches, as well as hundreds of paying members and profitable revenue streams. In 2017, I was hired as the Esports Project Manager at Danish Gymnastics and Sports Associations (Danske Gymnastic- & Idrætsforeninger) (DGI). DGI is a sports association in Denmark that works to better the conditions for more than 6,500 member sports clubs and their more than 1.5 million members. My job is to lead a team of 14 people to develop esports activities in the 6,500 sports clubs around Denmark. For the last two years I have heard the same question over and over, “How can we make money to develop and run our esports team or organization?”

It is a fair question, as running an esports team is expensive. Depending on the size and ambition of the organization, you need money to pay for expenses such as salaries, apparel, media and content production, travel and accommodation, tournament fees, software, hardware, gear, sales and marketing. Additionally, you have to consider costs incurred from location, rent, utilities, internet, food and so on.

This book is a collection of successful experiences and strategies from over 100 esports clubs and organizations in Denmark. I have met and talked to over 50 esports and gaming industry leaders and brands like; Logitech, Microsoft, Red Bull, Razer and Intel, to understand, why and how they do esports partnerships.

This book is designed to provide you with an inspirational catalogue of ideas for you to create several profitable revenue streams, and thus, securely manage the operation and development of your esports team, organization or sports club.

The suggestions found in this guide are all based on my personal experiences working to help build grassroots esports in Denmark. All the advice that I give you has been tried and tested for esports organizations of all sizes, and I hope that it will help yours as well.

KEY TAKEAWAYS IN THIS GUIDE:

1. Develop strong teams and work with great people.
2. Build a unique mission statement based on your core values and vision.
3. Set simple and clear goals.
4. Plan 1, 2, and 3 years ahead.
5. Reduce your costs.
6. Understand why your organization is unique and how you can make a difference to partners.
7. Secure the revenue streams you will need to achieve your goals.
8. Understand how you make profit and how you scale your business.
9. Work hard and focus on partnership sales every day.
10. Be quality-oriented in everything you do.
11. Continuous development and learning.

Happy Reading,

Martin Fritzen

About the author

Martin knows all about success in esports. He founded what is now one of the biggest esports organizations in Denmark with several teams and coaches, as well as hundreds of paying members and profitable revenue streams. He is now leading esports activities at DGI - a sports association in Denmark that works to better the conditions for more than 6,500 member sports clubs and their more than 1.5 million members.

For the last few years, he has heard the same question over and over, “How can we make money to develop and run our esports team or organization?” This book is based on years of experience building and creating sustainable esports organizations with relevant partnerships, as well as several years of talking with esports organizations and companies sponsoring esports.

“I hope this book will inspire you to think outside the box so you can begin to build profitable revenue streams and achieve your esports dreams, just like so many others.” – Martin Fritzen, 2019.

Define your management team

Why do you need to define your management team? Investors, brands and partners invest in great teams, want to work with powerful and talented people, and most of all want to be a part of your company's success. Therefore, it is extremely important that you sit down with your management team and describe who you are, what you have done, why you are unique, and what you will accomplish together.

Brands and partners receive many proposals. You need to stand out and build trust so that when potential partners look at your esports organization, they will see that an investment in you makes sense. Too many esports startups focus on results. As an organization, you also need to communicate your personal values, skills and experiences. Define yourself and your management team by writing 7-10 lines about who you are, your education, your former successes, your skills, your likes and hobbies. For each managing partner, you will also need to list this information and explain why together, you form great management team. Why do you work well together? Why and how are you unique? Why should anyone invest in you and your team, instead of in the hundreds of other esports organizations?

COMPETENCIES IN THE MANAGEMENT TEAM

In a board or steering group in an esports organization, there are different people with different competencies, qualifications, experiences and education.

It makes sense that the tasks that are intended to achieve the goals are handled by people with competencies that fit it. Put another way, the person or persons who work with partnerships must like it, and be good at it.

One person can handle the dialogue with the municipality and local government. Applying for local grants and funds. One person can contact national and international grants and funds. One can work with fundraising from private companies and private funds and grants.

The work of searching for municipalities and foundations is typically about managing their project, their finances, their story (who they are, what they want and why they want to make a difference, etc.), and then applying for an amount to go to X purpose.

Working with partners can be a little more demanding, as you must meet often, present, negotiate, make agreements, cooperate on plans, and on the whole, execute.

It can easily be a special business group that works to contact foundations, municipalities and partners in order to effectively launch negotiations when a new effort and a new goal requires a new partner or economy.

Partnerships come in many sizes and formats. My experience is that the most important thing is that as an esports organization you have made it clear what you want to achieve with the partnership and why. Can you explain why you have just approached this partner and what you want to achieve? Can relevant partners see themselves in the idea, and can you explain what's in it for the partner? If so, you are close to success.

