

**NORTHERN ILLINOIS UNIVERSITY**

**CROSSHAIR CHALLENGE – Recapturing Sustainable Competitive  
Advantages Through Restructuring**

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**By**

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Crosshair Challenge – recapturing sustainable competitive  
advantages by restructuring.

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## Abstract

The purpose of this report is to examine the potential to reorganize a company was started in 2006, Crosshair Challenge (CC), in a way that will provide sustainable competitive advantage. The company previously hosted paintball events at local fields in the area and attracted enthusiasts from the surrounding states. This feasibility analysis will look at opportunities to restructure the current operations into an industry-unique league formatting.

In the beginning, the competitive advantage CC had was the scheduling of the league as well as the indoor operations. Since the first season, several indoor paintball facilities have closed down leaving the winter season inoperable and destroying CC's competitive advantages. In order to stay in business, CC moved its operations to outdoor fields. This move resulted in CC being trapped into a highly competitive season, staggering capital requirements to reestablish desired competitive advantages, several competitors with economies of scale, and because of a loss of all competitive advantages; several failed instances of operations.

I will be reviewing several critical topics that will influence my decision and determine the scope and breadth of my pursuant action. These topics include operational feasibility, market favorability, and a financial outlook of the proposed operations.

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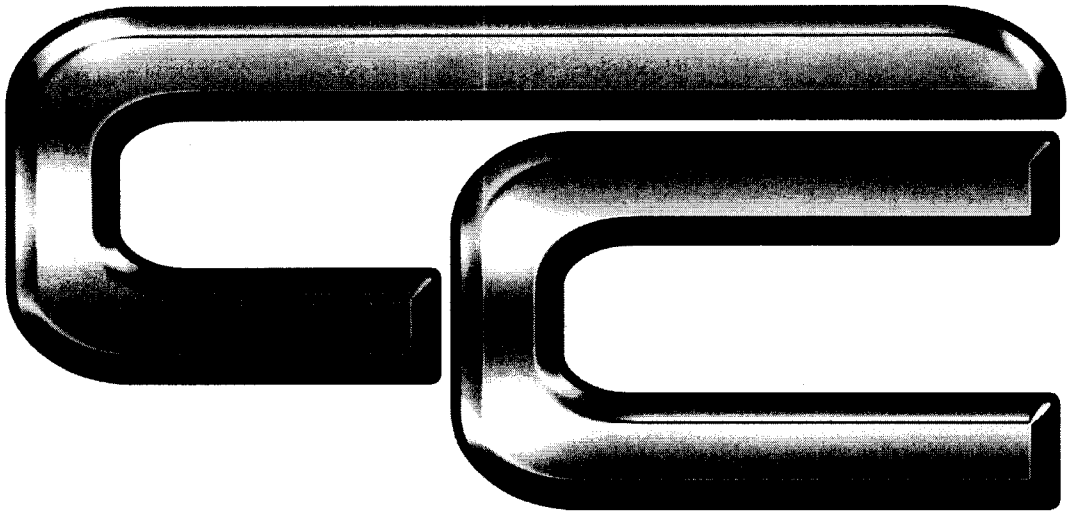
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## **EXECUTIVE SUMMARY**

The purpose of this report is to examine the potential to reorganize a company started in 2006, Crosshair Challenge (CC), in a way that will provide sustainable competitive advantage. The company previously hosted paintball leagues and events at local fields in the area and attracted enthusiasts from the surrounding states. This feasibility analysis will look at opportunities to restructure the current operations into an industry-unique league formatting and introducing live webcasting.

Crosshair Challenge began its operations by hosting an indoor paintball league that followed this industry-unique formatting, but it was not sustainable because of a combination of the dependence upon suppliers and the downturn in the economy. After the first season, two of the indoor fields used by Crosshair Challenge closed. Additionally, two other regional indoor fields unused by Crosshair Challenge closed. This left the winter season inoperable. So, Crosshair Challenge hosted one-day events at outdoor fields to stay active in the industry for the summer seasons following.

This study will analyze and identify the requirements of operating a league during the outdoor season that follows the same scheduling structure. The new league will consist of two divisions, an advanced division and beginner division, and have the capability to provide live broadcasting. The broadcasting of the league is a vital piece to the business plan because the league structure allows a live feed to be possible. This should generate a strong following from paintball players and attract sponsors. Sponsors of the league are the primary source of revenue for Crosshair Challenge. Live broadcasting is vital for the marketability of the league to potential sponsors, especially to companies outside the industry.

Field participation, scheduling, broadcasting capabilities, and options for cellular internet are analyzed to exam the operations. The marketing analysis considers promotion capabilities, internet advertising, and available personnel. The financial analysis will view capital requirements, break-even, cash flow, and profitability. A management plan is also viewed to ensure stability and proper staffing.

The proposed operations are not feasible because of the current capabilities of cellular internet, the risk involved without yielding much reward within a reasonable time frame, and the amount of power the suppliers (paintball fields) have. The only viable option to make this project successful is to find a partner in broadcasting and wait until the market has grown to include additional paintball fields into the league's operations.

# INTRODUCTION

## HISTORY

In October of 2006, Crosshair Challenge started a paintball league unlike any paintball league to date. Crosshair Challenge signed contracts with four paintball fields to run a 13 week competitive paintball season. The league was set up to provide players a structured competitive season during the winter months and give away a large prize package to the winner of the playoff rounds. The league operated very well and encountered a minimum number of issues. When the season ended in February of 2007, the players, staff, field hosts, and spectators gave the league great reviews.

