Exploring the balance of

CREATIVITY & RATIONALITY

in creative organisations

- A case study

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ABSTRACT

The purpose of this research is to explore the relationship of creativity and rationality in creative organisations. In the literature of creative industries, the relationship has been previously described as complex as the two forces have been seen to have opposing goals. The intrinsic artistic creativity has been argued to collide with the externally focused, commercially rational market-centrism. The previous literature has also treated the term ‘creativity’ in an ambiguous manner, the implications of which are also further examined in the course of this research.

The research at hand aims to explore the aforementioned relationship from the perspective of video game development companies as the creative actors of their particular supply chain. Four case studies were conducted of Nordic video game development studios in order to collect sufficient data for inspection. The data was collected in eleven interviews of both creative and administrative personnel, and then analysed thematically in order to extract the findings. The thematic analysis produced two global themes that were furthermore compared and discussed.

The implications of the research suggest that the relationship of creativity and rationality is not disruptive but rather harmonious instead. In the four case companies the creative and rational ambitions were often heavily intertwined and supported each other. The cooperation of the two presumably opposing forces could be further explained by examining the definitions of terminology closely, in particular the meaning of ‘creativity’. Thus, the research indicates that the relationship of creativity and rationality relies heavily on the subjective interpretations.
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1. INTRODUCTION

In the knowledge-intensive creative industries the competitive advantage of organisations is measured in their ability to produce original products for very volatile markets (Amabile & Khaire, 2008; Howkins, 2002). Generating and sustaining the competitive advantage is extremely challenging as the products of this nature are often costly to produce due to their complexity, and the erratic market demand is virtually impossible to control or predict accurately (Caves, 2000). This forces organisations to consider how to manage the financial risks involved in the production of creative goods, and balance their creative aspirations against the rational market forces.

The market environment has an immense effect on the creative organisations; they find themselves struggling with balancing the creativity and rationalisation as they have to hold onto their artistic integrity while building a sustainable business (Roch, 2004; Throsby, 2001). Thus defining the creative as well as commercial objectives of the business is of essence, as only a pragmatic evaluation of the purpose of the business will guide the organisation to find the optimal balance (Parrish, 2007).

Once a creative organisation has evaluated the purpose of its business, it is important to operationalise the purpose by choosing the appropriate business model, operations and team. In knowledge-intensive business the importance of the employees is crucial (R. Defillippi, Grabher, & Jones, 2007; Grabner & Speckbacher, 2010). Thus, finding, developing and maintaining the best combination of skills is extremely significant in the value creation, and may determine the overall success of the organisation.

The presumed conflict in rationalising creativity, framing an inherently uncontrollable element, is often seen as one of the core obstacles for creative organisations to overcome (Cohendet & Simon, 2007; Tschang, 2007). The objective of this research is to address the issue from the perspective of video game development, and to find out whether the two presumably opposing polarities, creativity and rationalisation, have synergies that could ultimately support both ambitions simultaneously.
2. LITERATURE REVIEW

2.1. The strive for productive creativity

There are specific challenges creative companies struggle with as they pursue productivity and ultimately commercial success; the unknown market demand, fulfilment of artistic visions, need for an extremely complex skillset, often crucial timing, and flickering trends to mention a few (Caves, 2000). In order to fully comprehend any business in this environment, it is important to understand the characteristics of the industry. The following paragraphs illustrate the setting and explain the terminology used in this research.

2.1.1. Special characteristics of creative industries

Creative industries is a relatively new concept that started gaining popularity in the early 1990s but appeared in official use for the first time in the United Kingdom in 1997 (Hesmondhalgh, 2007: p. 144). It is one of the fastest growing sectors among many economies (R. Defillippi et al., 2007; Parrish, 2007) and thus provides an interesting research subject.

2.1.1.1. Definitions

As the research has a significant emphasis on creative industries and creative individuals, it is important to define the term ‘creativity’ and its use in this particular paper. The term has been analysed extensively from different perspectives (McIntyre, 2011). Boden defines creativity as “the ability to come up with ideas or artefacts that are new, surprising and valuable” (Boden, 2004: p. 1). Mumford & Gustafson share a similar view, as they explain that the main emphasis in studies of creativity is the production of “novel, socially valued products” (Mumford & Gustafson, 1988: p. 27). Amabile et al. have furthermore defined creative ideas as “novel and useful” (Amabile, Schatzel, Moneta, & Kramer, 2004: p. 5). All of the aforementioned definitions share the core idea of creativity comprising novelty and value to users or society; thus defining creativity as
the useful result of innovative thinking. *Creative product* is furthermore defined as a result of creativity that has additionally economic value (Howkins, 2002).

Not dissimilarly the term ‘creative industries’ has also various interpretations. Most authors agree upon it including goods and services associated with cultural, artistic or entertainment value (Caves, 2000). Sometimes also referred upon as *cultural industries* (Hesmondhalgh, 2007; Throsby, 2001), the common denominator for companies in this industry is the harnessing of creative talent and production of cultural content (Parrish, 2007). The ambiguous term has been criticised (Galloway & Dunlop, 2007), but most specialists agree that it refers to at least advertising, architecture, art crafts, design, fashion, film, music, performing arts, publishing, toys and games, TV and radio, and video games (Caves, 2000; Hesmondhalgh, 2007; Howkins, 2002; Throsby, 2001). According to Throsby (2001), the activities in creative industries should include some form of creativity as the companies in the industry should be immersed in generating some symbolic meaning and the output(s) should embody some form of intellectual property. Differing from other industries, the products of creative industries derive their value from subjective experiences that are influenced by the social context (McIntyre, 2011), and use different symbols to manipulate emotions (Lampel, Lant, & Shamsie, 2000).

In this research the terms ‘creative industries’ and ‘cultural industries’ are used interchangeably as the focus of the study lies in video game development which is commonly recognised in both definitions.

2.1.1.2. Outlining creative industries

Data on creative industries is fragmented and ambiguous, but the companies in the different sectors of this heterogeneous industry share some clear parallels (Caves, 2000; Howkins, 2002). One of these is the unique way the creative industries have organised intermediaries as gatekeepers who judge the talent, finance projects and distribute ready products (Caves, 2000; R. Defillippi et al., 2007). These gatekeepers and their subjective experiences have an immense influence in the market as it may deny artists their opportunity to commercial exposure, and often rank them in a so called A list or B
list according to their perceived talents (Caves, 2000). Furthermore, many artists may be in a non-favourable position as previous research has also indicated that creative work is often project-based and irregular which has lead to short-term contracts and low job protection (Banks & Hesmondhalgh, 2009). However, as intrinsically motivated they are willing to settle with these conditions (Amabile, 1998; Caves, 2000).

Lampel et al. (2000) have further analysed how the unpredictable nature of the subjective experiences contribute to the futile attempts to create quality standards. Whereas in other industries measurable standards of quality are often de facto, in creative industries the standards are often abstract ideals. Additionally, customers do not necessarily know or understand their needs, which furthermore distorts the attempt to create such standards (Thomke & von Hippel, 2002).

Partly due to customers’ ignorance regarding their own needs, the demand for cultural products is often unstable but at the same time cumulative and addictive in comparison to durable consumer goods (Throsby, 1994). With all cultural products the market is extremely volatile and sensitive to whims in trends (Aoyama & Izushi, 2003). This is also underlined in Caves’ (2000) notion of nobody knows principle where one of the inherent characteristics of creative products has been found to be the fact that nobody knows the value of the project until most, if not all, resources have been attained.

The importance of resources, namely time and money, is portrayed in Caves’ (2000) definitions of motley crew and time flies properties characterising the industry. Motley crew property refers to the complex mix of skills needed in a creative project, which are often difficult as well as expensive to obtain and coordinate. Filmmaking provides a good example of a project of this nature; extremely diverse skills are needed to complete a film project (R. J. Defillippi & Arthur, 1998). Time flies property on the other hand pertains to the more generally crucial coordination of production and realisation of the revenues. Both filmmaking and video game development represent the time flies property well, as often the financing of the project, which is needed at the beginning and throughout the production, will be provided at the end of the project (Bethke, 2003; Walfisz, Zackariasson, & Wilson, 2006).
2.1.2. The paradox of boosting creativity while decreasing dependency

Perhaps the main paradox among the creative businesses is the wish to remain loyal to artistic creations while having to deal with market economics simultaneously (Roch, 2004; Throsby, 2001), and having to choose which side should drive the decision making process (Lampel et al., 2000). From a business perspective the company wants to decrease dependency and have as flexible assets and resources as possible. In knowledge-intensive creative companies this is often impossible as the main asset is the creative talent of the employees (R. Defillippi et al., 2007; Grabner & Speckbacher, 2010). From an economical perspective this puts the company in a difficult position. Defillippi et al. (2007) furthermore explain that in the production of cultural goods there are two types of architecture that are inseparably intertwined: hard architecture of projects and organisations and soft architecture of communities and networks. The soft architecture generates the new ideas and the hard architecture commercialises them, which leads to unavoidable tensions between the two, and forces the companies to strive to achieve and maintain a fine balance between them. It is the task of the management to make employees more creative, not less, by managing this tension (Howkins, 2002).

Although artists often see only the cultural value of their work and do not seek necessarily for economical gains, business, administration and organisational skills are needed to commercialise creativity (Throsby, 2001). The industry makes commonly a differentiation between suits and t-shirts to illustrate the nature of talents needed in a creative company; suits handle the business whereas t-shirts create the content (McKinlay & Smith, 2009; Parrish, 2007). In other words, in order to manage financial success, creative companies need both creative personnel as well as ‘humdrum’ personnel; creative personnel to create art for art’s sake from their intrinsic passion, and humdrum personnel to coordinate the business tasks and be motivated by the potential financial returns (Caves, 2000). Even though the difference has been argued not to be as black and white as presented by Caves (Towse, 2002), the continuous practise of differentiating between the suits and t-shirts still suggests that there are two compelling forces in creative companies having to work together to achieve the wanted goals.
Creative companies often strive to decrease dependency for example by outsourcing activities that are outside their core competencies (Bethke, 2003) or by having flexible project-based organisations that focus on spotting the specific talents for each project separately (R. J. Defillippi & Arthur, 1998). Clear strategic approach is needed for finding the optimal, strategic business model.

2.1.3. Strategic challenges and opportunities

In creative organisations tacit knowledge such as innovation, creativity and talent, is the resource leading to success, and the amorphous nature of this resource forces management to constantly find, develop and maintain it further (Lampel et al., 2000). Álvarez et al. furthermore describe the main strategic challenge as finding the optimal distinctiveness by shielding the creative idiosyncrasies from institutional isomorphism (Álvarez, Mazza, Strandgaard Pedersen, & Svejenova, 2005). Thus, identifying where their creativity actually originates, as well as what constitutes a creative product remains as the core pursuit for most creative organisations.

The strive to find, develop and maintain tacit knowledge implies that the companies recognise the potential sources of it. There is a persistent debate in the creative industries about the source of the creative value, whether it comes from the creative individuals or the complex set of creative talents (Lampel et al., 2000; McIntyre, 2011). This has important implications from the strategic perspective; if the value comes from individuals, it is in the company's best interest to find and develop these individuals. However, if the creative value is derived from the system as a whole, the company needs to concentrate on the process and structure of the organisation. Although most often companies try to find the best of both, Eisenmann and Bower (in Lampel et al., 2000) show how the balance between an individual and system can tilt towards the individual mainly because in environments with rapidly converging technologies and markets the decentralised decision making is not agile enough. Csikszentmihalyi (1988) asserts that creativity is a result of interaction between a person, set of social institutions and a cultural domain. The three components have their own tasks in the creative process: the set of social institutions selects the ideas produced by the individual, the stable cultural domain preserves and transmits the ideas worth doing so, and the individual pushes
through the change in the cultural domain accepted by the set of social institutions (Csikszentmihalyi, 1988: p. 325). Thus, according to Csikszentmihalyi, the three components are a prerequisite of creativity.

In creative industries there is an infinite variety of products as they are horizontally differentiated by quality and uniqueness (Caves, 2000). As such, creative products always claim to contain some level of authenticity, and subsequently a creative company must maintain the production of authentic products (Jones, Anand, & Alvarez, 2005). The strategic dilemmas Jones et al. (2005) list for companies working in creative industries are whether the authenticity comes from deliberate or emergent strategies, how to interpret the categories, and how much of an impact the environment has on the authenticity. The competition in the industry is driven by this authenticity or novelty of the products (Lampel et al., 2000). However, even though customers want novelty, they want it to have a certain level of accessibility and familiarity. Mezias & Mezias (2000) believe that vertical integration and consolidation of the industry into a few leading companies can demote the level of innovation among creative industries. This theory is further explored in the case of video game development.

2.2. Video game development as a niche of creative industries

The video game industry, first spurred by the American company Atari founded in 1972 (Aoyama & Izushi, 2003; Howkins, 2002), is now well-recognised among some of the youngest but also most rapidly growing sectors in the creative industries (Cohendet & Simon, 2007; OECD, 2005; Tschang, 2005, 2007; Zackariasson & Wilson, 2010). The following paragraphs will introduce the setting of the thesis research at hand by explaining the factors that differentiate video game industry from other creative industries and furthermore highlight the peculiarities of the video game development process.
2.2.1. Special characteristics of video game development

Advanced technology is nowadays offering new forms of art to be created in cyberspace, and video games specifically have provided a more interactive channel for art. Just like the umbrella term ‘creative industries’ also the term ‘video game industry’ lacks a specific definition. It is often referred to as video game, interactive entertainment, leisure software or interactive software industry (OECD, 2005). It is known as fast-paced and technologically oriented (Zackariasson & Wilson, 2010). The industry consists of several different players in the supply chain such as hardware manufacturers, middleware, developers, publishers, distributors and retailers as well as the customers. It represents an interesting, ambiguous mix of hardware manufacturing and software publishing which are inseparably intertwined (Aoyama & Izushi, 2003; Hesmondhalgh, 2007). Aoyama & Izushi’s (2003) research reveals furthermore that the President of Nintendo1, Hiroshi Yamauchi, has been quoted saying that hardware is the “necessary evil” in the video game industry. This research concentrates on the developers as the creative force of the industry (OECD, 2005) as video games comprise creative works such as literary, artistic and dramatic works (Howkins, 2002).

Successful video game development is passion-driven, and it is not a surprise that employees of video game studios are often passionate end-users or gamers themselves (Bethke, 2003; Crosby, 2000). Surprisingly, however, this seems to be the case not only in the development personnel but also in the administrative personnel (Cohenet & Simon, 2007). Video game development includes a complex mix of creative talents such as game designers, artists, sound designers, programmers, testers, producers and marketers (Aoyama & Izushi, 2003; Crosby, 2000), and hence represents well Caves’ (2000) definition of motley crew property, where diversely skilled inputs are all needed at a very specific time in the production to produce valuable outcomes. However, unlike in other creative industries, video games incorporate a complex mix of talents in computer programming, design, project management and require substantial amounts of testing (Bethke, 2003). Video games are products that comprise technology-intensive

1 Japanese Nintendo is one of the pioneering companies in the video game industry that started experimenting with electronic toy products in 1960s (Aoyama & Izushi, 2003).
assets as well as creative assets as the development relies heavily on both (Tschang, 2005).

Due to the fast pace of the industry and the constantly emerging technology, job titles and duties of video game developers are not consistent in the companies or even in the individual projects (Crosby, 2000). Furthermore, these complex mixes seek for a fine balance between the artistically oriented creative personnel and commercially oriented management to find success (Cohendet & Simon, 2007; Tschang, 2007). Bethke (2003: p. 4) reminds the creative game developers that from business perspective “game development is software development”, and thus formal production methods should not be forgotten in the process; as a complex task, game development needs rational structuring. In other industries cost efficiency optimisation often drives the need for process improvements, but in video game development, however, the driver is presumed to be specifically this complexity of projects (Tschang, 2007).

In creative industries, the produce of the companies is often intangible in nature but in the case of video games the output is both a tangible technology-based software as well as a form of interactive entertainment with intangible value (Tschang, 2005). For the video game developers it is important to understand both aspects when building the business model and strategy.

The market environment for video games is extremely competitive and forces the management to deal with strict deadlines and budgets (Cohendet & Simon, 2007). Apart from a few larger established companies the video game development studios are often small start-up companies (OECD, 2005). Bethke (2003) illustrates how in 2001 over 3000 games were released for the PC platform, and according to his study only 100 of them returned the initial investments, and only the top 50 managed to make a significant profit. In a similar way, Shintaku & Ikuine’s research (in Aoyama & Izushi, 2003) suggests that 14% of the game titles generate 70% of the total sales. Because of the heavy market pressure, it is extremely important to develop a strategy and decide the purpose of the game development project as well as its goals (Bethke, 2003). Tschang’s (2007) research furthermore shows how the business and production interests drive the rationalisation of video game development, and the maturing
industry has reached a situation where the large publishers dominating the industry seek for less and less innovative games. Thus, the changes in new games are getting more and more derivative (Roch, 2004). However, consumers’ changing tastes as well as developers’ intrinsic creativity are believed to continue to create tensions with these rational forces (Tschang, 2007).

Understanding the consumers and their virtual communities is indeed essential for the producers of entertainment such as video games (Ho & Huang, 2009). From the managerial perspective it is a strategic issue to be able to follow the current trends, and in the video game industry this is often done by hiring so called 'lead' users who have also the end-users’ perspective (Cohendet & Simon, 2007). As consumers’ tastes are somewhat flickering, and thus difficult to predict, the video game industry has found another channel as well to cater the customers efficiently; video game companies have found a way to delegate a part of the innovation process to the user community (Burger-Helmchen & Cohendet, 2011). A collaboration with the users to innovate and design new products has emerged in the form of 'mods' (Arakji & Lang, 2007). Modifiers or ‘mudders’ contribute remarkably to the product innovations in the industry, and the mods of sufficient quality often prolong the shelf life of the game significantly in an industry where the shelf-life of the products is generally very short (Arakji & Lang, 2007; Zackariasson & Wilson, 2010). Burger-Helmchen & Cohendet (2001) note that it is interesting how a large amount of the value is created in user communities that are not in any way controlled by the company.

Creative companies tend to form clusters often for economical purposes (Hesmondhalgh, 2007; Howkins, 2002; Power & Scott, 2004). In video game industry Cohendet and Simon (2007) have found that Montreal has become a creative hub providing a unique ecology for video game production. Apparently the local creative communities have either direct or indirect influence in the production as the creativity is more inspired when amongst other creative talents. There are however differing views on the matter; Cadin et al. (2006, in Zackariasson & Wilson, 2010) suggest that the paradigm is changing from the motion picture industry model to athletic shoe model,

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2 Mods are direct modifications of an original game and may be classified into two general types, partial conversion mods and total conversion mods, according to the extent of alterations (Arakji & Lang, 2007).
meaning that albeit a complex skillset is needed in the production of games, those skills can be broadly distributed, i.e. moved to a location where it is most cost-efficient to complete the product.

2.2.2. Main obstacles in the video game development

2.2.2.1. Production-related issues

The complex combination of technology, creative game design and artistic content causes uncertainty to the production of video games (Tschang, 2005). Production of games furthermore involves many stages and a very complex set of skills (Aoyama & Izushi, 2003; Crosby, 2000). The project usually starts with a planning phase that includes the defining the genre, market and budget. The planning leads to game design where the specification sheets for script and game play in general are produced. After the design phase, programming and content production including graphics and sound design are started simultaneously. This ultimately leads to the alpha and then beta test versions, more testing, debugging, and finally to a gold master that is issued to mass production (Aoyama & Izushi, 2003; Bethke, 2003). The complex skills as well as many stages employed in a video game production denote that there is an immense financial pressure to complete a product. This has led to the rationalisation of the product development process; focus has shifted from creativity to productivity oriented process (Roch, 2004; Tschang, 2007). Furthermore, many companies use agile project management methods to ensure the iterative, incremental and adaptable production (Nathan-regis & Balaji, 2012).