Partners also have different goals, just like the sports clubs and organizations. Some want to support the local organization with time, money, equipment or services. Some want publicity and exposure/visibility. Some want activities, content, articles, videos and events. Some want positive press or CSR and some want something completely different.

Therefore, it is crucial that you as an organization find out what your partner wants. Ask the question: “Let’s go forward 12 months and you are, as a partner, really happy about the partnership with our organization. Tell me what has happened. What have we done in the past 12 months that have made you happy?”

The answer to this will tell you what your potential partner is looking for and what goals the partner has. It is not useful, for example, to offer a logo on a website and a player’s shirt, unless it is interesting for the partner. Always be open-minded and curious about what goals the partner isn’t interested in and see if you can meet each other halfway.

My experience is that many partners want to enter esports and that the partners want to make a difference. Partners may not like to - passively - send thousands of euros to an organization where you do not know what the money is going to, but are interested in meaningful partnerships. Ones where you can see that the money and the commitment are making a difference for exactly the target audience and the organization you work with.

Define the organization and your goals

Before we start looking at money and partnerships in esports we need to start with the basics. Every esports organization must describe its mission, two V's (vision and values), and goals. An organization's mission, vision and values set the direction of the organization. These may sound like things that only large companies need (or have the time to do) but you will quickly find that without direction, you will quickly get lost. These are essential, especially in the constantly changing environment of esports and gaming. In this chapter, I will show you how to define the DNA of your esports team through the mission, vision, as well as core values and goals.

When done right, these statements and lists will all tie into each other. The trick is understanding how each component provides value alone and then finding a way to thread them together. Make sense? Hopefully this will help...

► MISSION STATEMENT:

The mission statement states what your esports organization actually does. It should be short and easy to remember. A lot of organizations get this wrong and end up using big fancy words that don't really mean anything. Your mission statement should also be specific enough that people understand what you do and how it may differ from other teams and organizations. For example:

- The Chicago Bulls organization is a sports entertainment company dedicated to winning NBA Championships, growing new basketball fans, and providing superior entertainment, value and service.

Source: <https://on.nba.com/2vX9WAA>

For esports it could be something about challenging the status quo, creating fantastic moments for esports fans, developing the greatest esports athletes, etc. You have to develop the mission statement for your organization based on who you are, what you want to do and with whom.

- More than just a team, Fnatic's mission to bring eSports into every household. Headquartered in London, the Fnatic operation spans across San Francisco, Berlin, Belgrade and Kuala Lumpur. From designing hardware gear and apparel to launching community experiences, we at Fnatic are dedicated to building the first globally recognized lifestyle brand to emerge from the world of eSports— and continuing to entertain new audiences far and wide.

Source: <https://bit.ly/2YsuNYZ>

- Ninjas in Pyjamas's mission is: strive to give our followers and our community the ultimate fan experience, whether it be through the highest level of esports, content creation, fan engagement, or merchandising. We want those who follow us to take part in our legacy and the history we are making; to be inspired by the Ninjas In Pyjamas and the NiP Standard in their everyday life.

Source: <https://bit.ly/2VZvKdG>

➤ VISION STATEMENT:

This is what your company aspires to be which can be quite different from what your company is actually doing (your mission statement). When done right, your vision statement can and should help drive decisions and goals in your company. Here are some examples of some good vision statements:

- The Green Bay Packers' (NFL team) vision is to become and remain the standard of excellence against which all other organizations in professional sports are measured.

Source: <https://bit.ly/2E6XKBQ>

- Fnatic’s vision is to bring eSports into every household. Founded by Sam and Anne Mathews in 2004 in the early days of the professional video gaming industry, Fnatic has since helped shape the new world sport into a fast-growing phenomenon.
- At its core are Fnatic’s talented professional gamers, who have won thousands of tournaments and inspired a community of tens of millions of fans.
Source: <https://bit.ly/2YsuNYZ>
- Ninjas in Pyjamas aims to be the world’s leading esports organization, both inside and outside the game. The term “NiP Standard” shall be synonymous with superior quality, professionalism and sound integrity.
Source: <https://bit.ly/2He9pRk>

► CORE VALUES:

Core Values are what support your vision and shape the culture of your esports organization. They are your organization’s principles, beliefs, and philosophy. Try limiting yourself to five core values. Once you get beyond five it’s hard for your team to remember which are the most important.