During the summer of 2007, several indoor paintball fields closed down. Crosshair Challenge was unable to host an indoor league like before. To stay active in the industry, we began hosting one-day tournaments and continued to do so until August of 2009. The one-day events are easy to benchmark and do not provide any kind of competitive advantage. In addition, the potential for long-term growth is extremely limited and the work is generally dull. Continuing to operate these events is not an option.

## OPERATIONS

**League formatting** for 2006-07 took a significant amount of planning before the season was underway. The registered teams picked a home field where they were going to have a majority of their games scheduled. Additionally, the teams did not play the any team more than once and they were also given one week off (a "BI"). The schedules also had to work with the fields available hours agreed upon in the contracts.

The game day operations took an hour per match, one hour to set up, and one hour to shut down. The staff was one coordinator, seven referees, and an additional body for clean up provided by the field.

**Event formatting** for the following seasons was all taken care of in one weekend. Setting up for the event was done the day prior and all of the matches were completed between 8:00 a.m. and 5:00 p.m. The scheduling is done easily and does not require any strenuous planning. Required staffing for a one-day event was eight referees per field used, two staff members provided by the host field, and myself to coordinate the event.

## CUSTOMERS

The customers have been paintball players local to the Chicago area. Players vary in age and income level, but all share a common passion for extreme sports. Therefore, the demographics for this target market consist of male gender, risk seeking, and between 16 and 25 years old.



Paintball players that participate in our tournaments have typically been active in paintball for at least two years, and several have been active for many more seasons.

## **COMPETITORS**

- **Locally:** Paintball fields host tournament that directly rival Crosshair Challenge. These events are designed for local players unwilling to travel to alternative venues.
  - Young gun series
  - Local, one-day, 3- and 5-man events
- **Regionally:** Other paintball promotions companies similar to Crosshair Challenge use several paintball fields to reach out to players in a larger geographical area.
  - Chi-Town Series
  - Crossroads Tournament Series
  - Midwest Assassins X-ball League
- **Nationally:** The only remaining national paintball circuit is called Paintball Sports Promotions (PSP). The PSP hosted four events in 2009 and four planned for 2010.

A traditional paintball series schedule 4 to 7 events across their respective areas. These events usually run one day, but they can stretch to four-day events at the national level. Participating players will travel to the venue to compete on several duplicated fields in a round-robin tournament format. All levels of play commence simultaneously to find winners of numerous divisions. Industry sponsors take advantage of some of these events by setting up displays to promote product lines. These events are just beginning to be broadcasted over the internet, poorly advertised, and do not have a notable amount of sponsors from outside the paintball industry.

## **Opportunity/Need**

All paintball leagues currently operate in an event-based format. Typically, a tournament series will consist of five or six events. On average, events are hosted once per month by a tournament series promoter. Paintball events will usually have anywhere from three to twelve identical paintball fields set up for competitive play to maximize on participation. This event arrangement has various long-term drawbacks Crosshair Challenge plans to exploit.

Crosshair Challenge will structure the competitive schedule similar to a football or hockey league. Teams will be scheduled to compete at a specific time, date, location, and against a specific opponent at the beginning of the 17 weeks. Teams will have one match per week that will last over one hour. The format of the beginner division matches will resemble with the

matches played in the advanced division to promote continued participation and interest in the advanced division.

The development of paintball is dependent upon the broadcasting of competitions. Event-based formatting is counterproductive for broadcasting because the number of fields used at each event does not allow for appropriate media coverage. There are simply too many matches happening at one time to provide the appropriate coverage. In addition, the events last an entire day and it is unreasonable for anyone to tune in for the duration. Lastly, it is vital for the events to be broadcasted live, and because the events happen once per month it is extremely difficult to grow interest because of the inconsistency of the broadcasts.

Attempts have been made to spread the broadcasts of the matches over a month span to increase public interest, but this ultimately failed because of the timing required in sporting events. Structuring the matches as a league instead of an event-based series will provide the opportunity to broadcast the sport live, increase interest in paintball, and grow the industry as a whole.

### **Purpose**

The purpose of this report is to identify the necessary criteria for Crosshair Challenge to develop a paintball league with two divisions, operating out of five or more paintball fields, and provide live broadcasts of the advanced division matches.

## PROPOSED OPERATIONS

The business venture's goal is to bring the sport of paintball to the public eye by broadcasting competitions in a way to generate interest from paintball players that do are not competing in Crosshair Challenge and sports enthusiasts that are unaware of competitive paintball. The leagues will consist of twelve weeks of seasonal competition followed by an additional three weeks for a championship tournament. The matches will be broadcasted over a live webcast and advertised on several paintball and sports websites.

### DIVISIONS

The league will be divided into two divisions for players with various skill levels. The first division (Open) is available for anyone to register to compete for the season. Teams must be invited to compete in the second division (Closed). The goal is for the closed division to develop professional paintball teams as the league grows. Prizes and awards will be given to teams winning each division as well as the second place team for the open division.

**Open division** will have a maximum of four teams for each participating field. The teams will choose a home field to compete out of and will be expected to be able to travel to the three nearest paintball fields for away games. Teams will be made up of 8-10 players and matches will last for one hour. Season entry for the open division will be \$2,500 for the 15 weeks.