Video game market is, not unlike some other entertainment markets, very hit-driven; a repertoire of products is built in order to offset misses (Hesmondhalgh, 2007). Additionally, often large initial investments are needed before any indication of returns (Tschang, 2007). Financing issues are commonly seen as one of the main challenges in the industry, and they are mainly caused by the intangible nature of the product as well as the structure of the industry where the large publishers dominate the small development studios (OECD, 2005). Overcoming the financial obstacles of a development project requires careful planning from the beginning (Bethke, 2003).
Although time and budget can be determined for each project, it is extremely difficult to set quantitative goals for video game development as the outcome is more qualitatively specified (Walfisz et al., 2006).

2.2.2.2. Product-related issues

Creative ideas are the raw material of creative products. Identifying the idea that should be developed into a product is tricky because ideas are ‘non-rivalrous’; often many people can have the same idea at the same time without even realising this. It is essential to know when to exploit this non-rivalrous nature of ideas, and when to transform the intangible ideas into tangible and thus controllable products (Howkins, 2002). As an example, Burger-Helmchen (2009) suggests option chain modelling, a strategic approach to evaluating the alternatives, for making this choice.

For an interactive entertainment product such as a video game, understanding the customer’s user experience during the consumption of the good is essential (Tschang, 2005). It seems that the industry has adopted a generic approach to branding in the form of spin-offs and sequels to existing games to capture the larger audience, and in the development of video games, the reuse of various components is getting more and more common (Roch, 2004; Tschang, 2005). Consumers’ simultaneous taste for familiarity and novelty creates tension in the development of entertainment products such as video games (Tschang, 2007).

Publishers can have a heavy influence in the type of the games a studio makes, and industry experts argue that this approach is posing a threat to creativity of the video games in the long run, as large bureaucratic companies often diminish creativity (Cohendet & Simon, 2007; Mezias & Mezias, 2000; Tschang, 2007). Additionally, retailers have also influence on the development as their limited shelf space forces them to only stock most popular titles (Tschang, 2007). Thus, the challenge of maintaining creativity and innovation in the product development is currently largely driven by independent game studios (Roch, 2004; Tschang, 2007).
2.2.2.3. Organisational issues

According to Howkins (2002), in creative organisations the economic value can be found in the creative individuals who are often not dependent on the organisation. As an example, Cohendet & Simon (2007) argue that the creative value of video games is not created by individuals nor company appointed teams but communities of specialists, who partly operate in formal project frameworks but also interact with each other outside these frameworks, without any formal monitoring from the organisation. A community consists of specialists working on similar tasks albeit not necessarily sharing a same job title. The knowledge exchanged is often informal and not organised. For managers of the video game studios it is important to harness the creative value for an effective production with timely delivery and commercial success. The key paradox of the video game production thus often lies in fitting the artists’ need for professional appreciation to the management’s more pragmatic perspective (Tschang, 2007). From the organisational point of view, one of the main challenges of video game development studios is to find and combine the optimal set of talents who are also able to communicate efficiently together. Creative individuals may not be able to express themselves in certain environments, and to unlock the creative potential, the managers need to facilitate optimal conditions for the essential communication (Walfisz et al., 2006).

The presence of communities of specialists combined with the micro-creativity that emerges from the daily activities during the projects often result in creative slack; unused resources or ideas (Cohendet & Simon, 2007). Another challenge for the development companies is to identify, utilise and benefit from the creative slack in the future projects. Lead designers have been reported to create new game concepts based on their interactions with the community of specialists, imagination and inspirations (Tschang, 2007). In order to maintain such creativity and motivation, it is important to consider the incentives offered to the employees. Creative individuals are often motivated intrinsically, and thus financial compensation and royalty promises, especially if the goals are not met, may result in negative feelings and dissatisfaction with the job (Amabile, 1998; Bethke, 2003).
2.3. Managing effective production of creative goods

The production of creative goods revolves around two key factors: management of creative process and management of creative personnel (R. Defillippi et al., 2007). The following paragraphs explain the methods applied in the management of creative businesses, and further outline the challenges present in the industry.

2.3.1. Management of the creative process

There are some established patterns in the production of creative goods. Miège (1987) categorises cultural companies based on the process of production and type of labour they use to supply creative commodities, and calls these groups ‘social logics’. They are furthermore labelled as the editorial production of cultural commodities, the flow production of broadcasting, the production of written information, the production of live entertainment and the production of electronic information (Miège, 1987). According to this theory, video game production for example is organised in the same way as books, music and film; some companies have designed games in-house, but more often games are commissioned by large corporations, which often forces companies to find the most efficient productions processes (Hesmondhalgh, 2007).

The success of a company depends on its ability to increase the earnings by creating processes that are more efficient than other companies in the same industry sector (Burger-Helmchen, 2009). The creative business process is often organised in projects. Subsequently, project-based companies and careers are mainly found in industries where the complex and non-routine tasks require diverse talents to come together for a project of a certain length (R. J. Defillippi & Arthur, 1998). Additionally, projects are goal oriented, which delineates the nature of most creative companies' productions (Dinsmore, 1990).

Work in an innovative environment requires processes that are first and foremost efficient and adaptable, hence able to respond to quick changes with the needed agility (Storey & Salaman, 2009). These kind of processes often include the use of design iterations, excessive testing, frequent milestones, diversely skilled teams and powerful
project leadership as well as overall preparation for sudden changes (Dinsmore, 1990; Tschang, 2005). Tschang (2005) also denotes how important the leadership becomes especially in the development of video games where the common problem is ‘feature creep’ – the result of adding more and more features in the product in the course of time making the end-result overly complex.

Creativity requires an effective, balanced and controlled environment to thrive (Blankevoort, 1983). Throsby (2001: p. 96) explains how the production of art works can be fitted into a process of rational decision-making by breaking down the act of creative work into functional tasks with definable goals. The described process management is appropriate in some phases of the creative project but not all; initial discovery phase rarely fits to process management practices (Amabile & Khaire, 2008) as it requires substantial space for free ideation (Blankevoort, 1983).

Most important thing in managing a creative or innovative process is a positive attitude towards innovation (Storey & Salaman, 2009). This attitude often reflects to the employees, and fosters the atmosphere and motivation essential for creativity. Involving the whole team in the production process earns the commitment of the team (Carlson & Wilmot, 2006).

2.3.2. Management of the creative personnel

The main challenge in the management of creative talents lie in finding the balance of managerial control and encouragement of creativity (Amabile et al., 2004). The creative employees must not feel exploited for commercial purposes but at the same time the commercially uncertain artistic exploration has to be controlled. Finding the delicate balance is crucial, as too rigid control may lead to reduction in diversity and creativity and too loose to divergence, chaos and inefficiency (Cohendet & Simon, 2007; Zhang & Bartol, 2010). There is ample evidence of creativity and control being incompatible (Grabner & Speckbacher, 2010). Implementation of control mechanisms that allow intrinsic motivators such as self-determination, competence, interest and social connectedness, however, have been found not to have detrimental effect on creativity (Zorn, 2011).
Creativity consists of expertise, creative thinking skills and motivation, but only motivation is something managers have an influence upon, whereas the other components are regarded as individual’s own raw materials (Amabile, 1998). Thus, internally, one of the most important issues for creative companies is to manage the level of employees’ motivation (Kramer & Amabile, 2007; Lampel et al., 2000). In creative work, the level of motivation correlates directly to the quality of the results. Some managers use extrinsic incentives such as bonuses, however, the impact of these have been disputed (Amabile, 1998). Especially in creative work the motivation should be intrinsic, coming from inside rather than external sources, and thus in some cases financial remuneration has been proved to even create social barriers and discourage cooperation (Arakji & Lang, 2007; Bethke, 2003).

Amabile et al. (Amabile, 1998; Amabile & Khaire, 2008; Amabile et al., 2004; Kramer & Amabile, 2007) further explain how there are six managerial practises that influence creativity: challenge, freedom, resources, work-group features, both task- and relationship oriented supervisory encouragement, as well as organisational support. Yet again, a careful balance is needed; challenges should match the employee’s ambitions and skill-level. Freedom refers to employees’ freedom to choose the means to reaching a particular goal set by the manager; as Amabile’s (1998) study suggests, the autonomy in the production process fosters creativity after clear goals are set. Grabner & Speckbacher’s (2010) findings about low task programmability support this theory.

Resources, namely time and money, need to be clearly communicated and carefully allocated, as imbalance may create unnecessary stress amongst the personnel (Kramer & Amabile, 2007). Employees’ mutual relationships and chemistry should be considered in work-group formation; diversity is needed but the group must be able to co-operate, and managers should also look outside the organisation to increase the diversity (Amabile & Khaire, 2008; Kramer & Amabile, 2007). Supervisory encouragement can contribute to the intrinsic motivation, but for sustainable creativity the whole organisation’s support is of essence. A greater degree of communication between the company and its environment during every step of the innovation process has been proved to lead to better results in generating, developing and implementing new
technology (Carlson & Wilmot, 2006; Utterback, 1971). Additionally, an important practise contributing to creativity and motivation is the company's way of dealing with failure; it is essential to create a safe environment that suggests learning from failures rather than punishment (Amabile & Khaire, 2008).

The consensus in creative industries suggests that there is a point in every creative project where it is best served with 'humdrum' employees taking over the project (Amabile & Khaire, 2008). At that handoff some of the creativity is often lost as the project is handed off from its creative origins. It is the management's task to control this loss (Amabile & Khaire, 2008). In entrepreneurial level the handoff may be easier to complete as the barriers are usually lower, and the motivation comes from both sides (Parrish, 2007).
3. RESEARCH OBJECTIVES AND CONTEXT

3.1. Objectives of the research

The literature on creative industries suggests that the delicate balance between the rationalisation in order to commercialise and innovation in order to maintain creativity represents the core paradox in creative companies (Caves, 2000; Hesmondhalgh, 2007; Tschang, 2007). In corporate environment, the process of creating cultural or artistic products requires an audience willing to consume the created goods or services. To some extent this restrains the artist’s creative freedom, as they no longer create art for art’s sake but rather for commercial consumption.

As established in the existing literature, both creative and rational forces are prominently present in the companies operating in the creative industries. As such, video game development studios, that are the artists of the supply chain (OECD, 2005), represent the very part of the supply chain dealing with the aforementioned forces. The study will thus intend to seek answer to the following research question from the perspective of video game developers:

How is the relationship of rationalisation and creativity perceived and managed in creative organisations?

To answer the research question, the research was further divided in the following sub-questions:

1. How is the term ‘creativity’ understood?
2. How does the aforementioned relationship manifest itself in video game industry?
3. What managerial actions have been taken to deal with the two forces?
Table 1: Research approach.

<table>
<thead>
<tr>
<th>PURPOSE OF THE RESEARCH</th>
<th>SUB OBJECTIVES</th>
<th>THEORETICAL BACKGROUND</th>
</tr>
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<tbody>
<tr>
<td>The purpose of the study is to explore the relationship of creativity and rationalisation</td>
<td>To understand how &quot;creativity&quot; is interpreted</td>
<td>Creativity theory (Boden, 2004)</td>
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<td>The Creative Economy (Howkins, 2002)</td>
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<td>Components of creativity (Amabile, 1998)</td>
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<td></td>
<td>To identify how the relationship manifests itself in video game industry</td>
<td>Influences on creativity that reinforce incremental innovation (Tschang, 2007)</td>
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<td>The sources of creativity (Cohendet &amp; Simon, 2007)</td>
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<td></td>
<td>To determine the managerial actions employed to deal with the two forces</td>
<td>Facilitation of creativity</td>
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<td>Facilitation of rationalisation</td>
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3.2. Introduction of the case companies

The first case company is a medium-sized Nordic video game development studio henceforth known as NOG. NOG specialises in developing games for worldwide distribution on different platforms such as PC, consoles and mobile. NOG was founded in 2007 and currently employs approximately 35 people consisting mainly of game developers and a few administrative people. The company has experienced a rapid growth in recent months; NOG has published altogether five distinctive intellectual properties (IPs) since its existence and is expecting a turnover of 2.5-3 million euros this year. NOG uses a wide network of outsourcing partners all around the world and has thus an interesting dynamic decreasing the dependency on creative input in-house.

The second case company is a leading European video game development studio established in 2002. We shall call the company PMD. The company’s main focus is on providing video games for mobile platforms but they work on multiple different platforms. PMD has been in partnership with some of the leading players in the video game industry. The company has grown rapidly in the recent years, and since the beginning of three students founding the company, PMD has come to employ around 30

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3 All the names of the case companies and interviewees have been changed for confidentiality purposes.
people today. PMD provides an interesting case as their core business is built around work-for-hire concept where the client often has a lot of influence in the final product.

Thirdly, the research looks into a small but well-established Nordic video game development studio FLL, which is focused primarily on iPhone, PC, Mac, web and Wii games. The company was founded in 2004 by the current CEO, whose vision of the business is the dominant feature of FLL and all of its operations. FLL employs currently six people fulltime, and prefers organic growth to a more aggressive strategy. The 'indie' business is built around the ideology of sustainable and steady business growth.

Lastly, the research focuses on a small start-up video game development studio BGB. BGB was founded in early 2011 by two programmers and a game designer passionate about the same game project. At the time of writing the research the company is launching their first game, which is a browser-based game on Facebook. BGB employs eight people fulltime as well as three interns and has been growing a lot in recent months. The project-based company has already started planning for the next game but in terms of business model and strategy BGB is still largely undecided.
4. METHODOLOGY

This chapter presents the structure of the research process by explaining the chosen methodological approach as well as the practical methods used in the course of the research.

4.1. Research approach

Determining the research approach and methodology is essential for illustrating the way the information is organised, derived and interpreted in the research (Stokes, 2011). The purpose of this thesis research is to study how the relationship of creativity and rationalisation is perceived and managed, i.e. how certain individuals understand their position and act upon that understanding in a specific environment. As the emphasis is on the interpretation and understanding of a certain phenomena as opposed to merely describing or quantifying it (Eriksson & Kovalainen, 2008), qualitative research strategy was deemed appropriate.

A qualitative research strategy can be chosen from several options such as case studies, narratives, phenomenologies, ethnographies and grounded theory studies. This research was conducted as a multiple case study where the insights were drawn from comparisons and contrasts between the different case studies. As such, a case study does not aim to make generalisation, but rather collect rich data or ‘thick description’ (Geertz in Eriksson & Kovalainen, 2001) of the case, and understand the underlying phenomena based on that data (Stokes, 2011). An intensive case study aims at understanding the case from the inside by purveying a holistic and contextualised description (Eriksson & Kovalainen, 2008). A multiple case study approach was chosen in order to compare aforementioned understandings in slightly differing settings, and to gain a more holistic perspective of the relationship of creativity and rationalisation. Multiple case study can furthermore contribute in reliability and validity of the research (Damgaard, Freytag, & Darmer, 2000). The intensive case studies of a few case companies aimed to extract some intrinsic information from the inside, and elaborate the socio-cultural meanings of that information, as well as make sense of the data in this...
very specific context (Eriksson & Kovalainen, 2008). The context of the research at hand combines economic, social and cultural settings.

A hermeneutic approach, where the interpretation of the individuals’ understandings of the phenomena play a great role, set the outline for the research. As the emphasis was on constructing a meaning out of the many possible interpretations of the empirical data, the research followed constructivist research philosophy (Eriksson & Kovalainen, 2008). Furthermore, the convivial contact between the researcher and the research subjects enabled the understanding of the different meanings produced in language. This suggests that the study was greatly influenced with reflexivity and subjectivity; both key factors in constructionism (Eriksson & Kovalainen, 2008; Stokes, 2011).

The empirical data and reflexive results point the research to a highly inductive direction, as the data samplings were constructed into narratives through subjectivity and sense-making (Stokes, 2011). However, the findings were then organised and analysed deductively together with the applicable literature.

**4.2. Data Collection**

Qualitative data can be collected in several ways. Interviews are used as a popular mean of data collection due to their flexible nature (Bryman & Bell, 2007). There are few limitations to using them such as the reliance on the informant’s accounts on actions the interviewer has not witnessed (Bauer & Gaskell, 2000). However, interviews allow substantial exploration amongst the topic as well as subconscious sensemaking process that give more depth to the data (Stokes, 2011).

The interviews were chosen to be done individually in order to focus on the subjective, individual perceptions as well as for the sake of confidentiality (Bauer & Gaskell, 2000). Interviewees were asked to give their subjective as well as their objective views as individual employees of the company, and had this been done in focus groups, eliciting subjective responses would have been more difficult.
Interviews can be categorised in various ways, but they typically follow either structured, semi-structured or unstructured manner (Stokes, 2011). The interviews conducted with the case companies were constructed as to answer questions in five main categories (general questions, business model, strategy, project management and motivation/creativity) in a semi-structured manner, in order to allow the interviewees to roam freely in topics they felt most comfortable. The semi-structured interview format furthermore allowed also unexpected directions while attaining a clear structure (Eriksson & Kovalainen, 2008). This was preferable as the individual interpretations of the key concepts and terms were of interest to the research.

An interview guide was drafted prior to the interviews (see Appendix B). Although not adhered to rigorously, the draft was used to ensure all the themes of interest were covered in the course of the interview. The interviews were designed to start with the general questions to ease the interviewee into the topic, and follow then with more detailed questions about the five main themes, starting with the theme most familiar to each interviewee.

4.3. Sampling

Sampling refers to the process of selecting a part of the overall population of a given domain (Stokes, 2011). Due to the qualitative nature of the research, the sampling process has less significance than it would have had in its quantitative counterpart (Eriksson & Kovalainen, 2008). Determining the selection process of participants is however of importance in order to justify the data and its analysis accurately (Bryman & Bell, 2007).

The case companies in this research were selected out of a number of potential candidates operating in the industry. As the professional specialisation among the industry played a minor role in the research that concentrated on a higher-level relationship (creativity-rationalisation), the main interest was in collecting data from companies with differing business models or organisational philosophies. The business models of the chosen organisations ranged from client-oriented work-for-hire
businesses to product focused project-based organisations as well as a hybrid of them. Within the organisational culture the presumably interesting differences revolved around the influence of the individual employees versus the whole team. Additionally, the availability and access to needed personnel were included in the key sampling criteria.

The individual participants were furthermore selected based on two criteria. Firstly, depending on the size of the company two to four participants were selected to represent the company substantially. Secondly, in a comparison study, the different perspectives of management and creative personnel were deemed important, and it was thus essential to obtain data from both sides of the equation, the rational and the creative. The samples were balanced carefully to represent the two presumably opposing sides in each case (Appendix A). The data was collected over a period of one week in each company, resulting in interviews taking place from mid-May 2012 to mid-June 2012.

4.4. Procedure

The industry and availability of participants were first mapped by contacting several CEOs of different sized companies. Eight exploratory interviews were conducted with CEOs of different video game companies as well as some industry specialists. Four companies were then selected for further research. The sampling criteria for individual employees was established, and presented to CEOs in order for them to help in identifying the employees who fitted the criteria and had the availability and willingness to participate in the research.

