

## 804251 - FMN - Financiation and Business Models

Coordinating unit:	804 - CITM - Image Processing and Multimedia Technology Centre		
Teaching unit:	804 - CITM - Image Processing and Multimedia Technology Centre		
Academic year:	2019		
Degree:	BACHELOR'S DEGREE IN VIDEO GAME DESIGN AND DEVELOPMENT (Syllabus 2014). (Teaching unit Compulsory) BACHELOR'S DEGREE IN VIDEO GAME DESIGN AND DEVELOPMENT (Syllabus 2014). (Teaching unit Compulsory)		
ECTS credits:	6	Teaching languages:	English

### Teaching staff

Coordinator: Patton Ripoll, Liam Winston

### Degree competences to which the subject contributes

#### Specific:

CEVJ 10. (ENG) Identificar el procés de producció i les metodologies de desenvolupament d'un videojoc, així com el paper de cada un dels perfils implicats i les funcions.

CEVJ 11. (ENG) Identificar los modelos de negocio, financiación y monetización propios de la industria del videojuego, así como su distribución digital, seguimiento y marketing.

#### Transversal:

CT5. FOREIGN LANGUAGE: Achieving a level of spoken and written proficiency in a foreign language, preferably English, that meets the needs of the profession and the labour market.

CT1a. ENTREPRENEURSHIP AND INNOVATION: Being aware of and understanding how companies are organised and the principles that govern their activity, and being able to understand employment regulations and the relationships between planning, industrial and commercial strategies, quality and profit.

CT2. SUSTAINABILITY AND SOCIAL COMMITMENT: Being aware of and understanding the complexity of the economic and social phenomena typical of a welfare society, and being able to relate social welfare to globalisation and sustainability and to use technique, technology, economics and sustainability in a balanced and compatible manner.

### Teaching methodology

The teacher will explain the new content with references and exercises to the students they will have to study and prepare during the following days in order to practice and deeper understand the contents.

The course, apart from the required specific theory, is intended to be rather practical, focusing on the student's learning by doing and understanding the tools to gauge how a business works and students will participate also commenting in the classroom real-life cases.

This is a business driven subject, that needs to be as practical as possible to students understand the need profitability that each game (or product) needs to drive and notions of finance that will be helpful for them in the future.

They will learn which and how the financial reports are required to managing and running a company.

It will be important that students participate during the course in the creation of business plans, investor pitches and budgeting controlling. As the best way of learning will be by doing.

There will be at least 2 practical cases for students to carry on, where the teacher will present the case and students will have to develop it, explain it to the rest of the classroom and others will comment.

Oral presentations will be important as this may take the students away from their comfort zone and forces them to synthesize and summarize information, very important also for their future as entrepreneurs or individual workers.

### Learning objectives of the subject

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- Understand how to create a budget for the development and commercialization of a videogame, fund a company and fundamentals of finance controlling
- High-level comprehension of your company's financial controls, key facts of business finance, annual accounts, profit and loss, balance sheet and how the cash circulates in a business
- Students will need to recognize key indicators of the company
- They will need to have a fair knowledge of excel
- Students should learn to understand a company thru the numbers and be able to plan its performance for the following period of time (month, year, years)
- They will be able to look for the best possible options to forecast cost and sales, and differentiate variable and fix costs in order to forecast them over the time
- They will develop the understanding to challenge other departments forecast
- They will be able to build a budget from scratch
- By the end of the course they should be able to understand a Budget and its deviation
- Different business models within the industry, revenue sources as a studio, as a single-person business (freelancer) or consultant, and what the market is looking for, as well as in-game business models that will bring money to the company from the end users
- Be aware of the different investor needs depending on the stages of the company, and create the best pitch to help you finance your company in a highly competitive and saturated business as the videogames industry
- Practice your investor pitch

### Study load

Total learning time: 150h	Hours large group:	30h	20.00%
	Hours medium group:	18h	12.00%
	Hours small group:	0h	0.00%
	Guided activities:	12h	8.00%
	Self study:	90h	60.00%