**Closed division** will have one team from each field. The teams will play six matches during the season, three at home and three visiting. The teams will be made up of 10-15 players and matches will last for 1 hour and 30 minutes. Season entry for closed division will be \$2,500.

### SCHEDULING

The scheduling for Crosshair Challenge is a source of competitive advantage in two ways. The scheduling process is extremely difficult to imitate for any of our incumbent competitors. Additionally, any new entrants into the market will have a difficult time replicating the process once Crosshair Challenge becomes established regionally. Lastly, as the quantity of paintball fields signed on rise, the momentum of the league will pick up because of the marketability to sponsors.

In order to benchmark our scheduling, our current competition in the paintball industry would have to take drastic measures. It is necessary to start from the bottom for league scheduling in order to build participation from paintball fields and facilities. Once the league has been established in one geographic area, it has the opportunity to spread each season to connecting areas.

As Crosshair Challenge becomes established regionally, the scheduling process will become an increasingly powerful source of competitive advantage. As the league evolves, many new divisions will be demanded. As the new divisions become established in the league, the scheduling for lower division teams will be progressively more localized. The following figure will provide a visual example of this progression.

Figure 1

		Competitive Schedule			
		Locally	State-Wide	Regionally	Nationally
Team Division	Rookie	All Season Matches	State Qualifier	Conference	National Championship
	Amateur		All Season Matches	Conference	Championship Tournament
	Semi-Pro			All Season Matches	Championship Tournament
	Professional				All Matches

Finally, the scheduling of the league will provide great momentum for the future. As more fields sign on with Crosshair Challenge, the marketability of the league will increase. The marketability is considered is the league's ability to reach as many potential customers through direct advertising for their sponsors. The reach is accomplished through live broadcasts as well as attendance at the host paintball fields. As stated before, the main source of revenue for the league in the future is sponsorship. For the first season, Crosshair Challenge will be using this

concept to provide a service to the Open Division players by scheduling sectional matches for competition.

### **LIVE BROADCASTING**

Live broadcasting is an important element of this venture because of the uniqueness within the industry and the potential to draw various sponsors. Webcasting has become easier and widely accepted as the technology has developed, but paintball is extremely difficult to broadcast. The difficulty of broadcasting these competitions will be overcome by using stationary video cameras and fewer angles to lessen the confusion.

Our webcasts will be aimed at showing the outcome of the matches instead of capturing action-packed sequences. After the first few seasons, additional cameras will be used to capture the highlights of the matches during replays and down time. The goal of the live broadcasts is to show the outcome as it happens.

### **SPONSOR INTEREST**

As stated previously, sponsorship of the league will be the greatest source of revenue for Crosshair Challenge. To maximize our sponsorship earning potential, two avenues are offered for companies to utilize our league to market their products and services. Additionally, we will be attempting to help these companies measure the effectiveness of their marketing efforts by encouraging our field hosts to maintain accounts with these sponsors.

**Webcast commercials** can be used similarly to commercials for any other sporting event. We will be able to play short commercials for our sponsors during half-time, time-outs, and point breaks.

**Vinyl printing** on inflatable bunkers is another option for sponsors of Crosshair Challenge to utilize for advertising. These inflatable bunkers range in size and shape, so prices will vary depending on quantity and style of advertising space purchased. Once a sponsor purchases advertising space for the season, digitally printed logos will be displayed on the style bunker purchased.

Our costs associated with vinyl printing are another source of competitive advantage. Our competitors have always printed directly on the bunkers to display sponsors of the league. In addition, a sponsor of the PSP will purchase the naming rights on an entire field rather than individual bunkers. Therefore, a company will have its logo on every bunker on one field at one event.

Crosshair Challenge will allow companies to purchase as much or as little advertising space as they desire. Additionally, we will not be printing any advertisements directly on the bunkers. Instead we will be printing on vinyl that will cover the bunkers in order to decrease manufacturing costs, liability, inventory, and transportation costs.

For example, *Frito-Lay* decides to purchase advertising space on two bunkers commonly called "Doritos". Crosshair Challenge will purchase four (two for each field) digitally printed vinyl covers with the dimensions necessary to cover the two bunkers on the field. At each match throughout the season, two "Doritos" will be covered with the digitally printed vinyl sheet.

**Internet Advertising** is another avenue for sponsors of the league. Advertising on our website will be a cheap way to reach our participants and fans. This alternative is not expected to be utilized until the league gains significant popularity.

**Accounts with field hosts** will be held in order to gauge our effectiveness to our sponsors. For example, *Craftsmen* sponsors Crosshair Challenge because of the potential of selling additional tools for maintaining paintball guns. Three of the fields who have signed on with Crosshair Challenge open wholesale accounts with *Craftsmen* in order to offer new products to their customers. *Craftsmen* will be able to gauge how much their sales have increased directly through the new customer accounts attained through sponsoring Crosshair Challenge.

# **OPERATING ANALYSIS**

## **PARTICIPATING FIELDS**

An adequate amount of participating fields must be attained in order to acquire sponsors, gain the attention of the industry, and attract a broad array of participants from different areas. The size for the first year has been chosen based on equipment necessary and staffing required. Ideally, six paintball fields will be getting involved in the first season, but a minimum of five fields must be involved. Potential paintball fields are: Fox Paintball, Millington, IL; The Badlandz, Crete, IL; Challenge Park Extreme, Joliet, IL; Sudden Impact, McClean, IL; Paintball Heat, Plymouth, IN; X-Plex, Fort Wayne, IN; and Proving Grounds, Sheridan, IN.

