

FINAL DEGREE PROJECT

HOVERBIKE WORLD CHAMPIONSHIP

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CONCEPTUALIZE AND JUSTIFY THE BUSINESS

PERSONAL CHARACTERISTICS

This Final Degree Project is written and produced by Marc Sabaté Baranera, a former student in Tecnocampus. The main abilities he has are, he is very analytical and understands deeply all he is interested in, another ability is that he is very perseverant in the things he believes in and has a strong opinion on what he thinks is the best, another skill he has is that he is able to pivot when something is not working and find the best way to make things work. Apart from the aptitudes there also are some defects, one of them is that even though he is very perseverant when he has something in mind, he reflects a lot everything and it is hard for him to make an important decision since he counts with everything and does not want to be wrong. The principal motivation to do this work is that he has always been interested in the business world and this idea has been in his mind for years, he is also motivated by the fact that in a future this could become a real business, another motivation is the possibility to put in practice all learnt in the past three years.

This project is related to the degree taken in the sense that is put into practice almost everything studied, from the accounting statements, through the marketing strategies, to the implementation of the entrepreneurship abilities.

THE CONCEPT OF HOVERBIKE



Image 1 Hoverbike (Source:<https://hewatlas.com/hoverbike-scorpion-preorders-on-sale/56988/>)

A hoverbike is a mean of transport which flies. It is remarkably like a drone but with a person on it, also, many people call it a flying motorbike.

THE CONCEPT OF THE HOVERBIKE WORLD CHAMPIONSHIP (HWC)

HWC is a hoverbike competition which compete 10 teams with 2 drivers each team that makes a total number of 20 drivers in the start of each race. The competition has 20 races in 20 different countries. Like in all the racing competitions, the driver that performs the best in positioning means wins the championship.

The aim of this competition is to focus on the principal markets, for that reason the countries that host the races are the top 20 riches countries by GDP means. Moreover, this competition wants to attract as much men as women, since most of racing sports most fans are men and are losing almost the half of the potential customers, for that reason there can not be more than 75% of drivers of the same gender.

Furthermore, the 75% of drivers must be from the 15 richest countries, to make the people of these countries feel more engaged.

Another problem that wants to solve is the profitability problem of racing competitions and wants to implement augmented reality (AR) to make it more dynamic. These two topics will be developed later.

Moreover, at the beginning all races will be done in land circuits that already exists, but in a future the aim is to build futuristic circuits specially for flying machines.

The reason why this competition must be held is to show to the world that a new way of moving is possible with this new mean of transport, totally green powered and more efficiently, since until now to make short trips, that is what hoverbikes are meant to be used, people have to follow a determined way, streets, roads, highways or train tracks, and hoverbikes can go from point A to point B straight. Moreover, the goal of this competition is to improve the technology to make them safer, more comfortable to drive and with more autonomy.

SEGMENTS AND BUSINESS MODEL

Segments

This business model has two different customers, people (B2C) and business (B2B). The “people” customers are divided into two groups, the ones that go to watch the race in the circuit and the ones that watch the race by TV, in both cases the segments are the same. The target customer are men and women between 10 and 60 years from the 20 most powerful countries in the world, economically speaking (United States, China, Japan, Germany, United Kingdom,

India, France, Italy, Canada, South Korea, Russia, Brazil, Australia, Spain, Indonesia, Mexico, Netherlands, Switzerland, Saudi Arabia, and Turkey) that are the countries where the races are placed. (In the buyer persona section, it is done a deeper analysis of the segments).

The “business” customers are divided between two groups, TV channels and brands that want to advertise the event.

The TV channels that the rights are sold are prioritized to free channels, even if the offer of the pay channel for the broadcasting rights is higher to reach the maximum number of viewers. There are some exemptions, if the pay TV channel reaches more people than the free one, in this case the offer of the pay TV channel is prioritized. The second exemption is if the offer from the pay TV channel is extremely higher than the free one. Some of the TV channels are: TV5 Monde (France), A3 Media (Spain), BBC (UK), RTL (Germany), Mediaset (Italy), NBC (US), NHK (Japan), CCTV (China), KBS (South Korea), Raj TV (India), TV Brazil (Brazil).

The brands that want to advertise the competition are companies related to the hoverbikes world, aeronautical industry, drone companies and companies that want to advertise a product to the general public. Some of the brands are: Airbus (Aeronautical industry), Boeing (Aeronautical industry), Parrot (Drone company), DJI (Drone company), Hoversurf (Hoverbike company), Malloy aeronautics (Hoverbike company), Budweiser (Beer company), Heineken (Beer company), Mastercard (Fintech company).

Buyer persona

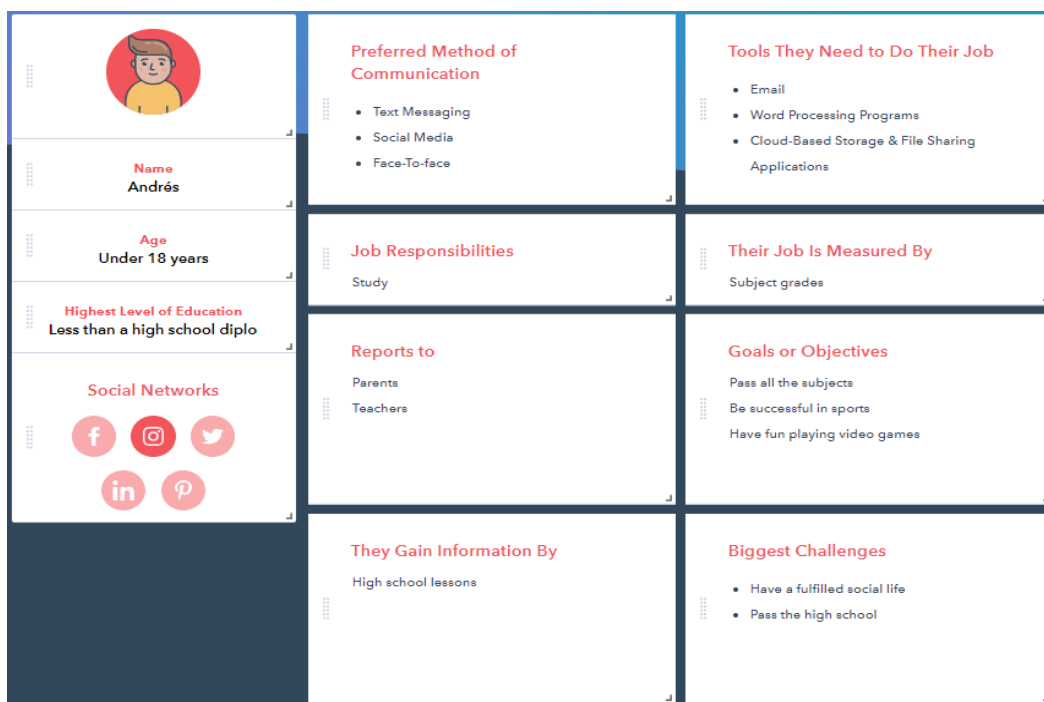


Figure 1 Buyer persona Andrés

(Source: own elaboration based on <https://blog.hubspot.com>)

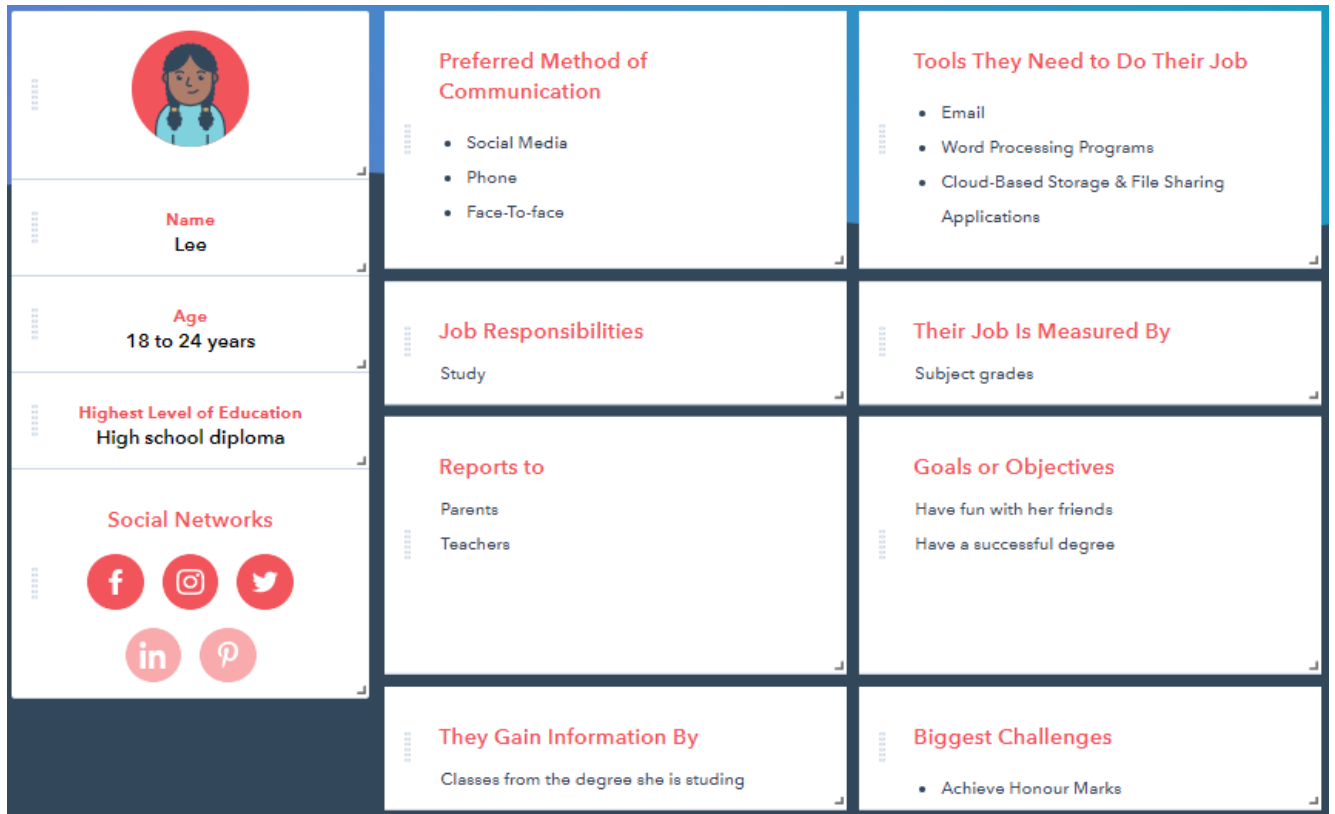


Figure 2 Buyer persona Lee

(Source: own elaboration based on <https://blog.hubspot.com>)

