Ten surefire ways to screw up your Studio

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devcom

developer conference

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About myself

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>28 years in the Game Industry

Freelance Producer

Background in Producing, Project Management, Game Design, Writing

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Reference Clients

The road to hell...

1. No company strategy
2. Not planning ahead
3. Thinking you're smart
4. Scaling too fast
5. "Doing Agile"
6. Flat Hierarchy
7. Too many meetings
8. Expect employees to be "entrepreneurial"
9. Crunching
10. Ignoring reality

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#01.
No company strategy

1. No company strategy
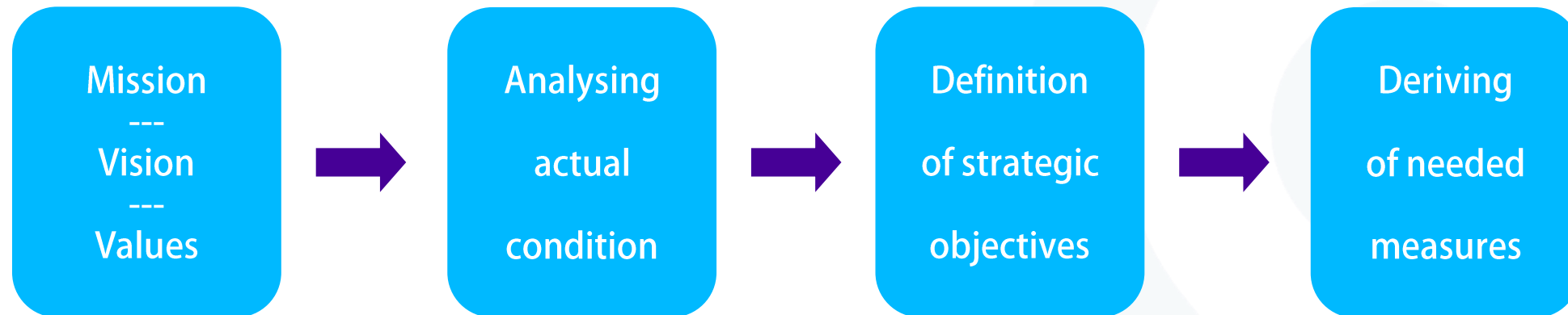
Questions you should ask from early on

- What are your goals for the studio?

- How big do you want to become (size/employees)

- What is your overall motivation – why do you want to do this?

- What kind of games do you want to create?

- Do you want to create your own IP's? Do you see yourself more as a for work-for-hire studio? Indie vs. AAA?

- Do you have an Exit-Strategy?

- Publisher negotiations -> only with clear studio strategy

1. No company strategy

Always ask yourself:

- ...where do I want to be with my studio in 1 year?

- ...where do I want to be with my studio in 2 years?

- ...where do I want to be with my studio in 5 years?

- ...and act accordingly

1. No company strategy

| Mission --- Vision --- Values | → | Analysing actual condition | → | Definition of strategic objectives | → | Deriving of needed measures |

Be aware!

- Your strategy may change over time

- You need a lot of iterations

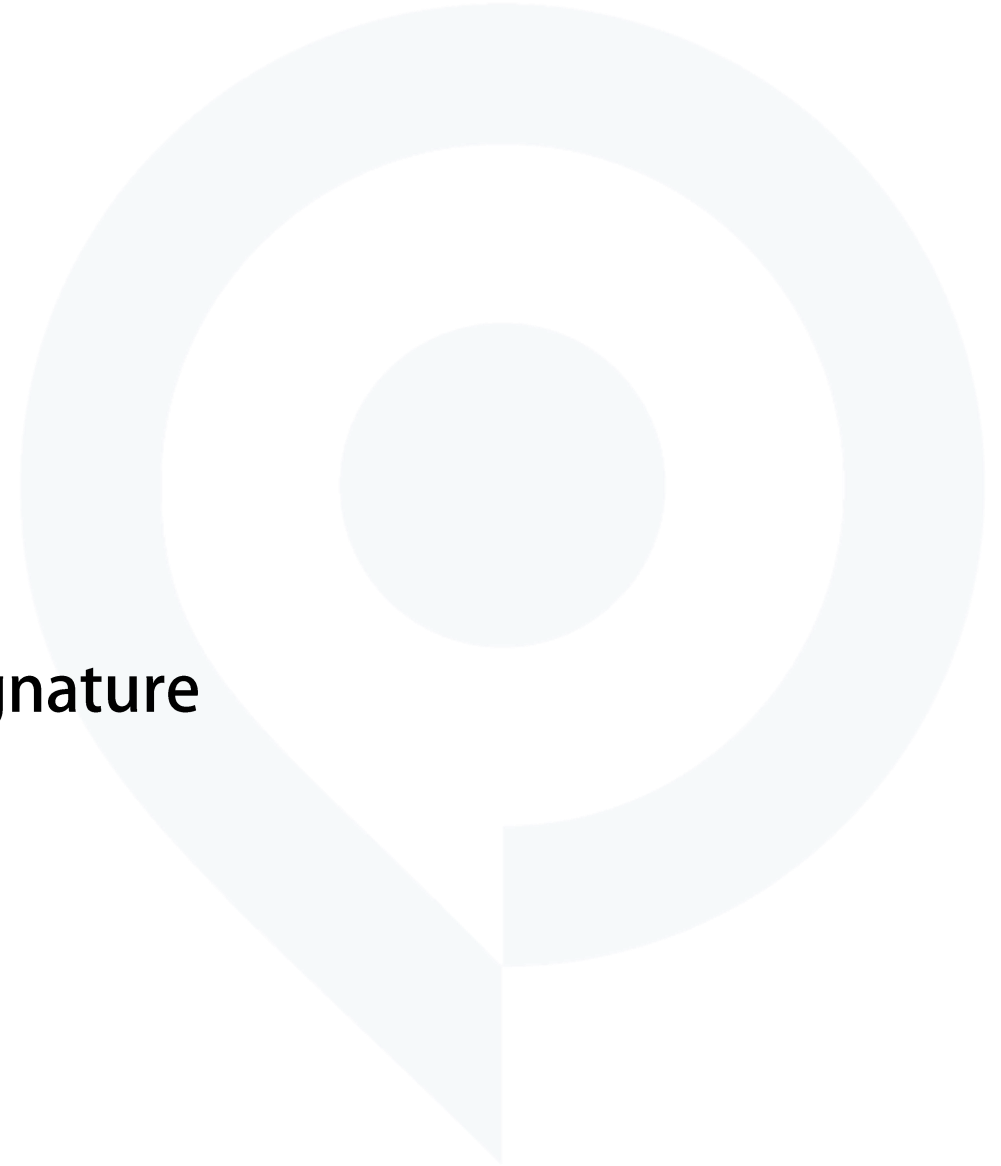- Look at it at least every year

- Plan, execute, measure, adjust

#02.
Not planning ahead

2. Not planning ahead

You are never "safe"

- Never rely on single project / one deal

- Always think worst case: what's your Plan B?