Here is an example of the Ninjas in Pajamas’ core values:

We are passionate about our brands, businesses, products, esports, and most importantly; the people who make up our fan base and communities around the world. Partnership and collaboration everywhere is essential. We create an environment where every Ninja is empowered to contribute and is recognized for their effort. We are committed to drive individual growth for our players, teams and employees, creating an inclusive culture where they all can develop and enhance their performance. We act with integrity and high ethics in all of our relationships. We strive for the respect and protection of fundamental human rights.

Source: <https://bit.ly/2VZvKdG>

Here is an example of the Orlando Magic's (NBA team) core values:

COMMUNITY • We are committed to investing in our community and strive to make our residents proud, knowing we represent them in all we do. We invest our time, talent and resources to positively impact the lives of our fans and our community. We help children, especially those most at risk, reach their full potential by investing in their future. We are dedicated to creating an inclusive environment in which our fans, community and employees feel welcome, valued and appreciated.

INNOVATION • We promote a culture of creative thinking and informed risk taking. We continuously challenge ourselves and ask “why” and what we can do to be the best. We drive change through collective creativity and foster an environment where employees are encouraged to take risks in an effort to achieve breakthrough results. We develop innovative ideas to achieve added value for our colleagues, partners, fans and the community.

LEGENDARY • We are committed to providing world-class service and entertainment to our customers by creating legendary moments. We are committed to winning with integrity. We do what is right, not just “what works.” We hire and develop the best talent; employees that are passionate about delivering excellence.

TEAMWORK • is a key driver to our success on and off the court. We support teamwork through a culture of trust, respect and camaraderie. We practice selflessness on a daily basis and acknowledge that we are on the same team working towards one goal. We value multiple perspectives and diverse expertise. We foster a collaborative environment that allows for creativity in approach, ideas and suggestions

for the greater good of the Orlando Magic. We are resilient and adhere to the values and vision of the organization, remaining positive through adversity while continuing to support one another.

Source: <https://on.nba.com/2VmMWp4>

Goals

Goals are important to serve as a compass so you know where and how to steer your boat. Without goals, your boat (or team) will set sail with no direction and with no goals to reach.

A lot of organizations are adopting Google's Objectives and Key Results (OKRs) methodology to set goals. I find this method helpful and have used it in my own work.

Objectives: The process begins by setting high-level objectives. Set a few goals, two, maybe three, for your esports organization. Separate them by department, team, or game. The idea is that every player, team, manager, and volunteer knows which goals they are working toward in order to know when and how successful they are.

Ideally, your objectives should align with your vision statement. While objectives are high level, they shouldn't be too vague. For example, avoid saying, "Have the best team ever" or, "Create a better website." Here are some good examples:

- Add a social media manager to our team
- Open our headquarters at X location
- Increase monthly recurring revenue (MRR) by 30%

Key Results: Key results are the other half of your OKRs. These are the tactics you engage in to meet your objectives. They need to be measurable so you know if and when you have achieved your goal/objective. Do not write too many, three or four should be good enough. Here are some examples of key results that would be connected to the first objective, "Add a social media manager to our team."

- Attend one hiring fair this quarter
- Create one blog post about hiring
- Use LinkedIn to reach out to five potential candidates

You will want your OKRs to be transparent. This may feel odd if it is your first time using OKRs, but this is where their strength lies. Everyone will be on the same page and understand what each other is working on and more importantly, why they are doing it. It also helps you to align your goals with your core values and your vision statement.

One final word of advice. During the strategic planning phase, make sure to include a diverse group of employees in the process. In other words, don't limit these planning sessions to just your executive team. When different levels of employees are involved in this process, they see the workplace as "theirs" as opposed to it belonging to management. It's a win-win for everyone.

All in all, if this is too technical or overwhelming, think of goals this way:

You are a person, you want to go sailing. You go to the harbor, and jump on a boat. Unless you set a goal, you will just be sailing around, not going anywhere; at worst, you will crash and have to swim back to land. Goals will help you and your organization move towards finding success and creating a profitable business.

Source: <https://bit.ly/2Vm9t5k>

Create the story of your esports organization

You'll find Nike's mission statement on their website under the about section. It says, "Bring inspiration and innovation to every athlete in the world." Source: <https://swoosh.sh/2xwpPN5>

Behind that mission statement, Nike has created a story, vision, goals, and core values that all tie into each other in the form of their mission statement.

Having a story to support your esports organization is important. Your story is unique and will separate you from other esports organizations. It will make your organization stand out and it makes it easier for brands, partners, players and employees to connect with your organization and understand where you come from and where you want to go. While some think that business deals are all business, I believe that there are emotions involved and you must recognize the power in them.

Build your unique story by answering the questions below and find someone good with words to help you create a compelling, emotional story to which others can easily connect.

► WHY DO YOU DO IT?