In order to form this relationship with a paintball field, each facility must meet the following criteria:

1. Must have a 2010 version PSP field
2. Minimum of two participating Open Division teams
3. Leveled and netted 120 X 100 ft surface
4. Two entrances for players and temporary pits
5. Six Saturdays available during the Summer months

Contracts will be universal for each participating paintball field. They will have provisions for the field owner to allow Crosshair Challenge to operate matches during dates agreed upon between the field owner and Crosshair Challenge, capability to set the field up on the Friday before the matches, and ability to sell naming rights for a single 120 X 100 ft. field at a participating location for the seasonal duration of Crosshair Challenge. The field will be paid \$95 for each Open Division Match, \$120 for each Invite Only Division Match, capability to sell paintballs to participating teams, and authorization to use Crosshair Challenge's sponsor accounts.

## **SECTIONAL SCHEDULING FOR OPEN DIVISION**

As discussed in the "scheduling" portion, sectional format should be used for lower division teams to create an additional competitive advantage. For the Open Division, teams will be scheduled matches at four nearest location during their season. This provides a convenient service for these teams so they do not have to travel too far in order to compete in the regular season.

Each participating paintball field is required to have a minimum of two Open Division Teams from their location. In addition to a minimum number of participating teams for each location, each section must have a minimum of nine teams to properly schedule sectionals. See Figure 1 for a schedule example with six participating fields.

Scheduling the Open Division in a sectional format will be difficult to achieve properly. However, it will be a selling feature of Crosshair Challenge's league format; it will be difficult for competitors to benchmark, and gives the participating player's a great service and actually reduces costs.

### **ADEQUATE CELLULAR INTERNET**

The primary reason for league formatting is to broadcast matches live over the internet. Since most paintball fields do not have internet access at their sites, adequate cellular internet must be available for the live webcasts.



## **MARKETING ANALYSIS**

In order to generate interest in competing in Crosshair Challenge, various marketing activities will be used. We will produce and distribute fliers to paintball stores and fields in the target area, promote the league through online message boards, maintaining a comprehensive and interactive website, and utilize internet advertising. Once the league is underway, additional internet advertising will be used to promote additional viewers of the live webcasts of the competitions.

### **AVAILABLE LOCAL PROMOTION CAPABILITY**

In previous leagues and events, Crosshair Challenge has used personal contacts with advertising companies to produce brochures and fliers at a reasonable price. These contacts will be used to produce similar advertising medium to promote participation in the league for Open Division players. Two-Thousand full-color brochures and 10,000 Club fliers (PSPrint) will be used to distribute at participating fields and at paintball stores throughout the Midwest. In addition, fliers will be given to sponsoring distributors of paintball products to distribute advertising medium nation-wide.

### **COMPREHENSIVE AND INTERACTIVE WEBSITE**

Maintaining a comprehensive website is vital to the growth of the league. Visitors of the website must be able to learn about competitive paintball, watch highlights of previous matches, learn statistics of teams and players, and learn when the next matches of their favorite teams will be broadcasted next. Website support is found under operating expenses in the cash flow statement in order to maintain a positive interactive experience for these visitors.

### **INTERNET ADVERTISING**

For the first season, Crosshair Challenge will be advertising on PbNation.com. PbNation is the largest and most widely used paintball forum website that offers many different kind of advertising capabilities with various sizes for banners on the site. Additionally, each Closed Division team will be required to have Crosshair Challenge advertisements on their websites.

# MANAGEMENT ANALYSIS

## PERSONAL QUALIFICATIONS

Before Crosshair Challenge, I worked for National Paintball Supply for four years. During that time, I was in charge of handling promotions at various paintball events throughout the Midwest. My promotions team used air-support trailers, show trailers, promotional paintball fields, and other support to help tournament promoters successfully run their competition. Concurrently, I began Crosshair Challenge by using contacts in the industry and developing a unique business model.

## AVAILABLE PERSONNEL

Personnel must be found to fill three different positions: division managers, broadcasting crew members, and referee crews. Main issues that will arise for the personnel is the seasonal nature of the job, shifts will be strictly part time, and personnel will be expected to be able and willing to travel to different locations. To solve each of these problematic situations, different approaches have been taken for the three needed positions.

The primary source of personnel for broadcasting is from colleges as an internship position for sophomore broadcasting students. These students are chosen because the league will operate during the summer season and briefly during the beginning of the fall semester. Providing internship positions to students is a solution to the seasonal problem and a set schedule for these students will allow them to acquire additional internships or part-time jobs. In order to accommodate travel costs, additional funds must be set aside for students. Additionally, broadcasting students unfamiliar with paintball will require training and equipment for protection to ensure quality webcasting.

Referee crews will be two or three different crews throughout the season who are not participating in the league. Each crew will need seven referees at each set of matches. With the success of using paintball teams for referee crews in previous seasons, these positions will be offered to select local teams (GSE and Dominion). Other avenues, such as college teams and other nationally competing teams, will be explored. Additional benefits will be given to these teams as perks for providing referee services. These benefits can include free entry to participating field, access to Crosshair Challenge's wholesale accounts, or additional sponsorship opportunities.

