



Scandinavian Game Developers

ACTIVITY PLAN describing
the main activities for the
remainder of the project period.



Where are we going from here?

During the first year of Scandinavian Game Developers, we have been doing comprehensive research, mapping game industry trends and current incubation activities across Scandinavia, as well as compiling these insights into both internal working documents and externally available publications.

Building upon our initial intentions, the insights generated by these efforts add to our understanding of the challenges that Scandinavian game developers are currently facing. In addition, we are in the process of further uncovering the issues related to close collaboration between game developers and external clients, and how such collaboration can be facilitated.

This updated plan of activities describes our core initiatives in the five areas listed below, and estimates the nature of the implementation as it is planned for the remainder of the project:

- Incubation environments
- Business models
- Competence database
- Conferences
- Knowledge dissemination

Incubation environments:

A cornerstone in Scandinavian Game Developers, the incubation environments is an essential component in supporting new game developers, and in facilitating their collaboration with external clients.

The basic assumption on incubators, regardless of subject area, is, that they increase the likelihood of long-term survival and success of new startup companies:

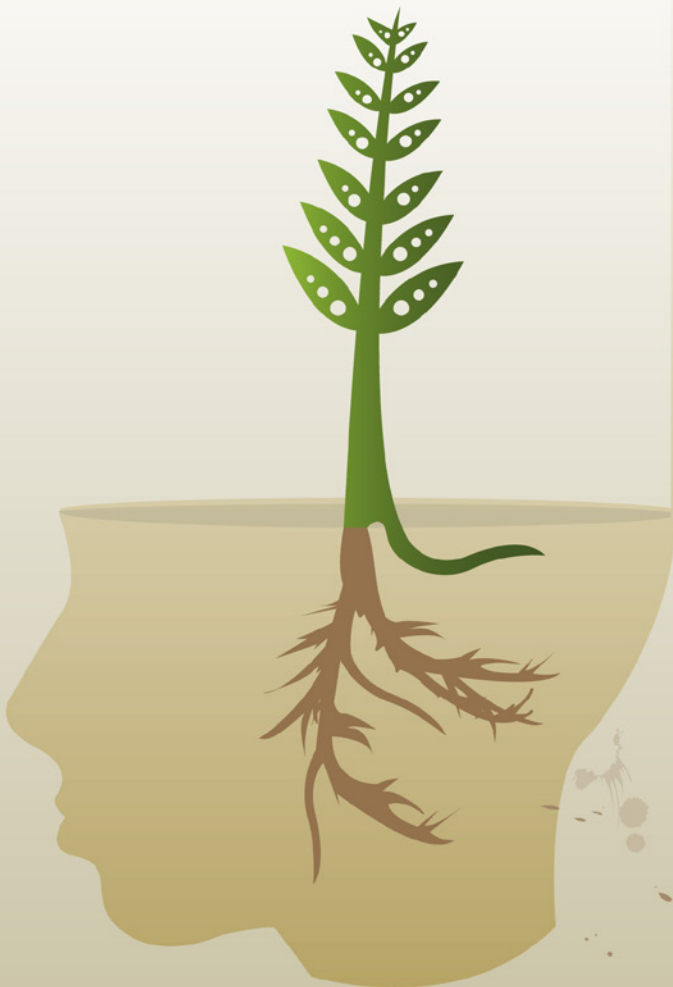
Business incubation is a business support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs

with an array of targeted resources and services.[...] A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding. These incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies (http://www.nbia.org/resource_library/what_is/index.php)

Across the world, business incubators have been providing startups with much needed support for years. In the game industry, however, incubators does not seem to be similarly consolidated. This is contrasted by the fact, that across the Scandinavian game industries, we see a culture of entrepreneurship. Whereas each country and Sweden in particular is home to a number of larger, more established companies, a very large part of people working in the game industry have been involved in founding companies.

