Tales from the Trenches
Startup advice from a vet

Matt Small
Creative Director
Vector Unit
Jan 08: Vector Unit founded

Jan-Jul 08: Barracuda prototype/pitch development

Jul-Sep 08: Pitching

Oct 08: Microsoft greenlight

Mar 09: Microsoft agreement signed

Apr 09: HTH development begins

July 10: HTH ships

Oct 10: DLC ships

Feb 11: Riptide GP
Hard-earned lessons

- Getting started
- Pitching to publishers
- Signing a deal
- Development gotchas
- All that other stuff
Experience bonus

- You know how to make a game
- Network
  - Production resources, contractors, outsourcing
  - Publisher contacts
  - Sage advisors
Taking the plunge

What you need:

- Team
- Company (legal entity)
- A game idea (or two)
- A pitch and a plan
- A playable prototype

Can you do this while you’re still collecting a paycheck?
Don’t cross the wires

- Develop on your own time
- Use your own equipment
- No “borrowing”
- Leave on good terms
The perfect team

- Few co-founders
- Minimal employees
- Plan on contracting
- Focus on development
- Generalists rule
Form your company

- Wait - why?
- Options - LLC, S/C Corp
- Lawyers? We don’t need no stinkin’ lawyers!
- Business plan
Building your presentation
Why prototype?

- Ideas are common
- Execution is rare
- Iron out the kinks
- Sweet sweet metrics
- Negotiation leverage
A cautionary note about preciousness
The pitch

- High level (details in your pocket)
- Striking visuals
- Competitive landscape
- Customize per publisher
- Be a complete package
How it works on paper

Pitch → Internal Championship → Green Light → Terms → Draft Agreement → Signed Agreement

Fact Finding → Due Dilligence → Negotiation → More Negotiation → Kick-off Payment
Approaching publishers

- Contacts
- Agents
- NDAs and MNDAs
What to expect

- Technical difficulties
- Interruptions
- Creative input
- Take notes!
- Ask questions!

Dragon's Den, BBC UK
Common questions

- Multiplayer/co-op
- Current trends
- Team and hiring strategy
- Schedule and budget
- Man month rate
Schedule and budget

- Standard man-month rates
- What it really costs
- Explaining your costs
- You have to believe in your plan
- Profit margins
Surviving pitch limbo

- Plan for delays
- Follow up
- Keep records
- Keep working!

Image by techoveride. DeviantArt
Negotiating

- The boilerplate deal
- Everything is negotiable
- Know your goals
- Be realistic
- (And now maybe we do need those stinkin’ lawyers...)
Letting go of IP

- Hard to hold IP in first game
- Recognize its value
- Not just either/or:
  - First refusal
  - Sequels and ports
  - Ancillary rights
Other stuff to think about

- Other stuff you can own:
  - Engine/tools
  - Pre-existing assets
  - Generic content
- Exclusivity and non-competes
- Payment terms
- Hidden costs
Cha-Ching!  Oh, Crap
Big D to small d: What works

- Scheduling
- Milestones
- Efficiency
- Agility

Wile E. Coyote, Warner Bros.
Big D to small d:
Challenges

- Resource volatility
- Process
- Cash flow
- Life vs. Work
Managing your publisher

- Treat them like a client
- Do as you say
- Make your producer’s job easy
Lift-off!

- Publisher support (or lack thereof)
- Hiring a PR agency
- Community management
- Promote yourself
Keeping it going

- Set aside time for the next thing
- Develop your network
- Talk with other indies