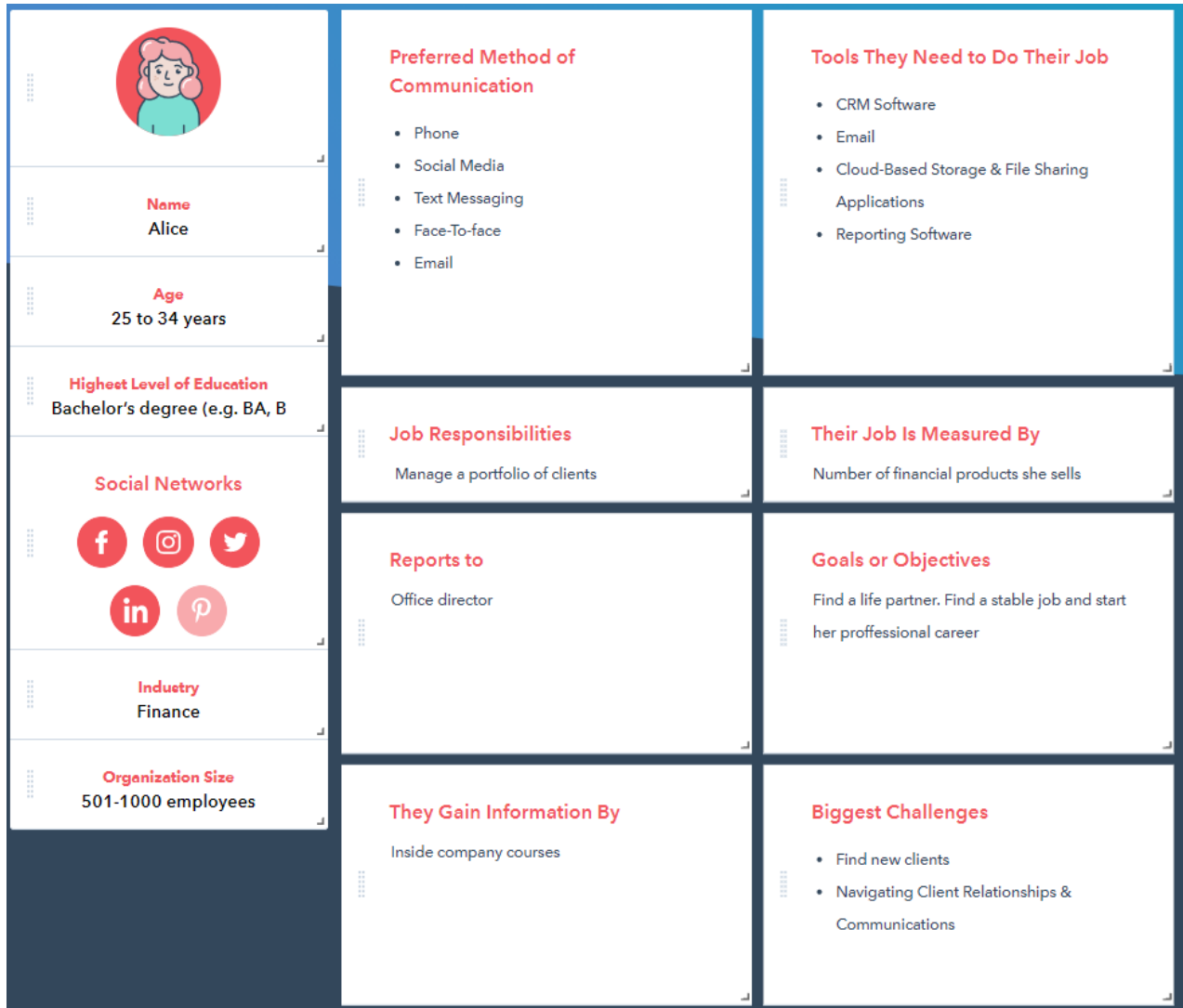


Figure 3 Buyer persona Alice

(Source: own elaboration based on <https://blog.hubspot.com>)

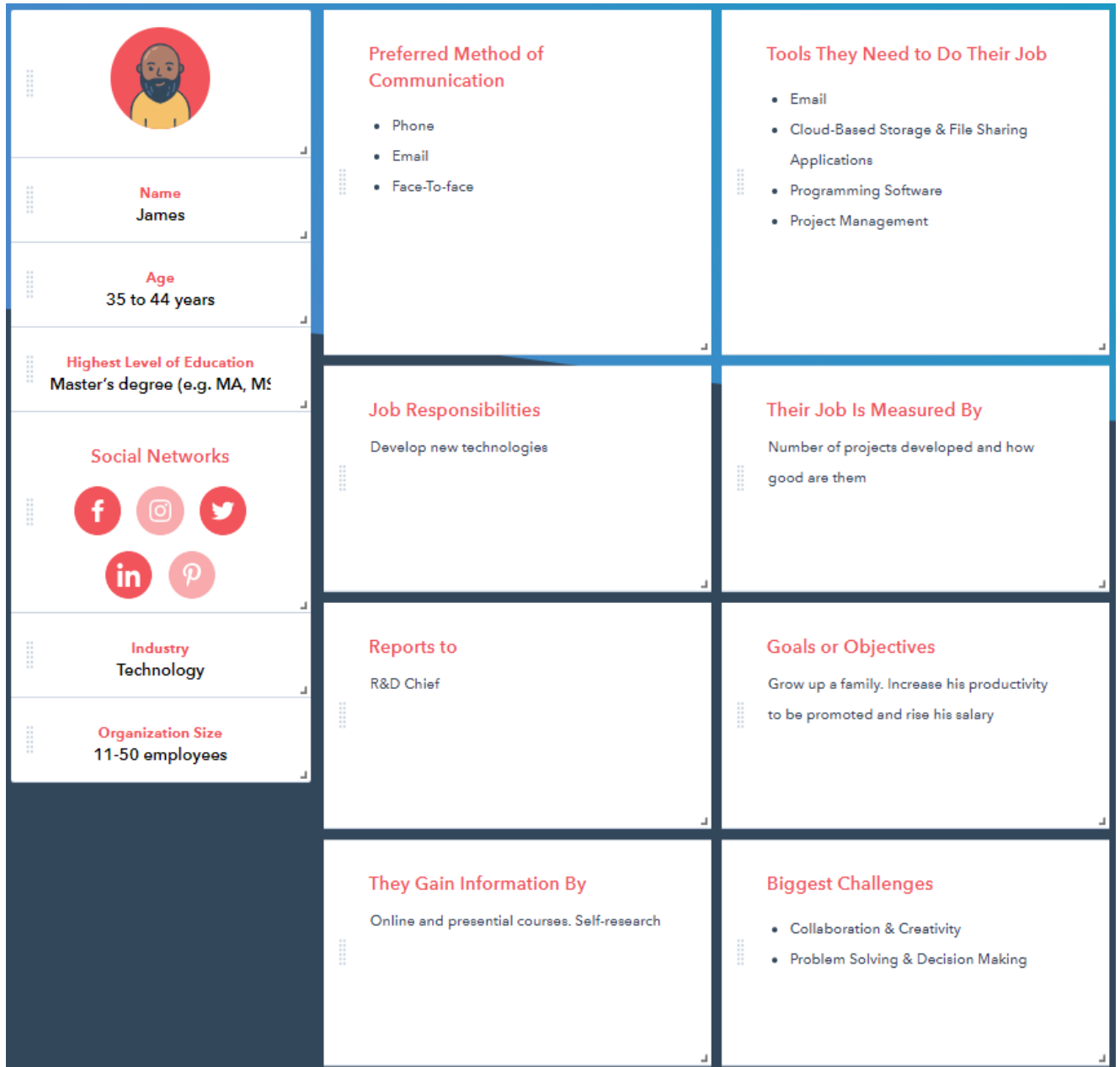


Figure 4 Buyer persona James

(Source: own elaboration based on <https://blog.hubspot.com>)

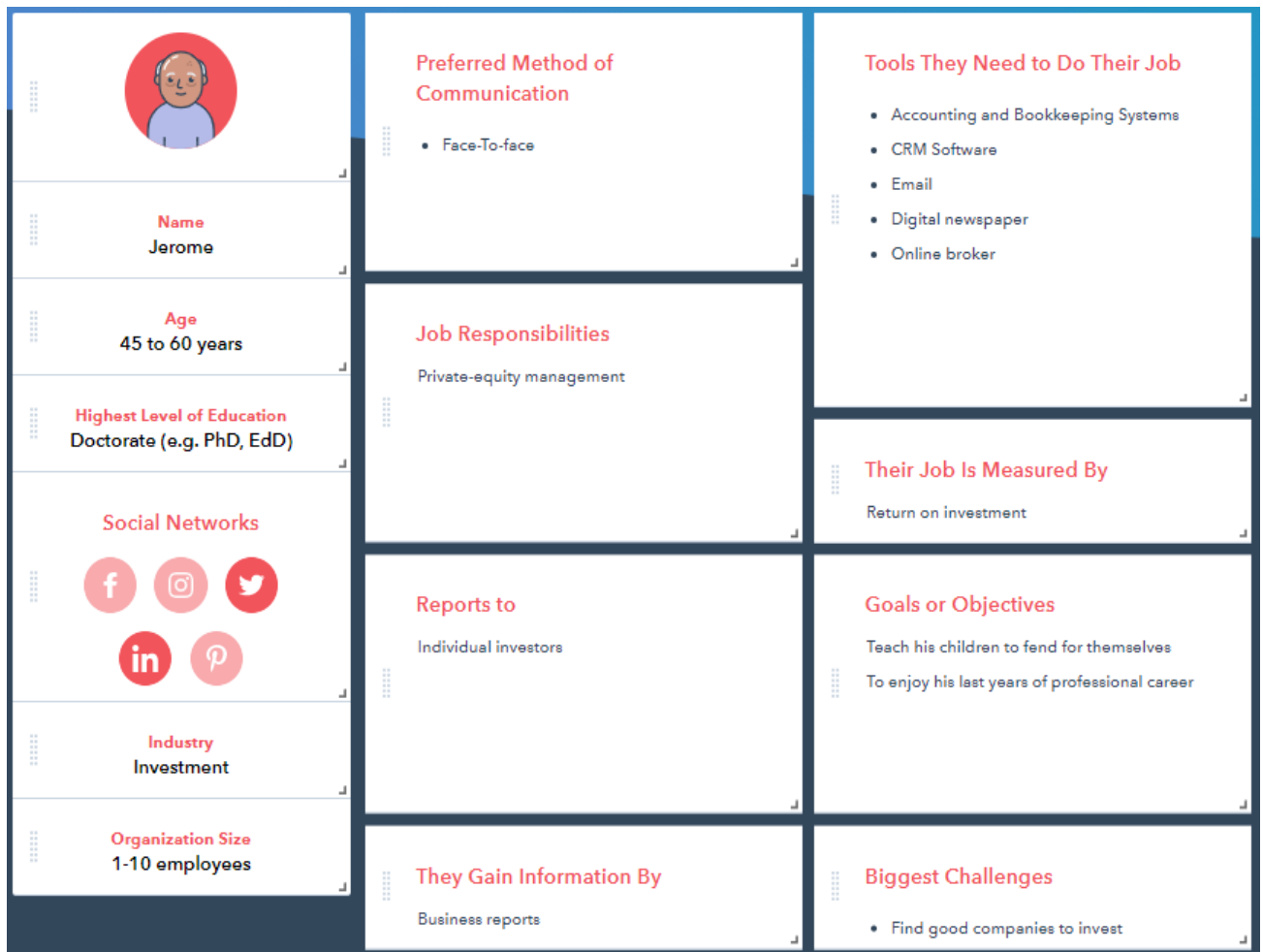


Figure 5 Buyer persona Jerome

(Source: own elaboration based on <https://blog.hubspot.com>)

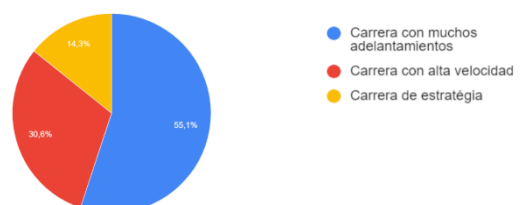
Evidence of customer contact (Survey)

The 6th of December of 2020 it was conducted a survey that answered 148 people from the ages 18 to 60. The survey requested the mail address to be answered, so it has been possible to collect the mail of 148 potential customers.

The results of this survey (annex 1) were that people would find attractive this new sport. Even though most of the people are not a fan of any racing sport they find more attractive a futuristic looking in the competition and find that the augmented reality can make the competition much more dynamic.

Most of the surveyed people finds more interesting a race where there are a lot of turn overs than any other kind of race and a vast majority agreed that if they feel represented by a pilot they would

¿Que encuentras más entretenido?
 142 respuestas



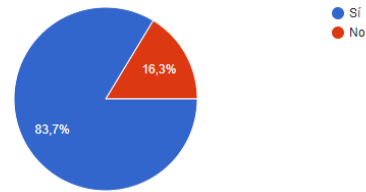
follow more the competition, being the most important factor the personality, above the nationality.