The companies were interviewed in batches, with the CEO’s interview as the first, preliminary background information to the company. Four interviews with NOG were firstly conducted in May 2012, followed by three interviews with PMD at the beginning of June 2012, leading to two interviews with FLL and two interviews with BGB in mid-June 2012.
Before each interview the participants were briefed about the purpose of the research as well as assured anonymity and confidentiality. Interviews were conducted partly using Skype and phone calls, and partly in-person depending on the participant’s physical location. All the interviews were scheduled according to the participants’ availability in order to accommodate a relaxed interview environment for them. Four of the interviews were conducted in Finnish language, and translated carefully into English in order not to alter the interpretations and meanings essential to the research. The remainder of the interviews were conducted in English language and transcribed accordingly. The eleven interviews in total varied in length averaging at approximately 50 minutes. All of the interviews were recorded, and then transcribed immediately for further analysis.

4.5. Data Analysis

Data analysis refers to the process of interpreting the collected data. Qualitative research often produces attractive, rich data but because of the richness it can be difficult to find analytic paths amongst it (Bryman & Bell, 2007). The purpose of the data analysis is to generate structure and meaning through constant reflection in order to find patterns and relationships between the various categories (Eriksson & Kovalainen, 2008).

As the goal of the research was to hermeneutically analyse and understand the collected data by finding links between the different parts of it, thematic analysis as an inductive and interpretive tool was discovered to be highly appropriate for the task. Thematic analysis is a commonly used technique for organising data (Eriksson & Kovalainen, 2008). It refers to the process of identifying recurrent, salient and self-evident points and discourse in the data (Stokes, 2011). Thematic networks are based on Toulmin’s argumentation theory, describing the analysis of a negotiation process from accepted data through a warrant to a claim (Attride-Stirling, 2001). In Toulmin’s argumentation theory the claim is the end result of the analysis, supported by warrants that are principles supporting that claim (Bauer & Gaskell, 2000). Following the principles of a narrative research, the meaning of the thematic analysis in this research was to construct new narratives by re-organising the collected data.
Attride-Stirling (2001) provides a clearly constructed tool for organising qualitative data, starting from basic themes that are gathered into organising themes and finally pointing to even fewer global themes. With the derivation of themes from data it shares key features of any hermeneutic analysis. The thematic analysis constructs a web-like presentation of the findings starting from the lowest-order premises of the text (basic themes), to categories of themes summarised to more abstract principles (organising themes), to super-ordinate themes to encapsulating the research as a whole (global themes). It is a systematic way of breaking up the text into manageable segments, and finding the links between the explicit rationalisations and their implicit signification. (Attride-Stirling, 2001)

The data analysis of this research was built according to the principles of thematic networks presented by Attride-Stirling (2001). This was found appropriate, as the purpose of the study was to find out and understand what was told, thus focus on the meaning and the content of the narrative (Eriksson & Kovalainen, 2008). Data was initially organised according to the empirical themes (business model, strategy and project management) chosen to structure the interviews. Intensive familiarisation of the data produced then an initial frame with 24 codes that represented the basic themes. These were further re-organised into seven organising themes. Lastly, the reflection of the raw data and the meanings resulted in two global themes (Appendix D and E).

As there are no obvious mechanical tools for interpretation, the thematic analysis is subjected to misinterpretation (Bryman & Bell, 2007). The main limitation of this analysis method is the subjective role the researcher takes in compiling understandings based on their own interpretations of the actual understandings of the interviewees (Dierckx de Casterlé, Gastmans, Bryon, & Denier, 2012). Triangulation, double-checking the data with other methods, could have improved the validity of the research findings but due to the limited resources and access this was not possible (Stokes, 2011). The limitation was thus intended to be tackled with open-ended questions providing the interviewee an opportunity to clarify their standpoint. Another limitation of case studies in general is the inability to verify and re-examine them (Damgaard et al., 2000). In
order to diminish the significance of this limitation, all material has been carefully recorded, and could be thus re-examined later on.
5. FINDINGS

The following chapter presents the findings of the research. The findings from the four case companies have been divided into three empirical themes; business model, strategy and project management. Within each theme, the main interest was in finding out whether the underlying motivation for the particular step as a whole was more commercially or creatively oriented. At the end of each case the main points from it are summarised and illustrated by reflecting the structure of the empirical themes (Figure 1). The findings are then thematically analysed in more detail in the coding for analysis chapter, and the implications of the analysis are further discussed in the discussion chapter.

Figure 1: Structure of the research.

5.1. Case 1: NOG

5.1.1. Business model

NOG is a mid-sized Nordic video game development studio founded in 2007, which has thus far released 11 games. The company sees North America and Europe as their main
markets. Their target audience are the so-called core gamers “who spend money on video games". Although the company has released 11 games in total, only five of them have distinctive IPs. NOG is very process focused, and aims to achieve a steady flow of products.

_The company was founded in 2007 and we did our first worldwide release in 2009 and since then we have been releasing something on some platforms on a quarterly basis, so around two releases per six months._ – CEO

The company has two business models; predominantly NOG uses the so-called publisher-funded model, where an external publisher funds a large part of the game project. NOG is, however, currently building a self-publishing framework as well. They are seeking for larger scale venture capital for the first time as they are building the new business model. Even though NOG works a lot with external partners, they want to ensure their creative rights to the games by “maintaining the control of the IP”.

_We are the ones with the IP, so we make the game. If the idea has been sold and we want to make big changes, then we have to ask the publisher if there is an existing contract. The outline we’ve sold to the publisher is the only thing that restricts us._ – Producer

_Typically we always try to achieve a position where we own the IP and the licence, so we also try to maintain the control of the IP and therefore the game design. So we are more looking for licensing, distribution and marketing partners than publishers._ – CEO

The company has grown rapidly in the recent years, and employs currently 36 people. The majority of the employees fall into the category of developers (either technical or artistic), and the administration and business development have been deliberately kept “quite light”. The company is located in a small town, where finding the right talent, or “superstars”, has proven arduous. The company has thus built the business around a network of talented freelancers to whom various tasks can be outsourced when needed.

_We do have an existing network [of freelancers] that we need first of all because we are positioned where we are; we cannot expect that if we want to start a new project with six new talented 3D Animators in two months, that just does not happen in here._ – CEO

Although the company uses a lot of outsourcing, it is essential that the original creativity can be tracked back to in-house. The outsourced partners are chosen carefully by
balancing “the price level and the skill level”. This may lead sometimes to more process oriented work for the creative personnel, as they have to integrate the outsourced produce to company's own production.

Even though we outsource a lot of work it doesn’t mean that we don’t have the knowhow, we just don’t have enough time. If we didn’t have the knowhow in-house, we could not give the specific instructions on what we want. – Producer

We always select the partners based on the project at hand depending on the price level and the skill level we are looking for and the schedule and so on. Some of the partners might be smaller studios, so that they cannot produce that fast but their price level might be competitive. So we always try to find the best mix depending on the project at hand. – CEO

[Emailing with the outsourced partners] took time from my creative work, it was just secretory work. – 3D Animator

5.1.2. Strategy

Defining the purpose of the company helps to identify the underlying reasons for different decisions the company makes. NOG’s purpose according to the different employees is to both satisfy its employees intrinsically “being huge video game fans ourselves”, as well as to extrinsically “create entertainment for people all around the world”.

Obviously the purpose of our company is that, all of us core people, we wanted to do this video game development thing being huge video game fans ourselves. – CEO

We develop games we like. We believe it is going to be a good game. For artists and all employees it is best that we make games that we believe in. The work quality is much better. --- I think [the purpose of the company] is to produce as good games as we can with the skill level we have and as a company to develop better and better products. – Producer

[Our purpose is] to create entertainment for people all around the world. – Art Director

[Our purpose is] to entertain other people in this world. But we want to make the games so that it is our game, not that it is a mass game. – 3D Animator

The fundamental business perspective of the company is, however, to make commercially viable games and “good business”. Subsequently NOG only creates games
with high market potential, which is often defined by the partnering publishers. Success again is determined in terms of sales.

--- Also at the same time we want to do good business. Video game industry typically is very hit-driven industry, and if you can just keep developing more and more games, sooner or later you’ll make something that becomes more or less a hit and then it all pays off. --- In our case, what drives us forward, is that we believe that sooner or later we will be able to nail down the perfect recipe and create a game that sells and returns all the investments that we have made. – CEO

The management are also gamers and they know what would work in the market. Of course it is been thought about the market perspective. They think if it sells. – 3D Animator

The publishers have so much experience of the market that they can [predict success] pretty accurately. – Producer

The company has a very focused business strategy, which is divided into three-year strategies with high-level goals. The first three years were spent in “setting up the team and technology basis”, and the current three-year period is devoted to “developing the brands and making good releases”.

We have put a lot of effort in the marketing and PR, because just releasing a game does not take it anywhere. Focus is on having the PR and marketing nailed. – CEO

The marketing of a game has a huge impact. Retail business depends on the hype you can build before the launch, how cool screenshots and marketing material you have out beforehand. – Producer

NOG is a fairly risk averse company, and wishes to take part in “the risk and reward” by funding the game project together with the publisher. The realistic risk management forces NOG however to choose their game projects carefully.

The way we do it, is that we have a bunch of game concepts to choose from. Those are concepts that we would like to do but also we think that they might have market potential. Then we develop a prototype or a visual concept and start selling that to publishers. That gives us the first set of feedback if there is a market for that type of a game or not. If there is, we keep developing the title further and go into the contract negotiations. – CEO

If it’s just a cool idea for us, but it wouldn’t sell it wont be developed. – 3D Animator
Ideas for games come often from anyone in the company, and NOG has established ‘Game Concept Cups' to further spur employees' intrinsic as well as extrinsic motivation to come forward with their ideas.

*We have ‘Game Concept Cup's in-house where the employees get to develop and introduce their ideas to the company and they’ll get a financial reward if they get chosen.* – Producer

*--- There are different kind of rewards [for the Game Concept Cup], iPads, money, etc. These kind of things are encouraging people to put a bit more of their free time into the process and create new things.* – Art Director

*[Had an idea that won] --- It was really cool that I got to go to San Francisco to introduce the game concept and network. It was cool to introduce my own game.* – 3D Animator

Due to this, among the biggest strategic challenges for the company are “keeping the employees motivated” and “keeping the employees that have the knowhow and information in the company”. According to the creative staff this is fairly well managed thus far.

*We have had some artist sessions to build some team spirit, and get more interaction between the artists. Team spirit of course is very important for the motivation, and every now and then we have some parties together.* – Art Director

*[Our biggest strength is] that we listen to everyone. That it is not just someone giving orders. That we are not just pieces in a chessboard. We all have our say. We have a laid back atmosphere, and can all do our own thing.* – 3D Animator

5.1.3. Project Management

NOG uses agile project management, and the production process is build around the Scrum-method. According to the management, this kind of project management is needed in order to create an environment that supports creativity, “to give our creative people the freedom and flexibility”. It is not however a flawless method as forcing creative tasks into a framework can be very difficult when art is not “black and white”.

*The way we see it is that in order to give our creative people the freedom and flexibility we must have strict processes above that, to control that. --- It is at the same time highly controlled but striving to give the creatives as much creative freedom as possible.* – CEO
In making some art assets [Scrum] is harder to apply, it is harder to estimate some things for creative work and we just have to give some estimate in Scrum for each asset or level. Then we have to see how far we get with this estimate. It is a bit hard when the measurement is quality and it is more abstract than ‘this is right’ or ‘this is wrong’. It is not black and white. There it is more difficult. You can kind of see that Scrum is easier with coders than with the artists and art assets, it would require somehow different system, but I am not sure how though. – Art Director

From business perspective the most challenging issue for the company is the smoothening of the process of product development given the restricted resources.

In a nutshell, we feel that we have been doing this for so long now, that all the technical things like how to create good-looking art or how to write program code, we know it; it is more about finding the combination of time and money that actual works to develop a good outcome. – CEO

We have more coding guys than artists at NOG whereas usually it is the other way around. Our bottleneck is in the project management, and motivation. We have really skilled people so that is not the problem; it is more about running the process. – Producer

Perhaps [the greatest challenge] is the making the estimates for larger productions. --- But I don’t think we are the only game company with this challenge. – Art Director

In a creative company, it is extremely important to ensure the motivation of the employees in each project. NOG has tried to ensure the high level of motivation by “putting some of the key creatives in charge of the projects, so that they are aware of the cost and schedule” (CEO). They also want to make sure every employee feels that their voice has been heard in the production process.

What takes a lot of my attention is keeping up the level of motivation and constant inspiration. – Producer

For artists it is kind of visible if you are not motivated, the passion is missing. You can see it in the quality of the work. – Art Director

--- We work with a model where everyone gets involved in the actual development and making the decisions and that, I think, makes them more committed to the project than in a model where we would have only a couple of project leads making all the decisions. – CEO

We can all tell our opinions quite freely. We can give feedback. We want to make the games so that it is our game, not that it is a mass game. We try to listen to everyone’s opinions. --- I have a lot of influence in a small unit. – 3D Animator
Motivational aspects become even more important at the end of the production process, when the company is facing tough deadlines and the stress levels are rising. Understanding the importance of it, the company strives to keep the employees satisfied and inspired on day-to-day basis.

--- Of course we always try to fight against the fact that not necessarily everyone loves the game that they are working on, but we are trying to get into a position where the guys do something that they really want to do. – CEO

--- Something has been said or planned and then it changes in the process when something is not possible with the timetable and the resources. --- I think it is the biggest deal for [the artists], they really have to believe in what they do otherwise the motivation really drops. – Producer

--- I know that with this upcoming deadline it might get a bit stressful. Sometimes it feels that the deadlines are crazy, and then no one sleeps in four days. It feels that we don't have any flexibility, and sometimes they expect us to just get something done. --- There is no tweaking time. It would be good to have some time to fix everything that doesn’t work. Like problem fixing time. They just assume everything works after the first time. This work takes so much testing time, this is so much about trial and error. – 3D Animator

NOG believes in both intrinsic incentives – “a love/hate relationship with this work” – as well as extrinsic incentives like “the rather aggressive bonus structure” for motivation. The management side of the company seems confident that “money motivates”, although the creative staff emphasises the immaterial incentives: “I got to go to [San Francisco] to introduce the game concept and network. It was really cool to introduce my own game” (3D Animator).

--- The rather aggressive bonus structure we have is how we try to fight against lack of motivation and tight schedules. --- The bonuses are tied to that; if they can create what they said they would, they will get the bonus. People take responsibility over their own work and they are not just doing what someone else tells them to do. – CEO

From time to time you can see that people are very tired. But after all this is very interesting work, we seem to have a love/hate relationship with this work, and at the end we can summon the energy. Sometimes we recharge the batteries and then work hard again. – Art Director
5.1.4. Implications of the NOG case

There seems to be a clear process focus in NOG’s operations; the company believes that as they know how to “make good looking art”, their emphasis should be in developing the processes further to optimise the use of the scarce resources. The company strives to complete games in a steady stream to ensure commercial viability, and this has been enforced by tactical negotiations with the publishing partners, by emphasising the developer role in the organisational structure, as well as by creating a network of outsourcing partners who can react quickly to NOG’s needs. The uninterrupted stream of products is furthermore believed to eventually lead to a hit-product that will return the previous investments. The chosen business model implies that the company’s operations are strategically planned to first and foremost respond to the market demand. However, NOG is currently planning to concentrate more on their creative input as they are building the self-publishing model.

Strategically NOG is very focused; the business operations are planned with high-level goals for three years at a time. The purpose of the company is seen to be fairly equally balanced between the extrinsic, commercial ambitions to “entertain the world” with the intrinsic, creative ambitions to make games the team themselves enjoy. The commercial ambition to create entertainment contains the will to “do good business” as well as the desire to be as risk averse as possible as a medium-sized company. On the other hand, the employees of NOG are all passionate gamers themselves and wish to create games out of intrinsic motivation. This intrinsic passion to create is cleverly utilised in the ideation of new games, which is organised in “Game Concept Cups” where the employees are encouraged to share their ideas for financial as well as reputational rewards. Thus, it seems that NOG has achieved a position where the games that the employees want to make for themselves are at the same time entertainment ‘for the world’.

In order to be able to make games that fulfil the purpose – or purposes – an agile project management method is considered most optimal for efficient production. According to NOG freedom and flexibility to create is best empowered with these strict guidelines, which shows how the importance of creativity is recognised and treated in the company. Creative personnel’s autonomy is dictated by the given outline of the project, and they
are furthermore encouraged to take responsibility, as it is believed to result in higher commitment and thus better quality of work. Yet again, NOG seems to have understood the importance of emphasising the role of the individual employees in a project in order to reach the most efficient overall production. The implications of NOG’s business operations suggest that the company is systematically commercially oriented, yet keeping their creative ambitions as high as possible in their chosen market arena.

Figure 2: Summary of NOG.

5.2. Case 2: PMD

5.2.1. Business model

PMD is a mid-sized video game development studio with approximately 30 employees. Games are developed mainly for the mobile platform for clients all around the world. The company considers itself as a consultancy company, as most of the work done is work-for-hire, where “projects are pitched to clients who then fund the development”.
Because of the business model, PMD’s direct client is the funding organisation – often a large publisher – and thus, the evaluation of the final product is done by this mid-player of the supply chain rather than the end-user.

So, our business model is very much work-for-hire and we’re very much consultants in this business. And with consultancy follows the fact that you don’t necessarily have really big creative ambitions on your own, you have them on behalf of your clients, because you deliver products to the clients. – CEO

We are like any other company that sell a merchandise or goods – we sell our people and our technology to produce games. So, we go a long way to make sure that our clients return because there aren’t a lot off big publishers. – Producer

The end-user is something we discuss with the publisher, but ultimately it is the publisher who makes executive decision on how we target the end-users. – Game Designer

Despite the fact that PMD mainly works for publishers to create games, they see themselves as a creative company. The creativity has its limits in the chosen business model but at the same time it is valued among the management.

I definitely think that if you kind of strip off the whole client side of things, this is still no different than the other game company. We try and make the best game we can. So yeah, I would categorise us as being creative. – CEO

--- We can be creative but we have limits, and usually those limits are given from clients and those are very different from project to project what those limits are. – Producer

In the milestone-based work model the company receives a sign-off fee from the client before the project is officially started, thus, “at least in theory” the cash flow is steady. Financially the model is however somewhat problematic, as a constant flow of projects is needed to finance the daily operations. Furthermore, competition is perceived fierce as “cost of making games or to enter the games business has gone down quite dramatically over the past years” (CEO).

--- You can compare [us] to factories, if you want to be really boring, and the products they make are just like other games. It’s about having the best factory to make those games. – CEO

The major [problem] is the whole scheme of this financial thing, that we are purely project-based. --- We’ve tried to build as many pipelines as we could. So instead of doing one game,
we are doing seven or nine different games at the same time. The bad thing about that is that we have to be working for new projects all the time. --- We have to keep projects coming in as steady flow as possible. And that's a really big challenge. – Producer

The company is also building a separate self-publishing organisation, aiming to give the company more financial freedom and be “self-sustained”. The new business model also provides the company with more creative independence in terms of choosing and ideating the game projects internally.

[Self-publishing] was sort of the entire idea from the beginning, but we sort of have given it several attempts down the road, but not really trying to do it more seriously. --- So right now we are not doing a lot of games of our own, but the plan is that for the future that, PMD might actually be hired by the sister company to do games, so we are sort of self-sustained. – Producer

[Self-publishing] has been a plan for a while now and it's still at its infancy. But I hope we are getting there. --- As designers, someone who must be creative I think that would be more fun. – Game Designer

5.2.2. Strategy

Defining the purpose of PMD is interpreted in different ways in the company; the mix between commercial and creative ambitions is evident. Constant need for balancing with the extrinsic and intrinsic motivations blurs the underlying overall purpose of the company.