Describe and know your why. Your why is critical in order to get buy-in from those around you. It demonstrates your motivation and makes it easier for people to get involved with your efforts and contribute with the same kind of passion and interest.

Most start with the what and the how, but I think that's the wrong approach. You must start by defining your why.

➤ WHO ARE YOU?

Start by jotting down some notes to describe your organization. Why are you unique? Who is on the leadership team, who is on the management team, what is your story, education, experience, where are you located, etc.?

➤ WHY IS YOUR ORGANIZATION UNIQUE?

Describe why you are unique. Can you do something special, do you work with specific or new audiences, or have you developed special services that others do not offer? Do you have experience or an education that differentiates you? Do you have a special story or new and different skills and qualifications in your organization?

➤ WHAT IS YOUR VISION?

Will you make a difference worldwide? Do you want to make a difference in the local community? Would you like to create a sense of community for children with challenges at home or at school? Are you interested in building an organization for the masses or rather for an elite group? What do you and your team want?

➤ WHAT ARE YOUR DREAMS FOR THE ESPORTS ORGANIZATION?

Write down your dreams -- your innermost, wildest dreams and desires for the organization. For example:

- Esports becomes as recognized and respected as football.
- Your organization grows to X size.
- Help X number of kids each year.
- Become a world champion.

Think big and be honest with yourself!

➤ WHAT WILL YOU ACHIEVE AND WHEN?

Get more detailed and explain your goals and deadlines for your dreams. What will you achieve, how, when and with whom?

Want to win something? Write down the specific tournament or prize. Should the organization have more members or develop new offers?

Find an exact number that you will aim for. What goals do you have as an organization? Make a list of your goals with realistic timelines.

➤ **WHO CONTRIBUTES AND WITH WHAT?**

What has your organization or management team contributed to the project? Time, money, materials, network, staff, volunteers, experience or something else? Who is involved and will contribute to achieve your goals?

Create an overview of your team. Who will be involved in each effort and who will take ownership of what?

➤ **WHAT HAVE YOU DONE SO FAR?**

Write down how you work, how often you meet with the management team and what you have done so far. Are there others around the organization that are also dedicated and invest time and resources in the project? Make sure to celebrate your progress so far even if it is just completing the first few steps to understand your DNA.

Case Study:

Apple and their why

In order to better understand why I believe in starting with the *why*. Take a look at Apple. Apple's why is at the heart of their marketing and the driving force behind their business. To help illustrate this point, imagine if Apple started backwards and made a marketing message that started with *what*, their product.

What does Apple do? They make good computers that are user-friendly, beautifully designed and easy to use. Now think about that pitch, would you buy that computer? Probably not. Lots of companies make good computers that are user-friendly and have great design - it's not unique and it's not why we buy Apple products.

Apple's pitch is more like the following, *"With everything we do, we aim to challenge the status quo. We aim to think differently. Our products are user-friendly, beautifully designed, and easy to use. We just happen to make great computers. Want to buy one?"*.

Source: <https://bit.ly/2QOTT48>

Apple's pitch helps the buyer better identify with their feelings and their why - to challenge the status quo and the idea of thinking differently. It may well be that we do not challenge the status quo on a daily basis, it may also be that we do not always think differently, but we are willing to buy more expensive computers and phones that give us that feeling. This allows us to show the outside world that we are progressive and think outside the box, something that Apple represents (even if we don't). This is key! Most partnerships are based on network, relationships, feelings and intuition.

The same goes for your esports organization. Tell others your why and they will follow you. What is your why? What is your motivation? Winning, hosting events, being an organization, or having 22,000 likes on social media is not interesting alone. You need a great story to back up the numbers. Decisions are both emotional and logical.

Source: <https://bit.ly/2uLgwtM>

So make your story emotional and connect to your audience on a deeper level.

What is interesting is your team, your inner motivation and your ability to get things done. Consider the following:

- As a player, it may be that you want to change the classic stereotype of a gamer with pizza and soft drinks. This is an idea that others can buy into.
- As a team you may want to rethink your esports teams and include more women or promote anti-bullying - something others can buy into.
- As an event organizer, it may be that you will make an effort toward more inclusion and cooperate with organizations that advocate for persons with disabilities.
- As an organization, you may want to promote integration and collaborate with local asylum centers, job centers or even try to differentiate yourself by creating the most amazing moments in sports, ever.
- As an esports club, you may want to create the best players and teams and win masters and championships. You can team up with a strong sports club, utilizing the club's talent management systems and performance models to gain momentum and create the best results.

When you have found the answers to the questions above, have a clear idea of who you are, what you want, and why you are unique ... then what? You know your goals, your inner motivation and your why.

This is your story and your DNA that partners, fans, players, coaches, funds and grants will want to be a part of and buy into.