The idea of having to pay to watch the competition do not like them and most of the people would not go to the circuit, but the most they would pay for a ticket is 50€.

The last question was about through which format was more probable to find out this competition exists and there are two clear winners, through a TV ad and through a viral piece of news.

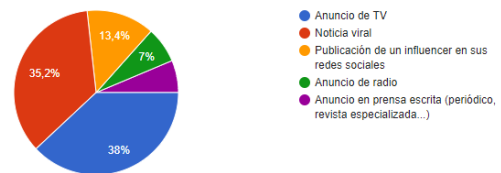
¿Crees que si te sientes representado/a por uno o varios de los pilotos seguirás más la competición?

147 respuestas



¿En qué formato es más probable que te informes que existe una nueva competición de carreras?

142 respuestas



Business model

The business model consists of three major sources of income, TV rights, sponsorships, and the sale of tickets to watch races inside the circuits.

In the first years of the championship the main goal is to become the most popular possible, for that reason the goal is to sell the broadcasting rights to the most popular TV channels of each country. An example of this is the difference of audience between the final of the last Champions League, which is the most followed sport event of the year in the world, between Manchester City and Chelsea and the UEFA Euro 2020 group phase match between Wales and Switzerland, the first, broadcasted in a paying channel, in Spain had an audience of 953.000 spectators, the second, broadcasted in free channel, which is a much less interesting match, not just because of the level of the teams but also because of the stage in which is played, a groups phase, not even a final phase, had an audience of 1.050.000 spectators.

In order to be present in different platforms, to reach the most segments possible, it is going to be negotiated with the channels that in exchange of a lower price the race can be watched trough Twitch and YouTube globally. There are also other paying platforms like Netflix, Prime video, ESPN+, and others that at the time are discarded. The reason that these platforms are not part of the plans at the beginning of HWC is that they are not so capable as the sum of all free channels which is pretended to sell the broadcasting rights, even though they are global players.

The sponsorships are an important source of income. There are different levels of sponsorship and relationship between HWC and brands. The closest relationship, and with it, the highest

revenue comes from *Global partners*, these are global companies that want to be advertised all over the world. Moreover, they sponsor special events inside races like the fastest lap, the bravest driver, and others apart from TV advertisements. The next level are the *Official sponsors*, these are the ones that its logo appears while the race is being run apart from TV sponsors. The lowest relationship level is the *Regional sponsors*, these are the regional companies that do not have the size to pay global sponsorships but still when the race is run in their region want to sponsor it, their advertisement space is some places in the circuit, for example in the paddock, boxes, podium.... Moreover, all teams, run by the competition, have its own sponsors.

The sales of tickets are directed to the people interested in the competition that want to live a deeper experience going to the circuit to watch the race. In this source of income there also are different levels. The first one is the premium, the fans have access to a meet and greet with the drivers the day before the race and have a privileged view of the race with extra services, then there are different prices of tickets depending on where the person wants to watch the race.

In this business model it can be identified two different kinds of customers, businesses, and people. The first one is divided between TV channels that purchase the broadcasting rights and the companies which want to advertise that purchase a space in the broadcasting or a space in the circuit.

Canvas

<p>7. Key Partners</p> <ul style="list-style-type: none"> - Hoverbike supplier - TV channels - Sponsors 	<p>8. Key Activities</p> <ul style="list-style-type: none"> - Event organization - Transportation of utilities - Offer a good broadcasting experience 	<p>1. Value Proposition</p> <ul style="list-style-type: none"> - Competition of hoverbikes (new mean of transport) - Futuristic visual format - Implementation of AR with boosts. - Customer engagement focusing strategy when the promotion of drivers in the competition. - Management of all teams in the championship by the company 	<p>4. Relationship with the Client</p> <ul style="list-style-type: none"> - The relationship with people is a virtual one. Quality social network posts are published to make people interact. - With TV channels the relationship is fluent, contacting them regularly to create a good link. - The same with sponsors. In this case asking how they feel with the performance to make them feel important. 	<p>2. Customer Segments</p> <ul style="list-style-type: none"> - People under 18 - People between 18 and 24 years - People between 25 and 34 years - People between 35 and 44 years - People between 45 and 60 years <p>The principal markets of these segments are the 20 most powerful countries in economic terms.</p> <ul style="list-style-type: none"> - Brands that want to advertise the championship - TV channels that purchase the broadcasting rights
<p>9. Cost Structure</p> <ul style="list-style-type: none"> - Event organization - Marketing strategy - Drivers' salaries 		<p>5. Income structure</p> <p>3 sources:</p> <ul style="list-style-type: none"> - Broadcasting rights - Sponsors - Tickets 		

Table 1 Canvas
(Source: own elaboration)

People involved in the buying process

The segment of people that goes to the circuits to watch the race, there are different people involved depending on the range of age, under 18 and over 18. People over 18 years old have different places where they can buy tickets. The first is the HWC web page, in the section of tickets there are all the races, and the customer can purchase all kinds of tickets the circuit he has selected offers. Another way is going to the web pages of the circuits and select the HWC event. People under 18 years follow a different path to purchase a ticket, they must convince their parents to buy them the ticket, who will accompany them to the race. After convincing their parents, these can buy the tickets through the previous paths explained.

The segment of people that watches the race at home, the principal factor that makes them watch the race is the promotion that the TV channel makes about the race, followed by the promotion made by HWC. If they realize when the race is done and what channel broadcasts it, they play the channel and consume the product.

TV channels that want to purchase the broadcasting rights and brands that want to advertise the competition negotiate the contracts directly with the sales department, there is not any intermediary.

VALUE PROPOSITION

The value proposition consists of the basic attributes that a racing competition has, there are about 20 pilots in the grid, the fastest one wins the race, there are overtaking, this generates enthusiasm and entertains the viewer. Then at the end of the season the pilot that has won more races or the one that has scored more points wins the championship. These attributes are the same of the two main competitors, Formula 1 and MotoGP, the only difference is the method of transportation, Formula 1 uses cars, MotoGP uses motorbikes and HWC uses hoverbikes, even though the difference in the case of HWC is much more notorious since the hoverbike flies. The attributes that differentiate HWC from Formula 1 and MotoGP are the following:

The format of image delivery difference is notorious, Formula 1 and MotoGP have an actual format while HWC's hoverbikes ride on futuristic circuits. This is to differentiate from the old races championships and offer a new format delivery that makes the races more spectacular. Augmented reality (AR) is already implemented in almost all the race competitions but in a considerably basic way, just the speedometer is added in the driver camera, it is also used to explain more graphically some information of the car or the race. HWC brings AR to the next level, the implementation consists of approaching the racing to the video games. The

hoverbike driver has to pass through some virtual spots of the track to get different kind of boosts or advantages, depending on the kind of spot, like an augmentation on the power in a determined amount of time that leads to a higher top speed; a virtual laser that if hits another hoverbike this one loses power in a determined time, what makes to slow it down; a virtual wall that can be put to any place of the circuit that makes the rider that collides with it to slow down; a laser that can destroy a virtual shield hoverbikes have, if this happens the driver has to abandon the race because the hoverbike is “broken”, and much more boosts can be implemented.

Formula 1 and MotoGP pilots must be signed by a team in the competition. In HWC since there are not many hoverbike makers, it is not viable to form a complete and diverse grill made by different hoverbike makers. The aim is to build a remarkably diverse grill made up with 20 drivers from the nationalities of the 15 most powerful countries in economic terms (the 15 countries with the highest GDP) and the other 5 can be from others, with a high gender diversification (50% of each if it is possible) and with different personalities. This is to position the interest on the competition in the most important markets and reach the maximum number of people both women and men, since if the viewer feels represented by a driver it is more likely to engage it.

The grid is constituted by 10 teams with 2 drivers each, every team has a different name with the possibility to add a brand surname. Each team works independently from the others, with its own resources and the budget that the competition provides to it. Depending on the performance each team has a different budget and the ability to choose the driver.

Validation of the value proposition

In order to validate the value proposition the 15th of December, it was done a 45-minute focus group (Annex 2), where it was shown the minimum viable product which was a concept computed-made video of a race, the participants were able to watch two hoverbikes racing, at a point of the race one of them takes a boost and overtakes the other hoverbike.

The participants were the following:

Conrado Russo: He is 20 years old; he is living in Barcelona and he is studying a competition mechanic course from Repsol. He gives a vision from the mechanic and competition perspective.

Victor Figueroa: He is 21 years old; he is living in Madrid and he is doing a journalism degree. Currently, he is doing an Instagram program called Moodz for the Catalan TV channel TV3. He gives a vision from the media perspective in the discussion.

Joan Yllera: He is 42 years old; he is living in Saudi Arabia working in Airbus. He worked in Deloitte and has a doctorate degree of Innovation policies and political definition processes. He gives a vision on the viability of the project from the perspective of a big corporation.

Ramon Secades: He is 68 years old; currently he is living in Spain, but he has lived all his life in England running a sea fish company. He gives a vision to the managing viability perspective.

The focus group was divided in the following points:

1) Explanation of the value proposition.

In this point it was explained the final product was delivered to the customer. It was played a concept computer-made video (YouTube) where two hoverbikes were competing, it was also shown a real video of a hoverbike flying.

2) Do you think it is a good idea for the visual format to be so futuristic?

At this point most of the participants thought that nowadays the public is not ready to watch such a futuristic format, even though a good point it was said, it can be a brand characteristic that makes HWC differentiate from the conventional racing championships.

3) How do you see the introduction of augmented reality in the competition and the implementation of boosts?

Here all the participants agreed that everything that makes the race more dynamic and entertaining is welcome. Even though they find it exceedingly difficult to implement it.

4) Do you think that if you feel represented you will follow the competition more than if you do not?

At this point all the participants agreed that if they feel represented by a driver, they will enjoy the competition more and would be more engaged.

5) Which is the maximum amount of money you would pay for a ticket?

Most of the participants agreed that the price they would pay if the service corresponded to, it would be 200€.

Number of clients and market share

This business model is very scalable. It is made to reach the maximum number of people, so the limit is the 7.6 billion habitants in the world. Even though the principal markets are the top 20 economies of the globe which comprise a total of 4.5 billion habitants, and the people under 60 years, who compound the different customer targets, are proximately the 85%, so the potential market is 3,82 billion people.

Being conservative, the first 5 years it is aimed to reach the 0.2% of the principal markets which is 7,64 million people. The following 5 years the goal is to reach the 1%, which means an amount of 38,2 million people. The 15th year the goal is to achieve the 5%, which means 191 million fans. At the 20th year the total market share it is aimed to reach is 10%, which would mean 382 million people, that is 90 million less than the Formula 1 achieved in 2019 as TV viewership (Statista, 2020). To this final amount it is estimated that there could be about 10 million more fans from the other 3.1 billion people that are not part of the 20 richest countries, so the final amount would be 392 million fans from all over the world, which is the 5% of the total population.

Being optimist, the first 5 years it is aimed to reach the 0.5%, which is 19,1 million fans. The following 5 years the goal is to reach the 2%, which means 76,4 million fans. In the 15th year the aim is to reach the 7%, which sums up 267,4 million fans. In the 20th the goal is to reach the 14%, this would mean a total amount of 534,8 million people. To this amount it is estimated that 20 million more fans from the other 3.1 billion could become fans, which would make a total amount of 554,8 billion fans, which is 7.3% of the total population.

