Join-In

More Games, More Fun, More Often

Business Plan for FISCAL YEAR 2012

Team Members

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Executive Summary

Mission statement

Join-In is a networking platform for recreational sports players in the United States, built on the concept that many Americans are unable to play as often as they would like because they are constrained by their individual social networks. Join-In organizes sports matches for players, making it easier to set up and find games anywhere in the United States.

Millions of Americans play sports recreationally in a variety of forms, including competitive and non-competitive leagues as well as pickup games. Pickup games are informal games that anyone can play in. These games are usually initiated by a single individual who gathers enough players to start a game but are open to virtually anyone (players seeing the game are typically welcome to join in). The beauty of pickup sports games is that in theory a player does not need to know any other players so long as they can find a game to join. In reality, finding a game can be quite challenging since the time and location of games often remains within the organizer's network. Despite the large number of people who are available and willing to play pickup sports, most people don’t get to play as often as they want to because of social network constraints.

There are two ways in which social network constraints limit the number of games players get to play in.

First, the small social networks limit the number of games that are set up. Pickup games usually have an initiator who coordinates with the other players to organize the game. This process can often be troublesome and time consuming. There is a critical mass of players that need to be gathered in order for a game to take place. Most of the coordination for this critical mass takes place electronically with texts and emails. Finding a time and location that works for everyone can be also a time consuming process that may or may not be successful. In small networks, changes in one or two players availability can result in losing the critical mass of players needed to create a game. There is also the burden of reminding players about an upcoming game. Even if a time and location can be agreed on, many players forget about it if the game is organized in advance. This then requires the coordinator to expend more time and energy reminding the players about the game. The end result is that initiators are less likely to start games, resulting in fewer games being played. Second, games are hard to find because you have to know someone who already is in the network of a particular game or spend a substantial amount of time looking for games in likely places.

Network constraints can also affect the quality of the games players participate in. Smaller networks make it harder to match players’ skill levels and attitudes (level of intensity) because there simply aren’t enough players. For example, suppose that in a given network there are five players who enjoy playing more competitively and one who prefers to play casually. To play a game of basketball you need an even number of players, so all six players are needed to play a game. The game is likely to be competitive, resulting in a less enjoyable experience for the player who prefers playing casually.

Join-In addresses these issues by creating a platform that allows users to access a larger network of players in their area and makes setting up a game much more convenient. The platform consists of a combination of web and mobile applications that interface with existing social media. This means that users can set up or look up games from virtually anywhere and
users have access to a much larger network of players. In addition to providing access to a larger network of players, Join-In will enable users to have a higher quality of experience by matching them with other players of similar skill levels and attitudes. Join-In reduces the hassle of setting up games by handling the coordination of game times and locations in a centralized and easy to use format that allows game creators to automate reminders through the electronic communication method of their choice (Email, text, twitter, etc.).

Description of Product / Service

Join-In is a web service that gives users the ability to easily create, find, and join pick up sports matches in their area. From the user’s perspective, Join-In is a website which makes it easy to invite friends to a game or find a game to join. From our perspective, it consists of three front ends (website, mobile application, facebook), backend service, and an advertising platform. Front end services provide an interface for the users to interact with, while the backend services handle the large amounts of data and use this information to improve the user’s experience.

The Join-In website is the main way that users of Join-In can interact with the service backend. It is designed to have minimal barrier to entry. Users with or without accounts can immediately search for nearby games. Join-In implements OpenID, meaning that if a user has an account with an OpenID provider such as Google or Facebook, they can use that account to log into Join-In. An account is not required to find games or to be invited to a game, but it is required to create a game or to add oneself to a game. The website allows users to edit information in their user profile including:

- free and busy scheduling information
- preferred game times and locations
- skill level
- preferred game intensity.

When creating a game, users can choose contacts from their contact lists or rosters, their desired sport, and fields in our database. Sports can be added on the fly to the database, which will become available to other users. Fields that we do not currently have in our database can be added by finding them on Google Maps.

The Join-In mobile application provides quick and easy access to the core functionality of the site, and adds a few mobile specific features. The interface is designed with creating games quickly as the main objective – in order to be effective it must be quicker and easier to invite a few friends to play a game using the mobile application than it is to text a few friends the same information. To do this, the application presents an interface that has been streamlined for quick selection of game time and location, then integrates your phone’s contact book with your Join-In account when selecting who to invite.
Finding a game to play is also supported in the mobile application. It is streamlined for finding nearby games that are in progress or soon to start to facilitate joining games spur of the moment. The mobile application is also the preferred destination for game reminders and notifications, and facilitates easy transition between game reminders and your phone’s mapping and directions software.