The divisional manager position will be selected based on connection to a college paintball team, personal acquaintance that will probably be an internship position of some kind. An ideal divisional manager will be the future president of a college paintball team that will be able to manage a referee crew and able to build a relationship with a college organization. This position will be expected to work some Fridays, all Saturdays, and some Sundays to ensure travel accommodations, functional equipment, and adequate planning.

# FINANCIAL ANALYSIS

## BREAK-EVEN ANALYSIS

Based on our projections, Crosshair Challenge will be not be able to break-even with reasonable projections. The chart below shows the break-even point in respect to registered teams with respect to Open Division teams as well as Closed Division teams.

<b>Revenue (Open Division)</b>		<b>Revenue (Closed Division)</b>	
Unit Price	3800	Unit Price	2800
<b>Costs</b>		<b>Costs</b>	
<i>Variable Costs</i>		<i>Variable Costs</i>	
Operation Expenses	1040	Operation Expenses	1040
<b>Total VC</b>	<b>1040</b>	<b>Total VC</b>	<b>1040</b>
Contribution Margin	2760	Contribution Margin	1760
<i>Fixed Costs</i>		<i>Fixed Costs</i>	
Travel	2250	Travel	2250
Advertising	7500	Advertising	7500
Administration	400	Administration	400
Website Support	2000	Website Support	2000
Prize Package	15000	Prize Package	15000
Insurance	1000	Insurance	1000
Legal	8000	Legal	8000
<b>Total FC</b>	<b>36150</b>	<b>Total FC</b>	<b>36150</b>
Unit Break Even (Open):	13.09782609	Unit Break Even (Closed):	20.53977273

## INVESTMENT REQUIRED

An investment of \$80,000 is what is needed for our company to start operations and keep our cash flow positive during the first season. This amount was used in our projections while assuming a modest amount of money drawn from sponsors and a moderate amount of participation from teams for the opening season. The major expenses of launching this league include hardware for broadcasting, transportation needs, and event promotion equipment. Non-recurring expenses include legal fees and insurance.

### Profitability

The total revenues are estimated at \$72,000 for the first season. This amount of revenue does not allow for any profitability because of the high capital requirements for broadcasting, reformatting the schedule, and investing in promotion equipment.

<b>Start-Up Costs</b>			
<u>Unit</u>	<u>Price</u>	<u>Quantity</u>	<u>Total</u>
Vehicles	\$ 12,000	1	\$ 12,000
Trailers	\$ 5,000	1	\$ 5,000
Compressors	\$ 2,500	1	\$ 2,500
Air Accessories	\$ 500	1	\$ 500
Scoreboards	\$ 8,000	2	\$ 16,000
Switchboard	\$ 1,200	2	\$ 2,400
Cameras	\$ 2,000	4	\$ 8,000
Monitor	\$ 500	2	\$ 1,000
Encoding Laptop	\$ 1,500	2	\$ 3,000
Accessories	\$ 1,000	1	\$ 1,000
Headset	\$ 100	4	\$ 400
		<b>Total:</b>	<b>\$ 51,800</b>

As mentioned in the proposed operations, Crosshair Challenge is heavily dependent upon finding revenue from selling sponsorship packages to companies inside and outside of the paintball industry. However, drawing sponsors to the league will be very difficult in the first seasons of operations. Therefore, including a significant amount of revenue from sponsorship would be overly optimistic and unreasonable.

## **RECOMMENDATIONS**

It is not recommended to pursue the proposed operations for Crosshair Challenge. The required investment for this project is too substantial when considering the potential reward for the following seasons. The operations are feasible, but the financial outlook is bleak at best. In order for this project to be pursued, contacts need to be made with potential sponsoring companies, partners need to be included in the planning process for the broadcasting portion of the plan, and the market needs to be in a period of growth.

The paintball industry has been in a state of distress during this economic recession. Many paintball players have quit or cut down on playing in tournaments because of the numerous expenses involved with this style of competition. In order for this plan to be successful, the economy needs to recover so the industry becomes more attractive again. This will result in additional fields opening and it will reduce the power of the suppliers.

Broadcasting the competitions is a vital portion of this plan and it should not be cut out of the plan in order to improve profitability. In order to reduce these expenses, outsourcing the broadcasting responsibilities is an option that should be explored. Several options are available with local broadcasting companies.

In short, for Crosshair Challenge to pursue this opportunity, sponsors need to be interested in the project before it goes underway. This is very difficult to accomplish without a successful track record. Therefore, Crosshair Challenge is not currently a feasible business operation.