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### Content

STARTUPS	Learning time: 2h Theory classes: 2h
<p>Description: What are the different stages for funding a (startup) company?</p> <ul style="list-style-type: none"> <li>- Seed</li> <li>- Series A</li> <li>- Series B / Series C</li> <li>- Exit</li> </ul>	
VIDEOGAME CREATION PROCESS OVERVIEW	Learning time: 2h Practical classes: 2h
<p>Description:</p> <ol style="list-style-type: none"> <li>a. Life-cycle milestones</li> <li>b. Roles</li> <li>c. Approval processes</li> </ol>	
BUDGETING	Learning time: 8h Practical classes: 8h
<p>Description:</p> <ol style="list-style-type: none"> <li>a. How do I create a budget for my videogame?</li> <li>b. How do I control my budget?             <ol style="list-style-type: none"> <li>i. Roles and organization chart inside the studio</li> <li>ii. Producer and Business Controller roles coordination to input Costs</li> <li>iii. One Cost Centre or more Cost Centers / Analytics Accounting</li> <li>iv. Fixed and variable costs</li> <li>v. Forecasting</li> <li>vi. Create your spread sheet: Budget / Actual / Deviation. Managing deviation</li> <li>vii. Most important KPI to control</li> </ol> </li> <li>c. Class practical case</li> </ol>	

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FINANCE AND FINANCING	Learning time: 20h Practical classes: 20h
<p>Description:</p> <ul style="list-style-type: none"> <li>a. FINANCE: Introduction to Finance             <ul style="list-style-type: none"> <li>i. The three financials reports (6h)                 <ul style="list-style-type: none"> <li>1. Balance Sheet</li> <li>2. Income Statement: P&amp;L</li> <li>3. Cashflow</li> </ul> </li> </ul> </li> <li>b. FINANCING: How do I finance my videogame?             <ul style="list-style-type: none"> <li>i. Overview</li> <li>ii. Private Funding</li> <li>iii. Public administration</li> <li>iv. Role Playing</li> </ul> </li> </ul>	
BUSINESS MODELS	Learning time: 12h Practical classes: 12h
<p>Description:</p> <ul style="list-style-type: none"> <li>a. What are the different models for earning money in the videogame industry?             <ul style="list-style-type: none"> <li>i. B2B</li> <li>ii. B2C</li> </ul> </li> <li>b. THE BUSINESS PLAN</li> </ul>	
ENTREPRENEURSHIP	Learning time: 2h Practical classes: 2h
<p>Description:</p> <ul style="list-style-type: none"> <li>a. What is means to be an entrepreneur</li> <li>b. What makes a successful entrepreneur</li> <li>c. Finding help for early entrepreneurs: Catalonia incubators and accelerators</li> </ul>	
INVESTOR PITCH	Learning time: 4h Practical classes: 4h
<p>Description:</p> <p>Practical exercise; elevator pitch</p>	

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### Qualification system

15% of the final grade: Practical case study 1

30% of the final grade: Partial exam

15% of the final grade: Practical case study 2

30% of the final grade: Final exam

10% of the final grade: Student involvement and attitude (running all course)

This soft skill evaluation will value student's team-work and presentations. The student shall need to create different real-live cases and present them to the rest of the class

### Bibliography

#### Basic:

Tennent, John. Guide to financial management: understand and improve the bottom line. 3rd ed. The Economist, 2018. ISBN 9781610399999.

Ross, S.; Westerfield, R.; Jordan, B. Fundamentals of corporate finance. 10th ed. Mcgraw-Hill/Irwin, 2012. ISBN 9780078034633.

Barr, M.J.; McClellan, G.S. Budgets and financial management in higher education. 3rd ed. Jossey-Bass, 2018. ISBN 9781119287735.

Marriott, P.; Edwards, J.R.; Mellet, H.J. Introduction to accounting. 3rd ed. Sage Publications, 2002. ISBN 9780761970378.

Andersen, E.; Schiano, B. Teaching with cases: a practical guide. Harvard Business Review Press, 2014. ISBN 9781625276261.

Tracy, John A.; Tracy, Tage. How to read a financial report. 8th ed. Wiley, 2014. ISBN 9781118735848.

Jury, Timothy. Cash flow analysis and forecasting: the definitive guide to understanding and using published cash flow data. Wiley, 2012. ISBN 9781119962656.

Rivera Butzbach, Eric. Crowdfunding: la eclosión de la financiación colectiva, un cambio tecnológico, social y económico. Microtemas.com - Bubok - QVE, ISBN 9788415546405.

Feld, B.; Mendelson, J. Cómo cerrar rondas de financiación con éxito. Libros de cabecera, 2015. ISBN 9788494374265.

#### Complementary:

Argenti, Paul A. The fast forward MBA: pocket reference. 2nd ed. Wiley, 2002. ISBN 9780471222828.

#### Others resources:

##### Hyperlink

<http://xarxaempren.gencat.cat/ca/crea-el-teu-negoci/com-obtenir-financament/guia-de-financament/>

Guia de Finançament de la Generalitat

##### Audiovisual material

<http://www.enisa.es/es/financiacion>

Ministerio de Economía, Industria y Competitividad

<https://www.cdti.es>

CENTRO PARA EL DESARROLLO TECNOLÓGICO INDUSTRIAL