In general, game incubators, as any incubator, serves the purpose of gathering like-minded people together, nurturing a culture of entrepreneurship. Some commentators, like Paul Graham, founder of Y Combinator, considers people the most important part of any incubator:

I think there are two components to the antidote: being in a place where startups are the cool thing to do, and chance meetings with people who can help you. And what drives them both is the number of startup people around you (<http://paulgraham.com/hubs.html>)





More than bricks and mortar

When we look at both the broader tech-incubators and the more specific game incubators, several patterns can be identified in addition to the gathering of creative people. We synthesize those experiences into a strategy for the incubators developed throughout Scandinavian Game Developers, currently aiming for the following major areas, each covering several initiatives:

Office space with relevant facilities

By supplying new companies with everything they need to gather together and work on their games, we remove a number of barriers, and make it feasible for new startups to start working at an early stage and focus their energy on developing games.

We do, however, also pay enormous attention to not merely supplying static office buildings, but to create a dynamic environment, where people are interacting with and helping each other, engaging in sparring sessions etc.



Education & training

Most new game companies find themselves lacking skills and knowledge, which may in turn reduce their chances to consolidate their business. We aim to survey the needs of (primarily) new game companies, and offer supplementary education in forms of workshops, courses, mentoring, counseling and coaching within (but not limited to):

- Technology (programming, game engines, platforms etc.)
- Game design
- PR & Marketing
- Business models and monetization
- Running a company (legal advice, accounting etc.)

Networking activities

We constantly work to maintain and expand the incubator network, and allow the incubator companies to harness the potential of this network.

We acknowledge the importance of networking in general, as well as more specifically in the game industry. We thus both create our own activities as well as encourage and support our incubator companies in participating in relevant activities.

We actively encourage the companies within our individual incubators to collaborate with each other, but also to collaborate with companies in other incubators as well as external clients.

Fundraising opportunities

We continually explore the different support schemes, funds, investors and other funding opportunities, and support incubator companies in navigating these. We aim to minimize the time game companies spend on securing funding, thereby maximizing the time they spend on developing games.



In addition to assisting developers in acquiring external funding, we are also exploring the possibilities of allowing the incubators themselves to fund developers. We are considering doing this in connection with accelerator programs within incubators.

It is within these four areas, we are concentrating our work with incubation environments at the moment. By doing so, in the long run we wish to create incubation environments that are known and respected by the industry, collaborating closely with key stakeholders, and thus able to provide new game developers with the best possible chances of succeeding.

Business models:

Our analysis has clearly confirmed our initial assumption, that “business models” in the game industry are currently in a state of constant flux. Most game developers are thus finding themselves experimenting with numerous different approaches to monetization, all aware that this experimentation will probably never end.

In connection with of our incubation environments, we strive to support this experimentation, testing and evaluating business models, and helping developers find out which approaches will best fit their needs.

We distinguish between “games for entertainment” and “games for serious purposes” or “serious games”. In the following, we describe “freemium” as a business model for entertainment games, and close collaboration with clients as a viable approach to making serious games.

Despite our acknowledgement of this distinction, we are also eager to challenge it. We believe that entertainment games can be serious and vice versa, and thus the lines between the two are blurring. We are first and foremost interested in good games, and we think the most important goal for any game designer is to create good games, regardless of whether the intention is to entertain, to teach, to advertise - or any other purpose.



Subway Surfers by Danish developers Kiloo & Sybo - an example of a very successful freemium game.

Entertainment games

Of all the different business models applied in the game industry, freemium (or "free 2 play") is probably the fastest growing and most frequently discussed. We see freemium as an appropriate model for videogame startups, and this is the approach we are currently exploring for entertainment games.

The basic idea is, that the game is entirely free to play, but that it incorporates different possibilities for players to pay while playing the game.

In most cases, the player buys virtual goods via microtransactions within the game. The nature of those goods vary greatly, though they are generally designed to improve the experience of playing the game. This can be done via fx aesthetics (special clothing, weapons etc.), faster progression etc.

We agree with those, who argue against "pay walls", meaning that developers should allow players to pay without paying anything anytime. This is also described by Nicholas Lovell in the so-called "0-1-100 rule"; Lovell is a game consultant very much talking in favor of freemium. He argues that any freemium game:



"Enables a player to play the game for ever, for free, and gives them a good – even a great experience while doing it.

