

URL: <https://ecorner.stanford.edu/in-brief/building-the-playvs-business-model/>

As he explored opportunities in esports, recalls PlayVS founder and CEO Delane Parnell, it wasn't immediately clear what business model would unlock scalable value. He solved that puzzle, he explains, by identifying an underserved market—high school esports—and brokering a mutually beneficial relationship between game publishers and high schools.



## Transcript

- Specifically with PlayVS, 00:00:06,643 I never thought about it as a big business opportunity, you know, at the beginning, you know, I sorta had this and I hate when people say, Oh, I had this problem I wanted to solve because it really wasn't a problem. But I had an itch that I wanted to scratch around, you know, building out infrastructure around esports just because I knew there was a lot of conversation around esports, but there wasn't, you know, there wasn't, there weren't a lot of businesses being built that I felt, you know, truly captured the essence of, you know, why people play video games and have the opportunity to unlock, you know what I think some of the, you know, the, you know, the biggest sort of areas of the space are from an enterprise value standpoint. So, you know, I wanted to do that. Like, I, it wasn't that, you know, I wanted to build this massive business. I recognize that I needed to build a lot of value to, you know, through revenue, through relationships and it would become a big business, but I wasn't driven by that. I was, you know, mostly just, you know, you know, focused on, on solving a problem around people are talking about e-sports, but there's no infrastructure online for people to play against each other. How do I do that? Where should I start? What's my scarcest resource, the scarcest resource for me, ended up being these publisher relationships. So how do you go and work with the publishers and get them to commit to the, to develop API. To give you assets to enable that online play, and then how do I capture value for them and give that back to them. So they feel like it's a fair exchange.

And that ended up being the reason why, you know, we committed our businesses, you know, going to market at high school because the publishers were investing tons of money, hundreds of millions of dollars, and the top of funnel for them, which is, you know, they're, they're professional leagues and, and they, they weren't really thinking about the rest of the pyramid. And so I, so, you know, we went to them and say, hey, what if we, what if we created an environment where we train your athletes or these players to become, you know, esports athletes for your game commit to having them play in the exact same format that you want them to play with coaches and with the recognition from, you know, the high school governance system where, you know, a street is a sport as any other, you know, traditional sport. And that was really appealing to publishers. And so they gave us a shot. And now we've obviously taken that and, and scaled that, and also introduce the same sort of environment at the collegiate level...