State of the Industry Address

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What I've Done

- The Incredibles
- The Incredibles: Rise of the Underminer
- Spongebob Squarepants: The Movie: The Game
- Ratchet and Clank: Size Matters
- Super secret next gen stuff
Disclaimer

⚠️ Everything I say is my opinion
⚠️ I could be wrong
What Drives the Industry

- Desire to rot people's brains?
  - No
- Desire to transform people into anti-social obsessed gamers?
  - No
- Desire to create an army of GTA style murderers?
  - No
- Desire to entertain and spread fun?
  - Still no
  - Then what?
Then What Is it?

What else could it be?

Money makes the world go round

It also drives the game industry

Industry - any general business activity; commercial enterprise (from: www.dictionary.com)
Without Money, Games Can’t be Developed

Games may seem like a “hot” and successful industry

For every success story, there are many more failures

- Gizmondo
- Infinium Labs/Phantom Entertainment
- Majesco
You're a Jaded Corporate Stooge!

I hope not

Just like in any industry, great things can be created

- You have to work within confines
- Terry Gilliam – Lost in La Mancha

Psychonauts is an amazing game, and it was made within the constraints of the industry

- It took almost 4 years and was blamed for destroying its publisher, but it was made
Business of Next Gen

Game costs are increasing exponentially

http://arstechnica.com/articles/paedia/hardware/crossplatform.ars/2
Business of Next Gen

- Next gen budgets start at $10 million and may go up to $50-100 million for some blockbusters by the end of this generation.
- Team sizes are rapidly increasing.
- Publishers are taking less risk because the financial investment is larger.
  - Game market isn't increasing in line with the budgets.
This is Good for You

- Because team sizes are increasing, game companies are desperate for people.
- Easier to get hired out of college.
  - A lot more junior positions are available because experienced people are so hard to find.
- Warning: Bad if you wait.
  - Although game costs are increasing exponentially, the market isn't.
  - Game companies will have to go out of business or downsize.
Effects of Increase Production Cost

- Tools are much more important
  - If you have 20 artists, 10 wasted minutes a day is a wasted man week of work a year
  - If you have 100 artists, that's over a wasted month of work
- The major bottleneck for next gen development is not technology – it's art
  - Worlds are getting larger, art is much more detailed
  - Normal maps, parallax maps, high res textures, lighting, reflection maps
Tool Development

- C# is becoming increasingly popular
  - It allows rapid creation of fully functional UIs
  - Easy to develop for
- Maya/Max API
  - Plugins
  - Scripts
Indie Development

- Indie PC development has been around since the beginning
  - PC market is pretty saturated, and declining

- Xbox Live Arcade
  - Playstation 3 and Wii will have something similar
  - Opens up a new audience to indie games
  - Cost of development low
  - Innovation and experimentation less risky
  - Rereleases are a reliable source of revenue
Penny Arcade on Rereleases

- Nintendo re-releases a lot of their “classics”
- Make a lot of money off of it
- Penny Arcade dated 9/15
Xbox Content Creator's Club

Good way to get console game development experience

- Some console developers have a stigma against PC developers

Good way to get C# experience

Potentially good way to get a game published

- Going to be very difficult because the platforms are very controlled, and professionals are competing in this space also
Games Industry != Hollywood

- Indie games are not the same as indie movies
- War of the Worlds had an estimated cost of $132 million
  - Ticket price about $10
  - Grossed $234 million in the USA (approx 1.8 times cost)
- Blair Witch Project had an estimated cost of $35,000
  - Ticket price about $10
  - Grossed $140.5 million in the USA (approx 4,000 times cost)
  - Worldwide gross is probably significantly higher along with DVD sales
Geometry Wars

241,312 users (www.mygamercard.net)
• $2.4 million in sales

Let’s pretend
• Geometry Wars makes $5 million in sales total
• Geometry Wars cost $100,000 to develop
• 50 times profit

Still a success, but not as promising to amortize the losses of all the other unsuccessful games
Katamari Damacy

- Probably didn't have a big budget
- Sold over 350,000 in the US
Let’s Assume...

- Assume sold 350k in Japan too
- $700,000 * $10 profit on each = $7 million
- Assume development costs $2 million
- Assume advertising $1 million
- Profit $4 million

That's great but not enough to make up losses on a bunch of other games
What Does This Mean?

