**BCDR Group Plan**

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**Cost Of Downtime**

**Background**

Capcom based in Osaka, Japan started in 1979 as a manufacturer and distributor of electronic game machines. In 1983 Capcom Co., Ltd was founded and developed its reputation based on cutting-edge technology and software in the video game market. Now, Capcom is an industry leader in the industry with an unparalleled commitment to excellence. Currently, it now operates all around the world in the United States, United Kingdom, Germany, France, Hong Kong, Taiwan, and Tokyo.

**Business-Critical Resources**

Critical business resources are the base foundations for any company to operate and more upon. Once it is secured strategy deployments lead into marketing, followed by operations, and lastly ethics. Much of Capcom’s revenue comes from publishing video games and arcade sales. With many additional main titles being released with additional content. Lastly, the creation of new brands by developing original content all make up seventy percent of its net sales. The other thirty percent is composed of developing, manufacturing, and selling machines that use the popular content. Additionally, they also make machines for other companies. Capcoms’ number one business-critical resource is its physical resources. Its equipment, buildings, inventory, manufacturing, and distribution network are extremely critical for the business to survive in a competitive industry. Second is the human resources and ethics. One of the most unconsidered assets of any organization is its employees. They make a direct impact on Capcom’s revenue. From releasing projects, customer service and representatives, to human resources, they make sure the company is standing on a strong foundation. An indirect impact would be its financial resources.

**Estimated Total Revenue Per Hour**

Capcom made an estimated net income of 15.95 billion yen in the year 2020. If we were to make that into an average per hour and convert it to USD, Capcom would roughly make $17,541.20 dollars an hour. That’s with a runtime of 24 hours a day, 365 days a year.

According to zippia.com, the average salary of a Capcom employee is $40/hr with some of the lowest earners making roughly $22/hr.

**Things to Take into Consideration**

Although Capcom is a major company, they have seen a massive decrease in sales. They have been getting handouts from companies like Sony and Microsoft to make games like Dead Rising 3 and Street Fighter V. This could mean that an issue with servers or decrease in-game sales won’t be as hard of a hit because a few thousand dollar loss won’t mean as much if they get millions from Sony to make a new game exclusive to PlayStation.

**Critical Business Resources**

* Employees-$3,300: (assuming there are 100 workers working at one time at $33/hr. The average at Capcom is $44/hr)

* WorkSpace- $100: A few workplaces being damaged would stop workers from working and less work being done. The number assumed 2 workplaces were damaged or were undergoing updates.
* Computers-$2,200: A bunch of workers not doing work would inhibit the work being done. Although there are possible ways workers could still do something without a computer that could bring revenue in for the workplace.
* Energy- $15,000: A power outage could inhibit the entire company from working. The damage wouldn’t just be from employees not working, but also servers going down as well. As well as potential reputation or data loss that would need to be recovered.
* Building- $18,000,000: The Capcom 8-floor office building cost 2.5B yen ($24.5 million). This takes into account an earthquake damaging a large portion of the office building.
* Marketplace- $80,000: If the Capcom online marketplace were to go down, Capcom would lose revenue from their online marketplace. Capcom does sell their games on other marketplaces like Steam, so they would not completely lose all marketplace revenue for that hour.
* Internet- $13,000: an internet outage wouldn’t stop workers from working, but would temporarily take down the servers in the area.
* Hardware- $135,000: Depending on the amount of hardware damaged, the number could be high. The number assumes it was damaged due to an earthquake, if the company were to have 100 employees working at a time (although I’m sure they’d have more), and roughly $1,300 per computer and a few extra thousand for other hardware.
* Software- $13,000: A company like Capcom would have backups of software and data. It should be a fast and cheap recovery. They would lose the data since the last backup, which could be a lot of money depending on the time of year and in-game sales.
* Servers- $4,282:A server that’s roughly $1,500/year can host about 12 copies of a server. Steam showed that on January 24, 2021, Monster Hunter: World hit a peak of 50k concurrent players. Assuming that all of these players were in a full server (4 players/server), that would be 12,500 servers. If a $1,500/year server can host 12 servers, that would need a total of 1,042 servers costing $1,500 each. Meaning it would cost about $1,563,000 for roughly 50k concurrent players.

Obviously, a company like Capcom would run a listen server that would only run local servers for players playing solo and have a “master server” that helps people that are trying to join other players.

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