



Making Games A Business

“I spent most of the 90s trying to catch up with Tim Chaney” – David
Gardner, EVP of Electronic Arts

Joined Commodore in 1982. Launched Vic 20, C64, Amiga.

Headhunted by games publisher start up, U.S. Gold in 1985.

By 1989, U.S. Gold was the largest games publisher in Europe. It was the first games company to go public on the LSE in 1992. (Out Run, Gauntlet, Leaderboard, Street Fighter, Summer Games, Winter Games...)

Headhunted by Virgin in 1991. Built Virgin Games/Virgin Interactive from a \$1M company to \$200M in 3 years. Company sold to Blockbuster for \$250M. (Resident Evil, Command & Conquer, Cannon Fodder, Lion King, Aladdin, Bladerunner....)

Viacom bought Blockbuster for \$6B. Viacom sold off Virgin games assets (Command & Conquer++) in 1998 and I did an MBO in 1999 with Viacom paying me (the company) \$15M to take it over with liability cover.

Merged with Interplay the same year and sold the Virgin share to Titus Interactive for \$24M in 2000.

I bought the Virgin Spanish subsidiary from Titus in 2002, renamed Virgin Play. Raised over €5M to secure rights and move into publishing (Real Madrid, Pocoyo...). Decimated by the 2008 financial crisis with €4M of unsecured debt recalled by banks.

Started Zattikka in London in 2009. Raised \$1.25M, then \$5.5M. Went public in the LSE Aim market in 2012 raising £20M with a 4-studio buy and build. 2 studios underperformed and Zattikka could not honour purchase debt repayments. Delisted in August 2014.

NOW....

A World of Contacts and Connections

Currently representing 14 games studios for funding

Currently representing 3 digital distribution platforms for onboarding IP

Representing a top art studio in Vietnam

Partner with a US agent for suitable games

400 Video Game (PC and Console) publishers – first and second tier Executives, Development Directors and Business Development Directors

180 Mobile game publishers and distributor. 60 in China.

3500 Video Game and Mobile first or second tier connections on LinkedIn

Access to 330,000 video game professionals on LinkedIn Group



The Golden Age of Video Games

Began in 1975 with the release of the home version of Pong (cinema 1895, home music 1904)

The first FPS, DOOM released over LAN (no internet-remember that?) in 1992

No women played games until the DS and Wii—apart from a spike with Gameboy in the 90's but for Tetris only. (thanks Nintendo!) now 48% of the industry. All additional \$. 97% mobile. Match 3 and Family/Farm Sims dominate.

No Chinese game market until 2007. All additional \$. Now Chinese has more gamers than the entire population of the US. Foreign games account for 60% of the market. On/off due to censorship issues.

No digital download until 2003 (Steam launches). Now 92% of the entire market comes from digital downloads

No smartphone until 2007 (i.e. no money in it). No social media until 2008 (i.e. marketing cost money)

Only boxed (physical) games until 2009 all controlled by publishers

No streaming until 2010 (Onlive - Defunct by 2012)

Your Market

In 2019, the global games market will generate revenues of **\$152.1** billion, a **+9.6%** year on-year increase.

For the first time since 2015, the U.S. will be the largest gaming market by revenues globally with **\$36.9** billion this year due to Chinese censorship issues.

Mobile gaming was the largest segment in 2018 **-51%** of total revenues. Note: 108,000 publishers of which 1% make 95% of the income. Average is €18.100 a game.

Combined, smartphone and tablet gaming generated **\$70.3** billion.. The segment also has the most players with **2.2 billion**, the majority of whom are gaming on smartphones.

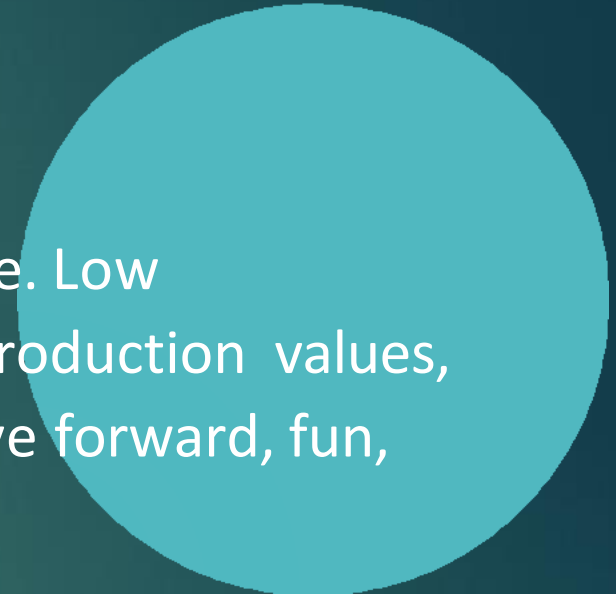
Online PC games is expected to take up **47%** of the global PC and console gaming revenues in 2019.