**EXHIBIT A**

Date	Game Slot	West Division (Open Class)	East Division (Open Class)	Invite Only Division
5/21/'11	1	B1/X3	H1/X1	
	2	B2/S3	H2/X2	BL vs. FX
	3	B3/F2	-	
5/28/'11	1	S1/F3	X1/H2	XP vs. H
	2	S2/F1	X2/B3	
	3	S3/F2	X3/H1	SI vs. PG
6/4/'11	1	F1/B2	P2/X3	
	2	F2/S1	P1/X1	FX vs. H
	3	F3/S2	P3/X2	
6/11/'11	1	B1/F2	H1/F3	H vs. PG
	2	B2/F3	H2/F1	
	3	B3/F1	-	BL vs. PG
6/18/'11	1	S1/P2	X1/P3	
	2	S2/P3	X2/H1	SI vs. XP
	3	S3/F1	X3/H2	
7/2/'11	1	F1/H1	P1/S2	
	2	F2/H2	P2/S3	PG vs. XP
	3	F3/B1	P3/S1	
7/9/'11	1	S1/B2	X1/P1	XP vs. FX
	2	S2/B3	X2/P2	
	3	S3/B1	X3/P3	SI vs. H
7/16/'11	1	B1/X1	P1/X2	
	2	B2/X2	P2/H1	PG vs. FX
	3	B3/X3	P3/H2	
7/23/'11	1	F1/S1	X1/B3	FX vs. SI
	2	F2/S2	X2/B1	
	3	F3/S3	X3/B2	XP vs. BL
7/30/'11	1	S1/P1	H1/P1	
	2	S2/P2	H2/P2	H vs. BL
	3	S3/P3	-	
8/6/'11	1	B1/S1	H1/F2	BL vs. SI
	2	B2/S2	H2/F3	
	3	B3/S3	-	H vs. XP
8/13/'11	1	F1/B1	P1/X3	FX vs. BL
	2	F2/B2	P2/X1	
	3	F3/B3	P3/X2	PG vs. SI

**EXHIBIT A *continued***

<b>OPEN DIVISION EXAMPLE SCHEDULE (Expanded Version)</b>			
<b>Date</b>	<b>Location</b>	<b>Home Team</b>	<b>Away Team</b>
5/21/11	Badlandz	Badlandz 1	X Plex 3
5/21/11	Badlandz	Badlandz 2	Sudden Impact 3
5/21/11	Badlandz	Badlandz 3	Fox 2
5/21/11	Paintball Heat	Heat 1	X Plex 1
5/21/11	Paintball Heat	Heat 2	X Plex 2
5/28/11	Sudden Impact	Sudden Impact 1	Fox 3
5/28/11	Sudden Impact	Sudden Impact 2	Fox 1
5/28/11	Sudden Impact	Sudden Impact 3	Fox 2
5/28/11	X-Plex	X Plex 1	Heat 2
5/28/11	X-Plex	X Plex 2	Badlandz 3
5/28/11	X-Plex	X Plex 3	Heat 1
6/4/11	Fox Paintball	Fox 1	Badlandz 2
6/4/11	Fox Paintball	Fox 2	Sudden Impact 1
6/4/11	Fox Paintball	Fox 3	Sudden Impact 2
6/4/11	Proving Grounds	Proving Grounds 2	X Plex 3
6/4/11	Proving Grounds	Proving Grounds 1	X Plex 1
6/4/11	Proving Grounds	Proving Grounds 3	X Plex 2
6/11/11	Badlandz	Badlandz 1	Fox 2
6/11/11	Badlandz	Badlandz 2	Fox 3
6/11/11	Badlandz	Badlandz 3	Fox 1
6/11/11	Paintball Heat	Heat 1	Proving Grounds 1
6/11/11	Paintball Heat	Heat 2	Proving Grounds 2
6/18/11	Sudden Impact	Sudden Impact 1	Proving Grounds 2
6/18/11	Sudden Impact	Sudden Impact 2	Proving Grounds 3
6/18/11	Sudden Impact	Sudden Impact 3	Fox 1
6/18/11	X-Plex	X Plex 1	Proving Grounds 3
6/18/11	X-Plex	X Plex 2	Heat 1
6/18/11	X-Plex	X Plex 3	Heat 2
7/2/11	Fox Paintball	Fox 1	Heat 1
7/2/11	Fox Paintball	Fox 2	Heat 2
7/2/11	Fox Paintball	Fox 3	Badlandz 1
7/2/11	Proving Grounds	Proving Grounds 1	Sudden Impact 2
7/2/11	Proving Grounds	Proving Grounds 2	Sudden Impact 3
7/2/11	Proving Grounds	Proving Grounds 3	Sudden Impact 1
7/9/11	Sudden Impact	Sudden Impact 1	Badlandz 2
7/9/11	Sudden Impact	Sudden Impact 2	Badlandz 3
7/9/11	Sudden Impact	Sudden Impact 3	Badlandz 1
7/9/11	X-Plex	X Plex 1	Proving Grounds 1
7/9/11	X-Plex	X Plex 2	Proving Grounds 2
7/9/11	X-Plex	X Plex 3	Proving Grounds 3
7/16/11	Badlandz	Badlandz 1	X Plex 1
7/16/11	Badlandz	Badlandz 2	X Plex 2

