

# FEASIBILITY ANALYSIS AND BUSINESS PLANNING – UNIVERSITY ESPORTS

Envision your future. Identify priorities. Achieve results.



What was once an activity confined to individual players on isolated, home-based gaming systems has become a global and professional competitive sport in which teams of players compete for fame and fortune. The esports industry is expected to eclipse \$1 billion by 2020, and global viewership, which entails spectators watching a broadcast of an esports competition or similar gaming content, already approaches 500 million people annually,<sup>1</sup> including a significant portion of millennials. In fact, more than 20 percent of millennials report watching esports online or through live esports tournaments.<sup>2</sup> According to research by Newzoo, esports is more popular than baseball and ice hockey among males age 21 to 35.<sup>3</sup>

A tangible example of the sport's popularity is the video-streaming website Twitch, which was purchased by Amazon three years ago for \$970 million. Twitch serves more than 50 million users who collectively watch, not play, 280 million hours of video gaming each month. Newzoo research also indicates that almost 40 percent of esports fans are female, which contradicts many stereotypes about video gaming.<sup>4</sup>

The explosion of esports popularity with its avid players and spectators has piqued interest among investors as a sign that esports growth promises long-term returns. Traditional investment institutions, global brands, and professional sports teams are all staking their claims in the esports market by financing teams and securing tournament sponsorships. Growing interest among younger audiences has encouraged higher education institutions to invest in this market opportunity as well. Formed only in mid-2016, the National Association of Collegiate Esports already includes 34 diverse member institutions – from major athletic powerhouse to regional liberal arts schools – who provide nearly \$6 million in scholarships to esports athletes annually.

## Feasibility Analysis and Business Planning Answers the Following Questions:

Is this opportunity aligned with the mission, vision, and key priorities of our institution?

Is there demand for this opportunity among our students, faculty, and community?

Do we have the capacity to launch and operate this type of program?  
What will we need to be successful?

How can this program enhance our core academic mission through co-curricular synergies?

How will this impact enrollment and financial health?

<sup>1</sup> Elder (2016) <http://www.businessinsider.com/esports-will-break-1-billion-in-2017-2016-7>

<sup>2</sup> Buckle (2016) <http://blog.globalwebindex.net/chart-of-the-day/over-1-in-5-millennials-watching-esports/>

<sup>3</sup> Heuvel (2016) <https://newzoo.com/insights/articles/why-brands-and-esports-are-entering-esports/>

<sup>4</sup> Casselman (2015) [http://www.espn.com/espn/story/\\_/id/13059210/esports-massive-industry-growing](http://www.espn.com/espn/story/_/id/13059210/esports-massive-industry-growing)

The Hill Group can partner with your institution to investigate whether or not esports can enhance the curricular and co-curricular portfolio of your institution. Our consultants will work with your institution to determine if esports can provide a competitive or comparative advantage through synergies with academic programs and experiential learning opportunities. We will partner with you to:

- **Assess the feasibility of success with esports on your campus**
- **Develop strategy to align esports programming with your academic and other institutional priorities**
- **Develop a business plan to quantify the market opportunity, detail operational and organizational plans, and model the financial implications of starting and operating an esports program**

### **About The Hill Group, Inc.**

Founded in 1953, The Hill Group, Inc. is a premier provider of management counsel, specializing in strategy, operations, and measurement. Our firm serves a wide range of private and public sector clients, including large corporations, institutions, nonprofits, and governments. Through sound strategy services, innovative solutions, and exceptional care, The Hill Group helps organizations focus to improve performance and to achieve results.

*Strategy – Envisioning an organization’s future, capitalizing on its opportunities, identifying strategic priorities, and implementing positive change.*

- Strategic Planning
- Business Planning
- Design & Facilitation of Planning Processes
- Decision Support & Analysis
- Turn-Around Management
- Market Research & Analysis
- Balanced Scorecard Design & Implementation

*Operations – Ensuring that an organization is efficiently and effectively utilizing its resources to its full potential.*

- Process Improvement
- Organizational Capacity Reviews & Assessments
- Business Modeling & Resource Allocation
- Turn-Around Management

*Measurement – Increasing an organization’s performance through measurement and continuous improvement.*

- Business Analytics & Intelligence
- Employee Opinion Surveys
- New Hire Surveys
- Exit Surveys & Interviews
- Internal & External Service Quality Surveys
- 360-Degree Feedback Surveys
- Organizational Core Competency Development & Management
- Integrated Talent Management Processes

### **Higher Education Practice**

The Hill Group partners with colleges and universities across the United States. The education landscape is changing at a fast pace. Federal and state spending on higher education has significantly decreased. At the same time, a substantial shift of responsibility for financing higher education toward net tuition has placed a strain on colleges and universities. When revenue opportunities are reduced, institutions often raise tuition, reduce academic offerings, cut student services and programming, develop new income streams, or engage some or all of these tactics in order to operate within a balanced budget. Higher education leaders are faced with the task of doing more with less while facing greater scrutiny than ever before. The Hill Group works with colleges and universities to navigate today’s complex environment while providing the tools they need to proactively plan for the challenges of tomorrow.

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