It makes it easy for them to spend a dollar. Getting gamers to reach into their pocket the first time is hard. Making it as easy as possible for them to spend a tiny amount is very worthwhile.

It lets them spend \$100 per month. I'm not expecting them to spend this every month. I'm not sure that's sustainable for many people. But in a free-to-play game, many people will only spend \$1. To achieve a high ARPPU for a free-to-play game, you need have some people spending a lot more." (<http://www.gamesbrief.com/2011/03/the-basic-rule-of-free-to-play/>)

In addition to enabling player payments within the game, many developers of freemium games are also experimenting with in-game advertising as a supplementary source of revenue. It is important to strike a balance between showing enough ads and not detracting too much from the user experience (<http://goo.gl/bflw3>).



"Vendespill" makes use of in-game advertising. The game is developed by Pixeleap, which is part of The Ranch Game Incubator.

Serious Games

While some game developers have a desire to entertain players, others believe that games can also be powerful tools for communication and learning. Some serious games are developed solely by game developers, while most games in this category are developed in collaboration with clients or end users.

This, work for hire, is most frequently seen by game developers as a secondary solution and something you do in order to finance your own IPs. We fully understand this sentiment, but we also suggest that working closely with a client to solve problems can be a very rewarding and satisfying experience - also beyond the obvious fact, that such projects are a more predictable source of revenue. Furthermore, we are convinced, that not only can this way of working together lead to valuable learning processes for all parties, the final product will better suit the needs of the client/end users.

One of the pivotal challenges in this approach, which we are eager to address, is the issue of scalability. How do we secure, that the outcome of such collaboration projects is not confined to being used by that one client?

We are exploring these and related challenges in different ways, the most comprehensive one being a PhD student project about game development methods. The PhD project comprises thesis work which includes a profound literature survey to analyse the state of the art concerning development methods for serious games. The findings from this survey will be disseminated and used within the project as a part of a game development project involving game developer Pixeleap, Århus Social- og Sundhedsskole and Högskolan i Skövde.



Århus Social-
og Sundhedsskole



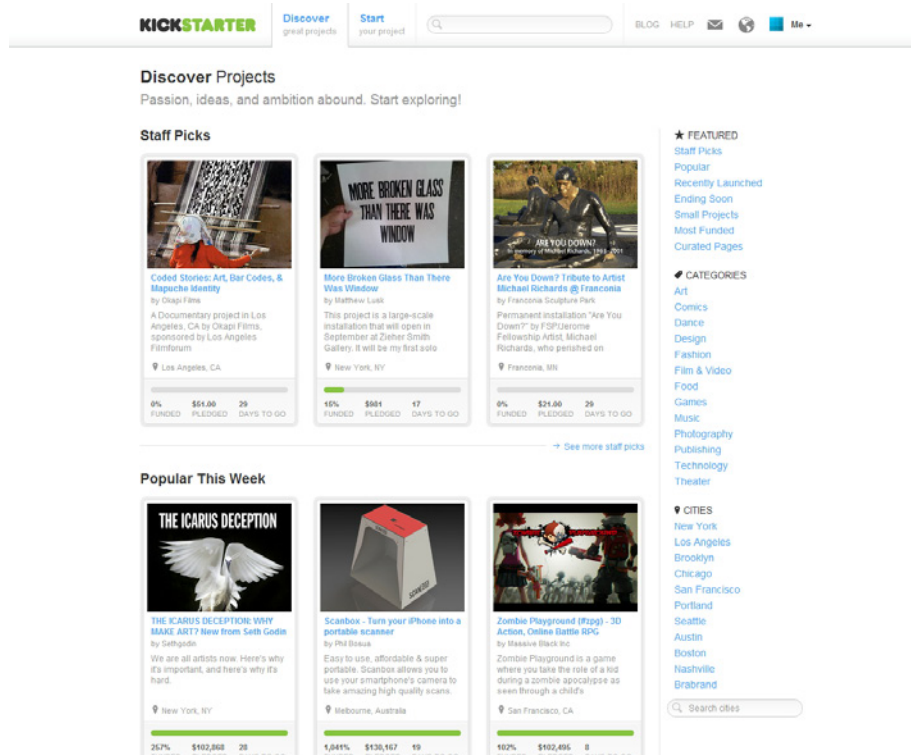
Competence database:

A central part of this project is facilitating the meeting of people, who would otherwise be oblivious to each other. This can be game developers, who could benefit from meeting and working with other game developers, but it may also be people and institutions outside the game industry, who would benefit from collaborating with game developers.