Find that friend, or person in your network, who can help you write this into a compelling, emotional story that others can easily connect with. Put this story on your website, in your presentations, on your social media and have fans, partners, players - everyone - connect with it.

Take the HFX Wanderers FC, a team playing in the Canadian Premier League, founded in 2018. Their club and team are new founded in 2018. Nevertheless, they have a compelling and strong brand, with a great story to tell about the people and heart of Nova Scotia. You don't need hundreds of years to build a great brand or story, you just need to be creative, honest, and express your why.

Source: <https://bit.ly/2LOCl6G>

OUR HARBOUR, OUR HOME, OUR SOUL

Nova Scotians have heart. The evidence is everywhere. You hear it in the laughter, you feel it in the music. And the veins that pump life to every corner of the province originate from the same place; Halifax Harbour.

Communities grew on either shore nourished by the beating tide. Despite suffering unimaginable damage, it healed to become the main entry point for new Canadians. It's where you unloaded your bounty, and then celebrated after.

The Harbour is like Nova Scotians themselves...welcoming, even in the worst storm. It's also evolving. A rich history can sometimes be an anchor holding a city back. Not in today's Halifax. The wind is right, the sail is up...and there's something big on the horizon.

Young-old, male-female, Nova Scotian-newcomer; they'll all be invited. And they'll sing those hearts out. The harbour has inspired the club. The club motto Ar Cala, Ar Dachaigh, Ar n-Anam means: "Our Harbour, Our Home, Our Soul" in Gaelic.

Financing

How much money do you need, by when and for what? In order to figure this out, you'll need to start by setting some financial goals, initiatives, and timelines.

► SETTING FINANCIAL GOALS

Now that you have identified who you are and what your purpose is as an organization, you can move your attention to your goals and efforts. Start by describing your financial goals and then the tasks and efforts that will allow you to achieve them.

► GOALS

Setting goals helps you understand where you want to go and on what timeline. This helps you “steer your boat” and helps you specify and allocate budgets.

Your financial goals must align with your vision and mission. This is central to attracting partners. For example, if you want to build an organization that focuses on local social inclusion and then you suddenly stop working in that direction and start prioritizing elite Counter-Strike teams, you will lose your credibility and the trust you have built with your partners.

An example of a goal is, “We will open an esports organization and have 5 coaches and 50 paying members (players) before X date (6 months from today).”

► INITIATIVES

What tasks and initiatives are missing in order for you to achieve your financial goals? Creating a plan will be really helpful, even if you end up deviating from your original timeline or tasks. You may want to consider the following as inspiration for initiatives:

- A management team for the esports project
- Esports coaches
- Training and match concepts
- The games for which you offer training and matches (and how often)
- A target audience for the organization
- Facilities for training and matches
- Equipment -- can you borrow or buy esports equipment or build your own esports room/facilities? Or should players bring their own equipment or play online?
- Budget and finances
- Cooperation with parents and families
- Your stance on game ratings (PEGI/ESRB) and ethics
- Volunteer management and rewards
- Communication and initiatives towards anti-bullying, health, physical activity, performance models, etc.

► INTERNAL AND EXTERNAL INITIATIVES

You will have goals and initiatives that you can manage within your esports organization. For example, developing an exciting concept around training and matches. We call these "initiatives that require internal efforts."

You will also have goals and initiatives that you cannot immediately manage within a team. It could be about finding facilities, purchasing equipment, special events, boot camps, travel for tournaments, insurance etc. We call these initiatives that require cooperation from external partners "initiatives that require external efforts."

For many esports organizations, it will typically be the initiatives that require external efforts where relevant partners can come into play.

► AN EXAMPLE

It's helpful to see your goals and initiatives as two separate concepts. See the example below, and try separating your goals and initiatives into the two following categories:

IDEA OR GOAL

Create an esports organization where kids in the community between 8-14 years old can practice and play computer games. At the same time, we will create a safe, social space for board games, doing homework, becoming a part of the community and making new friends.

AIM OR INITIATIVE

To offer activities on our own premises three times a week and have 10 working esports stations in the room by X date.

IDEA OR GOAL

To have an esports organization with a Counter-Strike team ranked among the Top 100 in the world in 12 months.

AIM OR INITIATIVE

To offer an organization training, matches, and tournaments for five players and a coach (and win X% of every game played) before X date.

BUDGET

You are going to need to make a budget of all your expected expenses and income. The biggest mistake esports organizations make is forgetting to plan. Having financial plans for the next year, two years and even three years, helps your organization and demonstrates to your community that you've got things under control.