I think at least our approach is to make it commercially viable first and once you’ve solved that, you know, choose more creatively. --- For us there is no point if the business model doesn't work. We sell games for living and we need to sell more games to make a living. So that’s number one for us. But then the when that’s sort of framed, when you have vision for that, then you can start putting that vision into something that is really really creative. – CEO

I know [the CEO] started this because he wanted to do games. They wanted to work in the games' industry. He likes games a lot. And I am pretty sure that was it. I don't think it was because of the money because that would be ridiculous. – Producer

Purpose... Well, our stated purpose is to make great games that everyone can enjoy. – Game Designer
Future business strategy has not been defined in great detail as the market environment makes planning extremely challenging. PMD has moderate growth ambitions but “consolidating the company” and “positioning for a possible sale” are perceived more important for the future. The plans are not however – deliberately or not – communicated throughout the company; the Producer believes that there are not many people “giving it any thoughts for where is this company going to be in ten years or where they will be in five minutes”.

--- But because we are a consultancy type of company we obviously have some growth milestones that we’d like to meet, but at the same time are also cautious not to grow too much compared to where we are today. So I think the sort of goals we have are more in terms of consolidating the company in terms of making good money and that possibly positioning ourselves at some point in time for sale because that is the kind of the lifecycle that a company like ours typically go through. – CEO

I don’t think there are that many in this company giving it any thoughts for where this company is going to be in ten years or where they will be in five minutes. So I think we will grow. I hope we do great games in the future. – Producer

The in-house creativity is an advantage for a company although strategically it plays a smaller role with this particular business model where the clients often “really know what they want”. Knowledge and expertise brought by the experience and having “the finger on the pulse right now”, are key assets for the business.

--- We have a lot of experience, and we have the finger on the pulse right now. Usually clients just don’t come and tell us what they need. It’s a collaboration where we also share our experience with them. For some of the clients we have, they have never done any mobile games before so we try to share our experience and guide them. – Producer

We do a lot of work-for-hire and some of our customers really really know what they want, so there’s not a lot of executive decision to be made there. --- In some of the projects the clients’ wishes are more vague so then I have to have more of a leading role and decide how the game is going to be. – Game Designer

5.2.3. Project Management

PMD uses agile, Scrum-based project management but working with many different clients in different projects makes it difficult to pertain to one specific project management system. Additionally, the employees shift between different projects
according to the acute needs, which makes active project management and planning furthermore “chaotic”.

I think the keyword for project management sometimes is ‘chaotic’ because there is some of work being done to manage expectations from the client, and that’s the role the producer tries to fulfil, and it’s a lot of time it’s very difficult to put that into a solid system or we are not good at it. I don’t know. One of those. – CEO

--- But it is just a really tricky matter because we need to be really adaptable to clients’ needs and their demands, and we can’t do that by simply saying that this is how we do things and this is how you need to work with us. Usually the client is bigger than we are, and they are putting the money on the table so we are trying to be as adaptable and flexible as we can. – Producer

We do try to use some agile [project management] but when deadline starts failing because some of the projects can become unpredictable really fast. Suddenly a new project comes along and might need some of the people that were previously on another project. I mean it’s really hard to use agile project management when you are not sure of how many team members you have and how long you have them for. – Game Designer

In the project work one of the most challenging issues is “to manage the client expectations” and “to get the client to wrap-up”. As PMD’s main concern is to please the client, the deadlines of the projects may be pushed in order to polish the game or even the entire scope of the project; thus also “time management is one of the hardest things” in completing a project.

[The most difficult issue is] getting the client to wrap-up, probably. Because it is really easy to get good ideas and find productions and it’s hard to find out requirements. – CEO

I probably have to say that time management is one of the hardest things. Because as I said before, we never know how many people we have on a project and how long we have them for. --- So when people are on and off of project all the time, it is incredibly difficult to manage that. – Game Designer

The client dictates the pace in most projects, at least to some extent. PMD and its employees have influence in the project “as a group” but each individual has to work as a part of the team in order to achieve the common goals. However, employees have a fair amount of independence in terms of the individual tasks, and in choosing the means to achieve the set goals.
I think individually you don’t have a lot of autonomy. Everything is always aligned with the group, as in a designer doesn’t really have a good idea unless the programmer is able to implement it within the scope that we have for the project. – CEO

We have a lot of room to be independent and to judge how much time we are going to spend in a specific task and how would we like to do it of. Again, it really depends on the stage of the project because when you are running close to the deadline, of course of the producer supervising the project needs to micromanage a lot to make sure that we hit the deadline. – Game Designer

Intrinsic motivation and “passion” is seen as an important if not essential personal characteristic of the employees who are believed “not to work in the game industry for the money”. As most people in the company are eager gamers themselves, work is often considered “fun”.

People should have passion, and if they have it’s a good place to have that passion. So we try and, you know, remind ourselves of that. And we try to also attract some interesting projects that people want to work on. – CEO

--- People don’t work in the game industry for the money because that is just not going to happen. (haha) So, I mean, people here are all passionate about games. I don’t think there is a single person here who doesn’t go home and play some kind of game when they get home from work, either on their mobile or Playstation or whatever. We are all dedicated gamers and we like games and everything about them. – Producer

If you try to ignore the periods where you have to do the slave work and catch deadlines, it’s a fun job and you get to be creative. And it’s, well, it’s well a media I use a lot myself, so it’s fun. – Game Designer

5.2.4. Implications of the PMD case

PMD is a very client focused company, where the importance of the smoothly running business processes as well as delivering the best possible product for the client both drive the company equally. Creativity is very much restricted by the client whose ideas PMD wants to accommodate; the company is essentially a work-for-hire company – a pool of talented game makers. As the product outcome is usually defined by the client from the beginning, the main commodity that the company sells is essentially the service, or “the factory” to produce that product. This implies that PMD is a less knowledge-intensive and more process oriented business. Thus, the company struggles
also with competition because with such approach the leanest production method will attract most clients and lead to the desired steady cash flow for the company.

Due to the client-focus, the project management is perceived as “chaotic”; as the aim is to please each individual client in each individual project, the company has not found one project management method that would guide the process efficiently. PMD strives furthermore to be as “adaptable” as possible, which can often lead to time management issues when the clients change their mind at a late stage. Teamwork is emphasised, however, teams can rapidly change according to the fickle project demands. The value-adding creative driver of the project management is PMD’s solid experience in the industry, with which the company aspires to guide their clients, and reach the best possible solution for them, and from this perspective the company is indeed very product oriented. The employees intrinsic passion to create games is mostly utilised in this part although it is still utilised relatively little in the overall business operations.

The business strategy of the company seems somewhat detached from the rest of the otherwise client-oriented business, as the strategic goals revolve mostly around developing the more independent self-publishing side as well as consolidating the company. Especially the planned self-publishing model would bring the company more independence and divorce the company from the currently heavily client dependent model. In fact, self-publishing seems to be believed to bring the company freedom in terms of finance as well as creativity, and it is desired for both reasons equally. This furthermore explains the presently cloudy purpose of the company; the original core purpose to “make great games” has been buried underneath the commercial necessities, which the client orientation has been believed to further. From the purely rational perspective, the strategy is now to consolidate the company rather than grow aggressively.
5.3. Case 3: FLL

5.3.1. Business model

The third case company is a Nordic game development company FLL, which currently employs six people full-time. The company was established in 2004 and has gone through some “long-term organic growth” in the past eight years. FLL uses a hybrid business model that mixes work-for-hire as well as FLL’s own, self-funded and self-published game production, in which the amount of productions has been increasing steadily. The company is currently working on their seventh release.

*At the beginning it was a hundred percent work-for-hire and then slowly adding more and more team members and creating more and more games and larger games. So, it’s been... it’s a long-term organic growth.* – CEO
Financially the work-for-hire projects are the backbone of the company, and they are woven into the operations – “on the side or in between game productions” – in a steady stream to fund the production of FLL’s own games. Although the dependency on work-for-hire assignments is high, FLL is not interested in seeking grants but would rather create sustainable business with “more commercially-driven games” for their carefully chosen target niche of +30-40 year old male gamers. When choosing a game concept to develop, making the right choice is crucial for a small company as a “wrong choice could mean the end of the company”.

“[Grants are] funding a lot of small companies that have this one project that they finish and then they think that they have a business but they don’t because it’s not sustainable. I think that’s the inherent part of the [local] gaming industry, that’s a huge problem that there’s a lack of commercial thinking. --- We haven’t got any grants at all. --- Because what we are trying to create is more commercially driven games and finding our own niche.” – CEO

“We have a set of choices that are open for us, but picking one will close the others. Wrong choice could mean the end of the company. And that is a problem that we’re working to get out of. Being small can easily be as big disadvantage as it can be a good thing I guess.” – 3D Modeller

The chosen business model allows the company to work on their own productions fairly independently. However, as the company is growing, FLL wants to avoid having to think about “where does the next pay check come from”, and is thus reviewing the options for finding a business partner such as an investor or a publisher. The CEO furthermore believes that a partner could “give value by coming with the market knowledge” as well as sales skills as those are currently lacking. On the other hand, being a small team and ‘indie’ is believed to be positive by the creative staff. 

“Hopefully, maybe a little bit naïve, but hopefully the publishers will come with the market knowledge and actually make sure that the creative decision that you do while creating the game support a commercial model that is better than if I had done it myself, and in that regards add value also to the creative part. There is so many ways in games you can express yourself creatively and it’s not everything under publisher control. --- I’d rather pay a large percentage, possibly even a too large percentage to a publisher if they take care of that and actually sell it for me so that I only have to think about finishing the product.” – CEO

“I think being a small team where everyone can discuss openly and with no external factors to answer to really opens up for freedom.” – 3D modeller
Creativity is inherent in FLL’s production of video games but it is confined by the less-creative commercial goals. Although the innovations are somewhat incremental, creativity is an essential part of the commercial success, as the aim is to figure out “how do we make this super cool”. As the goals are set for the project, the creative personnel is given freedom to strive to reach those goals in a way they see best.

*It’s wrong to say there is no real innovation on the creative side because there is, but there is a lot of given things that you can play with but not change fundamentally. And we don’t try to change it fundamentally because we want to serve the people who want to play these kind of games. --- So the creative part sort of comes in smaller bits, how do we make this super cool, how do we implement some 3D stuff that nobody has done before, how do we make this game more accessible without twenty buttons and so on. So there are lots of small innovative, creative things, not one big large underlying revolutionary creative idea.*

– CEO

*[Is your work creative?] Oh yes, definitely. I get to go about it in almost any way I want.*

– 3D modeller

5.3.2. Strategy

The strategy of the company is very much driven by the CEO’s personal – and somewhat entrepreneurial – interest and will to “serve myself, the niche that I am in, with games that I want to play”. Commercial ambitions play also a key role in the company’s strategic thinking as the bottom line is to create games that have value to the chosen niche market; value that the niche is willing to pay for. The two-fold thinking of wanting to extrinsically “make games that sell” but also intrinsically “make games we want to make” is evident in the interviewees’ responses.

*My purpose of the company? Ooh. There’s several answers to that, I guess. --- You can’t have a company that doesn’t have the drive to earn money, because that’s what drives a company. So, fundamentally, to answer the question from that point of view, we need to create money. Make games that sell. On the creative side I want to serve myself, the niche that I am in, with games that I want to play. That is the drive behind what kind of products that the company makes. --- I have a defined niche group of people and I want to make money. I have tons of control, artistic control, still left even though I have these other things I want to do. So, I think that is the three answers to that question. Do I have like a business plan? Not necessarily, but it’s in my head.*

– CEO
The way I see it it is a way for us to make the games we want to make and still also somehow make a living out of it. --- It’s a more healthy environment to me than the “hardcore let’s work to death” crunch you keep reading about it, which I really don’t find appealing at all in the industry today. – 3D Modeller

FLL’s business builds upon specific themes that the CEO has determined important such as the target audience, game mechanics as well as reusing created frameworks. The main theme for FLL is to build onto the existing base, and to invest in the existing resources to “create more value with less”.

I do have some [strategy], of course having picked the target group audience and the game mechanics we are working with over the last few years, as well as strategy of creating frameworks that we can reuse for the next production and next production and grow it. --- And I think that’s also something essential part on the business side how you create money to the company; you do that by investing in yourself and the framework that you’ve built. Create more value with less. – CEO

With the game concept ideas FLL is “not going for the hit-hit” but “the long-term business” and “stable sales”. Therefore most ideas are built incrementally on previous work and the received feedback as well as current trends, and finally picked based on the “biggest creative commercial potential”. Although the initial ideation of each game is done by the CEO, all personnel are encouraged to take part in shaping the game to its final form and thus being part of the creative process.

We do build on top of the previous projects and the previous feedback that we got on the other games, but being a small company we also have to be opportunistic, in... “Ok, we can see zombie games are just bubbling out, so let’s make a zombie game”. --- I have a large list of 10-20 themes of games I would like to do, but then the type of games that we make... But I constantly, every time we end a production, I shuffle it around, see if it, given the commercial aspect and what’s hot right now, and feedback that we got, which one of these are now the next ones that we could go after and do, that have biggest creative commercial potential. – CEO

Most ideas I’d say are borrowed, can be from other video games, or even board games. Some are new, some are existing ideas with a new spin on. We’re mostly making turn-based strategy games, a genre that is very defined. And we all have ideas that we want to put into the game, and they all get brought up on the table for discussion. And I definitely feel like it’s my project as well. – 3D Modeller
Internally the knowledge-intensive company furthermore recognises the importance of the employees. As a small company, FLL has to pay attention to the employees.

*Because end of the day a company is, especially games company, is based around the people, so they are the ones... Small company like mine is never easy to replace the people. And it's always harder to hire new ones. But nobody is irreplaceable.* – CEO

Externally, competition is not seen as a threat as "the niche is underserved". Companies working on similar games are thus seen to help creating the market for the products in general.

--- I don't necessarily see them as competitors those that are there. They are companies the same size of mine creating similar products in a similar space, but the niche is underserved, so we are simply supporting each other in that way.* – CEO

5.3.3. Project Management

The process of game production at FLL is organic and flexible. The idea by the CEO is fleshed out to an overall game design democratically. The work is divided into the features that are wanted in the game, and those features are worked upon in Scrum-like sprints with everyone giving their input in the specific feature. Scrum is used as a method rather than a tool: “we use the principles and we use some of the mechanics that are in the Scrum system, but we use it in our own way” (CEO). Browser-based software called Jira is used in bug-tracking, GoogleDocs for recording design documents and decision logs and Skype for constant communication. The project management tools are deliberately restricted to a few core tools, as the production of video games needs certain agility.

*We have tried different other solutions and it just doesn’t work. It ends up being too complicated or too driven into what they think is the right thing. You only need the core bases or document sharing, who does what and when.* – CEO

Yes, we work in a task-based system. --- We currently use a browser-based system called Jira where everything is posted and tracked. --- With Skype being updated constantly we’re all up to date on where we are with the projects. --- I think it gives freedom, basically I get a task to do and then I finish it.* – 3D Modeller
Challenges of the production lie mainly in the production planning, but are controlled by the experienced management. A realistic approach to deadlines and estimations is endorsed.

Planning is by far the hardest. It's really hard to guess how long certain tasks will take to complete. Sometimes I set aside way too much time for something and sometimes I underestimate how long it will actually take to do. – 3D Modeller

I know it’s super hard creating a product, of course it is, but as long as you realise that when you are 80 percent of the way, you still have 80 percent the time left to actually finish it. --- I ask them how much time it takes and we put that in the plan. With just a little slack because everybody, optimistically, think they can do things faster than they actually can. – CEO

Employees’ motivation is mainly intrinsic, driven further by the intrinsic incentives such as autonomic work environment and open communication provided by the company. The laid-back atmosphere of a small team is the core element in motivating the employees.

I think everybody is motivated in that way that if they weren’t motivated they would not stick around. So I think they definitely like the way we work. --- There’s a lot of freedom to give your opinions even late in the process. And I think people like that. – CEO

It's a small team you work in, which I very much like, it opens up for the possibility to have everyone involved in as many aspects of the development process as possible. --- Even when you get to work on the "less fun" tasks it is still rewarding seeing the progress of the game moving forward and then again; you spend the whole day in a room with fun people, so there’s always some form of motivation to find all the time. – 3D Modeller

5.3.4. Implications of the FLL case

FLL’s business is built around the two-fold strategic purpose of the company: the desire to make games but also to make games that sell. The game productions are chosen accordingly with relying on game concepts that have “the biggest creative commercial potential”. No particular strategic planning tools are used, and the main strategic objective of FLL is to achieve long-term business stability via organic growth. Although the company is first and foremost founded for the simple creatively oriented idea to make games, the commercial ambition of FLL is to “create more value with less”. This
refers to utilising the existing experience in new projects, and therefore decreasing the dependency on innovation and creativity in general.

The business model of the company is organised around the strategy to support and implement it in practical terms. The hybrid model used contains commercially oriented work-for-hire activities as well as more creatively oriented own productions. With this combination FLL aims for a commercially sustainable business model that would allow the business to keep developing more and more games. The currently independent company would furthermore gladly welcome a business partner who could bring additional skills in marketing and sales, and hence free FLL to concentrate only on the game development. Thus, the importance of their own productions can be seen as the main driver of the business model; albeit extremely significant for the business, the work-for-hire part is included for purely financial reasons. Combining the strategic goals with the chosen business model, it seems that FLL is a very process oriented company as they strive to find the optimal conditions for continuous game making rather than emphasising the individual game projects. This is furthermore supported by the rather rational views on their potentially creative internal productions, which are chosen primarily based on their expected market potential.

Also the project management at FLL acknowledges the two strategic aspects of the company. Agility is considered as an important quality of the project management, and thus only the necessary tools are used in order to reduce the complexity of the production. Agile project management method helps the company to tweak the process to respond to the external market trends efficiently, and is as such the main commercial driver in FLL’s project management. Internally the project management is enforced to communicate and respect the employees’ opinions, grant them autonomy in regards to the working methods, and facilitate a laid-back atmosphere. These factors contribute to the employees’ individual feelings of having influence in the projects, which is the main creative driver of the project management. Ultimately neither the commercial nor the creative drivers seem to overpower the other, and the project management is well balanced between managing the external factors that may have influence in the production as well as the internal ones.
5.4. Case 4: BGB

5.4.1. Business model

BGB is a young start-up company founded by three developers at the beginning of 2011. After an accelerated growth spurt, BGB employs currently eight people full-time as well as three interns. The current business model revolves around releasing the first game after which the company will immediately start working on the next game production. Defining the business model is still work in progress, and for now BGB keeps all options open. A lot depends on the success of the first project, which has been funded with an external investment. The company is not considering equity-based investments at this point but sees it as a viable option for the future.
The business model is to get the game out and earn money on that of course. But to get there we need a push, and we need... we have funding to develop the game up until the launch now. What we do need is either a second round investments so we can continue developing of course but also fund the marketing ourselves and self-publish. Or find a publisher who can take on the marketing spend. – CEO

The company was founded to build up and monetise a game idea that had been incubating for many years in the head of the Creative Director of BGB. Instead of a revolutionising change, the game idea was more of an incremental improvement idea by a passionate gamer: “He played a lot of Sensible Soccer and Kick-off and though that [it] could be better” (CEO). The project started as a hobby and went through several iterations before it became a more serious development project and eventually, partially by a coincidence, the first project of BGB. The company started with a strong belief in the creative potential of the game without a particular business plan.