This challenge is not easily overcome, but as part of the solution we are developing a “competence database”. We think about this as a dynamic place revolving around project proposals. Developers can propose a project and describe their need, e.g. collaboration with other developers or a client, and people or institutions outside the game industry can do the same.

One of our sources of inspiration is the American site for crowdfunding “Kickstarter.com”, which can be described as a projectbased “bazar”.

Projects are presented by project owners, in order to secure funding from visitors. While our database is not about crowdfunding, it is about presenting projects in such a way, that relevant target audiences feel compelled to collaborate on bringing the project to life.



Viborg Animations Festival



kommer snart



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WHATS UP

- 18. juni 2012
- Besøg fra Indien

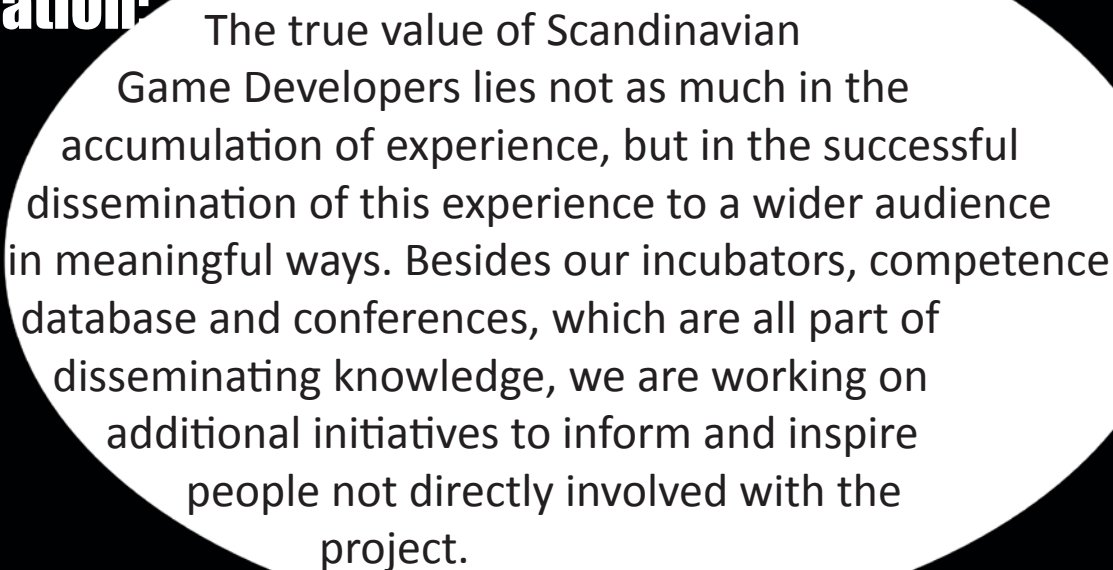
Conferences:

Throughout the project, we continuously consider the possibilities of bringing together relevant target audiences for conferences and similar events. We strive to make these conferences more than merely people listening to other people talking, while this may absolutely be of great value. Interactivity is key, as we appreciate the importance of engaging and involving participants, also facilitating that different groups actually learn about each others perspectives. Instead of merely bringing people together and hoping for positive results, we bring people together with a purpose: pitch ideas and start working on developing a prototype together during the conference.


In 2012, we focus on the Animation Festival (<http://www.animationsfestival.dk/>) in Viborg, where a special “Learning Games Fair” is also being planned. There will be regular conference tracks with a broad array of speakers, but we also focus on allowing both game developers and potential clients or partners to pitch ideas for games, and start collaborating on prototyping those ideas right away.