7/16/11	Badlandz	Badlandz 3	X Plex 3
7/16/11	Proving Grounds	Proving Grounds 1	X Plex 2
7/16/11	Proving Grounds	Proving Grounds 2	Heat 1
7/16/11	Proving Grounds	Proving Grounds 3	Heat 2
7/23/11	Fox Paintball	Fox 1	Sudden Impact 1
7/23/11	Fox Paintball	Fox 2	Sudden Impact 2
7/23/11	Fox Paintball	Fox 3	Sudden Impact 3
7/23/11	X-Plex	X Plex 1	Badlandz 3
7/23/11	X-Plex	X Plex 2	Badlandz 1
7/23/11	X-Plex	X Plex 3	Badlandz 2
7/30/11	Sudden Impact	Sudden Impact 1	Proving Grounds 1
7/30/11	Sudden Impact	Sudden Impact 2	Proving Grounds 2
7/30/11	Sudden Impact	Sudden Impact 3	Proving Grounds 3
7/30/11	Paintball Heat	Heat 1	Fox 3
7/30/11	Paintball Heat	Heat 2	Fox 1
8/6/11	Badlandz	Badlandz 1	Sudden Impact 1
8/6/11	Badlandz	Badlandz 2	Sudden Impact 2
8/6/11	Badlandz	Badlandz 3	Sudden Impact 3
8/6/11	Paintball Heat	Heat 1	Fox 2
8/6/11	Paintball Heat	Heat 2	Fox 3
8/13/11	Fox Paintball	Fox 1	Badlandz 1
8/13/11	Fox Paintball	Fox 2	Badlandz 2
8/13/11	Fox Paintball	Fox 3	Badlandz 3
8/13/11	Proving Grounds	Proving Grounds 1	X Plex 3
8/13/11	Proving Grounds	Proving Grounds 2	X Plex 1
8/13/11	Proving Grounds	Proving Grounds 3	X Plex 2

Notes:

- Teams are guaranteed to play 8 matches
- Teams are guaranteed to play 4 matches at their desired home field
- Teams cannot be scheduled to play the same team twice
- Open division teams play in their sectional only

<b>Home Field</b>	<b>Paintball Fields Within Sectional</b>		
<b>Fox</b>	Badlandz	Sudden Impact	Heat
<b>Badlandz</b>	Fox	Heat	X Plex
<b>Sudden Impact</b>	Proving Grounds	Fox	Badlandz
<b>Heat</b>	X Plex	Fox	Proving Grounds
<b>X Plex</b>	Heat	Proving Grounds	Badlandz
<b>Proving Grounds</b>	Heat	X Plex	Sudden Impact

- Teams will visit fields close to their designated home field
- Each field is within three different sectionals to keep scheduling even



**EXHIBIT B**

<b>Operations</b>		
<p>1. Minimum of 5 Participating Paintball Fields</p> <p>2. Sectional Scheduling for Open Class Teams</p> <p>3. Adequate Cellular Internet for Invite Only Webcasting</p>	<ul style="list-style-type: none"> <li>• Raises sponsor interest</li> <li>• Interest from players in a large region</li> <li>• Public recognition of a progressive league</li> <li>• Legitimizes league as a regionally or nationally competitive league</li>   <li>• Creates a unique competitive advantage</li> <li>• Innovative approach is difficult for competitors to benchmark</li> <li>• Raises approval rating of players</li> <li>• Live broadcasting of matches</li> <li>• Additional sponsor interest</li> <li>• Creates a strong following</li> <li>• Requirement to stay ahead of competition</li> </ul>	<ul style="list-style-type: none"> <li>• Very high capital requirements</li> <li>• Complicated scheduling</li> <li>• High labor requirements</li> <li>• Gain attention of national competitor</li> <li>• Competes with several local series</li>   <li>• Additional registration volume requirements</li> <li>• Further complicates scheduling</li>   <li>• Incremental expenses with additional viewers</li> <li>• Additional education and equipment necessary</li> <li>• High probability of mistakes</li> </ul>
<b>Marketing</b>		
<p>1. Local Promotion Capability</p> <p>2. Affordable Internet Advertising</p> <p>3. Adequate Available Personnel</p>	<ul style="list-style-type: none"> <li>• Inexpensive to develop</li> <li>• Effective in reaching target players</li> <li>• Low distribution costs</li>   <li>• League gains popularity and additional following</li> <li>• Sets up success for future seasons</li>   <li>• Loose labor market</li> <li>• Internships for weekends</li> <li>• Current relationships with players</li> </ul>	<ul style="list-style-type: none"> <li>• Bandwidth costs</li> <li>• Higher advertising budget required</li> </ul>