--- At the beginning it was, I mean, we all wanted to play arcade football game with our friends, and it was fun. And it was technically challenging and all that. So I think it started out as we want to do this game, and then once we started we thought, ok so how do we actually also turn this also into a valid business. – CEO

We thought, I had an idea for a game, and we thought we could use that time to make a demo and see if it would work. – Creative Director

However, BGB is aware of the market challenges they are facing. The developed game concept is new not only to the investors but to the market as well, and in terms of getting the needed attention, it is essential that the company manages to prove the concept. They are “playing it very safe” in terms of the content of the game: “--- But we are also playing it very safe. There is no violence, no blood. It’s for kids and adults. There’s nothing graphical. Just has to look appealing. Safe territory” (Creative Director). The cost of the production is financed with an investor who has brought the small company knowledge of the commercial side of the industry by bringing “clever money” to the table, referring to the seasoned experience and sound business decisions. The investor has not had influence in the creative process, only in organising of the overall production.
--- This is going to be first real-time multiplayer sports game on Facebook, and it’s going to be the first cross-platform as well. And the whole, I mean the whole free-to-play model is something that works really well, but we think it can be done much better, and that’s what we are trying to do now as well. So that kind of needs the proof of concept first. Once we figure that out it will of course be easier to apply other games as well. – CEO

--- We knew that [the investor] had the experience in games. So we listen to him (haha). --- He wanted the vertical slice, a bit of everything working. So... So we thought we would follow this with an actual 3D game. Because he knew what we wanted to do. But he wanted to prove that [it] would work first before we got to do the management part of the game. --- I think maybe we have a better product now because of it. I don’t know, difficult to say. – Creative Director

The first game is targeted to Facebook users who also play games on other devices. BGB has an outline for the target audience, however, the outline is fairly vague: “People on Facebook that like football”. The company has also considered the growing segment of female gamers in their product development: “We did a test in a class and there were many girls and we thought ‘oh no they don’t want to play’. But all the girls loved it” (Creative Director).

We are trying to do some things different than most Facebook games, because they are very casual games. You play one time and then you are out. We are trying 3D on browser, synchronized multiplayer. So it’s less casual than usual. But, yea... But... Anybody, who likes to play football. – Creative Director

The company’s main resource, the employees, have been carefully selected by the founding partners as in a small team every person has significant influence. BGB does not outsource any work currently mainly due to the administrative and managerial workload it is believed to increase. Additionally the company would like to “have more kind of marketing/business experience in-house as well” (CEO) to support the business side.

--- We need to be a certain size before [outsourcing] will actually make sense, in my world at least. Because once we start outsourcing we’ll have to have a fulltime employee to handle that, because there’s a lot of communication issues, there’s a lot of... whole other management. – CEO
5.4.2. Strategy

Strategically BGB would like to “change the way people perceive gaming and Facebook games” by making it “truly social”. Building up a viable business is relevant to the company but below the high-level goals lie however the will to create fun games and enjoy the process as well as the end product.

--- And to be honest, on the personal side, just having the chance to make the games we think are cool and just play around and make great games. A big part of this whole money thing is that yes we want a big success, we want to earn loads of money because that would mean we would have the freedom to create the games we like. We are at a situation now where we do have to take decisions that we wouldn’t have taken, but we had to take for the sound business sense, to get the game out before we run out of money. But hopefully we’ll get to the point when we can start having more security and taking higher risks as well.

– CEO

Well, we want to make games that are... what do you say... It doesn’t have to make money. So we want to make games that we think are fun. In order to build that we first have to have a success track to generate money. So... So, yea. To do fun games that we would like to play. – Creative Director

BGB has moderate growth plans as the company perceives agility and adaptability as some of the core competencies of their small team. Versatile skills can be used parallel across the company, and team members are able to help each other all having the relevant skills and knowledge. At the same time finding the optimal balance is a challenge when a team member suddenly gets ill or takes vacation; “I know that’s why the other companies grow big, because publishers demand you have more personnel. That’s a difficult balance” (Creative Director). In a small team not only knowledge but also personalities become very important. BGB finds chemistry important but is not afraid to have differing opinions.

I think we are able to adapt. We have a skilled team... with a lot of experience from other companies. Pretty much that. And we don’t have one guy doing this, and other guy doing that. They can trade places. – Creative Director

If we surrounded ourselves by people who all just agree with us we would not move anywhere. So conflicting interests and arguments and personalities can also help spark new ideas and move into direction we didn’t think were possible. – CEO
BGB is not concerned about the competition in the field as they are entering a new segment. The main competitors are other football-related game products but those are not seen as direct competitors as they do not occupy the same space. Thus, the competition is only seen as a supportive factor that grows the market for all the companies creating football games.

_The thing we are doing, the whole idea is that we are doing something no one has done yet. But I mean, of course there are the EA, the FIFA, the soccer games and Facebook games, Top 11 Football – there are tons of football games out there. ... I don’t really necessarily think we need to be competitors, I think there is a lot of space for people to live next to each other. I mean, FIFA and Pro Evolution Soccer is the perfect example because it is two very very similar soccer games, but they do exist next to each other and a lot of players actually play both._ – CEO

Some companies in the industry work towards creating an original game concept that will become a hit and pay off all the debts but BGB’s perspective is more pragmatic. The company wants to manage the risks by aiming to produce a stable stream of games and invest in marketing and publicity.

_--- Instead of doing what I think sadly a lot of people are doing right now, focused entirely on the creative, their golden idea, doing kind of a ‘hit and miss strategy’ --- That happens in one out of a million, you cannot build a company based on that. So it’s minimising the risk on that doing, doing publishing deals, having a marketing budget, actually marketing the game and getting it out in front of people. --- Of course we are going to do some random fun stuff just because it is fun and makes no sense, because we are crazy like that. But mostly we are going to do sound decisions. Risk management._ – CEO

Intrinsic motivation is extremely important to BGB, as they are not in a position to compete with salaries. Instead of financial rewards, BGB wants to compete with the individuals’ impact in the process: “_So they get a lot of say, a lot of freedom and a lot of responsibility with that freedom as well_” (CEO). The founders wish that the opportunity to influence in the production has made the game into an achievement the whole team feels proud of.

_--- Game industry is very low paid when you consider the skills that people have and what the could make on other industries, so that’s also part of what helps people being passion-driven more than anything. One guy was just, he should never negotiate a salary, I had to give him more than he asked for because he was just “well, as long as I can eat and pay my_
rent, I’m happy”, he just wants to code and make games. I love people like that, I want them, but at the same time, I don’t want to undercut them completely and pay them nothing. ---

When we are such a small team and have passion in the project and get into the point when it’s their baby as well just as it is the three of us baby. – CEO

I think some of them are here because it is a job, and that’s fine. That’s how it is. But the... Again the ambition is to make more games later on and hopefully have everybody contributing. Yea. So. Right now it’s kind of... It was my baby but I still feel it’s our baby now, as a team. – Creative Director

5.4.3. Project Management

Working on their first game development project, the BGB team is still iterating their project management process. Scrum-method is adapted to the needs of the small team, however, the tools are used in a loose manner.

I really believe in low-tech process, so we had Post-its on the wall and everything was just very easy to move and create, and that worked extremely well when we were a small team. Then once when we grew to the size we are now, we started having trouble because it started getting more and more loud and people weren’t really using the process right. So we have been iterating on it, now we’ve actually just moved onto an electronic system and trying that out. So we are constantly being agile on our process as well. We try to find how our team works best and what tools work best for us. – CEO

We used to use just stickers on the wall, Post-its. But now we use Pivotal Tracker, I think it’s a free tool, Scrum-based. So... It’s really good. [What is most important in project management?] Getting an overview. Since the team is now growing, we need to know who is doing what. – Creative Director

The Scrum-method furthermore enforces the communication between the team members and makes the project truly agile. This communication ultimately shapes the product to its final form, which may be very different from the original plan.

--- Well, Scrum is definitely a big part of it. Every day you have the stand-up meeting and everyone is up to speed with what everyone else is doing, what the issues are, how they are solving them. I think, we are really trying to be very communicative as well. So, I mean, whenever we have design decisions and stuff like that, we do them in an open forum. – CEO

--- And the cool thing here is that maybe the idea was to do this, to go from here to here, but then we could’ve achieved 90 percent of the idea by going this by doing it a little bit differently but adding some things, removing some other things. – CEO

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Perhaps the most important, as well as challenging part of the project management is to estimate the time a creative process takes. The CEO of BGB believes that a clear process management method such as Scrum makes the creativity more fruitful as “sometimes we need to put some limits on [creativity], so that we don’t search for the best idea in the world, we search for the best idea we can do in that time”. The purpose of project management is thus to offer clear structure for production.

*I think that even creatives can estimate. And I think creativity actually works best under some kind of process as well. --- Maybe sometimes a brainstorm can help you spark some ideas, and that you can estimate how long it would take. --- It’s always chaos in the beginning, and it is supposed to be, that’s what people don’t realise. It is supposed to be completely off in the beginning because then it evens out.* – CEO

The Creative Director sees the main challenge in finishing the product and letting it be released without polishing it to perfection first. BGB works with a vertical slice model which forces the company to manage multiple different parts of the production simultaneously, and the parts are completed at different times.

*I think it’s because we are doing, what’s it called, vertical slice, so a little bit of everything working but nothing gets final. So... so we have to remind ourselves that things are not finished and it’s ok to release it. Because we are used to polishing and releasing only once but now we can release several times. And difficult part is making everything work despite everything not being finished.* – Creative Director

5.4.4. Implications of the BGB case

As a young start-up, BGB’s business structure is understandably very product oriented. The business processes have been built around completing and releasing the first game, after which the business may even take completely new directions; this depends largely on the success of the first project. BGB exemplifies how a video game development studio can be built around a product and few idealistic views, and transformed then into a viable business on the product's terms.

From the beginning, BGB has been iterating with their project management in order to make it efficient and smooth. The small team started with a low-tech approach using Post-it notes on the wall, but had to convert to a Scrum-based software as the project
grew more complex and encompassed more people. Each iteration or change has left its mark on the final product, and this is how BGB believes it should be; new ideas can be integrated and the project keeps evolving until the very end, which leads to a more interesting – and better – end result. Scrum–tools that are used facilitate the communication and ideation, and outline the playfield for creativity. The less prominent, commercial driver of the project management contains the requirements set by the investor. The vertical slice model is a work method which does not change the content of the product, but it influences the order in which every part is developed, aiming thus to complete the product more efficiently.

Strategically BGB wants to "change the way people perceive gaming" and make games they enjoy themselves. The statements concerning the purpose of the company contain strong implications of the intrinsic motivations driving the company; BGB has been founded for the creative purposes rather than with financial incentives in mind. Money is only seen as the essential tool to keep making games. BGB has not however overlooked the importance of the commercial side of the game making. The team is aware of the importance of marketing and publishing deals, and wants to stay agile and adaptable to the market's demands. The product-focused company does not see the competition as an issue, as the product is “something no one has done yet”.

With a completely new product, the BGB's business model lacks testing, and awaits the release where it can prove itself. Before entering the market and receiving its acceptance, the product can only make empty claims about fulfilling its goal to be an improvement to existing football or Facebook games. Therefore, the company's commercial driver in relation to business model is to release the game, and get some tangible evidence of its performance in the market. However, as BGB's passion is to make games, and improve and develop the existing ones, the satisfaction does not result from the market's response to the release, but rather from completing a great game the team is happy with. Thus, it can be deduced that also the business model is pursued emphasising creative drivers.
Figure 5: Summary of BGB.

Business Model

Strategy

Project Management

Commercial driver: "Release the first game"

Creative driver: "Improvement to existing games"

Commercial driver: "Money needed for freedom"

Creative driver: "Making games we like"

Commercial driver: "Vertical slice"

Creative driver: "Iteration integrates new ideas"
6. CODING FOR ANALYSIS

Coding refers to the systematic rearrangement of the collected data. After the previously introduced data had been organised in empirical themes it was re-examined thematically. The thematic analysis of case studies data produced initially 24 basic themes that were further divided into seven organising themes. The organising themes pointed to two distinctive directions and were thus divided accordingly to two global themes. The global themes were labelled as the facilitation of creativity in video game development (Appendix D) and the facilitation of rationalisation in video game development (Appendix E). These are described in more detail in this chapter. The implications of this analysis will be discussed in the next chapter.

6.1. Facilitation of creativity in video game development

Creativity was found to be facilitated using several methods, which were categorised as the four organising themes of fun, influence, trust and ownership.

*Figure 6: Facilitation of creativity in video game development.*

6.1.1. Fun

*Fun* was identified as one of the main creative motivators for video game development, as it was brought up in all of the four case companies. The employees as well as the
management recognised the link between the creative motivation and having fun with work explicitly. Fun resulted from five main sources: opportunity to make games that were ideated in-house; relaxed and informal atmosphere in the organisation; chemistry between the team members; intrinsic passion to make games; and opportunity to use one’s own expertise and skillset (Figure 7).

Figure 7: Fun as a facilitator of creativity.

With games being ideated and made in-house, both the artists as well as their superiors felt more motivated and thought it made the work more fun.

“[Why do you feel you are motivated then?] Because we are making a game I want to play.” (Creative Director, case 4)

“We develop games we like. For artists and all employees it is best that we make games that we believe in. The work quality is much better.” (Producer, case 1)

Good atmosphere provided the employees comfortable and relaxing as well as inspiring environment to work at, and they saw this favourably.

“We have a laid back atmosphere, and can do our own thing.” (3D Animator, case 1)

“Also the house we work in is literally filled with game developers, almost just their presence alone is motivating.” (3D Modeller, case 3)
In a relatively low-paid industry “no one works for the money”. Thus, intrinsic passion for

game making was seen as an important factor in guaranteeing the ‘fun-ness’ of the work,

and was highlighted by several cases in the research.

“Game industry is very low paid when you consider the skills that people have and what the
could make on other industries, so that’s also part of what helps people being passion-
driven more than anything.” (CEO, case 4)

“People should have passion and if they have it’s a good place to have that passion.” (CEO,
case 2)

“For artists it is kind of visible if you are not motivated, the passion is missing. You can see it
in the quality of the work.” (Art Director, case 1)

Having the opportunity to use one’s special skills or talents and demonstrate the
expertise at work was brought up as an important contributor to creativity.

“It’s not like all projects are fun. Sometimes you know that the next 2 weeks are going to be
boring, that the work is not very inspiring, might be not exactly your own expertise.” (3D
Animator, case 1)

In order to enjoy the work and flourish at it creatively, the chemistry between the team
members or the organisation as a whole was emphasised in several case companies.
Most of them highlighted the importance of ‘having fun together’ as a team and having
similar interests.

“You spend the whole day in a room with fun people, so there's always some form of
motivation to find all the time.” (3D Modeller, case 3)

“So, conflicting interests and arguments and personalities can also help spark new ideas
and move into direction we didn’t think were possible. But mostly we do enjoy each other’s
company and like to drink beer together and have fun and have same interest of course.”
(CEO, case 4)

“Team spirit of course is very important for the motivation, and every now and then we
have some parties together.” (Art Director, case 1)
6.1.2. Influence

The ability to influence the production was also identified as one of the key facilitators of creativity. The case companies perceived influence as something caused by the size of the team; democratic decision-making process; and open communication between all the levels of the organisation (Figure 8).

Figure 8: Influence as a facilitator of creativity.

![Diagram showing the relationship between democracy, team size, open communication, influence, and creativity.]

Size of the team had direct impact on the degree of influence the team members felt they had in the projects. The more influence they felt they had, the more motivated they seemed in their job.

"It’s a small team you work in, which I very much like, it opens up for the possibility to have everyone involved in as many aspects of the development-process as possible." (3D Modeller, case 3)

"In a small team you can do... what you do is kind of more important." (Creative Director, case 4)

Most case companies emphasised their democratic work processes where everyone has an opportunity to contribute and thus feel their impact in the project. Equality between all the employees regardless of their position was seen in positive light.
"It's a democratic process creating these games within the frames I have set up." (CEO, case 3)

"Of course sometimes it's crunch time, and I have to put the boss hat on and say 'do this' and 'do that', but mostly it's everyone's pretty democratic, and I think that's good." (CEO, case 4)

Open communication was highlighted among most case companies; the employees could feel they were respected which furthermore motivated them.

"We can all tell our opinions quite freely. We can give feedback. We want to make the games so that it is our game, not that it is a mass game." (3D Animator, case 1)

6.1.3. Trust

Feeling of being trusted furthermore enhanced the employees' level of creative motivation. Trust was built with granting the employees autonomy to work relatively independently, as well as responsibility to carry out tasks according to their skills (Figure 9).

Figure 9: Trust as a facilitator of creativity.

Being given independence to work with processes that fit them best, the employees felt more trusted and thus motivated in their work. This was the case even when the outcome for each task was clearly determined, and creative freedom was more limited.

"Very independent. I have a lot of freedom. --- I cannot make visually bad things, but I have full artistic freedom to work." (3D Animator, case 1)
“---I think it gives freedom, basically I get a task to do and then I finish it. [Do you still think your work is creative?] Oh yes, definitely. I get to go about it in almost any way I want. (3D Modeller, case 3)

“We have a lot of room to be independent of and to judge how much time we are going to spend in a specific task and how would we like to do it of.” (Game Designer, case 2)

Responsibility was often connected to the autonomy; as the employees were given a certain amount of autonomy, they were also assumed to accept the responsibility that came with it.

“People take responsibility over their own work and they are not just doing what someone else tells them to do. ”(CEO, case 1)

“So they get a lot of say, a lot of freedom and a lot of responsibility with that freedom as well. That’s something these guys like, and that keeps people motivated.” (CEO, case 4)

6.1.4. Ownership

Finally, ownership was determined as a key motivator of creativity. Ownership was facilitated by the organisation by retaining the control of the created IPs, or by building up a self-publishing business model in order to gain more creative freedom (Figure 10). Although these methods could also be connected to the commercial ambitions of the companies, they include some strong creative connotations that should not be disregarded.

Figure 10: Ownership as a facilitator of creativity.
By retaining the rights to their own IP, the companies seemed to appreciate the creative value of the game more. Having an own game production, “your own baby”, spurred the motivation for creativity differently compared to work-for-hire productions that were often produced purely for financial purposes.

“Typically we always try to achieve a position where we own the IP and the license, so we also try to maintain the control of the IP and therefore the game design.” (CEO, case 1)

Most of the case companies described self-publishing as a tool that would lead to a situation where they would be able to concentrate more on their own ideas as well as control their work. The idea of self-publishing was received well especially by the creative staff.

“Right now we are not doing a lot of games of our own, but the plan is that for the future that, PMD might actually be hired by the sister company to do games, so we are sort of self-sustained.” (Producer, case 2)

“We do have some plans to work on that, to make more of our own stuff. And try self-publishing. That’s been a plan for a while now and it’s still at its infancy. But I hope we are getting there.” (Game Designer, case 2)

6.2. Facilitation of rationalisation in video game development

The commercial drivers of video game development were divided into three organising themes: generating income efficiently; increasing the value of the organisation; and securing the income.
6.2.1. Efficiency

It was defined that commercially one of the key drivers for the case companies was to organise their resources as *efficiently* as possible. The companies strived to achieve this by being agile; having a steady production flow; controlling the project management with strict outlines; and by multitasking in terms of working on all the different layers of the project simultaneously (Figure 12).

*Figure 12: Efficiency as a facilitator of rationalisation.*
By striving for agility, the case companies wanted to respond to the quickly changing demands of the external market trends as efficiently as possible, as well as to facilitate the internal production process dynamically.

“We do build on top of the previous projects and the previous feedback that we got on the other games, but being a small company we also have to be opportunistic, in... ok, we can see zombie games are just bubbling and out, so let’s make a zombie game.” (CEO, case 3)

“So we are constantly being agile on our process as well. We try to find how our team works best and what tools work best for us.” (CEO, case 4)

In order to keep the business running smoothly, the case companies revealed their aspiration for a steady production flow. Releasing games in steady intervals was seen as an important indication of the organisational efficiency.