In addition, we are involved in exploring the possibility of arranging another edition of the Swedish Game Conference, yet this, at the time of writing, is not yet confirmed.

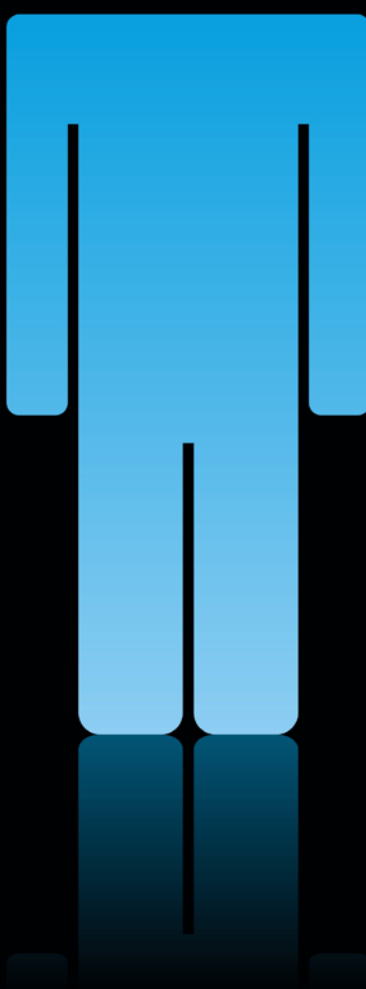
Knowledge dissemination:



The true value of Scandinavian Game Developers lies not as much in the accumulation of experience, but in the successful dissemination of this experience to a wider audience in meaningful ways. Besides our incubators, competence database and conferences, which are all part of disseminating knowledge, we are working on additional initiatives to inform and inspire people not directly involved with the project.



We are building our web presence around www.scangame.eu, where we aim to announce our activities, present our publications and showcase interesting stories about game developers and games.



We are currently preparing a series of newsletters, in which we describe our current activities, as well as the ones we are working on. We also plan to more actively engage stakeholders in conversations on our blog and across social media such as Twitter and Facebook.

Another way to spread information is by participating in the most important conferences and events, primarily in the KASK-region, but also outside this area when it adds considerable value to the project.

As we have no Norwegian partners internal to the project, we are very keen to engage in close collaboration with relevant industry players in Norway. We are in ongoing dialogue with several people and institutions, such as JoinGame, and we are participating in industry workshops in Norway (e.g. <http://workshop.joingame.org/>)

About



Scandinavian Game Developers

The overall aim of the project is to ensure that entrepreneurs in the Scandinavian game industry can establish viable companies and survive in a highly competitive business environment by developing and testing business models, incubators with business coaches, a Scandinavian competences database, and a Scandinavian network. As it is now, it can be rather difficult for new game companies to figure out which business model to appropriate. Therefore the project will develop and test business models for entertainment games and serious games. Besides, the project will test incubators for young entrepreneurs, and already in the project period make sure that at least 15 companies are established. After the termination of the project, the test results will be implemented in incubators that will be run by two of the partners, and open to all potential game developers in Scandinavia. To help the entrepreneurs compose cross-

Scandinavian production teams, the project will create a database with Scandinavian competences within the gaming industry. When the project ends there will be at least 50 companies in the database, and 2 years later 100 companies. It will be open to all entrepreneurs in Scandinavia.

Networking in the gaming industry is crucial. Therefore, the project has established contact to important stakeholders in the industry in Norway, Sweden and Denmark, and at the end of the project, there will be one strong cross-Scandinavian network in which all relevant stakeholders are represented. By working systematically with the network, the project will make sure that the Scandinavian countries will be among the front runners of the industry and, as such be able to attract investors from all over the world, and at the same time develop into a global reference centre for new ideas, innovation and development within the entertainment and serious games industry.

Supported by:



An innovative Scandinavian 3 year project submitted February 2011

Project promoter: VidenDjurs DK

Project partners: VidenDjurs DK, The Animation Workshop DK, Aarhus Social and Healthcare College DK, Höskolan i Skövde SE

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