



# Strategic Thinking and Practices

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## 1. Organizational Snapshot

VAREDUN is an early-stage video game development company operating at the intersection of the video gaming industry and the educational technology (EdTech) sector.

- Industry: Video Game Development / EdTech.
- Market Segments:
  - Family-friendly gaming
  - Educational games (Target Age 8–14 years)
  - Experiential learning.
- Geographic Context: United States (with global scalability through digital distribution).
- Stage & Size: Early-stage venture (MVP phase), founder-led, small development team.
- Product Focus: Story-driven, 3D immersive games embedding education and ethical decision-making.
- Competitors:
  - Roblox (Educational experiences within games)
  - Minecraft / Mojang Studios (Education Edition)
  - Osmo
  - Prodigy Education

The company focuses on purpose-driven gaming, creating immersive, story-based experiences that integrate education and ethical decision-making into gameplay. Headquartered in the United States with global scalability, VAREDUN is currently in the MVP stage.

### Primary Strategic Challenges

VAREDUN's current strategic challenges reflect its position as a purpose-driven startup in a highly competitive and fast-scaling industry

#### a) Business Model & Monetization:

The most critical challenge is designing a sustainable revenue model that aligns with VAREDUN's values to avoid core tension between ethical design and scalable revenue:

- Avoiding exploitative monetization (ads, pay-to-win, addictive loops).
- Exploring alternatives such as subscriptions, premium content, or school partnerships.

#### **b) Strategic Positioning:**

VAREDUN must clearly define its position in the market, this decision will shape product design, marketing, and growth strategy.

- Is it a gaming company with educational value, or an education platform using games?
- Who is the primary customer: Children (users)? Parents (buyers)? Schools (institutional clients)?

#### **c) Product–Market Fit:**

To avoid the risk of being “too educational” for gamers or “too game-like” for educators, as an MVP-stage venture, VAREDUN must validate:

- What level of education vs. entertainment drives engagement.
- How users (children) and decision-makers (parents) respond to the experience.

#### **d) Scaling Without Mission Drift:**

Maintaining the company's core purpose (education and ethical development) while scaling:

- Avoiding pressure to adopt industry-standard monetization practices.
- Preserving brand trust with parents and families.

This is a Long-term challenge: how to keep the growth without compromising identity?

#### **e) Technology & Production Capability:**

Delivering high-quality, immersive experiences requires:

- Strong game development capabilities (3D design, storytelling, UX).
- Continuous improvement in visual quality, gameplay mechanics, and interactivity.

This will represent the constraint of balancing production quality vs. limited early-stage resources!

## 2. Executive Interview Summary

VAREDUN's purpose is to create engaging, family-friendly gaming experiences that integrate education and ethical decision-making. This purpose influences product design, as seen in the "Game Book" prototype, which prioritizes storytelling and learning over monetization.

Stakeholders include parents, investors, leadership, children, developers, and educators. Parents, investors, and leadership hold the highest influence. From a stakeholder perspective, VAREDUN operates within a complex ecosystem characterized by multiple high-salience stakeholders. Parents, investors, and the leadership team emerge as the most influential groups, each possessing power, legitimacy, and urgency in shaping strategic decisions. Children, while being the primary users, represent a dependent stakeholder group with high legitimacy but limited direct influence, requiring their needs to be interpreted through design and parental expectations. Additional stakeholders, including developers and educators, play important but varying roles in execution and future growth. (Stakeholders Analysis in the document "Organizational purpose and key stakeholders").

Key challenges include balancing purpose with profitability, defining positioning, achieving product–market fit, and scaling responsibly. While product alignment with purpose is strong, business model alignment is still evolving.

For more details, please visit the Appendix which contains the answers for the 10 Strategic Thinking and Practices questions.

## 3. Strategic Analysis & Reflection

### Strategic strengths:

- The company has a clear and authentic purpose, centered on integrating education and ethical decision-making into gaming. This purpose provides strong strategic direction and helps guide key decisions, particularly in product design.
- VAREDUN shows a long-term orientation, prioritizing trust, user experience, and meaningful impact over short-term monetization. This is evident in the development of its initial product, which emphasizes storytelling and learning rather than exploitative engagement mechanisms.

- The company exhibits an awareness of critical trade-offs, particularly between education and entertainment, and between ethical integrity and financial performance.

### **Areas for improvement:**

- The lack of clarity in market positioning and target customer definition. While children are the primary users, parents and potentially schools are the decision-makers, and this duality creates uncertainty in product design and go-to-market strategy.
- The underdeveloped business model, particularly regarding monetization. The company has strong principles around avoiding unethical practices, but it has not yet fully defined a scalable revenue model aligned with those principles.
- There is a need for more structured exploration of strategic alternatives. As an early-stage venture, VAREDUN would benefit from systematically testing multiple approaches rather than converging too quickly on a single path.

### **Recommended Actions:**

- VAREDUN should clearly define its primary customer segment and decision-maker, whether parents, children, or educational institutions, and align its product and marketing strategy accordingly.
- The company should experiment with multiple monetization models, such as subscriptions, premium content, or school partnerships, using small-scale pilots to validate assumptions before committing to a long-term approach.
- Leadership should implement a more structured strategic review process, including regular evaluation of assumptions, market feedback, and alternative scenarios. This would enhance adaptability and reduce the risk of strategic misalignment.
- Developing a simple decision framework based on purpose alignment can help ensure consistency as the company scales.

In reflection, this analysis highlights that strategy in VAREDUN is not a fixed plan but an evolving process shaped by purpose, experimentation, and trade-offs. Decisions are often made under uncertainty, requiring a balance between vision and flexibility. The organization's purpose serves as a strong anchor, but effective strategy depends on continuously testing assumptions, aligning stakeholders, and adapting to changing conditions. This reinforces the idea that strategy is not only about choosing a direction, but about learning, adjusting, and making disciplined choices over time. Overall, VAREDUN has strong strategic intent and purpose alignment but must refine execution to achieve sustainable growth and competitive advantage.

For more details, please scan the QR code to visit

**VAREDUN'S Info Center**