The Facebook application frontend allows users to perform all of the core site functions without leaving the Facebook environment. It also is designed to integrate with Facebook’s groups and events features, so that groups that are currently used to organize pick up matches can migrate to join in without significantly changing their habits.

The advertising platform provides sports retailers with the tools they need to create and manage an advertising campaign on Join-In. From the advertiser’s perspective, it provides an online interface for creating advertisements and coupons, selecting a target audience, and placing bids on advertisement placements. The ad platform is designed to fill the niche of advertising for small local businesses by providing proximity-based advertising. The likelihood of a user being shown an ad increases as the user approaches that store’s location. This is determined by information in the user’s profile, their IP address, GPS and location data from the mobile application, and by games the user is attending.

The core of the backend service is a rich set of data and services that provide access to that data. This data takes three forms, our games network, external social networks, and a database of locations to play. Our games network connects Join-In users to each other based on the games the user plays. This tells us where and when different groups of players played together, which we can use to suggest the best fitting players for future matches, and which players can use to view their history of games and choose who to invite in the future. We also use data from existing social networks like Facebook to find friends of our users. This gives some of the benefits of having a large social graph even before we have a large user base. Finally, we maintain a database of locations to play; fields, courts, etc. where users have played so that we can make it quick and easy to choose a game location. Our games network is populated by users, who have several pieces of data associated with them. First is a contact list populated with e-mail and phone contacts and friends from external social networks. Associated with this list are rosters, which are lists of players set up for quick invitation to games. We also have:

- users free time information with optional calendar integration
- sports the user plays
- preferred sports
- playtimes and locations
- skill level and intensity preference.

Users can edit all of this information, but it is also inferred from player history; which sports were played, when, where, and with which users.

A number of services and algorithms run on these data sets. The primary service is the game creation service which adds a future game to the games network.
feature finds future games in the graph, and filters by time, location, sport, etc. The Field Finder service finds fields near a set of players that are available during a range of time.

We have several patentable algorithms that take advantage of this data. These are all solutions to search optimization problems:

- Game Finder: Finds the optimum future game in the games graph for a player
- Player Match: Finds and ranks players who are compatible with a set of players
- Player Finder: Finds and ranks players who are compatible with a specific game

The Game Finder algorithm is used to make our game search better and more efficient than any other method of finding sports matches. Player Match is used to help game creators find players when first setting up a game and to generate rosters. Player Finder is used to proactively find and invite players to games without the need for the organizer’s intervention.
Competition

Pickupalooza serves 4 cities and has a total of 423 users. It is a web-based service with no mobile apps, Twitter or Facebook integration. The majority of the site’s users (399) are based in Pittsburgh. They don’t appear to be actively pursuing new users.

Sportaneous serves 3 cities: New York, Philadelphia, and San Diego. They have a total of 200 active users. Users are required to create a login to use the service. Sportaneous has a Facebook application but no mobile apps or Twitter Integration. Again, the site doesn’t appear to be doing anything actively pursue new users.

Based in Seattle, InfiniteHoops has a membership of 25,000 which it has gained over 8 years. They currently provide service to five sports: basketball, softball, hockey, football and soccer. There is an iPhone app and Twitter integration to compliment the website. However, there does not appear to be much being done in the way of promotion and the service requires users to register with the site.
Marketing

Join-In’s target audience is everyone in the United States age 16 and up who currently plays pickup sports and/or is interested in playing pickup sports. While there is difficulty in predicting the size of the target market due to the unorganized manner of pickup sports, our calculations incorporating U.S. Census Bureau and NCAA data estimate 30 million potential users. First, we calculated the percentage of high school students participating in the main sports we would be targeting. Then, we broke down the population of the United States into age groups 16 to 24 years old, 25 to 44 years old, and 45 to 64 years old. The percentage of high school athletes was then extrapolated to these populations. Because young adults are in peak physical condition, are socially active, and especially prone to using social media, we assumed this age group would be most willing to participate in pickup sports. The next age group is still mostly active but begins to see inhibiting factors like family commitments, so willingness to participate decreases. The eldest age group begins to see a population with decreased fitness and exacerbated health problems, and would see a further drop-off in pickup sports participation.