COMPETITION

Analysis of racing championships



CHAMPIONSHIPS	LOGO	YEAR OF CREATION	TRANSPORT METHOD	PRINCIPAL MARKETS	REVENUE	FOLLOWERS (FB+IG+YT+Twitter)
Formula 1		1950	Aerodynamic car	Brazil, Germany, Italy, UK and the Netherlands (Formula 1)	2,002M\$ (Sportspromedia)	10.4M+11.7M+4.77M+5.1M
MotoGP		1949	Motorcycle	Italy, Spain UK, Germany (Maps of World)	358M€ (Financial Times)	16M+10.3M+3.77M+2.7M
NASCAR		1948	Stock car (Gen-6)	US, Canada, Mexico, Europe	675M\$ (International Speedway Corporation)	4.9M+1.3M+589k+3.4M
IndyCar Series		1996	Aerodynamic car	US	100M\$ (Owler)	954k+300k+279k+383k
World Rallycross Championship		2014	Rally car	Europe (specially Sweden) and Turkey (Fia World Rallycross)	150M\$ (Estimated)	1M+294k+225k+59.6k
Motocross World Championship		1957	Cross motorcycle	Italy, Brazil and France (MXGP)	100M\$ (Estimated)	3M+1M+249k+78.3k
World Rally Championship		1973	Rally car	Europe (WRC)	200M\$ (Estimated)	2.7M+1.5M+623k+339.7k
Supercars Championship		1997	Stock car	Australia	100M\$ (Estimated)	991k+227k+112k+129.5k
World Touring Car Racing		2005	Sedans and hatchback cars	Argentina, Australia, New Zealand, Brazil, UK, Germany, Sweden and Norway	50M\$ (Estimated)	990k+144k+37.5k+100.1k
Formula E		2014	Aerodynamic car	Europe	200M\$ (Motorsport)	1.6M+789k+594k+236.5k
Superbike World Championship		1998	Motorcycle	Europe	100M\$ (Estimated)	1.5M+975k+153k+195.1k

Table 2 Analysis of racing championships (Source: own elaboration)

Similarities and differences from the competition

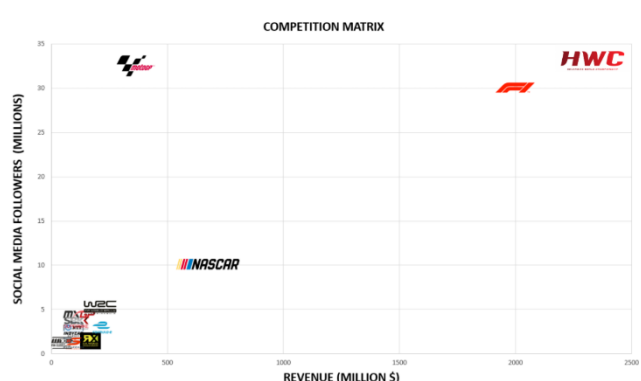
Between the principal competitors there are 8 championships raced by cars and 3 raced by motorcycles. Although there are 8 car races, not all of them run with the same type of car. Formula 1, Indycar Series and Formula E run with super aerodynamic cars, while in Nascar, Supercars Championships and World Touring Car Racing (WTCR) ride stock cars, in the case of WTCR specifically with sedans and hatchbacks. Also, the World Rallycross Championship (RX) and World Rally Championship (WRC) use cars but in this case, these are rally cars. The case of MotoGP, Motocross World Championship (MXGP) and Superbike World Championship (SBK), their drivers use motorcycles but the difference in this case is that MotoGP and SBK use super-fast motorcycles and MXGP uses cross motorcycles. All these championships have at least one of the principal markets in Europe, except IndyCar Series and Supercars Championships, so we can conclude that Europe is the biggest market for this kind of sports.

Also, a remarkable fact is that all the means of transport of all these championships are powered by a combustion engine except Formula E that is powered by an electric motor.

Apart from the traditional racing competition, since HWC has so many similarities to videogames, it could be included some videogames developers as competitors also, the ones that have more similarities would be shooters and racing videogames, in the first ones the most similar would be Halo for the futuristic environment, but also Call of Duty would have a similarity in the mechanics. The racing videogames would be Gran Turismo, Forza and Formula 1, since are some of the most popular and the videogames have what is missing in the reality to look like HWC.

Competition matrix

In the competition matrix can be appreciated that the best company is Formula 1, it is the one that with a high number of followers in the social networks is able to make a high amount of revenue. On the other hand, MotoGP is a competition followed by many people, but it is not able to transform it into revenue.



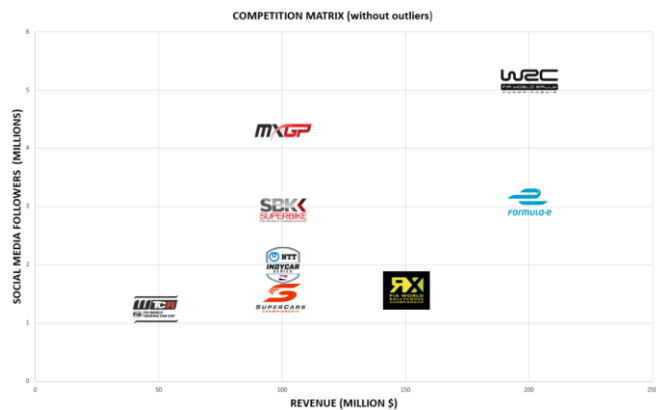
Graphic 1 Competition matrix (Source: own elaboration)

Then Nascar has the same relationship revenue-followers as Formula 1 but in a lower proportion. The aim of the competition in the

long run is to be placed further to the right and upper than Formula 1, this would mean to have more followers and more revenue. It is considerably ambitious but following the strategies to engage the maximum number of people and the profitability model it is not unreasonable.

It can be appreciated that in the figure 17 there are 3 outliers, a part from HWC, and all the other competitions are much behind in followers and revenue. If a zoom in the lowest left part of the figure 17 is done, figure 18 appears.

In this figure can be appreciated that the best company of this “second division” is WRC. Then there is the case of Formula E, which can make more profit per follower than the average, the same happens with RX and Supercars Championship. The case of WXGP is the contrary, they have more followers than the capability to create revenue



Graphic 2 Competition matrix without outliers
(Source: own elaboration)

compared to the average. Finally, Superbike and IndyCar Series are remarkably similar and are more or less in the average of rentability per follower, and the worst championship measured by these attributes is WTCR, that is the one with less followers and less revenue.

Number of clients and market share based on the competition

Assuming that all the market was compounded by these 11 championships, their income remains stable, and the total revenue of the market is \$4035 million. Considering that the average revenue per follower is \$42.6, the Formula 1 total viewers in 2019 were 471 million, it has a total amount of 30 million followers in all social media; the relationship between followers and TV viewers is 1 follower per every 15.7 viewers (in the case of F1 but it is considered as a general tendency).

If this data is applied to the two scenarios explained in the previous section of market share and number of clients, the case of the conservative scenario is the following:

	Viewers (millions)	Followers (millions)	Revenue (millions)	Market Share
First 5 years	7.64	0.49	20.73	0.51%
10th year	38.2	2.43	103.65	2.50%
15th year	191	12.17	518.25	11.38%
20th year	392	24.97	1063.64	20.86%

Table 3 Conservative scenario in the prediction of market share and number of clients

(Source: own elaboration)

The case of the optimist scenario is the following:

	Viewers (millions)	Followers (millions)	Revenue (millions)	Market Share
First 5 years	19.1	1.22	51.83	1.27%
10th year	76.4	4.87	207.30	4.89%
15th year	267.7	17.03	725.56	15.24%
20th year	554.8	35.34	1505.38	27.17%

Table 4 Optimistic scenario in the prediction of market share and number of clients

(Source: own elaboration)

PESTEL

Political environment

The political environment in most of the countries is stable and very stable. There are some countries to supervise like China, Russia and Saudi Arabia that are dictatorships, but the political environment is stable. Then there are all the other countries that are stable democracies, being one of them India, the biggest democracy in the world. According to Statista the population of all the top twenty countries by GDP means enjoy freedom except India and Indonesia that are partially free and China, Russia, Saudi Arabia, and Turkey that are not free.

Economic environment

Nowadays due to the pandemic situation all the countries except, China, South Korea and Japan are in a temporary economic crisis. This has made the purchasing power of the citizens to fall and tend less to purchase and spend money unnecessarily. This make the sponsors

and TV channels to pay less what would make the income to be lower than in a normal situation.

Social environment

The countries with more population are China and India, in a second level we can find the US, Japan and Indonesia and, in a third stem all the other countries. The income distribution in most of the countries is normal¹, but in Saudi Arabia and Russia there is an elite that controls a huge stake of the country's wealth.

Technological environment

Nowadays, the technology needed for the implementation of HWC already exists, The augmented reality and the hoverbikes. We are living in a digitalization age and all the steps that has to be done to make a successful business have to be vey aligned with the digitalization, from the administration, through the product delivery, to the marketing strategy.

Environmental

In the last years since the Paris agreement almost all the countries in the world have been implementing environmental policies and incentives to pollute the less possible. In this case HWC could take advantages from these policies and incentives since the hoverbikes used are electric.

Legal environment

The legal environment and laws in each country is different. Even though there are different levels of regulations between the countries. The less regulated are the US, Canada, Australia, the Netherlands, and Switzerland. The most regulated are Japan, Brazil, Saudi Arabia and Turkey. All the others are in a middle position where the regulations do not struggle lot but there is not a tax haven.

Blue oceans

HWC inquire in many blue oceans. The most important and notorious is that the mean of transport used is new and that the engines are powered by electricity. The second most important is the implementation of AR with the boosts, to make the sport the more similar possible with a video game with all the dynamism it involves. The third one is the futuristic

¹ "Normal" means: there are some people that have a lot of economic power but the other population has also a considerable stake of the total capital.

visual format. Another one, although less noticeable for the viewer, is the way drivers are promoted to drive to a HWC team. Finally, and the less notorious for the viewer but the one that makes a difference into the profitability field, is the gestion of all the teams by HWC.

GRADE OF INNOVATION JUSTIFICATION

As explained in the blue oceans section, HWC is a competition of a new mean of transport, implements AR to the next level, with the hybridization of a physic sport with a video game. These are the two most notorious innovations, the ones that make the show more dynamic and interesting.

But also, there is innovation on the management of the structure of the championship. The gestion of the teams done by the competition makes the profitability to increase significantly, since all the revenues of the team sponsors are managed by the company. Also, the method of promotion of the drivers is focused on making each fan to engage with a driver, this system is used for few competitions in the world, one of them is Ultimate Fighting Championship (UFC), the leader competition of Mixed Martial Arts (MMA), so if it is well implemented it can work very well.

Nowadays every time people and organizations use more flying drones for all kinds of activities, hoverbike is a cousin of flying drones, which is a signal that it is a growing market, and more and more people are interested. Moreover, countries are regulating the air space to create a framework for flying machines to be able transit in cities, Saudi Arabia for example is negotiating with Hoversurf to provide hoverbikes to the local police. The same happens with AR, people and organizations use more and more for all kinds of activities, from video games to designing a house.

WORK SCHEDULE

It can be found in Annex 5 Table 8

MARKETING PLAN

PRODUCT

The product delivered consists of a racing championship of Hoverbikes. The competition is divided in 20 races each one of them done in a different country, given the priority to the 20 richest countries by GDP means. There are 10 teams each one with two pilots, the pilots nationality is prioritized to be from the 15 richest countries and minimum 25% of them must be from a different gender than the other 75%.

The place where the race is done at the beginning it is an existing racing circuit. In the future it will be a circuit with a futuristic environment built exclusively to ride flying machines. The circuit has some spots which if the pilots pass through them, they will have an advantage. To make this more enjoyable to the spectator the augmented reality is implemented, making it look like a video game².

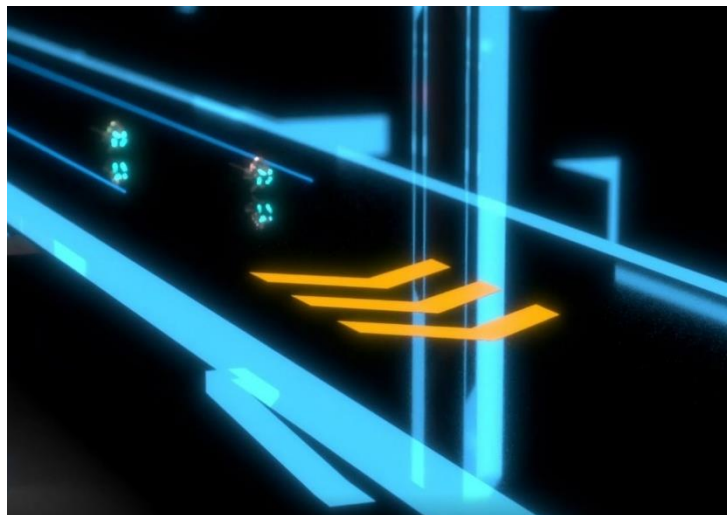


Image 2 Augmented Reality (AR)

This product is destined to three different customers, TV channels, sponsors, and people.