- **<u>Always</u>** pitch!

- A deal can easily take ~6 – 9 months until signature

- Your network is your next project

- It's a people business!

Getting the best deal possible

- Why are you signing the deal?

- Emergency solution or best deal possible?

- Who owns the IP?

- Is there a profit margin in for you?

- Is it a revenue share or profit share?

- What are the recoupment agreements?

- Again: hard without a proper company strategy

Never, ever, ever...

...sign a contract without having your lawyer involved. Like – NEVER!
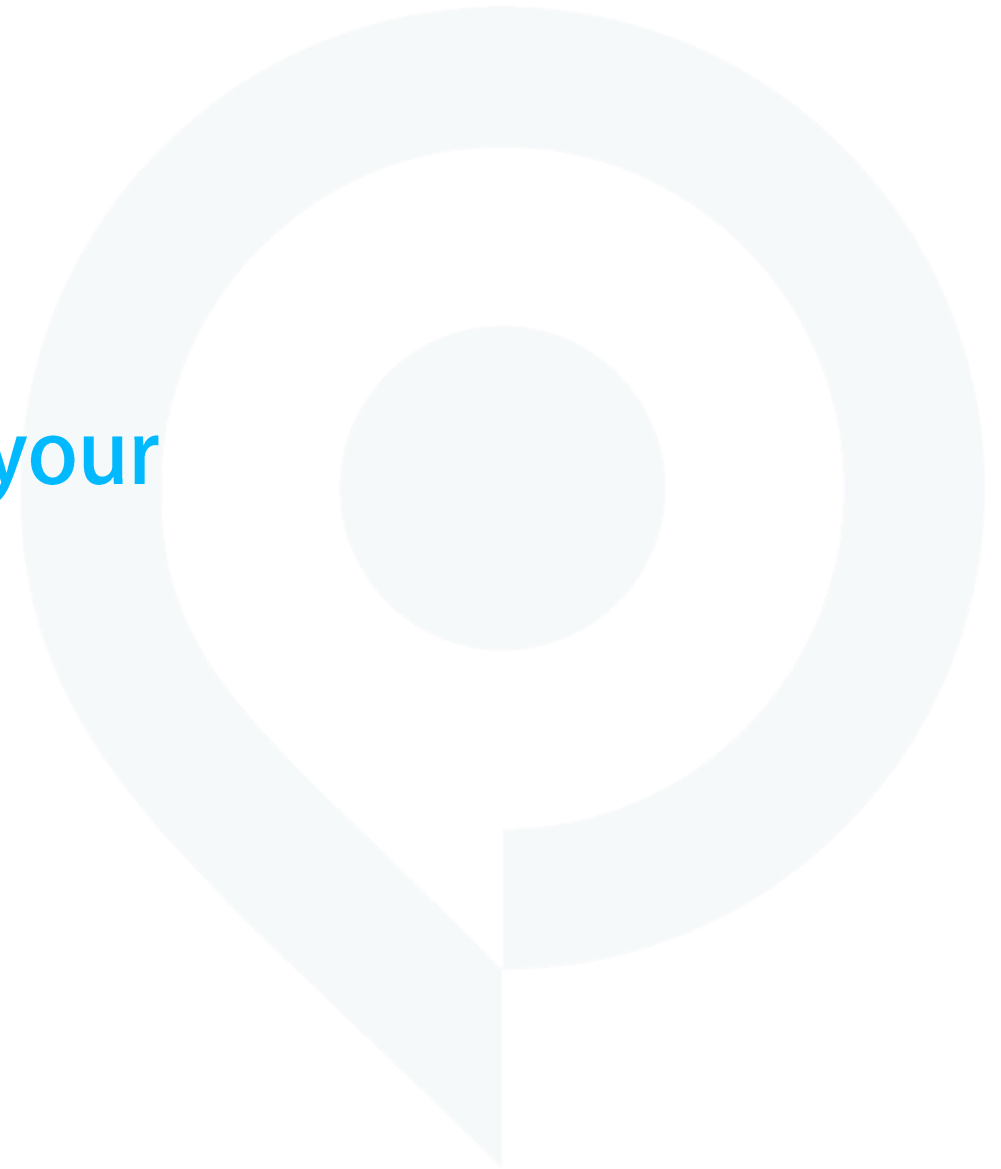
#03.
Thinking you're smart

How history repeats itself...

- *Company* has a surprise hit with its first game

- *Company* is raking in big dough

- *Company* suddenly thinks they found THE magic formula

- *Company* produces series of follow-up games, all based on same principles...

- *Company* fails miserably

- *Company* sees its first hit game slowly declining

- *Company* sells for low price/or gets out of business

This is an everchanging industry…

- Decay of knowledge in the game industry -> faster than anywhere else

- Yesterday's learnings mean nothing tomorrow

- In half a year your knowledge is old, in one year it's outdated (business models, technology, people's interest etc.)

- If you look at the market today and decide what to release in 2 years -> you will miss any trend that there maybe was

The half-life of knowledge

- "Everything we know has an expiration date" (Samuel Arbesman)

- Modern estimates: half-life of an engineering degree = 2.5 years, (used to be 10 years in the 60ies)

- The faster the pace of knowledge change, the more valuable the skill of learning becomes

- The half-life of business models are declining. They just don't last as long as they used to

- There's no more "brand loyalty" (like our parents had for example with their cars, furniture etc.)

3. Thinking your smart

Examples...