27.5% of video games sold in United States in 2017 were shooter games.

The average age (US) of video game purchaser is **36**. Most frequent purchaser is 61% male, 39% female.

Direct employees (US) 65,000. Average salary **\$97,000**

70% of gamers are age 18 or older. The mean average is **34 years old**.



The ideal: a nearly finished game or large playable game slice. Low development risk, high production values/promising high production values, created by an experienced team, a technical and cg art move forward, fun, addictive & they want to make **A LOT** of money from it.

What about the team?

Team Experience – ideas won't carry an idea, the Founders do

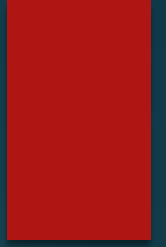
Hungry to learn

New team with contributors with successful releases - Executive Producers

Genre/theme

Location. Iran? North Korea?

Distributed or located studio



And the game?

How complete is the game? Prototype, Alpha, Beta, gameplay demo,
Engine(Unreal, Unity, IP)

Art and UI

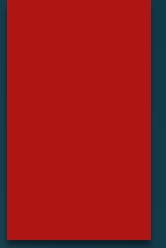
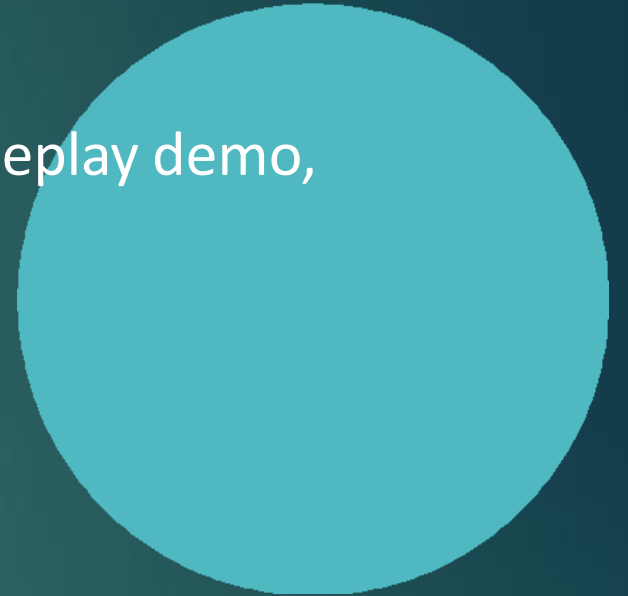
Audio

Platforms

Uses licensed material?

Familiar game subject

Fun



Dealing with the 'Evil Empire' – Publishers

Straightforward, lucid submission

Credibility Listen

Good timing – a realistic timeline to Beta

Make it easy for the publisher

Talk to the right person/people

Pre plan, preparation, approach, presentation, follow up, close

Various (but primarily 2) transaction types – project funding and equity
(convertible loan)

It's a full-time job!



Rejection sucks!

Most rejections are out of hand

Was the game ready?

Feedback

What did you do with it?

Are your target publishers a misfire?

Have you been flexible?

Locate the problem: Audience - Idea - Pitch - Execution -
Team

But (takes a deep breath) maybe your game is not going to make the cut. No matter what.



Publishers – Pros and Cons

Cons

Inflexible

Loss (or dilution) of creative control to one degree or another
IP (Company?) at risk if the game is delayed or fails (deemed as a studio default)

Slow financial reporting

Deductions (read the contract!)

Obligations and warranties (read the contract)

Persistence (demands!) in final game polish

They will fail it fast

Pros

Their brand power. Customer loyalty.

Access to a ready-made community, maybe in the millions

Marketing expenditure and expertise

Running in the slipstream of powers IPs

Assistance in final game polish and marketing

A salesforce in deployment

They can make your game a **HIT!**



You are part of the Golden Age
Enjoy it!

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