Consider the following categories when building your budget:

► FACILITIES

If you do not have access to rooms that can easily be transformed into an esports room / arena / center, talk to the local municipality to see if they have some available to lease. Alternatively, talk to other nearby sports clubs, schools, libraries, businesses, or youth clubs and find out if they have rooms that can be borrowed or made available.

► TABLES AND CHAIRS

Initially, common tables and chairs are a fine solution. The organization/sports club may also have some you can borrow but another good alternative is IKEA, where you can find tables/chairs for a reasonable price.

► INTERNET

Depending on the room you use, you may need to have internet installed. Prices and internet connections can differ significantly but as a starting point, you should have approximately 5 MB per active user. Thus, if you have 10 stations, you'll need a minimum of 50 MB. Internet for esports should always be wired and not Wi-Fi.

► INSURANCE

Call and speak with the organization's insurance and security company. Esports equipment requires a new evaluation of your insurance and in some cases securing the esports room requires installing new security measures and alarms.

► SALARIES

Depending on your team and/or organization, you might need to hire people and pay them a salary. Some passionate people will join you as volunteers because you have a great project or a great vision and they share your values. Others, you'll need to pay. Always negotiate salaries, but be fair and reasonable.

► CLOTHING

Will you require team clothing, tournament jerseys, hoodies, travel clothing, t-shirts, etc.? Many teams, as in other sports, like to dress alike in order to demonstrate unity.

► MEDIA & CONTENT PRODUCTION

Will you pay for photography, video production, writing, infographics, memes, podcasts, streaming and casting? Perhaps you can find volunteers or parents to help with certain elements.

➤ TRAVEL AND ACCOMMODATION

How will you pay for team travel to events, meetings and tournaments?

➤ TOURNAMENT FEES

Paying for participation in tournaments. Consider how many tournaments you will want to participate in each year, and how many players will compete.

➤ SOFTWARE, HARDWARE AND GEAR

Will you have your own facilities/esports center or will you practice and play online? Your organization and players will need hardware, software and gear to participate. Consider the following: PCs, monitors, keyboards, mice, programs, etc.

You'll benefit from developing a relationship with your local IT business. Try inviting them for coffee and pitch the idea that you want to become partners. They are likely well connected in the industry and could be a good resource both for technical and professional reasons.

Be aware that it is your needs that indicate the price for the gear and equipment. The games you want to offer and your use case (training, events, tournaments, etc.) create the framework for which computers are needed and thus the price you have to pay.

➤ SALES AND MARKETING

You need to allocate budget to sales and marketing expenses such as the following: meetings, campaigns, software, PR, and advertising activities.

➤ SUMMARY

List all of your expected expenses and create a budget for the goals and initiatives you are looking to accomplish. You can make approximations of course but remember that the budget will be unique based on your individual situation.

Now that you have an overview of your expenses and the goal for your esports organization, you can really start working on finding relevant partners and creating revenue streams.

Defining your services and products

What can you offer a new partner?

► SHOW YOUR BRAND IDENTITY

It's true that you can't judge a book by its cover, but it's also true that books are often recognized by their cover. Whether you are dealing with a small team, or international competition, you cannot introduce yourself with an inaccurate image. Invest your time and resources on a logo design and a visual identity that fits your DNA.

► CREATE DIFFERENT LEVELS OR PACKAGES OF PARTNERSHIPS

Remember, looking for a partner has nothing to do with asking for money. When dealing with partnerships, it is necessary to have a clear budget so that you can split it into partnership packages. These packages will be able to tell you, and your partners, that you have a well thought out plan. Your potential partners will understand why you need X amount of money to reach your goals for the next three years.

You can create different levels and packages and sell them to different kinds of partners in order to reach your goals. Obviously, a high-profile partnership will pay more and will consequently receive more marketing benefits from you. At the same time, partners that provide less support (either financially or in services) must be aware that they will receive less advertising from you.

Creating your sales & marketing deck

► HOW TO CREATE PARTNERSHIP MATERIAL

Be simple and intelligent when you create the presentation of your esports organization, the marketing products and services, as well as the partnerships that you offer potential partners.

Your presentation could have:

► A COVER PAGE

The first slide of any presentation should be a creative and powerful cover page that you can use to introduce the presentation either at a meeting or a skype call. It will look great, and it will give you time to present yourself and your management team. Include a picture that appropriately communicates your vision, mission statement and values.

► ABOUT YOUR MANAGEMENT TEAM

This is the slide where you present yourself and your management team. Use great pictures here, while including just a bit of text. You do not want people to “sit and read” your slides, you want them to look at pictures, feel engaged and most importantly to listen to you. Make your management team look good and communicate brilliance and trust.