- "The RPG genre is dead" (Publishers 1998) -> *Then: Baldur's Gate*
- "Shooters don't work on console!" (Publishers 2002) -> *Then: Halo*
- MMO is a small niche market!" (Publishers 2004) -> *Then: WoW*
- "The PC is dead!" (Publisher Wisdom 2006) -> *Then: ...a lot* ☺
- "You can't make money with F2P!" (Publishers 2008) -> *Then: ...a lot* ☺
- "Mobile is niche – Facebook is future!" (Publishers 2009) -> *Then: iPhone*
- "Sandbox games don't do well!" (Publishers 2011) -> *Then: Minecraft*
- "Lootboxes are the future" (Publishers 2017) -> *Currently: "Let's get away from lootboxes as fast as we can"*

#04.
Scaling too fast

4. Scaling too fast

Typical thinking errors

- "We are successful –> now we need to grow to earn even more!"

- "We found the 'magic' formula!" (see slides before)

- "Our investors/shareholders want us to grow!"

- "We want to sell the company and therefore need to dress the bride!"

Major risks

- Your structures won't grow with the same speed your staff size may do

- Your company culture will change dramatically

- Finding good people is hard – so there's the constant risk that you settle for less and hire "whatever is available"

- When expectations are not met, it's hard to scale down again (especially in Europe -> work laws)

4. Scaling too fast

Things to consider

- Again: have a strategy

- Make an annual roadmap – and measure against it

- Evaluate carefully: Outsourcing vs. Hiring

- Make sure you only grow as fast as your communication workflows and structures can handle it

- Remember: It's not about "getting bigger" – it's about "getting better"

4. Scaling too fast

»[...] That company then becomes financially very successful, and investors come onboard, and there are growth targets you need to hit. What happens is you end up growing really, really quickly with employees, and you start to build these bigger and more expensive products and so on, and at some point the company grows to hundreds of people in size, and the products become more and more expensive. And then you don't want to take risks anymore .«   (Gamasutra)

Ilkka Paananen /CEO Supercell

#05.
"Doing agile"

Common misunderstandings

- 1st of all: there's no such thing as „doing agile"

- You might be working with agile development practices or methods

- But more importantly most teams that say „We are doing agile" mean „We do not plan at all"

- Ends in: no Pre-Production (as perceived as: „Waterfall"), instead full team goes straight into production – ending up turning in circles and without any plan

5. "Doing agile"

[*agile*]: Relating to or denoting a method of project management, used especially for software development, that is characterized by the division of tasks into short phases of work and frequent reassessment and adaption of plans [···]

Other pitfalls

- Keep in mind: SCRUM & other agile methods (Agile Manifesto) -> all based on RAD (Rapid Application Development)

- Still means: Project Management, Tasks, Plan -> see slide before

- Using agile principles does NOT mean: **not doing project management** at all!

- Yes, you can work with „agile principles" **AND** MS-Project, Hansoft, JIRA or other tools at the same time

Other pitfalls (Cont.)

- Quite hard: finding a publisher/investor when you are not willing to commit to deadlines

- Keep in mind: The Customer (Publisher) does not make the Design/ Specification doc (compared to traditional IT)

- Game = more than the sum of ist features (needs a vision)

- Who owns the game vision/who's the Product Owner?

- Scaling SRUM teams can easily become a nightmare (and results in even more meetings)

Preparation is half the battle

- Vision Statement is fundamental (don't start Backlog before Vision Doc)

- Don't start creating small feature implementation if you do not know the big picture

- Never start without a proper Pre-Production

- Vertical Slice: Final Proof of production quality and fun (particularly important when working with a Publisher)

#06.
Flat hierarchy

6. Flat Hierarchy

What it means

- Few (or no) levels of management

- More people involved in decision-making process

- Less supervision

- Is supposed to increase level of self-responsibility of employees
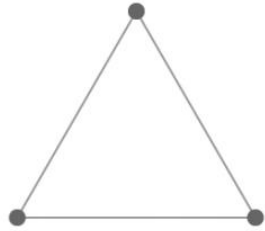
3 people, 3 lines

So, 6 people = 6 lines, right...?
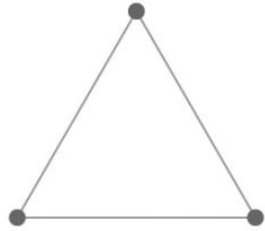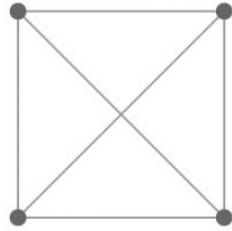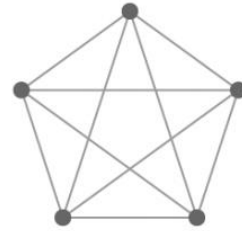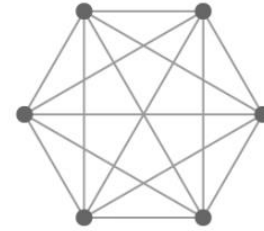
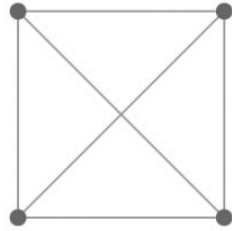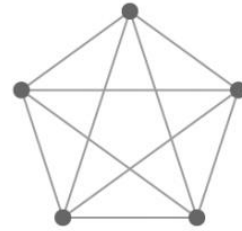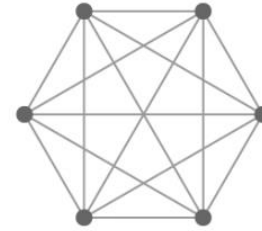3 people, 3 lines   4 people, 6 lines   5 people, 10 lines   6 people, 15 lines
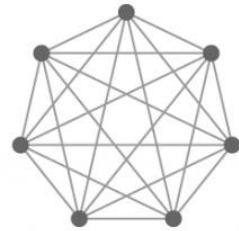
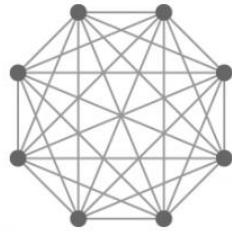Hm, wait...
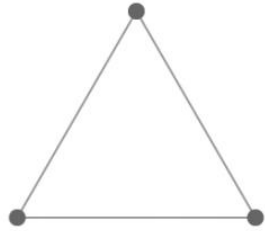
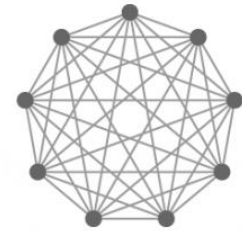3 people, 3 lines   4 people, 6 lines   5 people, 10 lines   6 people, 15 lines
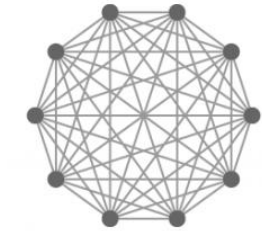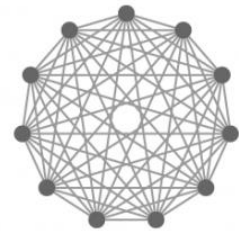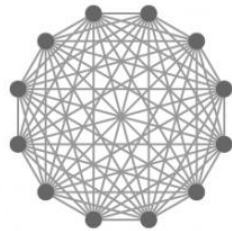
7 people, 21 lines   8 people, 28 lines   9 people, 36 lines   10 people, 45 lines
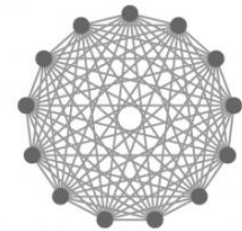
11 people, 55 lines   12 people, 66 lines   13 people, 78 lines   14 people, 91 lines
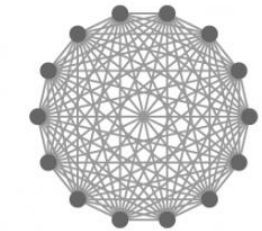
Are we having fun yet?