“Company was founded in 2007 and we did our first worldwide release in 2009 and since then we have been releasing something on some platforms on a quarterly basis, so around two releases per six months.” (CEO, case 1)

“We tried to build as many pipelines as we could. --- We have to keep projects coming in as steady flow as possible. And that’s a really big challenge.” (Producer, case 2)

The efficient business was furthermore managed with strict control of project management.

“The way we see it is that in order to give our creative people the freedom and flexibility we must have strict processes above that, to control that. So instead of giving a complete creative freedom for 18 months (which would be a complete catastrophe), we give them creative freedom in terms of milestones that last around 3 months and inside those the work is divided into sprints of 2 weeks. Every second Monday the team sits together and figures out what is the focus for the period of next 2 weeks, then they do it, and on the second Friday we then measure what has been achieved. Inside that 2 week period they can self-manage their work process. Of course it is monitored through systems where they access the work tasks and write them down, but basically no one is breathing down their necks during those 2 weeks. It is at the same time highly controlled but striving to give the as much creative freedom as possible.” (CEO, case 1)

“I do not give them complete control. I do a lot of, what you could call, framing the task that they should do in user-driven aspects.” (CEO, case 3)
One company also demonstrated how their production was organised in a more efficient way by using the vertical slice work model where the work is conducted on all layers simultaneously. Albeit the investor had demanded them to use the model, it was believed to have a positive affect on all the aspects of the business, including the creative elements.

“I think it's because we are doing, what's it called, vertical slice, so a little bit of everything working but nothing gets final. ... I think it was fair on his part. I think maybe we have a better product now because of it.” (Creative Director, case 4)

6.2.2. Value creation

An important commercial driver was also the aim to increase the value of the organisation. Some of the case companies strived to boost the value by concentrating on their core competencies; most investing in their employees; some relying on popularity and creation of entertainment; and others showed immense focus on the actual products; and two aimed at consolidating the organisation as a whole (Figure 13).

**Figure 13: Value creation as a facilitator of rationalisation.**

For most case companies the external motivator to create entertainment was one of the key elements of the business. Commercially the companies tried to increase the value of the company and its products by gaining popularity and respect among the chosen
target group. Thus, an integral part of increasing the value of the organisation was to make entertainment that sells.

"[We want] to entertain other people in this world." (3D Animator, case 1)

In 2007 or 2008 or so we did a couple of titles that you’d probably regard as ‘hits’ but they didn’t sell very well, so they were sort of, creative hits in the sense that they had extremely good reviews and a lot of very core gamers knew about they titles and saw them as being incredibly well done. And that caught the attention of a lot of publishers as well. So in that perspective those games were hits, but they didn’t sell very well. So, they didn’t catch the eye of other publishers. But then we’ve had other titles that, you know, we definitely don’t feel as proud about and weren’t as good in our books, but have just been phenomenal hits in terms of sales. And that’s where you start to, you know, gain the interest of other publishers. So we’ve balance it. (CEO, case 2)

Outsourcing was one example of how a case company was able to concentrate on their core competencies, and hence increase the value of their organisation.

“About 90 percent of all 3D models and 2D concept art work comes from outsourced. In-house we do coding and the outlines of the game and usability. And our in-house 3D animators do as much as they can. --- Even though we outsource a lot of work it doesn’t mean that we don’t have the knowhow, we just don’t have enough time. If we didn’t have the knowhow in-house, we could not give the specific instructions on what we want.” (Producer, case 1)

Especially in smaller knowledge-intensive companies the importance of the employees was duly noted. Selecting and retaining the employees was indicated as an important task.

“Because end of the day a company is, especially games’ company, is based around the people, so they are the ones..." (CEO, case 3)

“---Especially now with some companies like Rovio with endless cash flows, breaking many teams when employees jump to their team from other companies. Luckily we do not experience any of that and our core team is still the same as it was when we started in 2007, just grown more.” (CEO, case 1)

“Recently we’ve expanded with two more programmers, and IT designer that we’ve been looking for a long time but we couldn’t find a good fit until we found this guy.” (CEO, case 4)
Furthermore, some of the companies displayed focus on the product instead of the process, which was often tied to the added – creative – value the company could provide.

“I definitely think that if you kind of strip off the whole client side of things, this is still no different than the other game company. We try and make the best game we can.” (CEO, case 2)

Two of the case companies mentioned ‘consolidating the company’ explicitly as their future business strategy. This was often connected to the moderate growth ambitions; consolidation was seen as a more sensible – and value adding – solution for the future in terms of cash flow and job security.

“So I think the sort of goals we have are more in terms of consolidating the company in terms of making good money.” (CEO, case 2)

“Moving forward and consolidating the company more and more, I want to structure it so that they do get a regular salary and some kind of a yearly bonus or a sales bonus or similar.” (CEO, case 3)

6.2.3. Security

Lastly, the security of the organisation was also determined as a principal facilitator of rationalisation. Case companies with different business structures used different methods to achieve security: some used work-for-hire model as a ‘back-up’ business model; one focused heavily on pleasing the client in order to gain repeat business; and few had tied partnerships with external investors (Figure 14).

**Figure 14: Security as a facilitator of rationalisation.**
Most case companies mentioned how they would have to finance their operations at least partly by doing some work- for- hire projects in order to be able to complete their own game productions. FLL illustrated the purest example of this, as they had managed to find the balance between doing constant work-for-hire in order to keep their own production running simultaneously. PMD on the other hand based their whole business on this, financially more risk-free, work-for-hire model.

"The way that the company is structured is that we try to run game productions that last 6-7 months. And on the side or in between there, in between game productions, we do work for hire that pays for the next project." (CEO, case 3)

"Some games we’ve done for outsider, but those are not our IPs. Usually we make a prototype and start selling it to publishers." (Art Director, case 1)

“Our business model is very much work-for-hire and we’re very much consultants in this business. And with consultancy follows the fact that you don’t necessarily have really big creative ambitions on your own, you have them on behalf of your clients, because you deliver products to the clients. So, I mean, the bottom line, the reason why we’re here, is to make money and to make sure that everyone has a job that we grow as a business.” (CEO, case 2)

In order to secure repeat business, PMD expressed their aim to please their clients.

“We go a long way to make sure that our clients return because there aren’t a lot of big publishers. We go a long way to keep them happy and ensure that everything is as they expect.” (Producer, case 2)

“Pretty much everything is, sort of, bubbles up to the producer who then has the responsibility of managing what’s possible and also expectations for the client side.” (CEO, case 2)

One way of securing the business financially was found to be investor funding. Most case companies agreed that investor funding could work for them, but finding the right partner had been found somewhat difficult. Investor’s role was always preferred to focus more on the postproduction, sales and marketing, rather than on the creative process.

“At the moment I am actually thinking about taking in an investor on a project basis, not on an equity basis. ... But that’s primarily because we have started to be the size of the
company where "where does the next pay check come from" starts to be a factor." (CEO, case 3)

"[How much control does your investor have on the project?] He has a lot on the planning. [Too much?] No. He was... I think it's called 'clever money'. So he knew what he was talking about. So that was good. That was one of the reasons why we wanted to go with that one." (Creative Director, case 4)

"It is our publisher who can say that with this level of publicity we can sell at least this amount of retail copies. The publishers have so much experience of the market that they can tell this pretty accurately. Nowadays we really can do this prediction quite well." (Producer, case 1)
7. DISCUSSION

Seeking the optimal balance of creativity and rationalisation has been explored extensively in previous literature, thus implying that they have opposing objectives, and excluding the possibility of them being potentially inclusive (Blankevoort, 1983; Cohendet & Simon, 2007; Tschang, 2007; Zhang & Bartol, 2010). This research seeks to determine how this complex relationship of creativity and rationalisation is perceived and managed in creative organisations by breaking down the activities of the organisations and reviewing those activities separately.

7.1. Creativity in video game development

In literature creativity has been defined as the production of ideas that are new, useful and valuable (Amabile et al., 2004; Boden, 2004; Mumford & Gustafson, 1988). Howkins (2002) has furthermore defined a creative product as a combination of creativity and economic value. Relying on Howkins’ definition, art that is created for art's sake (Caves, 2000) does therefore not qualify as a creative product. This is an interesting dilemma in the literature of creative industries; art products and other creative products are often categorised as one and the same, as advertising, architecture, art crafts, design, fashion, film, music, performing arts, publishing, toys and games, TV and radio, and video games are all included in the heterogeneous definition of the industry (Caves, 2000; Hesmondhalgh, 2007; Howkins, 2002; Throsby, 2001). Although the core element of both kinds of products is the same, ‘creativity’, that creativity can be channelled according to the either artistic or commercial purpose of it.

Figure 15: ‘Artistic creativity’ overlaps with ‘commercial’ creativity in most parts. Some art can however be created purely “for art’s sake”.

Creativity
- novel
- valuable
- useful

Art
The video game development studios researched in this study all represented commercial businesses rather than non-profit, cultural or artistic organisations. Thus the goal of their operations was the capturing and maintaining of commercial creativity, or entertainment, within their business sector. Following Howkins’ (2002) logic, the interest of the case companies was thus based on developing creative products by concentrating on ideas with greatest “commercial creative potential”.

7.2. The relationship of commercial creativity and rationalisation

7.2.1. Creativity and efficiency

From the rational perspective, the efficiency of production is a key for any commercial organisation, thus also for the creative ones. Caves (2000) introduces five properties that characterise creative organisations, one of which is the ‘time flies property’ that refers to the crucial coordination of production and realisation of the revenues. Also my research shows, that this flow of production is one of the core challenges for companies producing creative products such as video games.

According to Roch (2004) and Tschang (2007) the complexity of skills needed in the production of video games drives the rationalisation of the development, which essentially leads to a shift from creativity focus to productivity focus. This is supported also by the notion that as video game development is mainly driven by large publisher corporations (Hesmondhalgh, 2007; Miège, 1987), and this vertical integration has been seen to be driving the rationalisation of creative industries (Mezias & Mezias, 2000).

The research showed, that even in organisations most focused in an efficient production flow, creativity was not aggressively sought but yet it resulted naturally. For example at the process focused NOG, the creative personnel felt motivated as they were given the possibility to take part in ideation and thus express their intrinsic passion to make games. Cohendet & Simon (2007) highlighted the difficulty of identifying, utilising and benefitting from creative slack – unused resources or ideas – as one of the production-
related challenges. At NOG this had been organised with 'Game Concept Cups' that facilitated the presentation of such ideas efficiently. The creativity facilitators (fun, influence, trust, ownership) were thus not seen to hinder the flow of production but on the contrary support it.

According to literature, work processes in an innovative environment must be efficient and adaptable in order to be able to respond to changes in the market with agility, and as such demand strong leadership (Dinsmore, 1990; Storey & Salaman, 2009; Tschang, 2005). All case companies believed that agility was of importance in increasing the efficiency of their business, and strived to improve agility by using agile production methods and by “keeping their finger on the pulse”. Again, the strive for adaptability and agility did not result in lack of creativity; the strict project management accommodated both, the ability to respond to changes quickly, as well as the “freedom and flexibility” for creativity.

Fitting creative work in a strict frame has been debated in previous literature (Amabile & Khaire, 2008; Blankevoort, 1983). Throsby (2001) suggested how creativity could be fitted into processes by breaking down the act of creative work into functional tasks with definable goals. Although supported by most CEOs in the case studies, the creative personnel of the companies often saw this as the main challenge for their work; creating estimations for artwork could not be forced into a frame. The issue was best tackled by granting the creative personnel substantial autonomy to work on their own though still not resolving it completely.

According to my research, efficiency is not necessarily seen as just a driver of rationalisation in video game development as many efficient business operations allowed also a substantial amount of creativity. In many parts, the efficient use of the scarce resources was not found to clash with the facilitation of creativity; the employees understood the reasons for the rigidity of project management, and still found the work creatively motivating.
7.2.2. Creativity and value creation

Commercial organisations are always interested in increasing the value of their products as well as the organisation as a whole. Caves (2000) notes that in creative industries there is an infinite variety of products that are horizontally differentiated by quality and uniqueness. The main challenge from value creation perspective is choosing the idea best suited to compete in this ambiguous market (Howkins, 2002). This is furthermore described as the challenge of finding the optimal distinctiveness by shielding the creative idiosyncrasies from institutional isomorphism; keeping true to the chosen artistic perspective regardless of the pressure of the market economics (Roch, 2004; Álvarez et al., 2005).

My research indicates that the described rational product focus is a key element of creativity in video game development. Focusing on choosing the game concept and developing it through several iterations to the best possible creative outcome supports all creativity facilitators (fun, influence, trust and ownership) identified in the research.

In their quest for commercial creativity, the commercial organisations in creative industries have to yield to the whimsical trends of the industry; the intrinsic, artistic creativity has to be transformed to meet the external demands (Aoyama & Izushi, 2003; Howkins, 2002). According to literature, this can be arduous as often the need for creative products is created for end-users without knowing whether it will be realised (Caves, 2000; Throsby, 1994). My research shows however, that in the case of video games, the consumers taste for familiarity limits the artistic creativity significantly and invokes commercial creativity instead. Although limiting the creative developers’ intrinsic creativity, the aspiration for popularity provides a lot of room for commercial creativity.

In knowledge-intensive creative organisations, the employees represent the core value of the organisation, and the main challenge for the management is to find the optimal balance to support and spur creativity (Amabile et al., 2004; R. Defillippi et al., 2007; Grabner & Speckbacher, 2010; Parrish, 2007). According to literature there are six managerial practises that influence creativity: challenge, freedom, resources, work-
group features, both task- and relationship oriented supervisory encouragement as well as organisational support (Amabile, 1998; Amabile & Khaire, 2008; Amabile et al., 2004; Kramer & Amabile, 2007). It is thus firstly essential for the organisations to find the optimal set of employees, and secondly to retain them in the company.

The research concluded that compiling the right team was indeed done with care, and subsequently maintaining the employee satisfaction was taken seriously. Thus, as also mentioned by Amabile (2004), providing an inspiring and motivating work environment was seen as an extremely important factor in all case companies. Reduced from the literature, the main facilitators for creativity were identified as fun (resulting from factors such as atmosphere, chemistry and intrinsic passion), influence (resulting from the small size of the project team, democratic decision-making processes and open communication), trust (resulting primarily from autonomy) and ownership (resulting from organisation’s decision to retain the rights to its creations). Increasing the value of the organisation through selecting the best talents and retaining them did thus not clash with the creativity facilitation, as the objectives of the two were very much aligned.

One way of increasing the value of an organisation is to consolidate the company, and to strip the operations as to represent the core competencies of the organisation. In creative organisations this is often done by either outsourcing the activities that repose outside the core competencies or by setting up flexible project-based organisations focused on selecting the specific skill mix for each project separately (Bethke, 2003; R. J. Defilippi & Arthur, 1998). These may however result in unfavourable terms for the employees of such organisations. In order to avoid the often irregular, short-term low job protection typical for the industry (Banks & Hesmondhalgh, 2009), the case studies indicated earnest interest in consolidating the organisation. The video game development companies involved in the research were striving to break out of this unstableness, characteristic of the creative industries. Furthermore, this instrument for increasing the value of the organisation supported creativity at the same time by providing the creative personnel a more stable milieu to practice their expertise.
7.2.3. Creativity and the strive for secure and stable business

Security in creative companies is often achieved with the ‘humdrum’ operations, which are needed in any commercial business for rational purposes (Caves, 2000). Thus, it can be deduced that these operations overlook the creative ambitions of the organisation as they concentrate on the external players such as clients, partners and investors. Especially in creative industries the importance of gatekeepers such as publishers is eminent: they judge the talent, finance projects and distribute ready products (Caves, 2000; R. Defillippi et al., 2007). Because of the publishers’ prominent position in the industry, the industry experts argue that it may pose threat to the creativity of video games in the long run with more and more derivative products (Cohendet & Simon, 2007; Roch, 2004; Tschang, 2007).

The research highlighted three main methods the companies used in order to enhance their security and stability. Firstly, work-for-hire business model was used as a ‘back-up’ business model to finance the operations. For PMD this was the main business model, which provided an interesting comparison point with the other cases. Whereas the other case companies treated work-for-hire as a non-creative side-business to finance the more creative in-house productions, PMD still saw the operations as creative. Arguably the work-for-hire model however provided the least facilitation for creativity, as the client-driven model left very little room for PMD innovate. Secondly, almost all of the companies had some level of publisher focus, as these gatekeepers of the industry have a lot of influence in the developers’ business. Some of the companies sought for more independence by trying out self-publishing models, and thus optimising the supply chain and gaining more creative as well as commercial control for themselves. The third method to secure the business was investor focus; most of the case companies were willing to partner with investors in order to gain financial stability. All of these security and stability-oriented actions pulled the companies towards a more rational direction, limiting the creativity the most in comparison to the other methods of facilitating rationalisation.

Literature also highlights the importance of ‘creative clusters’, which for video game development has been identified to be for example in Montreal, Canada, and is believed
to facilitate inspiration and motivation, as well as serve as a pool of talent (Cohendet & Simon, 2007; Hesmondhalgh, 2007; Power & Scott, 2004). This could thus be seen as an attempt to sustain security by relying on the surrounding community. In my research there was however no indication of the importance of such clustering. The case companies argued that the prominence of virtual communities played a more significant role in the industry, and hence the motivation and inspiration were not dependent of the physical location of the company.
8. CONCLUSIONS

In researching the relationship of creativity and rationalisation, the definitions of the terms play a significant role. Furthermore, evaluating the relationship accurately requires a clarification of the purpose of the creative organisation. The rationalisation trend emphasised in the literature (Cohendet & Simon, 2007; Tschang, 2007) is entwined with the ambiguous definition of creativity and creative products as well as the purpose of the organisation producing these. Most authors recognise the different forms of creativity but parallels between businesses operating within the different kinds of creativity are difficult to categorise as one.

The academic literature on creative industries seems to pursue the illustration of the juxtaposition of creativity and rationalisation; that the intrinsic motivation pulls the business to an opposite direction from the rational motives. This may apply to strictly artistic creativity but as the research shows, creativity and rationalisation can also cooperate and coexist. Furthermore, it is important for the creative organisations to locate the synergies between the two forces and concentrate on them, rather than drive either one separately from the other.

Commercial organisations seek to be efficient, generate value and secure the business simultaneously. According to the research, creativity is best aligned with value creation, which relies heavily on creativity. Also efficiency and creativity have several parallel pursuits and can often support each other. The security that depends on familiarity and stability has the least room for creativity. The commercial organisations’ strive for financial stability and security was thus found to be the only palpable collision in the relationship of creativity and rationalisation.

8.1. Limitations of the research

There are a number of limitations affecting the validity and significance of the research constructed in this thesis.
Due to the limited scope of the study, it was impossible to concentrate on the several individual variations of definitions regarding for example ‘creativity’, which could have provided even more detailed information on the relationship. The research emphasised a more holistic approach, and thus concentrated on each case company’s collective approaches on the different terms and issues.

Thematic analysis, which was used in analysing the data, relies on the researcher’s subjective understandings, and is thus always subject to misinterpretations. The credibility of the findings of this research could have been improved by triangulation, for example in the form of participant observation. The limited resources and access to the case companies however imbedded this. Nevertheless, the amount of data collected in the interviews is believed to provide enough evidence to support the findings that were recorded and presented in the study.

Finally, the choice of a case study method limits the applicability of the research findings undeniably. The research aimed however to record and describe the selected cases in great detail. The richness of the data produced was furthermore intended to suffice for possible following researchers, whom could later on evaluate the applicability of the findings in other contexts.