► ABOUT YOUR ESPORTS ORGANIZATION

This is the slide where you tell the story of your organization. Who are you, what do you do, where do you want to go, why should we believe you will succeed and how are you unique? Explain what you do and how you do it. What kind of teams, players, influencers or streamers do you work with?

➤ ACHIEVEMENTS

List the esports achievements your players and teams have achieved.

➤ GOALS

List the esports goals you are working to accomplish.

➤ TIMELINE

Include a timeline for your organization explaining how your organization and leadership has developed while focusing on stability and growth.

Show your products and how you can activate your community and bring value to partners:

➤ LOCAL PARTNER ACTIVATION

(events, tournaments, viewing parties, collegiate esports, local social media, local website, local venue brand placement, local player or influencer marketing, event merchandise giveaways, as well as whatever you can offer a partner locally).

➤ GLOBAL PARTNER ACTIVATIONS

(Live stream placements, global social media, global website, chat bot messaging and links, sponsored video content, giveaways, online tournament partnerships, endorsements, quotes, as well as whatever you have to offer a partner globally).

➤ SOCIAL MEDIA ANALYTICS

Show the data from your social media per channel (followers, engagement, reach and other KPIs relevant to your organization and your channels. KPIs vary from channel to channel so make sure you only use KPIs that brings value to the partner. You can use cavea.io to collect and visualize all of your organization's social media and streaming analytics.

➤ WHAT ARE YOU LOOKING FOR?

Peripherals that will make your players better?

Monetary partnerships and activation? Other?

➤ AUDIENCE

Who can a partner reach when working with you? Which audience can you present to potential partners? Gamers, boys, girls, men, women, age, cities, countries, passions, etc.? Make sure you understand which audience and target groups partners can connect with by partnering with you. You can use cavea.io to understand your audiences across all your social media & streaming channels.

➤ CONTENT

Make sure that you are coming up with specific initiatives that are focused on delivering results and solving the partners' problem(s). Really creative initiatives that don't achieve the intended purpose are a waste of everyone's time. For example: if a partner is looking for great, creative content for activating their brand and gaining reach, you can create and promote videos like this: <https://bit.ly/2FwdPCo>. If the partner is looking for sales depending on the size of your business, you can offer collaborations like this: <https://bit.ly/2HQTOmw>.

➤ CASE STUDIES

If you can, show a case where one of your partners shares the story about why they are your partner, what kind of partnership this is, and what value they gain from the partnership.

Show logo placements from shirts, streams, social media, websites and more, so partners can imagine what a partnership with your organization looks like.

Show media activations, if you have any video content, podcasts, graphics, streams or anything, where you have worked with a partner, put that in, to visualize how it can be.

If possible, show event activations. How have you worked with partners at events? Do you have any pictures or videos that will make the partner look good?

Show how you have advertised a partner on live streams. How it looked, how many viewers tuned in, as well as the engagement.

All in all: in the presentation, you want to visualize how the potential partner will look amazing when working with your esports organization. Also, it is very important to create case studies and have pictures and video content whenever you do a partnership so you can continue to add valuable content to your case study portfolio.

Case studies will help potential partners feel safe and visualize themselves achieving success when working with you and your esports organization.

► MEASUREMENT

Put in (anonymous) data from previous partnerships to show how you measure partnerships. Include data such as “clicks”, “viewers”, “engagement”, “visitors”, “sales” – or whatever KPI you’ve decided to use. This data will show that you know what you are doing and will build trust, so the partner feels that you understand that data-based ROI measurement is important. Use [cavea.io](#), Google Analytics and other services, to measure and visualize data.

► BUSINESS OPPORTUNITY

Make sure that you sum up the business opportunity for the partner. Present the solutions, products and services that fit the partner’s needs that you discovered during the previous phone call or previous meetings. What is the price to pay and what do you estimate the ROI will be?

➤ PARTNER MANAGEMENT

Align expectations and agree on KPIs that will define the success of the partnership with the partner. Explain how you will follow up and report on agreed KPIs. Understand how you can keep the partner happy. Ask the question: “When we look 12 months ahead, and you are extremely happy with the partnership – what did we do together?”. That will make the partner reflect on “What is success to me?”, and he or she will give you all the key ingredients for you to achieve that success in the partnership.

➤ CONTACT DETAILS

Yes, sometimes people build presentations and forget to include names, roles and contact details. Remember to include such information so the partner can always have it on record.