The product offered to TV channels are the broadcasting rights. With an average time per race of two hours, the total offer of broadcasting hours is 400 hours

The product offered to sponsors are spaces in the circuits and spaces of advertising in the broadcasting. There is space for 5 global sponsor advertisements distributed in many advertising spaces and other smaller and less relevant spaces destined to local sponsors (the country where the circuit is placed).

The third customer, the people, is the most important one, even if they are not the origin of the most part of the direct income, they are the most important factor to have more or less

² The Image 2 is a concept of how the augmented reality could be seen by spectators, these orange arrows are not in the circuit physically. In this case when the driver passes through them its top speed raises making the overtaking easier.

bargaining power with TV channels and sponsors. Most of the people will watch races from the TV, these ones will explain later how they are attracted, but there will be some of them who will go to the circuits to watch the race live. These ones depending on the country the race is done and the place inside the circuit, the tickets vary between 75€ and 300€.

COMMUNICATION

The communication with people consists of different stages, pre, during and after sale. The presale stage consists of the publication of advertisements in different platforms. The platform which HWC invests the most is the TV, even though it is expensive it reaches a lot of people (as has been proved in the survey), then the second platform is social media which includes marketing of influencers and own content advertised, this is also reaches many people but HWC selects the influencers whose audiences are the more likely to be convinced. The most important platforms to advertise are YouTube and Instagram. The third platform are newspaper and radio, in this case there is small piece of advertising but the reason why they are included in one platform is because the advertisement does not appear as it, it appears a viral piece of news, which was the second most important way which people can realize about this competition according to the survey. For example a world record, a fight between pilots, a sudden appearance of hoverbikes in the middle of the city...

The during sale communication is in the broadcasting. The purpose is for the commentators to make the broadcast as entertaining and emotional as possible. In the case of the people that buy tickets to go to the circuit the communication is through the online ticket distributor, the online page of the circuit or the ticket office and the HWC web page.

The after-sale communication is through the official social media pages providing the statistics of the race and some awesome pictures about the race, incentivizing them to comment on them in order to get feedback and what they liked and they did not. In the figure 19 it is appreciated the different kind of communication according to the stage of the customer.

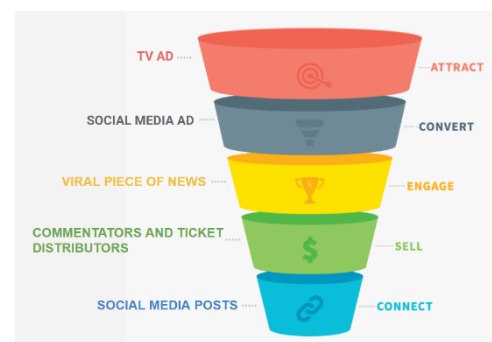


Figure 6 Communication according with the customer funnel

(Source: <https://www.pinterest.es/pin/330170216435183582/>)

The communication with broadcasters and sponsors is much simpler. Since both of them are business, the relationship is very similar. The presale is an offering of the show, there is a meeting where the proposal is explained how they can fit in the project and the repercussion they can have if they join the project. The during sale communication is the negotiation about the contract, the price, the rights they have, their obligations, the timing. Finally the after sale communication is a periodic meeting or talk to ensure they feel comfortable with the relation between them and HWC to build a strong relationship.

Communication campaign

It is going to be explained about a specific communication campaign in Spain and this can be replicated to the different markets with the different platforms people use, that is to say if in Spain the major investment is in the TV campaign in China it may be in the social media campaign.

The most watched TV channel in Spain is Telecinco, the cost of advertising in the prime time is between 15.000€ and 25.000€ per 20 seconds ad at 10.00 pm, but the ad is emitted in the break between weather and sports news, since it is wanted to advertise a new sport and there are more people interested in sports at this time, at 9.50 which has a cost of 18.500€.

The social media marketing is divided between micro influencers, big influencers and macro influencers, they cost 1,300€, 50,000€ and 500,000€³ respectively as an average per post on Instagram. In Youtube influencer cost is very similar, but depending on the views the video has, the cost is between 10€ and 50€ per 1,000 views, so 1,000,000 views would mean between 10,000€ and 50,000€. The campaign is the following:

The budget of the campaign is about 1,000,000€. The TV campaign lasts 30 days, it starts one month before the spanish race is runned, that is when it has more impact. According to the price of the ad emission the total cost is 555,000€. The Instagram campaign consists of 100 micro influencers which costs 130,000€ plus one big influencer who costs 50,000€. Finally, the Youtube campaign consists of investing on influencers with an audience between 25 and 35 years old, who can reach a total combined amount of 10,000,000 views. They are Ibai, El Rincón de Giorgio, Dulceida and Auronplay. The cost of the Youtube campaign is about 250,000€.

³ It is what Neymar (147 million followers) charges for one publication on Instagram

The objective of this campaign is to reach 18,000,000 potential customers. This is 5,000,000 as total different people that watch sports news in Telecinco at 9.50pm, an average of 20,000 followers each micro influencer, 1,000,000 followers from the big influencer and 10,000,000 people from the 4 youtubers. In the table 5 is explained the campaign more schematically.

COMMUNICATION CAMPAIGN			
	PRICE PER AD	NUMBER OF ADS	COST
TELECINCO AD	18,500€	30	555,000€
MICROINFLUENCER	1,300€	100	130,000€
BIG INFLUENCER	50,000€	1	50,000€
YOUTUBE	Estimated 25€ per 1000 views	4 influencers with 10,000,000 combined views	250,000€
		TOTAL COST	985,000€

Table 5 Communication campaign cost (Source: own elaboration)

If Spain is taken as a reference to calculate the global amount of marketing expenditure, there are countries that are cheaper to make marketing campaigns but there are others that are more expensive, so it is reasonable to say that 1.000.000€ can be an average per country and the marketing campaign is done only in the countries which host races (20), so the total marketing budget is 20.000.000€.

DISTRIBUTION

There are two kinds of distribution in this business model, the distribution of tickets and the distribution of the broadcasting, that are the ones that are going to be focused on this section, and the distribution of races, that consists of bringing the show to all cities, which is going to be explained in the operations plan.

The distribution of tickets is going to have 3 different channels. The first and most important one is the partnership with Ticketmaster, which is going to distribute the tickets of the races for all occidental countries, this includes America, Europe and Australia. For China the best partner is WeChat, an app that includes many things, a social network, video streaming app, ecommerce, ticket seller between many other applications. The ticket distributor partner in Japan is Ticket Pia. In India is Townscript that is the leader ticket seller for events in the country, in South Korea the partner is StubHub and in Indonesia MyTicket that is the leader in the region (Malaysia, Indonesia and Singapore).

The second channel is the webpage of HWC, where the user can select the race he or she wants to go and the kind of ticket that they can afford.

The third distributor is the circuits, from its web page or also there is the possibility to buy the tickets physically if they offer a ticket office.

The distribution of the broadcasting as explained before is done by free TV channels in order to reach the maximum number of spectators. Here is a list of the TV channels leaders in each country: TV5 Monde (France), Mediaset (Spain), BBC (UK), RTL (Germany), NPO 1 (Netherlands), Mediaset (Italy); SRF1 (German language), TVM3 (French language) and RSI La 2 (Italian Language) (Switzerland); TRT Spor (Turkey), Первый канал (*Channel one*) (Russia), NBC (US), CTV (Canada), Las Estrellas (Mexico), TV Brazil (Brazil), Channel 9 (Australia), NHK (Japan), CCTV (China), KBS (South Korea), Raj TV (India), RCTI (Indonesia), MBC1 (Saudi Arabia).

Budget distribution

The distribution budget goes to the distribution of tickets mostly since the distribution of the broadcast does not generate any significant cost. The cost of the distribution of the tickets is focused on the fee that the ticket sellers charge to the price, in the case of Ticketmaster it is a 10%, even though it can be negotiable it is taken this figure to be in the worst case scenario. If the average number of people that goes to the circuit is about 10,000 people, without being optimistic since all the circuits have more than 100,000 seats, with an average price of 50€, the budget for the distribution of the tickets is about 50,000€.

PRICE AND SALES PREDICTION

The price setting of the first year is going to be compared with Formula E, Formula 1 and UEFA Champions League (UCL). All three main sources of income are going to be analysed, broadcasting fees, sponsorships and ticket selling.

The case of the broadcasting fees, Formula 1 has an income of \$768,36 million (€637,52 million), which include 24 races about two hours each, which makes a price per hour of \$16 million (€13,28 million). In the case of UCL, they earn €2,406.97 million, divided by the total amount of hours of football matches (187.5 hours), the price per hour is €12.84 million. Formula E the part of income coming from broadcasting fees is €64.4 million, which includes 8 races of 45 minutes, this makes each hour to have a value of €10.73 million. Also, it has to be taken into account that the first year of Formula E had an income of €8.48 million coming from broadcasting fees, which means an income of €1.4 million per hour broadcasted.

Having all this in consideration, the price per hour has to be very similar as the first year of Formula E, the price per hour is €1 million, in a 20 race championship with a duration of 2 hours each, the total revenue coming from broadcasting rights is €40 million.

To determine the income coming from sponsorships it is going to be compared with Formula 1 and Formula E first year. Formula 1 has an income coming from commercial rights of \$303.3 million (€251,65 million). Formula E receives €48.45 million as commercial fees, but in the first year had a total revenue coming from sponsorships of €6.36 million.

Taking this into account and the business model HWC has, allows it to have more income from sponsorships, the total revenue estimated coming from sponsorships for the first year is €5 million.

For the amount of income that comes from the ticket sales it is going to take the conservative figure of an average of 10,000 people that go to the circuits, with an average price of 50€, that is the half of what is paid as an average to go to watch Formula 1, MotoGP and Formula E. The total income coming from ticket selling is 10 million.

In the table 6 it is shown the sales prediction more schematically.

SALES PREDICTION	
Source of income	Revenue
Broadcasting rights	40,000,000€
Sponsorships	5,000,000€
Ticket selling	10,000,000€
TOTAL REVENUE	55,000,000€

Table 6 Sales prediction (Source: own elaboration)

MARKETING MIX

Customer/Product

The needs that the product satisfy to the customer if a look is taken to the Maslow pyramid (figure 20) is between love and belonging and esteem, because what people want is to enjoy the show, to feel free (Esteem) to do what they want at this moment and, they may feel identified (Love and belonging) with the sport and the community which they feel they are part.



Figure 7 Maslow pyramid
 (Source: <https://www.simplypsychology.org/maslow.html#gsc.tab=0>)

Communication/Promotion

The channels of communication have been described above. If we talk about people first there is a promotion to make them realize the championship exists. Later when they have connected there are bidirectional channels, like social networks where after every race are posted some pictures which can be commented with the opinion of the race, what they liked, what they want to criticize and should be changed.

Convenience/Place

The place where the customer can watch the races are at home through the TV and one time a year, they have the possibility to watch the race in the circuit to feel more the emotion. In this case since it is a show that can be watched from anywhere in the world, the product goes where the customer is, they do not need to move from where they are to enjoy the competition.

Cost/Price

The cost of acquisition for the customer is like zero, the only factor they “lose” is time, the two hours the race lasts. They do not have any other cost, the other factors, money, and effort are near to zero, since the races are all in free TV channels, they pay nothing, and the only effort they have to make is to open the TV. Different is for the people that goes to the circuit, even though it is optional, the monetary cost are around 100€, the time cost is the time they spend going to the circuit, the time it takes to start the race, the time that lasts the race and the time they take to go back home; moreover, the effort they have to do is higher since they have to move to the circuit and go back.