What it causes

- Tons of meetings

- Endless discussions but no decisions

- Design by committee

- Few remaining managers completely overstrained

- No mentoring, coaching or personal growth
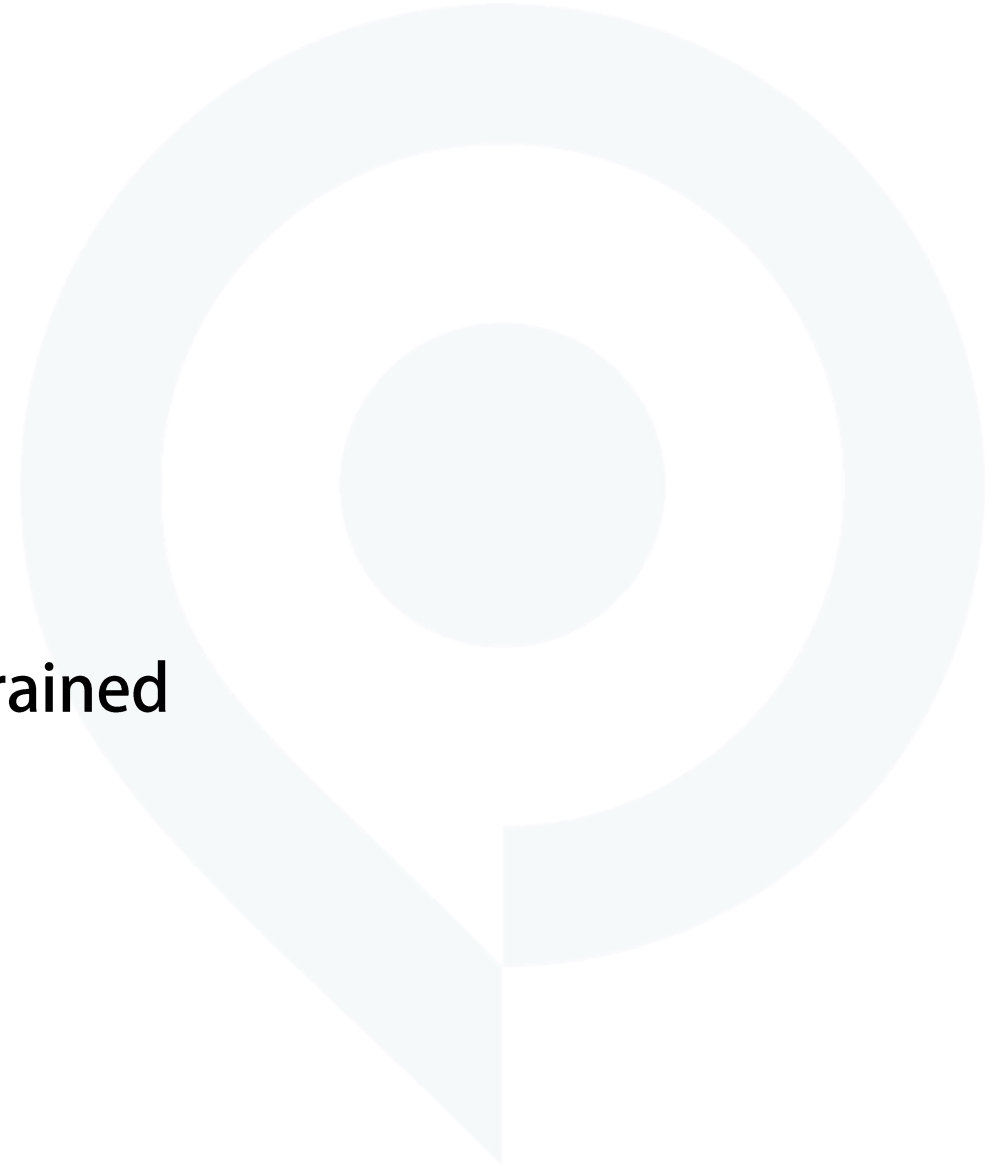
What it causes (Cont.)

- Employees feel less confident

- Risk of Crunch (peer pressure)

- No satisfying career progression paths

- Not attractive for experienced senior people

Holacracy: Companies that tried it...

- Google –> abandoned it

- Github -> abandoned it

- Buffer -> abandoned it

- Medium -> abandoned it ("Was getting in the way of the work")

- Treehouse -> abandoned it ("We were naive")

- Zappos -> lost 1/3 of employees when trying

Source: https://getlighthouse.com/blog/flat-organizational-structure-fails/

Dealing with Hierarchy

- Be reasonable: Of course, you do not need hierarchy for 3 people Indie-Dev Studio

- Scale roles & responsibilities with studio size – and plan ahead

- Always make sure that there's someone who's in charge and has the final say within each discipline (NO design by committee)

- Treat every single employee with respect, independent from role or position

#07.
Too many meetings

»Life is too short for meetings. I'm getting annoyed by people who complicate things only to look respectable and justify their salary!«

Karl Lagerfeld

We've seen it all before

- Too many meetings

- Meetings last one hour or longer

- Meetings have no agenda

- Too many people attend meetings who shouldn't be there

What it causes

- It kills motivation
- It kills productivity
- It kills innovation

Reasons for too many/too long meetings

- Wrong processes that require too much talking
  (-> e.g. "doing agile", see previous slides)

- People don't take meetings seriously (simply
  because there are too many participants)

- People wander off the topic

- No agenda

- No moderator

Reasons for too many/too long meetings (Cont.)

