



Course guide

804251 - FMN - Financiation and Business Models

Last modified: 11/09/2024

Unit in charge: Image Processing and Multimedia Technology Centre
Teaching unit: 804 - CITM - Image Processing and Multimedia Technology Centre.

Degree: BACHELOR'S DEGREE IN VIDEO GAME DESIGN AND DEVELOPMENT (Syllabus 2014). (Compulsory subject).

Academic year: 2024 **ECTS Credits:** 6.0 **Languages:** English

LECTURER

Coordinating lecturer: Mas, Eudald

Others: Bañó, Joan-Francesc

DEGREE COMPETENCES TO WHICH THE SUBJECT CONTRIBUTES

Specific:

CEVJ 10. Identify the production process and methodologies for developing a video game, and the role of each of the profiles and functions involved.

CEVJ 11. Identify the business, financing and monetisation models of the video game industry, and its digital distribution, monitoring and 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 lecturer will explain the new contents with references and exercises to the students. Students will have to study and prepare these exercises during the following days in order to put into practice and better understand the contents of the course.
- The course, in addition to the specific theory required, aims to be practical, focusing on "learning by doing" and on the knowledge of the tools needed to evaluate how a company works. Also the need for profitability that each video game (or product) must pursue and the notions of finance that will be useful to them in the future.
- Students will participate by commenting on real cases in the classroom.
- They will also learn what and how financial reporting is required to manage a company.
- It will be important for students to participate during the course in the creation of business plans, presentations to investors and budget control.
- At least 2 case studies will be conducted. The teacher will present the case and the students will have to develop it and explain it to the rest of the class, while the others comment.
- The oral presentations will be important to take the students out of their comfort zone and force them to synthesize and summarize information, very relevant also for their future as entrepreneurs or individual workers.

LEARNING OBJECTIVES OF THE SUBJECT

- Show understanding of the concepts "business model" and "financing" and their possibilities in the video game industry.
- Understand how to create a budget for the development and marketing of a video game and finance a company.
- Be able to understand a budget and its variance.
- Understand the fundamentals of financial control, such as annual accounts, profit and loss, balance sheet and how cash flows in a company.
- Recognize the company's key indicators.
- Use Microsoft Excel.
- Understand a company through numerical data to plan its performance for the next period of time (month, year, years).
- Be able to look at the best possible options for forecasting costs and sales, and differentiate between variable and fixed costs to forecast them over time.
- Develop the necessary understanding to question the forecasts of other departments.
- Be able to apply different business models within the industry, looking for revenue streams as a studio, as a freelancer or as a consultant, and understanding what the market needs, as well as in-game business models that bring money into the company from end users.
- Be aware of the different needs of investors depending on the stages of the company.
- Create pitches to investors to get funding in a highly competitive and saturated business such as the video game industry.



STUDY LOAD

Type	Hours	Percentage
Hours large group	30,0	20.00
Self study	90,0	60.00
Hours medium group	18,0	12.00
Guided activities	12,0	8.00

Total learning time: 150 h

CONTENTS

STARTUPS

Description:

What are the different stages for funding a (startup) company?

- Seed
- Series A
- Series B / Series C
- Exit

Full-or-part-time: 14h 20m

Theory classes: 2h

Self study : 12h 20m

VIDEOGAME CREATION PROCESS OVERVIEW

Description:

- a. Life-cycle milestones
- b. Roles
- c. Approval processes

Full-or-part-time: 16h 20m

Practical classes: 4h

Self study : 12h 20m

BUDGETING

Description:

- a. How do I create a budget for my videogame?
- b. How do I control my budget?
 - i. Roles and organization chart inside the studio
 - ii. Producer and Business Controller roles coordination to input Costs
 - iii. One Cost Centre or more Cost Centers / Analytics Accounting
 - iv. Fixed and variable costs
 - v. Forecasting
 - vi. Create your spread sheet: Budget / Actual / Deviation. Managing deviation
 - vii. Most important KPI to control
- c. Class practical case

Full-or-part-time: 22h 20m

Practical classes: 10h

Self study : 12h 20m



FINANCE AND FINANCING

Description:

- a. FINANCE: Introduction to Finance
 - i. The three financials reports (6h)
 - 1. Balance Sheet
 - 2. Income Statement: P&L
 - 3. Cashflow
- b. FINANCING: How do I finance my videogame?
 - i. Overview
 - ii. Private Funding
 - iii. Public administration
 - iv. Role Playing

Full-or-part-time: 34h 20m

Practical classes: 22h

Self study : 12h 20m

BUSINESS MODELS

Description:

- a. What are the different models for earning money in the videogame industry?
 - i. B2B
 - ii. B2C
- b. THE BUSINESS PLAN

Full-or-part-time: 26h 20m

Practical classes: 14h

Self study : 12h 20m

ENTREPRENEURSHIP

Description:

- a. What is means to be an entrepreneur
- b. What makes a successful entrepreneur
- c. Finding help for early entrepreneurs: Catalonia incubators and accelerators

Full-or-part-time: 16h 20m

Practical classes: 4h

Self study : 12h 20m

INVESTOR PITCH

Description:

Practical exercise; elevator pitch

Full-or-part-time: 20h

Practical classes: 4h

Self study : 16h

GRADING SYSTEM

- 30% of the final grade: Partial exam 1.
- 30% of the final grade: Partial exam 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.

Students who fail will have the chance to take the reevaluation exam. The mark of this exam will replace the mark of the partial and final exams and, in case of passing the course, the maximum final mark will be 5.

Irregular actions that may lead to a significant variation of the grade of one or more students constitute a fraudulent performance of an evaluation act. This action entails the descriptive grade of failure and a numerical grade of 0 for the ordinary global evaluation of the course, without the right to re-evaluation.

If the lecturers have indications of the use of AI tools not allowed in the evaluation tests, they may summon the students concerned to an oral test or a meeting to verify the authorship.

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.

RESOURCES

Audiovisual material:

- <http://www.enisa.es/es/financiacion>. Ministerio de Economía, Industria y Competitividad
- <https://www.cdti.es>. CENTRO PARA EL DESARROLLO TECNOLÓGICO INDUSTRIAL

Hyperlink:

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