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<tbody>
<tr>
<td>16-24</td>
<td>40 million</td>
<td>25%</td>
<td>100%</td>
<td>10 million</td>
</tr>
<tr>
<td>25-44</td>
<td>80 million</td>
<td>25%</td>
<td>75%</td>
<td>15 million</td>
</tr>
<tr>
<td>45-64</td>
<td>80 million</td>
<td>25%</td>
<td>25%</td>
<td>5 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>30 million</strong></td>
</tr>
</tbody>
</table>

The size and activity of the user base is a major factor for the success or failure of a networking venture such as Join-In. A certain critical mass is required for significant portions of the desired functionality of the platform, such as finding games that others have created, or leaving room in your own game for people to join. Therefore, the Join-In website and mobile application platform will be free to use to reduce the barrier to entry and in turn ensure rapid growth of the user base.

Since Join-In is free to use, users will have few qualms about inviting their friends and others in their sports community to use a free platform that makes pickup sports occur more
often and more enjoyable. In the early stages of the business, every member of the Join-In team will be promoting the use of the web and mobile platform to friends, family, and the pickup sports communities with which we are each currently connected. These first new users will be able to organize games that they have already been playing more easily and they are likely to invite people in their expanded networks to use Join-In.

The first stage beyond preliminary seeding within our own networks will be to focus on spreading the user base in Los Angeles, Orange County, and throughout southern California. A marketing team will approach students and staff at colleges and universities, where pickup communities exist and there is a large population of the age group most likely to participate in pickup sports. These students would be quite likely to promote the use of Join-In, and eventually help expand its use beyond the borders of their institutions. At the same time, the marketing team will seek out recreation centers and sports leagues for an expansion of user base. Advertising for the recreation centers and sports leagues could be posted on Join-In and vice versa, and this sort of mutual promotion between Join-In and such institutions will quickly attract active and involved users. Lastly, marketing representatives will monitor public parks and courts for existing pickup game activity to directly approach existing pickup sports communities.

After focusing on growth in the greater Los Angeles area, other large metropolitan areas with high population densities and an established sports culture will be targeted in order to expand as quick as possible on a national scale. The marketing approach on a city scale will mimic that used in the initial Los Angeles push. This second stage of the outreach plan will also include contacting the health-care community. A physically active lifestyle is one of the best forms of preventative care, the most cost effective form of health care. General practitioners can offer Join-In as a way for people to stay active at the same time as having fun, meeting new people, and self-improvement. In return, the Join-In user base will be sure to grow, and the community will only benefit from it.

Early in this final push, it is likely that Join-In will have expanded on its own nationally but still need more participants. This stage is likely to require advertisements of the Join-In platform on a national level. This will be most effectively done by targeting those interested in sports and similar activities using Facebook advertisements and Google Adwords. However, it may be difficult to maintain profitability while spending heavily on advertisement. In larger cities, it will be possible to partner with sports retailer sponsors to host public tournaments or large scale pickup events that will serve as advertisement for the use of Join-In, but also be a potential source of revenue.

In any case, the dependency of Join-In’s growth is heavy on the user experience, and whether or not one user thinks they should invite their networks to use the Join-In platform. This will be done by having an evolving platform that adapts to the needs, wants, and complaints of the users. A forum will be available for anyone to voice opinions, and a programmer will be available solely to service these needs with fast responses. This will not only build trust with users in the earlier stages of Join-In, but also help ensure the success of the entire venture, and make the service Join-In provides as good as possible.

Gathering and expanding the user base of Join-In not only improves its functionality as a service and benefit to the American society as a whole, but also provides Join-In with a source of revenue. The main source of revenue for this company will be from advertisement, which will be of relatively high value to advertisers due to the fact that the users are all active
Business Plan — Join-In

sports players in need of equipment, refreshments, and more. The more active users that Join-In has, the greater the its potential advertisement revenue.
Sales

Sales Strategy and Intentions

We will be taking a direct approach to finding advertisers who will benefit from the advertisement platform used in and developed by Join-In. As the user base of Join-In grows, there will be certain areas of California, and later the United States, with a high density of active users. These areas will be the primary targets for the sales team, as the cost of finding advertisers in these areas will be most cost effective due to them having the largest potential revenue.