- After meeting nothing happens. People don't act to what has been discussed.

- Important data points during meetings are missing, so things get postponed even when critical

7. Too many meetings

How to avoid

- Keep meeting under an hour

- Track costs of your meetings (e.g. use computer-enabled helpers)

- No meeting without agenda nor without moderator

- Clear To-Do/Action Points at end of the meeting with responsibilities and tracking in next meeting

- Make sure, all relevant information are available in meeting room (computer with access to wiki/confluence etc.)

#08.
Expect employees to be "entrepreneurial"

8. Expect employees to be "entrepreneurial"

Be alarmed when CEO...

- ...tells employees to act as if they would be entrepreneurs

- ...offers shares/bonus (often by cutting down salary in exchange at the same time)

- ...expects employees to work long hours and do everything for "the benefit of the company"

- ...expects employees to put their own career plans behind the "greater good" of company growth
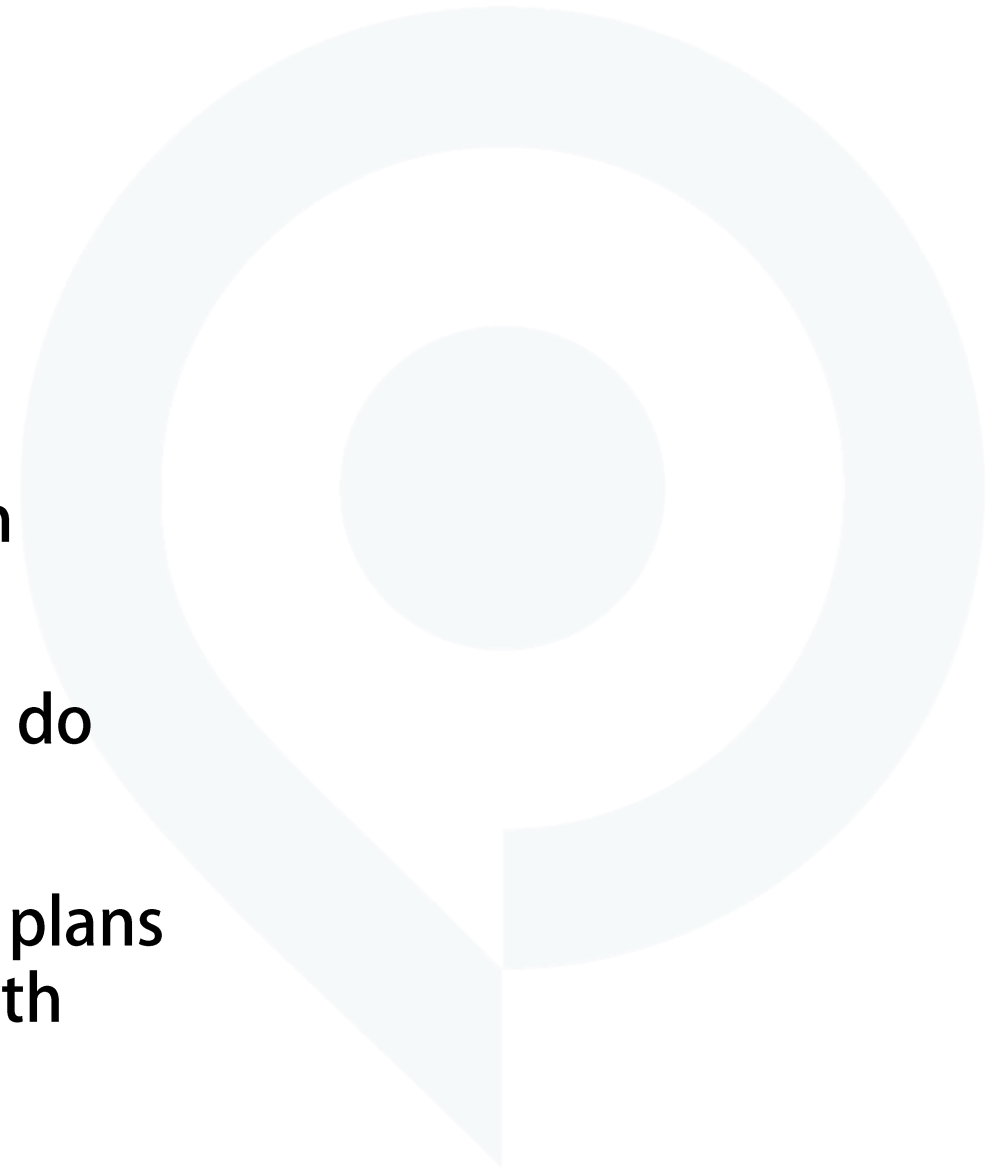
»I am a cheap bastard who wants to increase his upside at your cost!«

...is what it actually means

Remember...

- Most employees are "Careerist" rather than "Entrepreneurs", and usually they are by free choice

- This is diametral differently

    ➡ "How does this help grow my career?" vs.
    "How does this help grow my business?"

- Most of them have their very own, very good reasons (safety, work-life-balance etc.)