OPERATIONS PLAN

PRODUCTION PROCESS

The production process of HWC are the different steps to organize an event with the magnitude of a world racing championship and repeat the process 20 times in 20 different countries in the world.

The path to follow is first, transport all the material (hoverbikes, mechanics’ tools...) and people (pilots, teams, and organizers). Then there must be a conditioning of the circuit, it will probably not be prepared with the necessary safety conditions since they are circuits to host races of vehicles that go by land, not flying machines. The third step is to prepare the boxes with all the material needed. Finally, the last step is to build the podium.

The cost of organizing the grand prix of Formula E in Montreal is €24 million. Even though these are fixed costs, the fact of being flying machines and that the place to fly is a circuit not a city the costs could be reduced substantially, as can be seen in the figure 21, the building and dismantling the track in a circuit does not

Here is the breakdown of the costs (figures are rounded):

- Building and dismantling of the track: \$9M.
- Nomination fees for the City of Montreal: \$151,000.
- Approval of the track: \$226,000.
- First payment of race fees: \$1.5M.
- Salaries and other costs to organization responsible for the *Montreal, c'est électrique* event: \$250,000.
- Protection of the track: \$7.5M.
- Citizen compensation for parking: \$80,000.
- Road work: \$4.4M.
- Engineering services: \$450,000.
- Work inspection: \$250,000.

Figure 8 Formula E cost of organizing Montecarlo GP
 (Source: <https://www.cbc.ca/news/canada/montreal/formula-e-montreal-costs-world-cities-2017-1.4163140>)

make sense, the road work neither since they hoverbikes and not cars and some other smaller figures that does not make sense in a circuit. So, the estimated cost per grand prix is €8.45 million, what in a 20-race championship means €169 million, in the table 7 is explained more schematically.

The timing of this production process is one grand prix every two weekends, the circuit takes one day to get prepared, every Friday every two weeks the process starts, for the Saturday make the training and the qualification and on Sunday the race. At the end the championship lasts 40 weeks of the year and there are 12 weeks to rest and prepare the next season.

RACE PRODUCTION PROCESS COSTS	
Salaries and other costs to organization responsible	250,000€
Protection of the track	7,500,00€
Engineering services	450,000€
Work inspection	250,000€
TOTAL COST (x20 races)	8,450,000€ x 20 = 169,000,000€

*Table 7 Production process costs
(Source: own elaboration)*

KEY ACTIVITIES

The key activities of this business model are, the organization of races, transportation of the material, promotion of the competition and negotiation of contracts.

The organization of races consists, as explained before, on following some steps on Friday and Saturday, in order to be able to run the race on Sunday. A contingency plan if in some race the circuit is not drivable for any reason the contingency plan would consist of delaying the race to the next weekend, as it is done in all the racing competition, there are too many agreements and resources invested to change the place the same weekend, if it is not possible, then there is the option to search for another circuit in the country, if there is not any other circuit able to fly hoverbikes the grand prix would be delayed to a date that fits with the rest of the calendar, if finally it is impossible the last option is to cancel the grand prix.

The transportation consists of transporting all the material needed to make the race on Sunday, people, hoverbikes, tools, machinery, places to sleep and live the weekend... If one of this transportation vehicles fails and can not reach the destination at time the first option is to make use of the extra stock in the headquarters and bring what is missing, another option if it is cheaper and the material is not so specific is to have a list of local providers that can rent to HWC the material that is missing.

The promotion of the competition consists of preparing and implementing the marketing strategy. This key activity is the only one done by an external company. They will have much more expertise in this field and will be able to implement better the way HWC wants to communicate with the final customer. If this company fails or does not do its job properly there will be a clause in the contract to break it at any time. Then HWC will look at the list of possible marketing partners to find a better one.

The negotiation of contracts is one of the most important activities, since a major part of revenue comes from big contracts. The responsible to do that is the sales department, but in the most important ones the direction takes an especially important role. If a contract agreement fails it is very important to find another possible client, for that reason there has to be list ordered with the possible sponsors and TV channels from the ones that can negotiate the biggest contracts to the ones that can the smallest and the first negotiations starts with the top of the list, if one fails the sales department tries with the next one.

KEY RESOURCES

The two most important key resources are hoverbikes and drivers. The flying motorbikes are provided by an external company. The chosen provider is Hoversurf, a hoverbike maker that has some different models in its catalogue. The one used in HWC is a special one with many additions. They would develop it and later sold to the company. The expected cost is between 500,000€ and 800,000€, this cost is based on the ones that have in their catalogue, the cheapest one is 130,000€. It is expected to use 3 hoverbikes per driver each season.

The other key resource are the drivers, not only because they are key for the competition, but they are also key for the promotion of the competition in their country. The cost of each driver is about 150,000€ each year since the competition is just born and there are not super pilots yet.

Then there also are important resources like the mechanics, they are responsible for the good performance of the hoverbikes. The salary for a mechanic does not surpass the 80,000€ yearly and there are 10 per team.

The machinery and tools used in the paddock is also an important resource since without them mechanics could not work. The estimated cost per team is 1,000,000€ per year.

COST OF PRODUCTION

This business is very scalable, this means that does not cost almost anything to earn one more euro. This makes that almost all the costs are fixed.

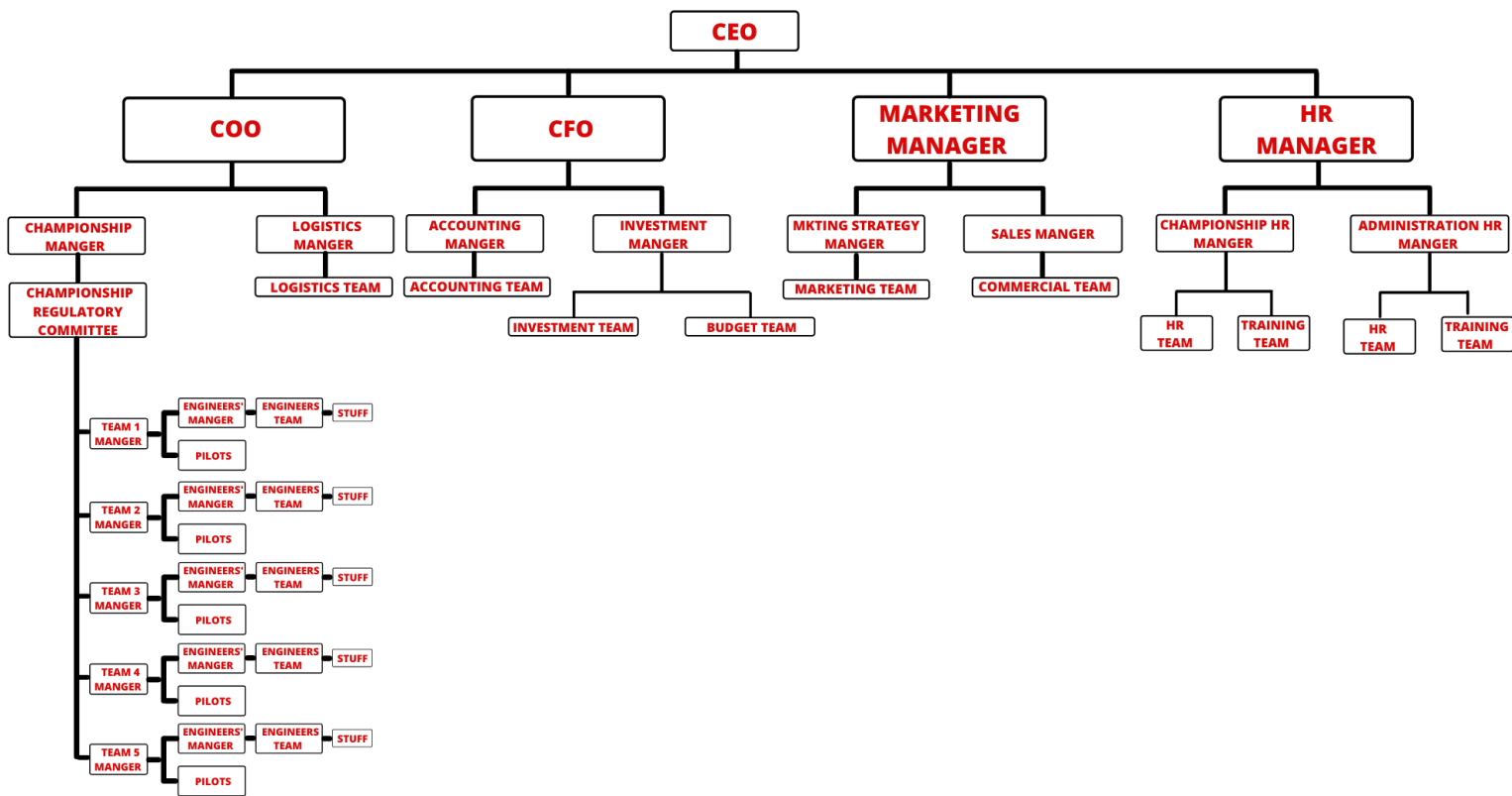
TOTAL COST OF PRODUCTION	
Marketing	20,000,000€
Organization of races	169,000,000€
Hoverbikes	39,000,000€
Drivers	3,000,000€
Mechanics	8,000,000€
Machinery and tools	10,000,000€
TOTAL COST	249,000,000€
TOTAL COST PER RACE	12,450,000€

Table 8 Cost of production (Source: own elaboration)

As the competition grows the marketing expenses will also grow, together with better hoverbikes that will increase their cost and the drivers that will get better, and the offer of specialized drivers will decrease what will make to increase their salaries. Moreover, the spending in machinery will also increase to provide better support and the mechanics will also specialize more, what will make an increase on their salaries. Furthermore, in the future there will be futuristic circuits specialized for flying machines what will increase the amortization but will decrease the cost of organizing a race since the conditioning will be lower.

ORGANIZATION PLAN AND HUMAN RESOURCES

ORGANIZATION CHART



Graphic 3 Organization chart (Source: own elaboration)

The organization chart is composed by, on the top, the CEO who is the person responsible of the company performance and the one who implements measures to make the company grow and be sustainable in the long run. Then there are the top managers of each department, the COO is the responsible for the logistics and championship performance and reports directly to the CEO, under it there are the championship and logistics managers, the championship manager's task is to ensure the championship runs with no problem and fix if a setback occurs while a grand prix, also is the one who approves new rules implemented by the championship regulatory committee which the entity that ensures all races are regulated and that these rules are obeyed, in case they do not the committee has the power to sanction a team or a driver. Then there are the teams that are part of the organization, they are not independent entities, the organization chart of each team starts with the team manager, who is the principal responsible of the performance of the team in the championship, below it, the pilots who drive the hoverbikes in the race and its objective is to win the most races possible and the championship. Engineers' manager is the principal responsible that the hoverbike is competitive and ready for the race. The engineers are the ones who arrange the hoverbike

when is needed and makes the improvements the manager has decided to do, and finally there is the staff that are the ones that ensures that all the team members can make their job without problems and in the most comfortable way. The logistics manager is the responsible to make all the material needed for the championship travel all around the world and be punctual for the Sunday the race can be done. The logistics team are who place all the material needed in the means of transport and makes inventory before leaving the warehouse and when the material arrives to the place.

Another top manager is the CFO who is responsible for the financial health of the company and evaluate the budgets and long-term investments. The accounting managers coordinates the accounting team and is the principal responsible that the accounting statements reflect the faithful image of the company. Under it there is the accounting team who accounts each expense and income through settlements. Another manager that reports to the CFO is the investment manager, who present opportunities of investment and the budgets for each area of the company, coordinates two teams, the investment team and the budget team, the first one searches principally opportunities for the future circuits that must be built, the land and the cost that it would have, moreover they look for new technologies that might be interesting to implement to the championship and requires an investment. The budget team are who receive the demands of each area of the company with the justifications and evaluates them. The marketing manager is responsible for the company to be popular in the strategic markets and to close deals with sponsors and broadcasting partners. Under it there is the marketing strategy manager who decides the different strategies that is offered and present them to its superior. The marketing team is the one responsible to implement the strategy decided, keep the social media active and contact with influencers. The sales manager is responsible for the coordination of the commercial team, who searches new potential partners and sponsors, and the manager ensures these potential partners are aligned with mission of the company and makes the first touch with them, and if the first conversations fructify starts the negotiation of the contract with the marketing manager.