The primary targets for advertisers will be sports equipment stores, recreation centers, and sports leagues. These types of companies are most likely to be interested in advertising with Join-In due to the fact that active users are active sports players who will need equipment to continue to enjoy their pass time, and may be interested in access to more venues, or more formalized sports. However, there is potential for advertisers in the food industry such as sports bars, pizza places and more.

In addition, when the tournaments or pickup events occur, they will serve a purpose beyond exposing communities to Join-In. They will also attract companies to sponsor the event and have an advertising presence throughout the event. These types of events will allow Join-In to develop relations with potential advertisers for the future.

There will be a point of time at which Join-In will be nationally recognized and used throughout the country. This is when we will have the attention of national sports related companies such as Gatorade, Nike, Adidas etc. and it will likely cause revenue growth if we provide these companies with advertisement space.

Personnel and Personnel Needs

In the initial phase of development, we will require two developers, one to build the backend services, and one experienced in web technologies and the social media APIs to create the web interface. One year in after the initial build-out and user base growth phase, two additional developers will needed in order to create the advertising platform; one to create the display infrastructure and one to create the ad creation platform and advertiser interface. Finally, a fifth developer will be added to develop the mobile platform. We will require a development PC for each developer. The website will be deployed on Amazon's EC2 service.

During the first year of Join-In, the sales and marketing team will consist of five employees, which will slowly grow each year on an as needed basis. It is projected that each year we will add one more employee dedicated to sales and marketing.
Financial Information

The majority of Join-In’s revenue will come from our local advertising platform. Our revenue projection off of advertising was derived using Google Adwords to determine the prices of advertising for different sports keywords. The prices for different sports and the average are shown below:

<table>
<thead>
<tr>
<th>Sport</th>
<th>Cost per click</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soccer</td>
<td>$1.65</td>
</tr>
<tr>
<td>Basketball</td>
<td>$1.26</td>
</tr>
<tr>
<td>Softball</td>
<td>$0.98</td>
</tr>
<tr>
<td>Football</td>
<td>$1.53</td>
</tr>
<tr>
<td>Tennis</td>
<td>$1.79</td>
</tr>
<tr>
<td>Volleyball</td>
<td>$0.91</td>
</tr>
<tr>
<td><strong>Average Peak Advertising Cost Per Click</strong></td>
<td><strong>$1.33</strong></td>
</tr>
</tbody>
</table>

From these projections for the cost per click, we estimate we could competitively charge local advertisers $1.00 per click. Based on conversations with industry experts we expect that 1% of the advertising views will result in a click through. In addition to this, we will charge $10 per thousand views of an advertisement since we would be displaying advertisements to a very specific demographic. This revenue structure is typical for online advertising. Based on an average of one use per week per user of the application, once per week we expect an average of $1.00 in revenue per user per year. Initially, we will be using Google Adsense for our advertising while we develop our own advertising platform and network of local advertisers. In our first year, all of our revenue comes from Google Adsense giving us an average $0.20 per click. Once we develop our own ad platform, we expect the majority of our revenue to come directly from local advertisers resulting in an average of $0.90 per click by year 5. We project that we will obtain 50,000 users by year 1, two million users by year 3, and 10 million users by year 5 resulting in expected revenues of $1,000,000 by year 3 rising to $10,000,000 by year 5.

Our costs come from developers, sales and marketing team, and legal fees. We will begin with our founding five members paid at a salary of $50,000 per year, which results in a monthly expense of $20,000. Three of our members will be working on development and two on the sales and marketing team. We will be hiring an additional employee to two each year to develop an ad platform and expand on our marketing campaign. Our cost for personal begins at $250,000 and increases by approximately $150,000 per year due to the increase in...
personal and the desire to hire knowledgeable people in the field. We are budgeting $100,000 for legal fees to protect our IP. We expect computing equipment to cost $5,000 a year and to spend an additional $3,000 each year for Amazon Web Services for web servers. In addition, we will have a $50,000 yearly expense for renting an office for Join-In. Other overhead expenses total to approximately $75,000 per year. These projections result an expected loss of $525,000 for each of the first two years, breaking even in year 3, and a profit of $8.2 million by year 5. For the initial costs, we are requesting a $1.5 million loan to cover our expenses within the first 3 years.