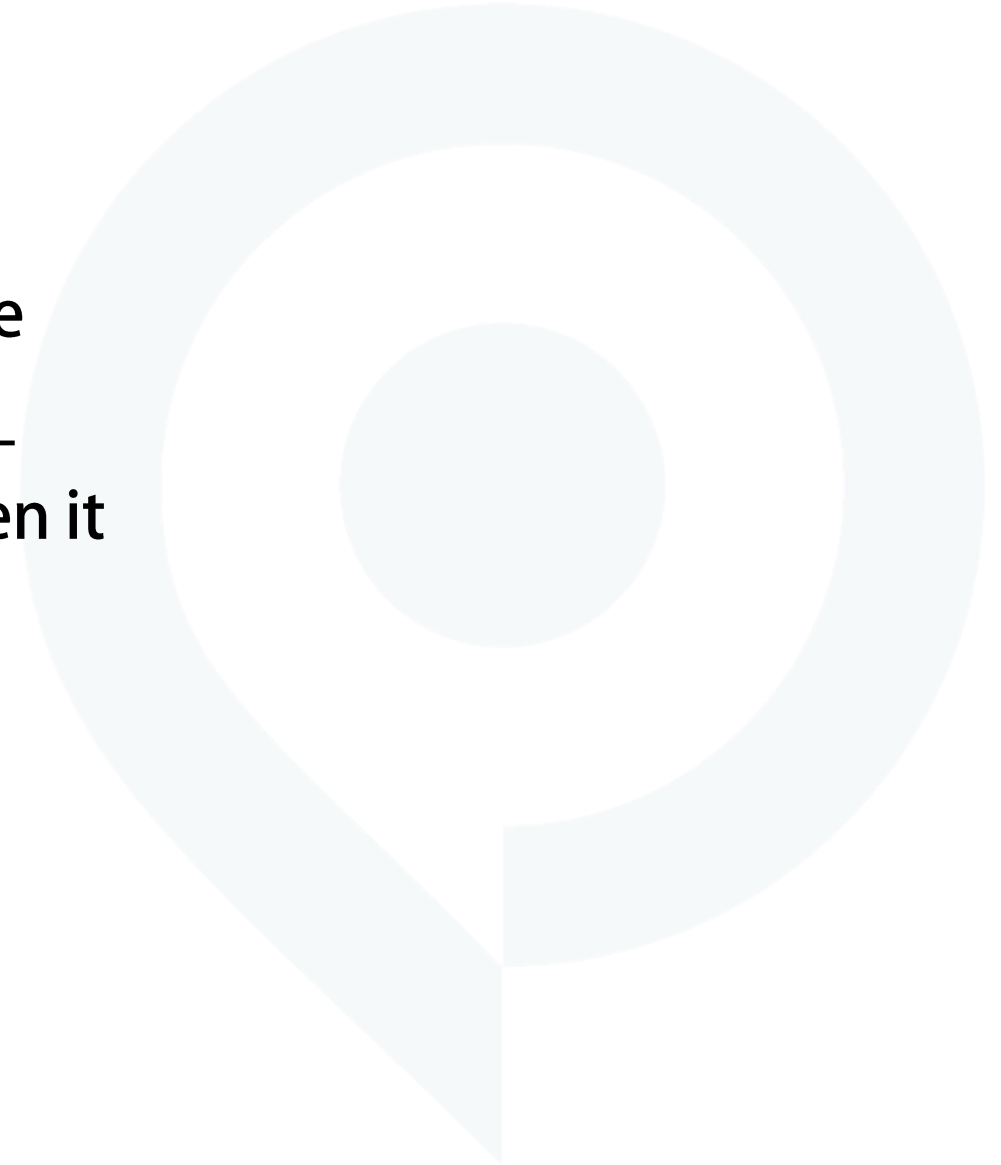# 8. Expect employees to be "entrepreneurial"

How to avoid

- Don't bullshit your team-members

- Don't confuse hierarchy with respect employees deserve

- "Hierarchy is a necessary evil of managing complexity, but it in no way has anything to do with respect that is owed an individual." (Mark Templeton, CEO Citrix)

- Treat employees fair, pay them well – avoid crunch at all cost

8. Expect employees to be "entrepreneurial"

How to avoid (Cont.)

- Make sure there's a healthy work-life-balance

- Shares, options etc. are a nice bonus on top – but nothing experienced people who've "seen it before" will start working their "a..." off for

- Focus on your leaders

8. Expect employees to be "entrepreneurial"

»The first 6 employees are the most important to get right. They are the seed crystal that will be replicated – good and bad.«

Facebook

Nolan Bushnell/Founder ATARI

#09.
Crunching

OPINION   NEWS   GAMING

Game development crunch can be changed by bringing abuses to light

Individual and collective action can force companies to mend their ways

GAMING

Former Naughty Dog Devs: Crunch Isn't Mandatory But Covertly Expected As Part of the Studio's Culture

By Aernout

Jul 26

18 SHARES   f SHARE   🐦 TWEET   📮 SUBMIT

7 💬

NAUGHTY DOG

Former devs speak out about 'severe crunch' at Mortal Kombat studio

By Wes Fenlon, Andy Chalk   April 26, 2019

80-100 hour weeks were common at NetherRealm for weeks or months at a time, while contractors struggled with low pay.

f 🐦 📮 ✉ 💬 COMMENTS

POPULAR   The Outer Worlds   Ninja   Modern Warfare   FF14: Shadowbringers
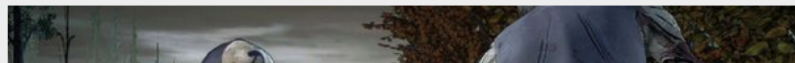
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Telltale co-founder says crunch was necessary to keep studio afloat

By Samuel Horti   April 14, 2019

Former employees report 80-hour work weeks—Kevin Bruner says studio was still a "nurturing place".

f 🐦 📮 ✉ | 💬 COMMENTS

Inside Rockstar Games' Culture Of Crunch

Jason Schreier
10/23/18 1:20pm · Filed to: ROCKSTAR GAMES ▾

406.4K   377   28
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Grueling, 100-hour work weeks and 'crunch culture' are pushing the video game industry to a breaking point. Here's what's going on.

BI   Ben Gilbert, Business Insider
🕐 9.05.2019, 16:13

f FACEBOOK   in LINKEDIN   🐦 TWITTER   ✉ EMAIL   🖨 PRINT

FORTNITE

An industry built on "Crunch"

- Crunch: Working more than 40 hours a week and/or week-ends for a period of weeks or even months

- As recently read in the news about var. games and companies (see slide before)

- Reasons: no proper pre-production, fixed release schedule, fixed resources, too much work in too little time

  ➡ Or, simply put: bad planning!