The human resources manager coordinates two groups, the championship human resources department, whose manager is responsible, together with its teams, to find, train and compensate the profiles that fit the most with each team that needs people, and the administration human resources department, whose manager is responsible, together with the two teams that coordinates, to find, train and compensate the workers that are part of the company but not any team.

COMISSIONS AND COMMITTEES

To align and coordinate all the work done by the different departments they are celebrated periodically commissions of work between different departments and levels in the organizational chart. The most important one is the trimestral between all the top managers and the CEO where it is exposed what has been the objectives set at the beginning of the trimester if they have been achieved and why or why not, also are exposed the more long-term objectives how they are going and if metrics show a good evolution.

The second most important committees are the ones between the CFO and the other top managers where the CFO exposes the budget of each department individually, this committee is celebrated annually but in the case that some department needs extra funds can be set a meeting in a matter of days.

Between the championship manager and the marketing strategy manager there are weekly meeting to promote the best way each race. The championship manager also has yearly committees with the championship human resources manager to expose the needs of new drivers, engineers, or team managers if the actual ones have not met the expectations. The team managers also have a yearly meeting with the championship manager to demand what they need in terms of personnel, regulatory actualizations and other possible doubts or demands each team may have.

The CFO also has in department meetings, in the case of the accountancy manager exposes how the accounting is going in weekly meetings, where the extraordinary expenses are explained, and the most important accounting items are exposed. Then there is another meeting between the CFO and the investment manager when an opportunity is detected, and they together evaluate it.

The marketing manager has a weekly meeting with the marketing strategy manager in other to be exposed the race promotion, and with the sales manager when a new potential sponsor or partner is found to evaluate it and start conversations.

The human resources manager has meetings with the two middle managers to be informed about the demands the other departments have requested to study them and accept or reject them.

REMUNERATION POLICY

The remuneration policy will depend on each position and responsibility. The CEO as it is part of the entrepreneurial team will not have a high salary until the business is profitable and it will not have incentives since the stake it owns is enough to perform as good as possible. The

salary will be about 40.000€ gross. For the top managers, the base salary will be the same, the only that will change will be the incentives. The base salary will be 50.000€. In the case of the COO the incentives will depend on the logistics and the performance of the championship, the logistics part will depend on if all material needed for the weekend grand prix is at time in the place and the championship part will depend if the competition is exciting and grows its audience year to year, the incentives can raise its salary to 100.000€. The CFO incentives will depend on the on the financial performance of the company and if the company grows its audience year to year, the incentives sum 50.000€ to the base salary like the COO and the other top managers. The marketing manager incentives will depend on the increase of audience from year to year and the income increase coming from sponsorships and broadcasting rights, the incentives compound another 50.000€ to its base salary. The HR manager incentives will depend on the public repercussion and skills improvements the drivers have, and the increase of spectators year to year, the incentives will sum 100.000€ together with the base salary.

The middle managers will have a base salary of 30.000€ and the incentives will be another 30.000€. The championship manager incentives will depend on the audience growth from year to year. The logistics manager incentives will depend if the material needed to weekend race arrives at time and at the place. The accounting manager incentives will depend on the financial health of the company. The investment manager incentives will depend on the success of the investments made if they appreciate over the time or not. The marketing strategy manager incentives will depend on the success of their marketing campaigns and the raise of spectators year to year on each region the campaign has been done. The sales manager incentives will depend on the raise of income coming from the contracts they search and negotiate, the sponsorships and broadcasting rights. The championship HR manager incentives will depend on the success the drivers they hire have, according to the popularity and skills they have. The administration HR manager will depend on the audience growth year to year since their role is to find qualified people to run this company.

The championship regulatory committee personnel will have a base salary of 20.000€ plus incentives of another 20.000€ depending on the year to year audience growth.

The logistics team, accounting team, budget team, HR team and training team will not have incentives and the base salaries will be 25.000€.

The investment team, marketing team and commercial team will have a salary of 20.000€ and the incentives can sum another 15.000€. The investment team incentives will depend on the success of the investment s done. The marketing team incentives will depend in the success of the marketing campaigns. The commercial team incentives will depend on the income growth from year to year coming from sponsorships and broadcasting rights. These three

teams have these incentives, even though that hierarchically are in the same level as the other teams, because their activity is more relevant for the performance of the company.

Finally, there are workers in a special regime, that are the drivers, engineers, engineers' managers, and team managers. These employees' salaries will depend on the team budget, the better performance, popularity, and income produced, the higher will be the team's budget and the higher the employees' salaries will be. Taking an average of the team employee's salaries could be following; the team manager can have a base salary of 100.000€ and the incentives depending on the team's position in the classification could raise another 100.000€ if they win and 0€ if they remain in the last position, so the average can be 50.000€ per team manager. The engineers' manager will have a base salary of 75.000€ and 75.000€ more as incentives, depending on the team position, so as average the engineers' manager will have incentives for 37.500€. The engineers will have a salary of 66.000€ plus another 66.000€ if the team wins the team championship, which is an average of 33.000€. The drivers will have an average of 100.000€ as base salary and another 100.000€ if they win the championship, which as average will be 150.000€ as a yearly salary per driver. Finally, the staff will have a salary of 20.000€ without incentives.

The following table shows more graphically the salaries of each position if all the incentives goals are achieved:

POSITION	QTY. PER POSITION	SALARY
CEO	1	40.000€
COO, CFO, MKTING MANAGER AND HR MANAGER	4	100.000€
CHAMPIONSHIP, LOGISTICS, ACCOUNTING, INVESTMENT MKTING STRATEGY, SALES, CHAMPIONSHIP HR AND ADMINISTRATION HR MANAGERS	8	60.000€
CHAMPIONSHIP REGULATORY COMMITTE	5	40.000€
LOGISTICS, ACCOUNTING, BUDGET, HR AND TRAINING TEAMS	45	25.000€
INVESTMENT, MARKETING AND COMMERCIAL TAMS	15	35.000€
TEAM MANAGER	10	150.000€
PILOTS	20	150.000€
ENGINEERS' MANAGER	10	112.500€
ENGINEERS	100	99.000€
STAFF	50	20.000€
	TOTAL SALARIES	19.295.000€

Table 9 Positions and salaries (Source: own elaboration)

LEGAL-FISCAL PLAN

The chosen legal form for the organization is limited liability company (LLC), this is because even though may be needed a bit more of bureaucracy is the best legal form for companies that need constant new funding at the first stages of its life, and as it has been seen the company will have lots of loses the first years and this will have to be compensated with new capital entering to the balance sheet. In order to make the best decisions in the legal and fiscal fields it is necessary to select a consultancy that advises the company since it is a new company, it does not have the experience and has not developed a qualified team for these fields. The candidates for being the consultancy of HWC must be global since the operations

of the company are global, for that reason the three chosen candidates to be the consultancy are the three biggest in the world, Deloitte, Price Waterhouse Coopers (PWC) and Ernst and Young (E&Y).

The legal requirements for the organization of a sport event in Spain it is necessary to be to be qualified as a sport event by the sport federations or the Higher Sports Council (Consejo Superior de Deportes) (Law 10/1990), since in Spain there is not a federation of hoverbikes championships, it is necessary the Higher Sports Council recognizes HWC as a sport event. Another legal issue is the normative against the violence, racism, xenophobia, and intolerance in sport. Among the objectives of this legislative text are the promotion of fair play, coexistence and integration in a democratic society, or the maintenance of citizen security and public order, on the occasion of the celebration of sports competitions and events (Law 19/2007). For this reason, its article 2 indicates the punishable behaviours, related to sport and its most direct environment. The article 3 of the regulation is also especially relevant, since it lists the preventive practices that the organizer of a sporting event must follow. Three ideas summarize these measures: spectator control, collaboration with public authorities, and adaptation of the sports venue or public thoroughfare, which serves as the stage for the event. The obligations of the spectators are regulated in articles 7 and 8, which include a collection of easily understandable prohibitions, and based on the application of common sense. Articles 8 to 14 refer to more complex sporting events, dealing with issues such as the installation of security cameras, or the possibility of implementing a ticket sales system, which allows controlling the identity of its buyers.

There is also the Real Decreto 203/2010 which obliges to the organizers to elaborate a protocol of security, prevention, and control. This document should reflect the adequacy of the sports facility to the requirements established by the regulations and will be collected from the measures adopted by the organizers, to ensure compliance with legal obligations. The protocol must be sent to the competent governmental authority and to the state commission against violence, racism, xenophobia, and intolerance in sports. In addition to the Protocol, the organizers must draw up an internal regulation of the sports venue.

In the case of environmental regulations since this sport competition is raced with electric means of transport. the CO2 emissions are near to zero, it does not affect any regulation.

In case of any change in the normative explained before the competition should make sure that the new rules are fulfilled, if not the competition should stop the needed time to implement the measures requested.

ECONOMIC-FINANCIAL PLAN

INITIAL INVESTMENT

In order to calculate the initial investment needed it is going to add the cost of assets needed at the creation of the competition plus a working capital which will be the total amount of the expenditures for the first six months to run the business normally. The assets needed are explained in the following table:

ASSET	COST PER UNIT	NUMBER OF ASSETS	TOTAL COST
Hoverbikes	650.000€	60 (3 per driver)	39.000.000€
Machinery and tools	1.000.000€	20 (per team)	20.000.000€
Office equipment	100.000€	estimation	100.000€
		Total assets needed	59.100.000€

Table 10 Assets (Source: own elaboration)

For the working capital to finance it is going to be taken the costs of the first six months to organize the race weekends, that are 10 races, marketing and the salaries which are assumed to be the half of the yearly total cost.

ACTIVITY	COST (FIRST 6 MONTHS)
RACE ORGANIZATION	84.500.000€
MARKETING	10.000.000€
SALARIES	9.647.500€
TOTAL	104.147.500€

Table 11 First 6 months costs (Source: own elaboration)

In order to finance the 163.247.500€, that is the sum of the assets plus the first six months of expenses, the first option to collect this funds would be through grants, but they would not mean anything, they usually are relatively small amounts of money compared to the amount needed, for that reason the second option is to present the project to a crowdfunding website like Kickstarter, if the crowdfunding campaign is not successful the third option is to search for business angels and if they are not convinced or the conditions are not the expected the third option is to look for the funds to venture capitals.

PREVISION OF INCOME AND SPENDINGS

Realistic

For the realistic situation it has been taken the first-year rounded number of Formula E income and its evolution, whose yearly growth is around 20%. The income statement of the first three years finishes with an accumulated loss of 386.444.272€.

Pèrdues i Guanys	31/12/2020	31/12/2021	31/12/2022
Vendes	55.000.000	67.320.000	82.399.680
Variació d'existències	0	0	0
Treballs realitzats per l'empresa per al seu actiu (I+D)	0	0	0
Aprovisionaments	0	0	0
Despeses de personal	(19.295.000)	(19.295.000)	(19.295.000)
Altres despeses d'explotació	(189.000.000)	(189.000.000)	(189.000.000)
Amortització de l'immobilitzat	(10.835.000)	(11.820.000)	(11.820.000)
Imputació de subvencions d'immobilitzat no financer i altres	0	0	0
A) RESULTAT D'EXPLOTACIÓ	(164.130.000)	(152.795.000)	(137.715.320)
Despeses financeres	0	0	0
B) RESULTAT FINANCER	0	0	0
C) RESULTAT ABANS D'IMPOSTOS (A+B)	(164.130.000)	(152.795.000)	(137.715.320)
Impost sobre beneficis	24.619.500	22.919.250	20.657.298
D) RESULTAT DE L'EXERCICI	(139.510.500)	(129.875.750)	(117.058.022)

Table 12 Income statement realistic (Source: own elaboration)

Optimistic

The optimistic stage consists on starting with an income 50% higher than the realistic scenario and a growth of 25% each year. The total amount lost in these 3 years would be 217.368.923€.