8.2. Recommendations for further research

The findings of this research produced some implications suitable for further investigation. Firstly, the quality or type of creativity seemed to have great significance in the results of the research. It would thus be interesting to re-examine the definitions of creative industries by differentiating the products of intrinsic, artistic creativity from the products of commercial and often extrinsic creativity. Although my research suggested that there are differences between artistically creative businesses and commercially creative businesses, the scope of the research limited my opportunity to concentrate on all the possible disparities.
Additionally, due to the limited access to global organisations, the case companies of this study were chosen locally in Nordic region. It would however be interesting to research the relationship of creativity and rationalisation in large, multinational corporations. Although some research has already been conducted in global corporations, it would be intriguing to break down the operations and evaluate whether the creativity has similar relationship with those portrayed in this study.
9. REFERENCES


## APPENDIX A. Interview participant overview

<table>
<thead>
<tr>
<th>Respondent number</th>
<th>Company of employment</th>
<th>Role</th>
<th>Time in company</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NOG</td>
<td>CEO</td>
<td>5 years</td>
<td>male</td>
</tr>
<tr>
<td>2</td>
<td>NOG</td>
<td>Producer</td>
<td>2 years</td>
<td>male</td>
</tr>
<tr>
<td>3</td>
<td>NOG</td>
<td>Art Director</td>
<td>4 years</td>
<td>male</td>
</tr>
<tr>
<td>4</td>
<td>NOG</td>
<td>3D Animator</td>
<td>1 year</td>
<td>male</td>
</tr>
<tr>
<td>5</td>
<td>PMD</td>
<td>CEO</td>
<td>9 years</td>
<td>male</td>
</tr>
<tr>
<td>6</td>
<td>PMD</td>
<td>Game Designer</td>
<td>1.5 years</td>
<td>male</td>
</tr>
<tr>
<td>7</td>
<td>PMD</td>
<td>Producer</td>
<td>5 years</td>
<td>male</td>
</tr>
<tr>
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<tr>
<td>9</td>
<td>FLL</td>
<td>3D Modeller</td>
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<td>10</td>
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<td>CEO</td>
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<td>male</td>
</tr>
<tr>
<td>11</td>
<td>BGB</td>
<td>Creative Director</td>
<td>1.5 years</td>
<td>male</td>
</tr>
</tbody>
</table>
APPENDIX B. Interview guide

The interviews were constructed in a semi-structured manner with some prepared questions guiding the interviewees to each theme. Additional and clarifying questions were asked based on the responses. The interview guide was created to instigate discussion as well as remind the interviewer of the chosen themes.

INTRODUCTION AND OUTLINE OF THE RESEARCH

All the interviewees were briefly introduced to the research by informing them of the following:

- Name of the researcher and the institution
- Purpose of the research
- Anonymity
- Consent for recording

GENERAL QUESTIONS

The general questions set the outline for the interview and gave the interviewee as well as the interviewer an opportunity to ease into the topic at hand. These questions provided essential background information and context for the case company.

- Can you tell me about your background and/or the company?
- Are you a gamer yourself?
- Why did you choose this company?
- Why did you choose this location?

BUSINESS MODEL

Questions in the business model section elaborated the chosen business model and its relation to other possible models known in the industry. Although directed more to the administrative staff and management of the company, the creative personnel was also asked some questions in this section in order to map the possible differences in perspectives.
- What is your business model?
- Have you thought about different business models?
- Do have partners or investors?
- Do you use outsourcing?
- How do you see the competition?

STRATEGY

Strategy questions were modified according to the interviewee's position; whereas the management responsible of the strategy was asked to explain their current strategies, the creative personnel was asked about their views of the strategic planning in the company and whether they had influence in it.

- What is the purpose of the company?
- What are the strengths and weaknesses of the company?
- Do you have a business strategy?
- Where do the ideas for games originate?
- How do you see the future of the company/industry?

PROJECT MANAGEMENT

Project management –related questions provided insight into the work process of the company; from managerial perspective as well as the employees’ perspective. Interviewees were asked about the formulation of project teams, team management and the work process as well as deadlines and deadline management.

- How are projects constructed and managed?
- What kind of role do you have in projects?
- Do you use any project management tools? If yes, which ones?
- Is there enough independency in your work model? Why/why not?
- What is most challenging in finalising a project?
- Are you motivated in your current job? Why/why not?
- Does the company support in motivational aspects? If yes, how? If no, can you think of ways how they could do this?
APPENDIX C. Interview transcripts

Case 1: NOG

Interviewees:
- CEO
- Producer
- Art Director
- 3D Animator

Name: JT
Title: CEO
Date: 05.04.2012
Length: 55:55

1) Could you start by explaining what NOG does? Also about history, how you started.

Basically, in a nutshell, NOG is a video game developer, so our job is to make video games. We focus on so called core gamers, so we do not develop casual games. We basically develop games for people who play them as a hobby. Background of the company: company was founded in 2007 and we did our first worldwide release in 2009 and since then, we have been releasing something on some platforms on a quarterly basis, so around two releases per six months.

2) How big is the company? Turnover, employees?

As of now we are 36 people because we have been growing rapidly in the last few months. End of last year we were 25 and our turnover for this year will be something between 2,5 and 3 million euros. So we are what you can call a growth company or a start-up in that sense.

3) What are the main roles in the company? Use of freelancers?

I would say that 25 are game developers, divided into two: tech guys and art guys. Tech guys are mostly programmers; guys writing programme code or doing scripting. The rest of the 25 are artists, that is anything from Art Directors to Concept Artists to User Interface Designers to 3D Artists or 3D Animators or Sound Designers and so on. So actually, the development is very similar to movie development or multimedia development with just added amount of programmers. On top of that we have the management that we try to keep as light as possible. In administration we only have myself and one other person looking after the economics. We have some people dedicated to the marketing, and some people dedicated to leading side projects and rest of the guys are just leading the development. So our so-called business development and administration are quite light.

4) Talking about the business model in the video game industry – who is in contact with the publishers? Or do you publish games yourself?

There are actually two models [in the video game industry] in general and two that we use. First one is the publisher-funded model. However, in our case we have never sold the IP to the publisher but just licensed the titles with exclusive or non-exclusive license. Other than that they have been pretty standard publisher-funded game development projects. In those cases it has
been me and/or someone from the key owners who discuss with the publisher when we are negotiating the deal. After the deal is in place it is typically throughout the development our Chief Operating Officer and our Producer who handle the daily contacts with the publisher, sorting out whatever goes on in the development.

5) In this publisher-driven model, how much of the game is your creation and how detailed instructions you get from the publisher who funds the project?

It really depends case by case. In some projects we do what we want and deliver them a gold-master that they can print or distribute digitally. In some cases we have also done the marketing plans and participated in the marketing actions. On the other hand in some cases the publishers also get involved in the actual game design deciding what goes into the game and what does not. Typically we always try to achieve a position where we own the IP and the licence, so we also try to maintain the control of the IP and therefore the game design. So we are more looking for licensing, distribution and marketing partners than publishers.

6) Your company is located in a small city in Finland – why?

That is because of the distances to the world. Distance to the airport is pretty similar if you drive from downtown Helsinki. Almost all our partners and business are abroad somewhere in Europe or in the US, so it does not really matter where we are located in Finland in that sense. What comes to this city, it is a little bit more difficult to find talented employees here than in Helsinki for example but then on the other hand there is no competition here, not many other game development companies offering jobs that we offer. So we do not have to worry our employees changing companies in hope of higher salaries which I think in Helsinki is becoming more and more of a problem, especially now with some companies like Rovio with endless cash flows, breaking many teams when employees jump to their team from other companies. Luckily we do not experience any of that and our core team is still the same as it was when we started in 2007, just grown more. That is a big advantage that we have here that we would not have in Helsinki.

7) But is this city offering the kind of a creative environment that keeps your team motivated and inspired enough?

When it comes to video games and the way the projects are carried out, roughly 50 percent of the work is done by our fixed team here, and the rest of it is done by our outsourcing partners varying from Europe to US to Farest and so on. It depends on the game, but the team developing the game is always a mix between our local resources and the outsourced resources from all around the world, and obviously they bring their own twist into the mix. And while this city might not be the most inspiring city in the world, our employees in charge of the development frequently travel outside the city for inspiration. So I do not see this as too big of a problem at the moment.

8) Do you have an existing network of outsourced partners or do you seek for new talents constantly?

Both. We do have an existing network that we need first of all because we are positioned where we are; we cannot expect that if we want to start a new project with six new talented 3D Animators in two months, that just does not happen in here. It would not happen in Helsinki either but that is why we wanted to build our network of freelancers and other companies that we can buy services from. That is what we have been doing for more five years now. But on top of that we are always looking for new talents and new partners. We always select the partners based on the project at hand depending on the price level and the skill level we are looking for and the schedule and so on. Some of the partners might be smaller studios, so that they cannot
produce that fast but their price level might be competitive. So we always try to find the best mix depending on the project at hand.

9) How many countries are involved in your business? In how many different places do you have partners?

I would say, from the top of my head, plus 20, might be even plus 30 different countries.

Fairly many countries – and cultures as well?

I think that culture in the games industry among freelancers (like artists and programmers) is this ‘video game culture’ that we all share and it is not that different in different countries. But if we talk about companies it is countries like India and China where you run into cultural things all the time.

10) A more general question: how would you describe the purpose of your company, why do you exist?

Obviously the purpose of our company is that, all of us core people, we wanted to do this video game development thing being huge video game fans ourselves. Some of us have been involved in creating video games or mods, so doing something under the umbrella of video games to figure out how they work. So group of like-minded people came together and then we figured out nobody has ever done this here [in this city], so we thought why wouldn’t we do this and just started doing it. Soon after that we were able to set up the company and started hiring people and things started rolling. So, obviously the first ambition was to fulfil the dream of making video games. Also at the same time we want to do good business. Video game industry typically is very hit-driven industry, and if you can just keep developing more and more games, sooner or later you’ll make something that becomes more or less a hit and then it all pays off. In the future we are not looking for a quick exit or anything like that, we are targeting for long-term success, series of successful titles and hopefully then stop working a little bit earlier than the rest of us.

11) In addition to this, do you have a vision statement or mission statement?

No, the way we work as of now is that we create 3-year business strategies where we determine where we set some high-level goals that where we want to be in three years time. We don’t have any mission to save the world or change the world or anything like that. We have actually two companies, NOG and NOGX and in 2013 we want to develop NOG into a distinct strategy game brand that is known for developing high quality strategy games on whatever device it may be (PC or iOS). NOGX we want to build into a world-known AAA (action game) brand, and the game we are developing now is going to be the first big release through NOGX and then we are looking forward to create more. So by 2013 we want to have both companies established so that they are recognised players in their own genres. When we started the current strategy in 2011, NOGX was not even founded yet, but basically the companies were set up and team and tech was there, portfolio games were sold. The first three years we spent building the team and the technology and the basis. Now this period of three years we spend developing the companies and the brands and making good releases. After that it will be a new question of what do we want to do; do we want to sell the thing or keep developing it further.

12) Is NOGX owned and run by the exact same people as NOG?

Yes, at the moment it is a subsidiary of NOG, fully owned and currently fully operated by NOG. Towards the end of our current strategy (end of 2013) we are looking into splitting these into two separate entities. Right now NOGX is more of a legal entity, handling contractual things and money transactions.
13) Do you also have a detailed action plan to backup your strategy (for 2013)?

Yes we do. In 2010 we started to research this so called self-publishing model and it seems to be something every developer wants to use nowadays. We spent the year 2011 building the model and now in 2012 we are actually doing the first releases with this new business model without publishers. The first releases we are going to do for iPhone/iPad like so many other developers out there, but we approached it a little bit differently than many of the other developers who have not succeeded. We have put a lot of effort in the marketing and PR, because just releasing a game does not take it anywhere. Focus is on having the PR and marketing nailed.

14) So this is your main focus strategy-wise, building NOG brand with strong marketing and PR?

Yes. Basically we want to work with the publisher-funded model in creating the larger games, bigger developments; those that help to build quality brand of the companies, and then on the side we want to introduce this new business model where we publish and fund ourselves these a bit smaller titles. By the end of 2013 we should have these models running parallel to each other.

15) You mentioned larger games for the publisher-funded model. How do you know what is going to be big and successful?

Obviously they cannot be predicted too much, and there is always a big risk. The way we do it, is that we have a bunch of game concepts to choose from. Those are concepts that we would like to do but also we think that they might have market potential. Then we develop a prototype or a visual concept and start selling that to publishers. That gives us the first set of feedback if there is a market for that type of a game or not. If there is, we keep developing the title further and go into the contract negotiations.

16) So you evaluate the market by how well the concepts sell to the publishers? And the publishers determine if something will sell to the end-users?

In the publisher-funded model, yes. There are many titles that we thought would have had market potential but the publisher did not see it and then those games never happened. So in this model it is the one who pays whose vision about the market potential counts. Our vision of what sells does not matter that much in this model. In the self-publishing model it is of course exactly the other way around and we do the titles that we think have the most potential.

17) In the publisher-driven model you do not have to worry about the game being a flop either?

That is how it usually goes but as I mentioned earlier that we do not want to give away our IP’s, the way for us to keep it is to participate in the funding. So if the game becomes a flop, we also take a financial hit. That is the way we have worked before and we have also done games that have been more or less flops, games that have not returned the full investment back, and of course in those cases we also take a hit. Part of our strategy is to participate in the risk and reward –thing, and I think we are a bit more risk-oriented than your typical developer who gets full funding from the publisher.

18) Are you driven more by the possible financial reward or the opportunity to create something new and amazing?
In our heads those two things go hand in hand. The way we see it, is that the previous titles we have developed, we have made a lot of mistakes with them but we feel that we have learned a lot from those mistakes. In all game development before you get funding of like +20 million euros, you are always fighting against time and budget and it leads into having to make compromises and sometimes those compromises work out and other times they might ruin the whole goddamn game. In our case, what drives us forward, is that we believe that sooner or later we will be able to nail down the perfect recipe and create a game that sells and returns all the investments that we have made. On the other hand it is also so that team itself has been constantly growing and we already now have a lot of talent in some areas that many other studios don’t have. That combined with the fact that video game development is not exactly rocket science but it is after you get pass a certain point and especially with the tools available nowadays, it is not very difficult to create the video games, the challenge is more in how to run the project with funding and schedules you have and balance that against the type of vision you want to accomplish. In a nutshell, we feel that we have been doing this for so long now, that all the technical things like how to create good-looking art or how to write program code, we know it; it is more about finding the combination of time and money that actual works to develop a good outcome.

19) How do you keep your creative people motivated with all these pressures? Have you run into any problems?

Obviously there are some problems, because no artist wants to create anything that is under 100 percent of their creative ability. That is always the big problem, how to tackle that. One solution for that has been that the key creative people have been put in charge of the projects so that they see the project costs and schedules and all that, and that helps them understand the places and features we want the full creative force in and the parts and features where we have to do only lets say 60 percent of what we could do had we more time and money. The second thing is that we work with a model where everyone gets involved in the actual development and making the decisions and that, I think, makes them more committed to the project than in a model where we would have only a couple of project leads making all the decisions. That combined with the rather aggressive bonus structure we have is how we try to fight against lack of motivation and tight schedules.

20) You use mainly extrinsic motivation then, using bonuses and financial returns as motivators?

The way we work is that there are some milestones in the publishing contract, or if we develop something ourselves, we have our own timeline and budget. We give those to the team who then comes up with ideas how to create this game design in the given time. The bonuses are tied to that; if they can create what they said they would, they will get the bonus. People take responsibility over their own work and they are not just doing what someone else tells them to do.

21) Sounds like your project management and project teams are very independent? Or are there some strict guidelines for the process?

In a core we use agile project management. Scrum is the method in use. There are a lot of project management tools out these. The way we see it is that in order to give our creative people the freedom and flexibility we must have strict processes above that, to control that. So instead of giving a complete creative freedom for 18 months (which would be a complete catastrophe), we give them creative freedom in terms of milestones that last around 3 months and inside those the work is divided into sprints of two weeks. Every second Monday the team sits together and figures out what is the focus for the period of next two weeks, then they do it, and on the second Friday we then measure what has been achieved. Inside that two week period they can self-
manage their work process. Of course it is monitored through systems where they access the work tasks and write them down, but basically no one is breathing down their necks during those two weeks. It is at the same time highly controlled but striving to give the as much creative freedom as possible.

22) What do you think is most challenging from managerial perspective, to finalise the projects? Do your deadlines hold?

Typically in video game development the deadlines never hold. When we first started, we were able to keep the deadlines, but not anymore. The largest challenge for us has always been and still is the funding versus schedules. Not necessarily the whole project budget but how to time the incoming money with the actual expenses in the project. The biggest problem in the publisher-funded projects for us as well as any other developers is that publishers always want to pay as late as possible, which is towards the end of the project, whereas the developers always need the money as early as possible to do something good with it. The later we get the money for the project the less we can actually do with it. So it is balancing against that and the plan for the perfect game that are our largest challenges.

23) Do the publishers penalise you if you do not get a game ready by the deadline? Or do you always make something ready by the deadline?

We always make something ready. Typically it is all discussed in a good faith face to face because it is in both parties interest to come up with a title that actually has market potential and can sell. Nobody wants to release a shitty title. But also, not in all but especially the larger projects that are +2million euros, there is a lot of penalties if we do not meet the deadlines or are not able to deliver and so on. In those cases it is stricter and more controlled from the publisher side.

24) Does the launch (date) of the game also depend on the publisher? Is there a typical time for new launches? Christmas market?

There are a couple of good release slots in each category and each quality range per year that we try to aim for. That is something we always try to discuss with the publisher; that we have a release window over there but if we miss that then it can be 6 months before we can even think about releasing the title next. Typically for games that are not big AAA titles like the latest FIFA game or latest Call of Duty that are big blockbuster games, you typically want to avoid releasing in the holiday season before Christmas because the market is so saturated with the big AAA titles and also a lot of discounted titles from previous year. With new IP it is very hard to compete in the holiday season market. Then again, immediately after that it is typically a good time to release in January and February because then people have new hardware and there are a lot of new gamers with new toys but no content and they are looking for new titles. So that is typically a good window to release. Then I would say that around May, especially titles that are distributed digitally, that is a good time to release because many digital distribution platforms have these campaigns like 'Summer of Arcade'. They put a lot of medium-priced titles out there and advertise them so therefore it is a good slot to release. The whole summer is pretty bad and end August-early September is the latest release in the autumn that makes sense unless you have a big marketing budget.

25) But are your target gamers the same audience as the target for those mass market games you mentioned?

It varies a little from game to game. Basically our target is these ‘core gamers’, gamers who spend money on video games. With spending money we do not mean buying five mobile games for a dollar each but more investing in PC or console games that cost tens of euros per purchase. Nowadays according to studies and research the average age of a player like that is 37, and he is
male but close to 50 percent of those people that purchase games nowadays are women. In
general our core customer is a +30 year old male or female who has a bit above the average
income and for whom spending in video games is not an issue. On top of that there is of course a
lot of typical teenage gamers but they don’t typically buy but somebody else buys the video
game for them or they download them illegally.

26) Is piracy a big problem for you?

Yes and no. In the titles that we do with a publisher who has the funds for marketing to actually
reach people, and release it on PC and Xbox 360 and PS3, piracy is probably not a problem. Then
again, with some previous titles that we have published with smaller budgets and say PC only,
piracy has been a big problem. In one title the ratio of illegally downloaded versus purchased
ones was insane; it was close to 900 copies downloaded illegally to 30 titles purchased and that
basically killed the sales of the title. It really depends game to game.

27) Have you prepared for that? How do you try to fight piracy?