What it causes

- Kills motivation, productivity and creativity

- Leads to a higher defect rate/more bugs

- Leads to bad design decisions

- Causes physical and mental illness (literally burns out people)

- Destroys families + private lives of employees

- Seniors won't go there – you end up with juniors

- It's against work laws
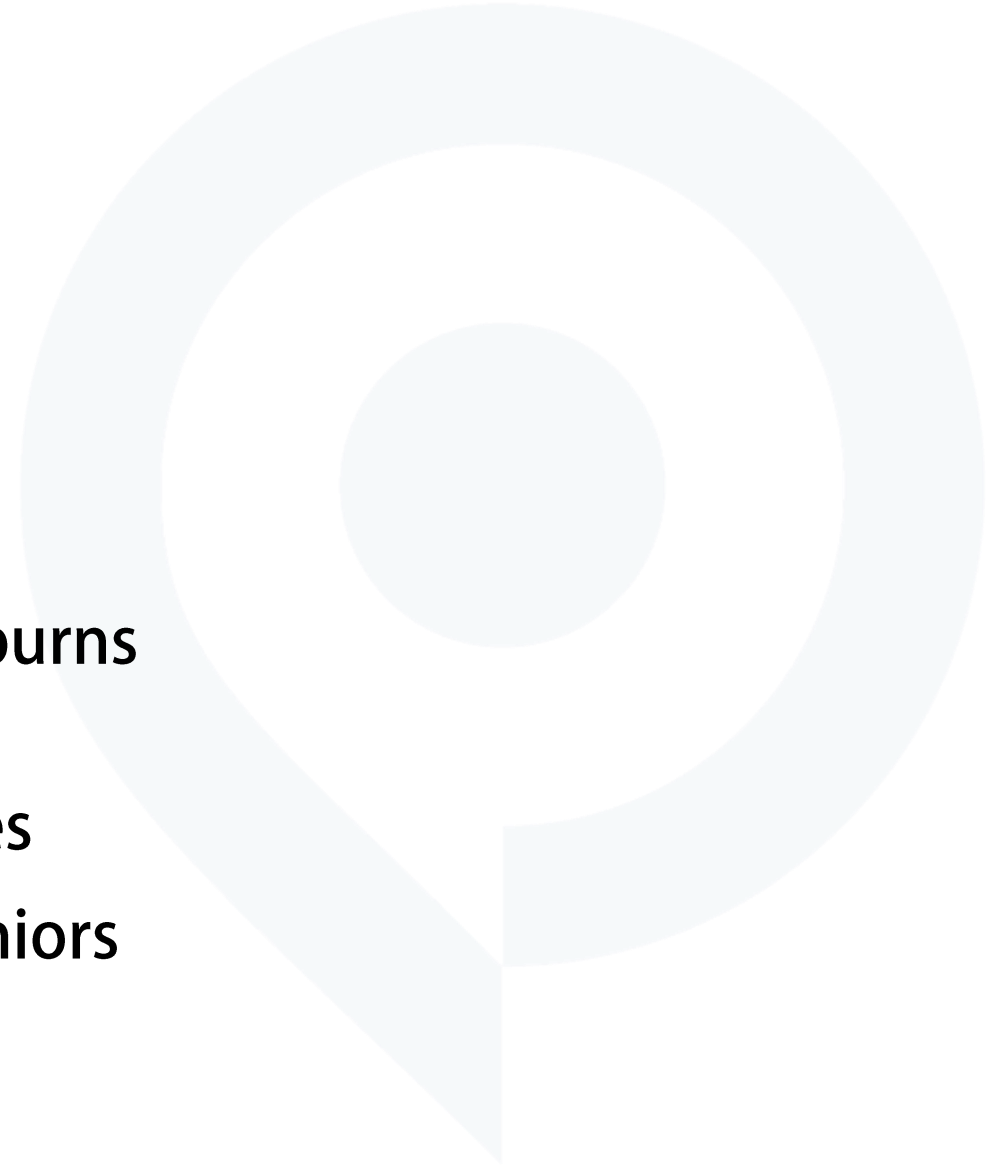
What it brings?

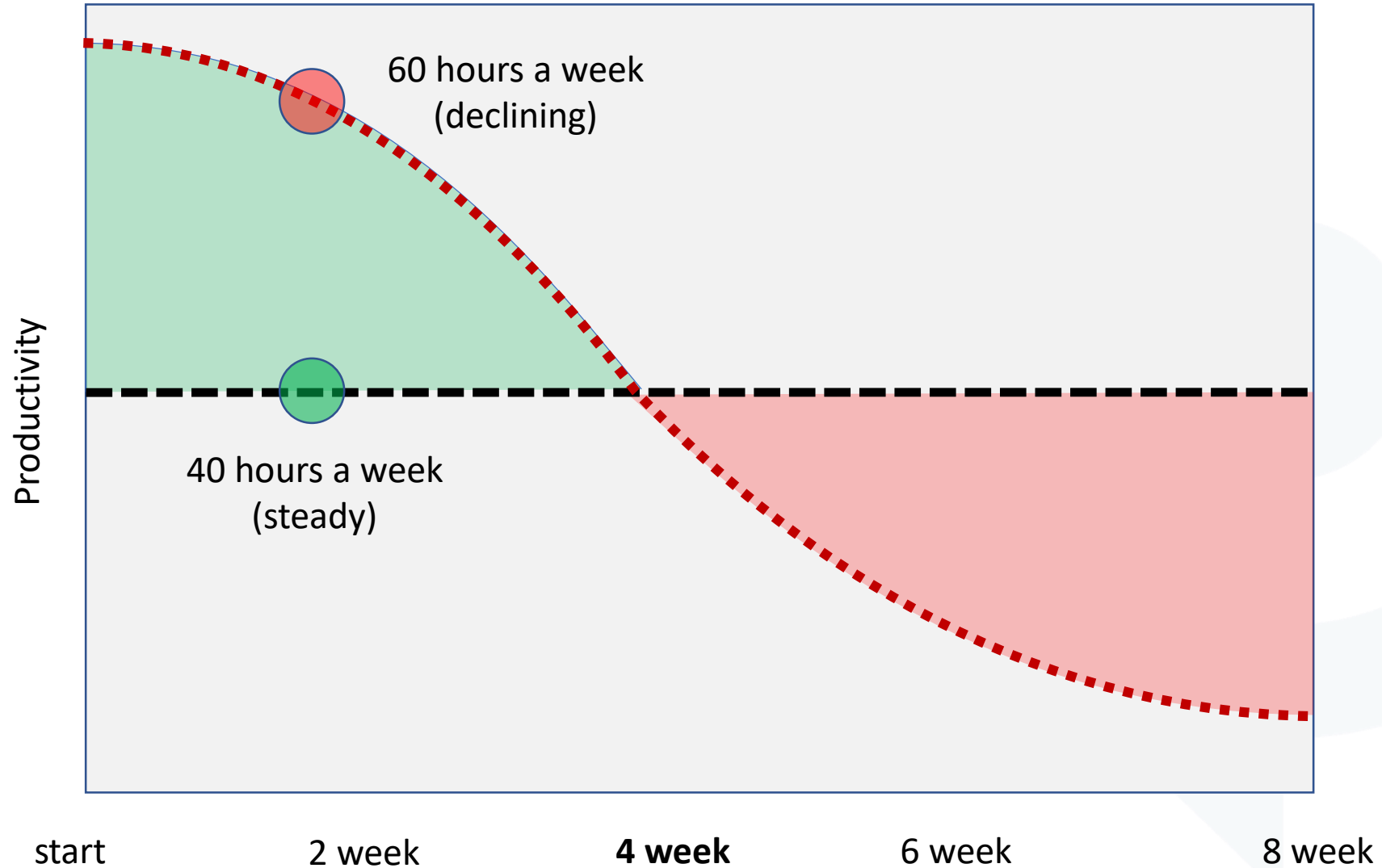- As proven in studies since early 1900's...