- Experimental, innovative, quirky titles can be a success
- They are more of a risk than indie films because the investments are larger and the return is smaller
Pyschonauts
Psychonauts

- Terrific game (in my opinion)
- Sold about 100,000 copies in the US
- 4 years in development
- Publishers (Microsoft and Majesco) both probably lost quite a bit of money on it
- Risky games like Katamari Damacy don't make enough profit to make up for other risky failures
- At least isn't perceived that way by shareholders
Wii!

Wii doesn't suffer from the same problems as next gen because it's current gen hardware

<table>
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<tr>
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<th>Gamecube</th>
<th>Wii</th>
<th>Xbox</th>
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<td>Dolby Digital 5.1</td>
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Wii Game Budgets

- Same or less than current gen games
  - Wii Sports looks simpler graphically than current gen games
- Because of cost and buzz, a bunch of the developers are jumping on it
  - Publishers may flood the market with low quality unoriginal titles and ruin the buzz
Someone Else’s Take on Wii

- Blazing Angels: Squadrons of WWII
- Call of Duty 3
- Elebits
- Excite Truck
- Far Cry: Vengeance
- GT Pro Series
- The Legend of Zelda: Twilight Princess
- Madden NFL 07
- Marvel: Ultimate Alliance
- Monster 4x4 World Circuit
- Need for Speed: Carbon
- Open Season
- Rayman Raving Rabbids
- Rapala Tournament Fishing
- Red Steel
- Super Monkey Ball: Banana Blitz
- Splinter Cell: Double Agent
- Tony Hawk’s Downhill Jam
- Trauma Center: Second Opinion
- Wii Sports
- World Series of Poker

The Launch Line-up

Man, they should get the Department of Homeland Security to take a look at these ports.

That was really clever, actually.

Thanks!

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Penny Arcade dated 9/15
Wii Gimmicks

- Super Mario Galaxy
  - Move the cursor around the screen to collect stars
  - Shake the controller to punch
Wii Gimmicks

Red Steel

- Pull the nunchuck up to open a door
- Hold your Wii-mote sideways the gun matches
Wii Gimmicks

- WarioWare: Smooth Moves
  - Simple gestures are the minigames

![Squat minigame](image)
Wii Gimmicks

- Are these gameplay improvements?
  - Probably not...

- Does that mean there can’t be innovation?
  - Of course not
Will Wii Expand the Game Audience

- Publishers are always trying to expand the audience to get more money
- Nintendo is letting Sony and Microsoft fight over better graphics
- Trying to appeal to non-gamers
  - Women
  - 30+
- DS has expanded the audience in Japan
- Not nearly as much in the US
Managing Next Gen Budgets

- Two big movements
  - Sharing technology
  - Middleware
  - Company specific engine

- Outsourcing
  - Locations with a cheaper cost of living
    - China
    - India
    - Boat off shore?
Middleware

- **Graphics**: Unreal 3, Gamebryo, Renderware
  - No one wants to use Renderware anymore
- **Physics**: Havok, NovodeX
- **Sound**: Miles, FMOD, ADX
- **Video**: BINK, Softdec
- **Network**: Gamespy, Demonware
- **UI**: Gameface, Flash
- **AI**: Path Engine, SimBionic
Using Other Tech != Making a Mod

 Middleware/shared technology gets you a certain set of features

 Many features (including ones at the engine level) need to be implemented

 Graphics middleware can give you a small or large set of features

 May or may not be the features you want
Rare’s Xbox 360 Games

Perfect Dark Zero
Rare’s Xbox 360 Games

Kameo
Rare’s Xbox 360 Games

Viva Piñata
Same Tech, Different Games

- Rare is probably using the same or a similar engine
  - Hardly mods
- Prey
  - More than a mod for Doom 3
EA's Shared Tech Case Study

- EAGL – EA's Graphics Library
- Renderware 3.5/4.0
- Unreal 3

Making tech general enough is difficult
- Getting people to agree on it is even harder
Electronic Distribution

Pros

- More money for developer/publisher (cutting retailers out of the picture)
- You get the “current” version of the game

Cons

- Half Life 2's boxed version
- Only hardcore people will download if it’s in retail
- No collectors
- Sales model not perfected
Industry Constantly Evolving

- Next year, this will be out of date
- Games are a relatively new medium
  - Film has been around for over 100 years
  - Over the history of film, the development model has changed
- We haven’t settled on a development model
You CAN Make a Difference

- It's a tough business
- That doesn't mean that you can't make a great game and change the industry for the better
Future Development Models

- **Wideload Games**
  - Small core team
  - Extensive use of outsourcing
  - People are added and removed as needed

- **Core tech**
  - Plug and play
  - EA used Need for Speed’s vehicle code for James Bond: Agent Under Fire
Questions?