Esports organization presentation example Pittsburg Knights

<https://bit.ly/2BYFgLY>

Credits to: Pittsburg Knights. Fueled by the drive of talented individuals, the Knights represent the concentrated ambition to achieve one goal: TO BUILD THE IDEAL ESPORTS TEAM FOR MANY YEARS TO COME. Under the guidance and leadership of veterans within the esports and tech industries, the Knights represent the paragons of esports. Our core mission is to take the best practices from traditional sports and apply them to esports. Pittsburgh is the City of Champions; it has a long history of strong sports franchises and passionate fans. We want to take up that mantle and continue the legacy of the city we grew up in. We didn't set out to build a team, we wanted to build a legacy.

Presales

Before you start contacting any potential partners, make sure that you have a strong suite of services and products you can sell to a partner and make sure your presentation is strong and properly sells your brand. We just went over this, I am sure you did great!

Now it is time for you to conduct research. What kind of partners will fit your esports organization, your values, your vision and your activities? Look for potential partners whose values match yours. When you choose a partner, you also have to love their products and services. You have to feel positive about their brand so you can endorse them where and when you have the opportunity. It's also important to keep in mind the state of your organization when conducting research. Is your organization new and looking to get started? Do you operate locally from a great esports venue? Are you an older, stronger esports organization, looking to expand your partner network?

Who are you, and what are you looking for – it is unique to each organization. Therefore, it is even more important that you are completely clear about: are you looking for local, regional, national or international partners? Which products and services do you believe you can sell to which partners? Understand how much revenue you need generated per month and year.

Start your research, look for partners by looking at existing esports or traditional sport organizations. Find which organizations you resemble the most and find out who they partner with. You may want to start by contacting similar partners. Also, don't hesitate to look locally, are there any local businesses that could be your next partner?

Research potential partners and put them into a CRM system like HubSpot. Use social media, local media, Google, LinkedIn as well as

your contacts to find the right person and how you can contact them. In other words, who is the person that can sign a partnership contract with you? That is the person you want in the system, and the person you want to hunt.

You can make simple discovery calls to potential partners to understand if X person is the right person to talk with in terms of partnerships. Understand the potential partner's business. What do they do and how do they make money? What are they struggling to accomplish? Always Google a potential partner to see if there are any interesting facts about them in the media. You can then use this information to put into the CRM system to make your relationship with them stronger.

When entering a potential partner in your CRM system you can add info about who they are sponsoring right now and why you find this partner important, and how you can envision working together to build a strong partnership.

Make sure you think about industry exclusivity. Most partners like to be the only one in their "category".

► HERE ARE SOME OF THE CATEGORIES FOR WHICH YOU MIGHT LOOK FOR A PARTNER:

- Peripherals: keyboard, mice, mousepads
- Audio: headset, headphones, speakers
- System: PCs, consoles and laptops
- Transport, travel & accommodation
- Mobile phones and tablets
- Food & Beverage
- PR and media
- Betting
- Chairs
- Clothing
- Merchandise

Category exclusiveness makes the partnership stronger and is a good way to focus all your efforts into one partner per category.

Before you put any potential partner into your CRM system, make sure you feel that when you close this partnership, you will be happy! Not only that, your fans and audience will be happy and excited about the new partnership and new brand joining your ranks. After all, your fans and audience are the ones following your players, watching your streams, and buying your merchandise. They are the ones that you ultimately want to please.

Always dedicate a person to presale who loves research and discovery and who is detail orientated. You need as much relevant data in your CRM system as possible in as good quality as possible so that the sales executive can be as effective and efficient as possible.

This book is great for you if you are a part of a grassroots, amateur, new or up-and-coming esports team, sports club or organization - looking for proven principles and strategies to create profitable revenue streams, to support your esports activities. It exists to provide a wide range of working principals, ideas and suggestions of potential revenue streams so you can develop and run profitable esports teams and organizations. You will get a collection of successful experiences and strategies from successful esports organizations and ideas from esports and gaming industry leaders such as: Red Bull and Razer, to understand why and how they execute partnerships in esports.

” *Anyone who reads this will have a good understanding of the commercial mechanics in esports, and have a ton of actionable insights to implement right away. Great and informative book.*

Jonas Gundersen, Chief Commercial Officer, NORTH A/S



About
the author
Martin Fritzen

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Martin knows all about success in esports. He founded what is now one of the biggest esports organizations in Denmark with several teams and coaches, as well as hundreds of paying members and profitable revenue streams. He is now leading esports activities at DGI - a sports association in Denmark that works to better the conditions for more than 6,500 member sports clubs and their more than 1.5 million members.

For the last few years, he has heard the same question over and over, "How can we make money to develop and run our esports team or organization?" This book is based on years of experience building and creating sustainable esports organizations with relevant partnerships, as well as several years of talking with esports organizations and companies sponsoring esports.

"I hope this book will inspire you to think outside the box so you can begin to build profitable revenue streams and achieve your esports dreams." – Martin Fritzen