Nothing

PRODUCTIVITY =
+Work accomplished
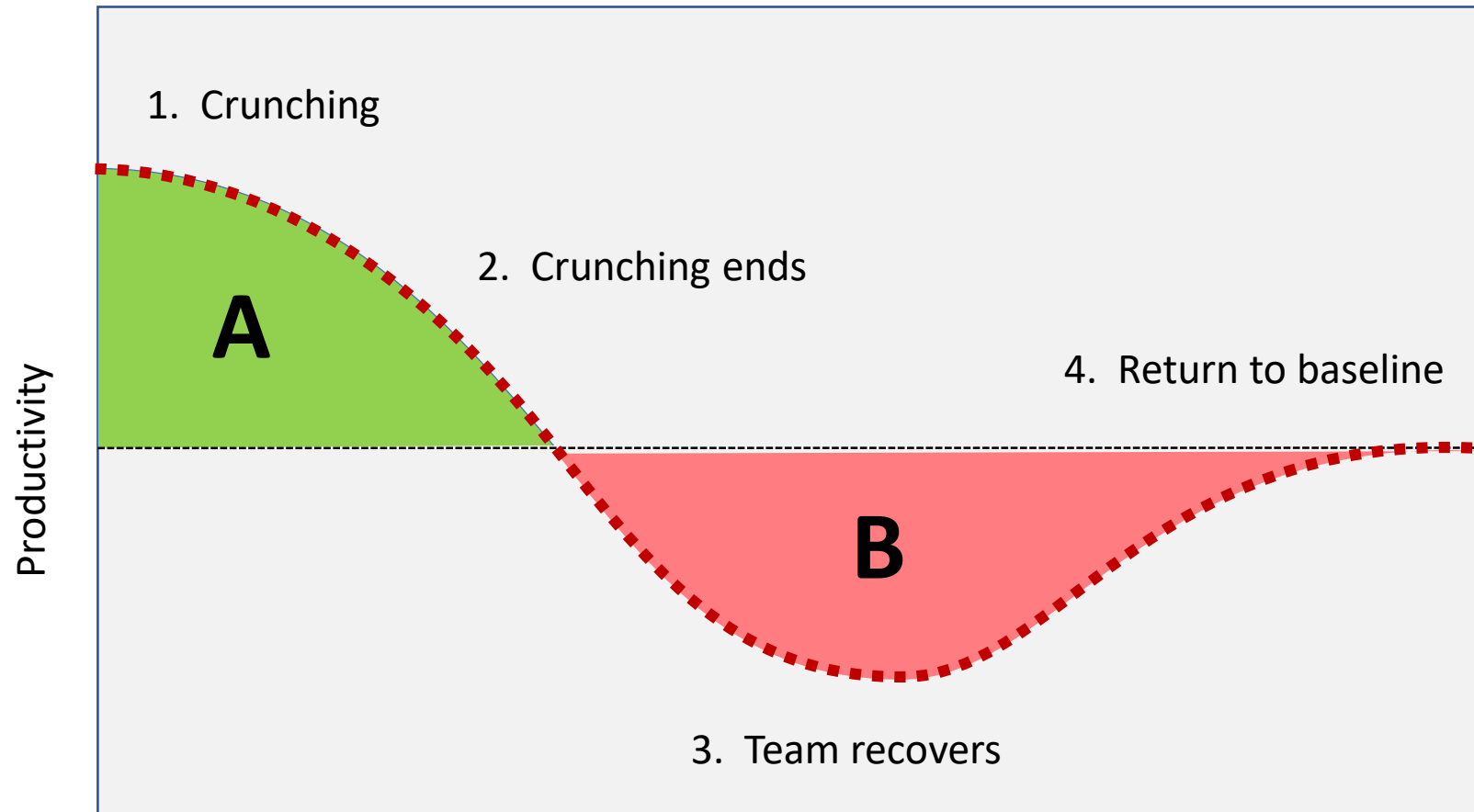- Work required to fix defects
- Work required to fix bad design decisions

- It is possible for productivity to be negative when workers end up doing more harm than good.

- Businesses have been running productivity experiments since the early 1900's. Why doing the same mistakes again, again and again?

9. Crunching

60 hours a week
(declining)

40 hours a week
(steady)

Productivity

start 2 week **4 week** 6 week 8 week

Typically A ≤ B

»Performance for mental work declines after 35 hours/week, not 40 hours!«

FACT

How to avoid Crunch

- Just don't do it!

- Better planning

- Proper Pre-Production

- Don't plan with resources you do not have

- Plan in enough buffer

#10.
Ignoring reality

Iceberg ahead...

- You better run, when you hear any of these lines...
    - "We don't have a buffer – but we are sure that somehow it will work out!"
    - "We'll just ask for more money later"
    - "Let's not take this plan too seriously"
    - "As long as we sign our next game next week we will be fine!"
    - "Can't you create a more optimistic forecast?"
    - "We only need another investor."

Recipe for disaster

- Ignoring mathematical facts in general and your own business plan in particular

- Hoping that it "somehow will work out" and a miracle will happen

- Wishing upon a star

- Hoping, no one (=publisher) "will notice"

How it ends

- Once again: Crunch (aka Death-March)
- Demotivated staff
- Falling into ruin with eyes wide open

What to do

- Make a realistic and proper plan incl. enough buffer & time for vacation (Dec = only half a month!), sick leave etc.

- Don't lie to yourself (or your employees) and stick to the plan

- Be realistic that in 87,5% your estimations will go "worst case" scenario not "best case"

- If you can't not come to a positive business case with a realistic planning -> it means, you will not make any money! (but rather go out of business if you try to stick to your plan)

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