**Legend:**

Open Teams: 15

Closed Teams: 6

Fields Utilized: 6

**Crosshair Challenge**

**Weekly Cash Flow**

May 2011 - September 2011

	05/21/11	05/28/11	06/04/11	06/11/11	06/18/11	07/02/11	07/09/11	07/16/11	07/23/11	07/30/11	08/06/11	08/13/11	08/20/11	08/27/11	09/03/11
<b>Beginning Cash Balance</b>	\$ -	\$ 54,820	\$ 52,880	\$ 51,200	\$ 49,260	\$ 47,740	\$ 46,060	\$ 44,120	\$ 42,600	\$ 40,660	\$ 39,140	\$ 37,040	\$ 35,100	\$ 33,580	\$ 32,500
Capital Investment	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long Term Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Open Entry Revenue	\$ 57,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closed Entry Revenue	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorship Revenue	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Inflows</b>	\$ 157,000	\$ 54,820	\$ 52,880	\$ 51,200	\$ 49,260	\$ 47,740	\$ 46,060	\$ 44,120	\$ 42,600	\$ 40,660	\$ 39,140	\$ 37,040	\$ 35,100	\$ 33,580	\$ 32,500
<b>Cash Outflows</b>															
Equipment	\$ 88,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Freight	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cost of Production</b>	\$ 88,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Weekly Matches</b>	6	7	6	7	6	6	7	6	7	6	7	7	6	4	2
<b>Operating:</b>															
Field Fees	\$ 300	\$ 350	\$ 300	\$ 350	\$ 300	\$ 300	\$ 350	\$ 300	\$ 350	\$ 300	\$ 350	\$ 350	\$ 300	\$ 200	\$ 100
Event Staff	\$ 720	\$ 840	\$ 720	\$ 840	\$ 720	\$ 720	\$ 840	\$ 720	\$ 840	\$ 720	\$ 840	\$ 840	\$ 720	\$ 480	\$ 240
Broadcasting	\$ 250	\$ 500	\$ 250	\$ 500	\$ 250	\$ 250	\$ 500	\$ 250	\$ 500	\$ 250	\$ 500	\$ 500	\$ 250	\$ 250	\$ 300
Transportation	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 100	\$ 100
Administration	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Website Support	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cellular Internet	\$ 160	\$ -	\$ 160	\$ -	\$ -	\$ 160	\$ -	\$ -	\$ -	\$ -	\$ 160	\$ -	\$ -	\$ -	\$ 160
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cost of Operations</b>	\$ 13,680	\$ 1,940	\$ 1,680	\$ 1,940	\$ 1,520	\$ 1,680	\$ 1,940	\$ 1,520	\$ 1,940	\$ 1,520	\$ 2,100	\$ 1,940	\$ 1,520	\$ 1,080	\$ 1,080
<b>EBITDA</b>	\$ 54,820	\$ 52,880	\$ 51,200	\$ 49,260	\$ 47,740	\$ 46,060	\$ 44,120	\$ 42,600	\$ 40,660	\$ 39,140	\$ 37,040	\$ 35,100	\$ 33,580	\$ 32,500	\$ 31,420
Awards and Prizes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Owner's Draw	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Outflows</b>	\$ 54,820	\$ 52,880	\$ 51,200	\$ 49,260	\$ 47,740	\$ 46,060	\$ 44,120	\$ 42,600	\$ 40,660	\$ 39,140	\$ 37,040	\$ 35,100	\$ 33,580	\$ 32,500	\$ 8,420
<b>Net Cash Inflow (Outflow)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Cash Balance</b>	\$ 54,820	\$ 52,880	\$ 51,200	\$ 49,260	\$ 47,740	\$ 46,060	\$ 44,120	\$ 42,600	\$ 40,660	\$ 39,140	\$ 37,040	\$ 35,100	\$ 33,580	\$ 32,500	\$ 8,420

# *Andrew R. Krause*

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West Chicago, IL 60185

(630) 400-7197  
AndrewRobertKrause@gmail.com

**OBJECTIVE:** Obtain a challenging position requiring use of my communication and administration skills

## **EDUCATION:**

**Bachelor of Science in Business Management**

May 2010

Northern Illinois University, DeKalb, Illinois

- **GPA: 3.82 / 4.0**
- University Honors Program
- Dean's List: Fall 2007-Spring 2010
- Recipient of the Kevin Casebolt Management Scholarship
- Presented with the 2010 Barsema Future Leader Award

## **EXPERIENCE:**

**Sales Associate**, NIKE Corp., Aurora, Illinois

Present

- Utilize customer service skills, sales techniques, and product knowledge to drive sales
- Maintain operations of several store departments including shipping, receiving, and sales floor
- Fulfill branding duties for numerous NIKE products and product lines

**Business Tutor**, Northern Illinois University, DeKalb, Illinois

January 2009-March 2010

- Teach marketing concepts, financial functions, and operations management
- Mentor students with extensive course work

**Owner/Operator**, Crosshair Challenge: Competitive Paintball League

October 2006-August 2009

- Designed and managed sporting events, advertising, and broadcasting
- Delivered vision and mission to prospective clients and employees
- Negotiated sponsorship packages and conduct affiliate relations
- Hired, trained, and supervised staff of 15
- Organized and maintained financials and record keeping

**Promotions Coordinator**, National Paintball Supply, Elk Grove Village, Illinois

March 2003-April 2007

- Performed branding functions for premium product lines including Empire and Diablo
- Coordinated and controlled promotional events
- Maintained promotional equipment for trade shows and competitive events
- Supervised event logistics of the Great Lakes region
- Distributed products to local stores and fields

## **ORGANIZATIONS/CLUBS:**

**President/Founder**: Northern Illinois University- Kickboxing Club

- Direct group training sessions and manage member progress
- Negotiate sponsor packages and coordinate public relations activities with news publications

**President**: Northern Illinois University-Paintball Club

- Organize fundraisers, practices, training routines, and competitive schedule
- Monitor board members, players, and the direction of the organization
- Collaborate with Student Senate for numerous club activities and funding allocations

**Technical Skills:** Proficient with Microsoft Word, Excel, Access, Power Point, and FTP web hosting

## EXHIBIT E

Rayburn, Mack. *Hands-On Guide to Webcasting*. Burlington, MA.: Focal Press, 2006.

Kuratko Donald F., *Entrepreneurship- Theory, Process, Practice*. Thomson Higher Education, Mason, Ohio, 2007.

Felser, Larry. *The Birth of the New NFL*. Lyons Press, Guilford, Connecticut, 2008.

MacCambridge, Michael. *America's Game: The Epic Story of How Pro Football Captured a Nation*.

Miles, Peggy. *Internet World Guide to Webcasting: the Complete Guide to Broadcasting on the Web*.