Pèrdues i Guanys	31/12/2020	31/12/2021	31/12/2022
Vendes	70.000.000	89.250.000	113.793.750
Variació d'existències	0	0	0
Treballs realitzats per l'empresa per al seu actiu (I+D)	0	0	0
Aprovisionaments	0	0	0
Despeses de personal	(19.295.000)	(19.295.000)	(19.295.000)
Altres despeses d'explotació	(189.000.000)	(189.000.000)	(189.000.000)
Amortització de l'immobilitzat	(10.835.000)	(11.820.000)	(11.820.000)
Imputació de subvencions d'immobilitzat no financer i altres	0	0	0
A) RESULTAT D'EXPLOTACIÓ	(149.130.000)	(130.865.000)	(106.321.250)
Despeses financeres	0	0	0
B) RESULTAT FINANCER	0	0	0
C) RESULTAT ABANS D'IMPOSTOS (A+B)	(149.130.000)	(130.865.000)	(106.321.250)
Impost sobre beneficis	22.369.500	19.629.750	15.948.187
D) RESULTAT DE L'EXERCICI	(126.760.500)	(111.235.250)	(90.373.062)

Table 13 Income statement optimistic (Source: own elaboration)

Pessimistic

The pessimistic would be a scenario where the first year the income would be 40 million euros and the following years a growth of 15% each. The accumulated lose would be 439.792.414€.

Pèrdues i Guanys	31/12/2020	31/12/2021	31/12/2022
Vendes	40.000.000	46.920.000	55.037.160
Variació d'existències	0	0	0
Treballs realitzats per l'empresa per al seu actiu (I+D)	0	0	0
Aprovisionaments	0	0	0
Despeses de personal	(19.295.000)	(19.295.000)	(19.295.000)
Altres despeses d'explotació	(189.000.000)	(189.000.000)	(189.000.000)
Amortització de l'immobilitzat	(10.835.000)	(11.820.000)	(11.820.000)
Imputació de subvencions d'immobilitzat no financer i altres	0	0	0
A) RESULTAT D'EXPLOTACIÓ	(179.130.000)	(173.195.000)	(165.077.840)
Despeses financeres	0	0	0
B) RESULTAT FINANCER	0	0	0
C) RESULTAT ABANS D'IMPOSTOS (A+B)	(179.130.000)	(173.195.000)	(165.077.840)
Impost sobre beneficis	26.869.500	25.979.250	24.761.676
D) RESULTAT DE L'EXERCICI	(152.260.500)	(147.215.750)	(140.316.164)

Table 14 Income statement pessimistic (Source: own elaboration)

VIABILITY OF THE PROJECT

According to the financial result this project is not viable. The fixed costs are too high and the income the first years is too far from them. In the case that there were a big company or an investment fund, things could change because the potential of this project is real and could attract the interest of many people around the world and in the long run, if the first years loses are covered with new funds, this project could be very profitable. Also, it is viable because the technology implemented already exists and it should not be a big challenge to adapt it to this new format.

CONCLUSIONS

To conclude, this is a very ambitious project with global perspectives and with the intentions to arrive to all the publics, not just a small niche. The innovation degree is high since they are combined many new technologies with a mean of transport, the hoverbike, that is still in beta stage. The intention of this project is to find a blue ocean where the main goal is to grow as much and as fast as possible to be established and create the highest barriers of entry possible, to make to the direct competition the most difficulties to grow. Since it is a blue ocean there is not any competition that even looks like HWC, but it is part of the racing championship industry and there are many big global competitions that are impossible to fight against, so the intention is to coexist with them.

The markets where the project want to be more present are the strategically chosen to attract the maximum amount of income, these are the twenty biggest economies in the world by GDP means. The marketing strategy implemented in each of them is different, depending on the culture, the media they use the most, the social networks... The intention is to adapt to the habits of the population to arrive them the most effective way.

The principal activity of this company is to organize races, it is the party where more resources are destined, it logic since without it there would not be any reason to attract income. Even though there also are key resources that without them the project is no viable, like the drivers and the teams who are the responsible the make this show the most attractive possible. Apart from them, not so important for the existence of the company but also needed are the people behind the championship, the different departments of the company that must be carried by qualified people in order to make the company perform the better possible.

The chosen juridic form of the organization is a Limited Liability Company to make the funding come in the easiest way possible. A seen in the different income statement situations, in all of them the loses are notorious and the need of constant inflow of external funds is needed for the survival of the company the first years, a situation that with a constant growth is expected to be reversed in not many years.

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ANNEX

Annex 1: Survey

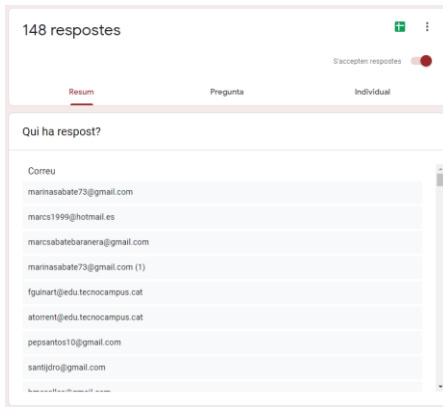
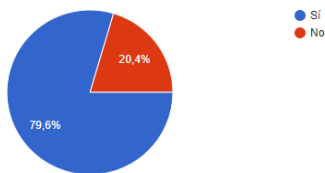


Figure 9 Number of answers received
 (Source: own elaboration based on
<https://docs.google.com/forms>)

¿Encontrarías atractivo un nuevo deporte de competición de carreras con este innovador medio de transporte?

147 respostes

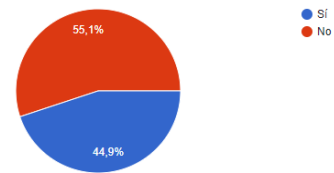


Graphic 4 Survey question 1

(Source: own elaboration based on
<https://docs.google.com/forms>)

¿Eres seguidor de algún deporte de carreras de competición? (Formula 1, Moto GP, Formula E, Superbikes...)

147 respostes

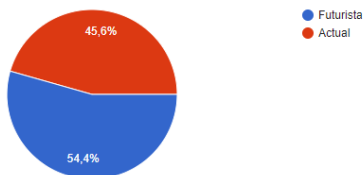


Graphic 5 Survey question 2

(Source: own elaboration based on
<https://docs.google.com/forms>)

¿Que formato visual te gustaría más para esta novedosa competición de carreras?

147 respostes

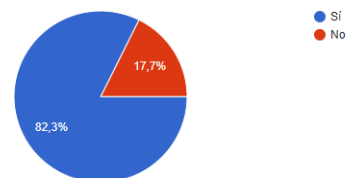


Graphic 7 Survey question 3

(Source: own elaboration based on
<https://docs.google.com/forms>)

¿Crees que la introducción de la realidad aumentada haría la visualización de la carrera más dinámica y entretenida para el/la espectador/a?

147 respostes

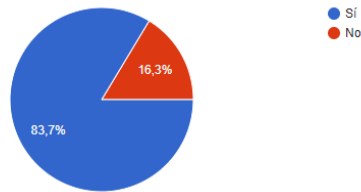


Graphic 6 Survey question 4

(Source: own elaboration based on
<https://docs.google.com/forms>)

¿Crees que si te sientes representado/a por uno o varios de los pilotos seguirás más la competición?

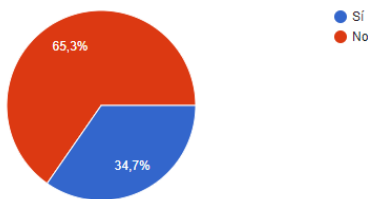
147 respostes



Graphic 9 Survey question 5
 (Source: own elaboration based on <https://docs.google.com/forms>)

¿Seguirías la competición si se emitiera en un canal de pago? (Movistar+, DAZN...)

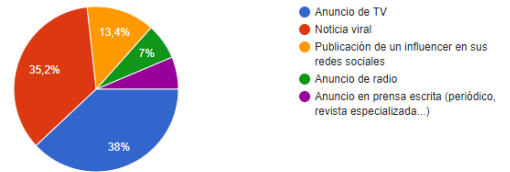
147 respostes



Graphic 11 Survey question 7
 (Source: own elaboration based on <https://docs.google.com/forms>)

¿En qué formato es más probable que te informes que existe una nueva competición de carreras?

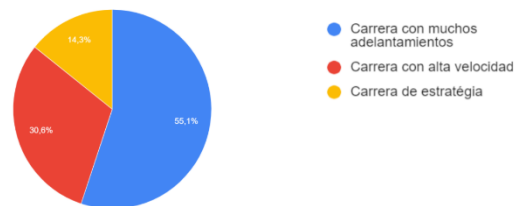
142 respostes



Graphic 8 Survey question 6
 (Source: own elaboration based on <https://docs.google.com/forms>)

¿Que encuentras más entretenido?

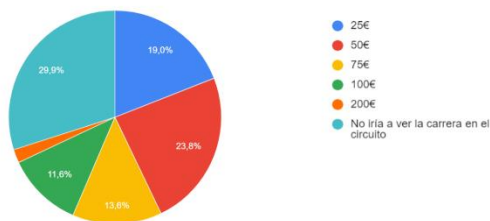
142 respostes



Graphic 10 Survey question 8
 (Source: own elaboration based on <https://docs.google.com/forms>)

¿Cuál es la cantidad máxima que pagarías por ver una carrera en el circuito?

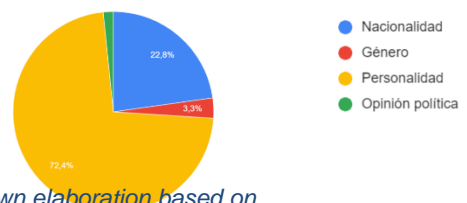
142 respostes



Graphic 13 Survey question 9
 (Source: own elaboration based on <https://docs.google.com/forms>)

En caso afirmativo ¿Que hace que te sientas más representado/a por parte de un piloto?

118 respostes



(Source: own elaboration based on <https://docs.google.com/forms>)

Annex 2: Link of the concept computer-made video of Hoverbike World Championship (HWC):

<https://youtu.be/bs7WfH0Zic0>

Annex 3: Link of the focus group made by Zoom:

<https://youtu.be/MXQ7uqGXMpA>

Annex 4: Work schedule

	2021	JANUARY					FEBRUARY					MARCH					APRIL					MAY					JUNE				
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26				
MARKETING PLAN																															
The product / service portfolio has been defined																															
The communication plan for the first year is planned																															
Distribution channels are planned																															
Pricing policy and sales forecasting has been planned																															
4 P's of marketing has been complemented with 4Q's.																															
OPERATIONS PLAN																															
The product / service production process has been identified																															
The key activities of the production process																															
All key resources have been determined																															
The production budget has been established																															
ORGANIZATION PLAN & HUMAN RESOURCES																															
Organization chart																															
Jobs have been defined: roles and tasks																															
Remuneration policy has been defined																															
An economic assessment of the human resources plan																															
LEGAL-FISCAL PLAN																															
The legal form for setting up the company																															
ECONOMIC-FINANCIAL PLAN																															
An investment and financing forecast has been made																															
Estimation of income and expenditure for the first three years																															
The treasury plan for the first three years has been drawn up																															
He has drawn conclusions from the results analyzed																															
CONCLUSIONS																															
He has drawn general conclusions from the TFG																															
DELIVERIES																															
Delivery of report to the tutor																															
Delivery of report to the committee																															
Presentation of the project																															

Table 15 Work schedule (source: own elaboration)