We have, in the years when we started, we tried some copy protection but those only harm the
guys who actually buy the legal version of the game so we have skipped that nowadays. We try
to avoid using any kind of copy protection or anything that would make the game difficult to
play for the people who actually invest into buying the game in the first place. I think the only
thing we can do is to target platforms where piracy is not an issue, like consoles for example, and
on the other hand creating good quality titles. If we create a title that gets average reviews say
between 50 and 75 it seems that games in that range get pirated more often because people are
not exactly sure if they want to invest in it. By releasing a good game we will get a lot of illegal
downloads but also a lot of purchases so that is what we can do.

28) Do you have any worries of someone copying the console games in China?

Obviously that happens. What we can do is, that for example with Russia, we have chosen
distribution partners who develops the games with cheaper price tags. So packaging and stuff is
done a little bit differently than in Western countries. I think the street price for our titles in
Russia nowadays is around 5 euros. Of course we do not get a huge income from the Russian
market and it is rather small streams. China again is pretty much out of our range. We are not
worried about those markets. The titles that we have released so far, the core markets have been
Western Europe, little bit of Eastern Europe and North America, so South America and China can
basically do whatever they want, because we don’t have distribution channels that could
generate meaningful income from those countries anyway.

29) Percentage-wise, how much are the different continents contributing to your sales?

It is roughly 50-50 split between North America and Europe in general. It varies a little game to
game; with some titles we might get 70 percent of the sales from Europe and 30 percent from
the US but with others it is close to 50-50. It really depends on the publisher involved and their
distribution networks and so on.

30) Does Finland play any role in your sales? Does it have any influence on your sales that
you are located in Finland?

No. Finland is very small market for us. I think we sell couple of thousand of our titles here. So it
is a very minor market for us.

31) Who are your biggest competitors?
In general, it is not the other game development companies but more like other titles in general. We always compete with titles that are released in the same release window and with a similar target group and similar price point.

This also varies a lot game to game then?

Yes.

32) Are there any particular companies that normally come up with those titles? Are they usually big studios or other small/medium sized studios?

Again, this varies game to game. With some previous games we have competed against indie studios or smaller development studios. With some titles – I don’t know if it is a good or a bad thing – but we have ended up in a position where we are competing against some big ones. For example the first worldwide release that we did, it ended up being released almost at the same time as a big title from Sega that at the time happened to feature very similar setting and similar type of game play features (sailing ships, warfare) and all the concept art and visuals looked quite similar. In that case it helped us a little to be competing against someone who was 20 times larger than us and had a development budget at least 20 times larger than ours. What happened was that we ended up being in many of the gaming magazines compared to each other and ended up having reviews side by side to that game. Obviously with many features we were not able to compete with them but it was also free publicity and we sold many games thanks to that.

33) How do you usually control this threat from competing titles? Do you rely on publicity and marketing?

That is a tricky one. Especially if we talk about these larger development projects, from the moment that we start investing into a title to when it is actually going to be released, it can be anything from one year to three, even four years time. For example, if we create a game concept and produce a prototype or a visual concept out of that one and we go and show it to publishers and start negotiations, it can be that during the negotiations some player somewhere might announce that they are developing a game that is similar to the one at hand, and then we will have to forget the project or modify it a lot. If someone announces a title, they are already a lot ahead of you schedule-wise. That happens quite a lot. I don’t know why, but whenever there is some type of title released there are many many developers who have had the exact same idea.

34) Do these external factors influence (like competition for example) your internal processes at all (for the creative process)?

Yes they definitely do. Even if some titles would not be direct competitors we always try to find at least two benchmark titles for each of the games we are developing. We want to have something to compare our own development against. We want to have some high quality title that we benchmark our own work against just to give us something compare to.

35) How do you then choose the project team? Do different people’s different interests play any role in this?

In some cases we have some flexibility to choose who is from interest point of view the best people to work on a game. Since we are rather small, we don’t have the luxury yet to select the project team fully of people who want to work exactly on that project, so we have to do some compromises there. Of course we always try to fight against the fact that not necessarily everyone loves the game that they are working on but we are trying to get into a position where the guys do something that they really want to do.
36) Does the whole company always work on one game at a time or is there some overlapping?

A lot of overlapping. For example right now we are going more and more towards the direction where we are all working on one big development. We are finishing off smaller developments on the side to be able to shift those resources into to the big development. In some cases we might have more than four titles in simultaneous development if they are smaller. It depends on the largest title in development inside house and how much it allows us to do smaller projects on the side.

And size again depends on the funding?

Yes. I think probably at least the next two years it is the incoming money and schedule of that that will determine what we do and when. We have had and have some flexibility in terms of smaller projects like mobile game development and so on but when it comes to the larger projects we do not have enough financial flexibility yet to do whatever we want.

37) Does the financing always come from publishers, or perhaps some governmental start-up programmes?

Yes, at the beginning especially, as game development is a very technically driven process, we used a lot of different support instruments from Tekes for example. So we have had governmental support, then we have had some side projects that have been more or less based on EU projects, so a lot of ESR and EAKR funding here in Finland, that has been channelled to those projects. Those have however played a minor role; say we have a project which budget is around one million euros, we might get a bit over 500 000 from the publisher, couple of hundred of thousands from different support or grant instruments and then the rest has been arranged by the owners of the company in most cases.

38) Do you have any silent investors or angel investors?

Some of the key owners are something that you might call an angel investor; people who work for this company or have invested in this company but also have invested in some other companies, so basically working as an angel investor in some other companies as well. I think as of now, that we are building the self-publishing model, that is where we are going to be looking for venture capital funding for the first time in larger scale.

39) When are you ready to implement the self-publishing model fully?

We are doing it already; the model and the key people are all in place and we plan to do the first release in end of April or around May for iPhone/iPad. It is a tool for us to prove to the venture capitalists that we are talking with that we have the pipeline ready and tested and that it works. After that we are looking for funds to put out a portfolio of titles because especially mobile games are so hit-driven that it does not make sense to invest into one game and hope that it becomes a hit but you need to have the funds to do a lot of releases to be able to see which one is the one that actually performs.

40) Have your games so far been hits or flops?

I think some of the titles like for example the whole [name protected] series of PC strategy games, in their own genre in PC strategy games, they have been hits or at least very successful. Typically titles in that genre and platform can be expected to sell around 100 000 copies if they are successful, and with EIC we are already pass 200 000 sold copies. In that genre it is a hit and has generated good profit. However, if you compare it to hundreds of millions of units sold of
Angry Birds it is not a big hit in that scale. Then again, their unit prices are different too; if you make a mobile game that is free to play or costs a dollar per purchase versus a PC game digitally purchased for up to 40 euros we do not have to sell hundreds of millions of copies to make profit.

41) How many games have you released so far?

11 game releases, but five distinctive IP’s. (This means five games with some sequels/series adding to 11 games in total.)

That was all I had to ask. Thank you very much for the interview and have a good day!

Name: HL  
Title: Producer  
Date: 22.05.2012  
Length: 41:02

(Translated from Finnish to English on 22.05.2012)

1) Could you start by telling about your background?

I started as an intern in 2009 at NOG for five months and after my graduation I came here directly. I started as a PR manager and moved onto production, and I am currently a producer. In addition I am a ‘hardcore gamer’ but I don’t have other professional background in the industry.

2) What do you do as a producer?

I have to deal with day-to-day problems. I am the middleman between the management and production team, taking care of the communication between them. If the production team has a problem we’ll solve that, or if our management or publisher have some suggestions, I am the guy communicating this to the production team.

3) You have been with NOG since 2009? And it was founded in 2007? You have seen a lot of growth since that?

Yes. I think we were around 10 when I started and now we have around 30 permanent employees. So the number of employees as well as the turnover has really increased.

4) In your work, how much you have to be in between the creative and admin staff?

That is exactly what I do. I get tasks from publishers and management and take it to the creative team.

So you have to convince the team of the ideas?

Me and our Art Director, yes.

5) In your opinion, what is the purpose of NOG?

Oh god, hmm. I think it is to produce as good games as we can with the skill level we have and as a company to develop to better and better.
Does that mean bigger?

No, not necessarily. I meant more the skill-level, to make better and better products. The difference between some bigger game developers and us is that they can hire so much more people (between 200-300 employees) for a single project and after that they can fire them.

6) But you use a lot of freelancers too?

Yes, in a way, we outsource a lot. In-house we make the main 3D models etc. and we outsource the building of the rest of it and put it together again in-house.

7) How big percentage of a project is outsourced?

About 90 percent of all 3D models and 2D concept art work comes from outsourced. In-house we do coding and the outlines of the game, and usability. And our in-house 3D animators do as much as they can.

So mainly you do the outlines and outsource the details?

In a nutshell yes. For example if there is a game with a city with a lot of houses, we can make a few examples and the rest of the details are outsourced.

8) But you have the keys to the creative work? Even if the animations have been outsourced, the ideas come from you?

Yes. They [outsourced workers] get very detailed instructions on what we want from them and with what kind of schedule and what should it look like. Everything is very carefully planned. Then they will come back to us and then we'll give our comments and if we accept it, we take it and pay for it and that's it, next game.

9) The process sounds quite standardised?

It is, but even though we outsource a lot of work it doesn't mean that we don't have the knowhow, we just don't have enough time. If we didn't have the knowhow in-house, we could not give the specific instructions on what we want. For example with animations the starting position is very important, and where it goes next and how long it takes. And characters, like how many bones they have in their body etc.

10) So does your in-house animators use most of their time developing the outlines for the freelancers?

If it's done well, it doesn't take that long, maybe two days to make the models. When it's been done well once it is easy to copy. More time goes perhaps to the postproduction of almost ready games that we have to check again and we have to have the time scheduled according to Scrum, for the finishing touches.

11) Where do the ideas for the new games come from?

That's a difficult one. We have 'Game Concept Cup's in-house where the employees get to develop and introduce their ideas to the company and they'll get a financial reward if they get chosen.

12) Is the money a sufficient motivator?
Yes, it is a big enough reward that it makes sense.

**Does the winner get other compensation than money? Fame and respect?**

Of course it always is a bit “this is my game now” mentality and the person whose idea is chosen gets to be often more involved in the production process. They get to have more to say in the concept development. But of course also the money motivates.

**13) Who are usually the ones who come with the ideas?**

It can be anyone. Last one was from our Chairman of the board, one idea from a coding guy, a designer had one idea, an animator had an idea – it is really not just the artists, it can be anyone.

**14) Where does the funding for these projects come from?**

Either from inside the house, or some Tekes support tools. I don’t remember the exact numbers now, but I think it was around max 300 000 euros. Tekes is important but it’s hard to say because it is a really complex process from idea to demo, first to concept and then to demo.

**15) Your CEO mentioned that the publisher-funded model is the most used one. In those projects, do you come up with the idea or the publisher?**

We are the ones with the IP, so we make the game. If the idea has been sold and we want to make big changes, then we have to ask the publisher (if there is an existing contract). The outline we’ve sold to the publisher is the only thing that restricts us.

**But it is usually so that you have an idea and you sell your idea to the publisher, and not so that the publishers comes to you asking for a certain type of game?**

Yes. Publishers would usually never come to tell you what to do. They want to buy ready concepts. So we go to them with a game idea, and they tell us if they like it or if they would like some changes or if they are not interested. It depends a lot on the publisher what they usually look for. If they only look for online MMO games it doesn’t make sense to try and sell them a Playstation game.

**16) Do you normally work with certain publishers, so that you know what they want?**

When we go to B2B trade fairs, we know what kind of games the publishers are looking for based on their portfolio. Calypso for example has a lot of strategy games and Microsoft wants specific games. In bigger publisher houses they have different units with more specific requirements for each unit.

**17) But do you develop games that you think are good, or do you develop games with a specific buyer (publisher) in mind?**

We develop games we like. We believe it is going to be a good game. For artists and all employees it is best that we make games that we believe in. The work quality is much better. If we force our team to make a space adventure game with Teletubbies etc. selling that idea to our production team can be very difficult.

**18) How much the market drives the production process?**
In the idea phase we have to consider the realities as well, we can’t just go after an insane idea. We can quite well estimate already then if something is going to work or if some changes would boost the marketing and so on. So many things can have an effect.

19) In your opinion, are your employees motivated and how do you support inspiration and creativity?

It depends a bit – sometimes of course not everyone is super motivated. But then there are times when everyone is putting all their eggs in the same basket and are really motivated. Usually at the beginning of the production people are more motivated, but if the project changes and the team doesn’t like the change, the work motivation can drop and we don’t always have the tools to pick it back up.

How often do you have changes like that?

Quite often. Something has been said or planned and then it changes in the process when something is not possible with the timetable and the resources. It happens.

How do you artists like this?

I think it is the biggest deal for them, they really have to believe in what they do otherwise the motivation really drops.

20) Is all your staff interested in games and gamers themselves?

Most of us we are hardcore gamers. Some of course only play on weekends and only ‘good games’ but most do play games. We play all kind of games.

21) Who do you think is your biggest competitor?

That is a difficult one. We don’t really have any specific companies that would be our competitors. It is more the games that are published at the same time than our games. If we have a launch at the end of the year and we have lets say three similar games published around then, those are our competitors. We don’t compete with other companies but with other games. Usually they are from big companies games but they can really be from any sized company.

22) How do you predict if your game is going to be a success?

It depends on the successfulness of the project, how close to the goal do we get. Can we make a fight educational and if we can get good reviews, as good reviews correlate directly to sales. The marketing of a game has a huge impact. Retail business depends on the hype you can build before the launch, how cool screenshots and marketing material you have out beforehand.

I have understood this is what you have been concentrated?

Yes, it is mainly done by the publishers whom I am in contact with.

23) What happens if your game is a flop?

Of course it is not optimal, and we always try to make sure that does not happen. If that was to happen, we would just have to collect ourselves and continue. However, nowadays it can be predicted quite accurately how well the game is going to sell and that we know we can return the investment and with this particular publicity we can sell this much etc.
How do you predict it?

It is our publisher who can say that with this level of publicity we can sell at least this amount of retail copies. The publishers have so much experience of the market that they can tell this pretty accurately. Nowadays we really can do this prediction quite well.

24) Does the marketing hype have an impact internally in your production team?

It brings some motivation boosts. Reading good reviews from game sites builds confidence. It also ties the project together, making screenshots and videos etc.

25) What do you feel is most challenging in your job?

Having so many balls in the air at the same time that you have to throw them very high. The amount of different tasks makes it challenging. I have so many contacts and have to consider production teams wishes and need to facilitate any changes, have to consider all publishers ideas. Just being a middleman and keeping all the strings together.

26) What do you think is most important in your job?

What takes a lot of my attention is keeping up the level of motivation and constant inspiration.

27) What do you think is NOG’s biggest challenge?

Firstly, keeping their employees motivated and secondly, keeping the employees that have the knowhow and information in the company. If they start saving too much it might drive some experienced staff away. There are not necessarily jobs in this city but Helsinki is very nearby.

28) Does your location have an impact in your business?

Well most of the skilled workforce is in Helsinki. We were just in the Aalto University recruiting fair with Rovio and others. There was a lot of interested students who lost interest as soon as they heard where we are located. When we are here however, it doesn’t make a difference if we are here or somewhere else as long as we have an airport nearby.

29) Do you have any other comments about the industry?

Finland has grown a lot in the last 3-4 years. In 2007 Swedish game industry used to be so much bigger than Finland, everyone was going there. Nowadays it starts to be the other way around with Rovio and Remedy etc.

30) I have also heard that there are a lot of engineering skills in Finland?

Yes, and we are a good example of that. We have more coding guys than artists at NOG whereas usually it is the other way around. Our bottleneck is in the project management, and motivation. We have really skilled people so that is not the problem; it is more about running the process. It is however a very young industry and there are some processes missing. For example Scrum that we use for project management is not really developed for the game projects and we have had to adapt it a bit.

Yes, ok. Thanks a lot for the interview again, I'll let you continue your day now!
Name: LL
Title: Art Director and Product Owner
Date: 29.05.2012
Length: 32:47

(Translated from Finnish to English on 29.05.2012)

1) Could you start by telling about your background?

I have a degree in networking media and graphic design from Kymenlaakso AMK. I worked for a while with my own company making graphics, homepages and logos and so on, and then I started in Lahti in an advertising agency as an AD. I was there for about a year, and then I jumped here about four years ago.

2) Are you a gamer yourself? Or what was the reason to jump to video games?

Yea... Well here, you can work with so much more interesting projects than your basic advertising agency work. But I also have gaming background both in video games and role games etc.

3) How would you describe NOG?

Finnish video game development company, developing games for worldwide distribution and publishing, sales all over the world.

4) What is the company’s core purpose?

To create entertainment for people all around the world.

5) Why did you choose NOG?

Well, you know choices in life... I got an offer and I knew the then Producer (now CEO) and he hinted that they are looking for a person and I just thought this would be an interesting industry. And that’s how it started. I was at the time working in Lahti, living in Kouvola, now I am just working in this city instead. Haven’t changed home base.

6) What do you think about this location?

There are advantages and disadvantages. It’s not as expensive as Helsinki. I don’t live here myself, but it is cheaper to live here than in Helsinki. But we have also seen how it is much harder to find talents here. You can’t get ‘superstars’ in this city as easily as in Helsinki. Sea next to us inspires and I think it can be seen in our games to some extent – all our games have been sea themed so far.

7) What kind of role do you have in projects?

In the current project I try to keep also other strings in hand than just artists, like prioritising what is most important for the game, and taking care of communications with the publishers in the States that what they want from the game. I try to fit our production team with these wishes. I also try to think about the voice and looks and atmosphere of the game.

8) How does your role differ from Producer’s role?
Right now, it is overlapping a bit because our Producer hasn’t been here for that long. I am trying to delegate some more practical tasks for him and overlook the bigger lines myself. He is taking care of the day-to-day hiccups in the production so that I would not have to get involved in this and interrupt the work.

9) Are you happy with the Scrum model used in your company?

It works partly. In making some art assets it is harder to apply, it is harder to estimate some things for creative work and we just have to give some estimate in Scrum for each asset or level. Then we have to see how far we get with this estimate. It is a bit hard when the measurement is quality and it is more abstract than ‘this is right’ or ‘this is wrong’. It is not black and white. There it is more difficult. You can kind of see that Scrum is easier with coders than with the artists and art assets, it would require somehow different system (not sure how though).

10) What is most difficult in finalising a project?

Well... Most difficult... Well, a project lives all the time, there are new ideas, it is never set in stone when you start, there is space to move. This causes difficulties to estimate time schedules for the project. There are new technical and artistic challenges all the time. Certain unexpectedness and going overboard. And that happens quite a bit in the mid-project. And at the end we just have to know to cut the extra away so that we can make a good project in the time constraint we have. A certain kind of ambitiousness has been pestering our company; we have been wanting to do more than we have time and resources for. It is all over; especially like right now, when we are getting to the end of a project, I have to limit the ambitiousness of my own but also the artists... It’s like we could do this and that, but we have to brake a bit so that it would be ready.

11) So you don’t see yourself as an artist?

Well, I don’t get my hands dirty that much anymore, but more make goals for artists and guide, but I don’t do that much production myself. I have more of the vision, others do the work.

12) What is the level of independence in the company?

It is pretty independent. We don’t guide them on every step, for every single asset. Like we don’t tell that barrel needs to have 27 screws and it should be this colour... As long as the work follows the timetables and so forth, it’s ok. Don’t build a castle if your aim to build an outdoors toilet. The budget and time constraints require balancing.

13) How is the workload in the company?

Depends on the season. The closer to the end we are, the more tired we get. You can tell how hard it is to estimate when you get closer to the end. There can be longer crunches towards the end. I cannot recommend this industry to weaker people – there is a lot of pressure a lot of the time. I haven’t seen burnouts as such in our company, but some trainees have come to the conclusion that this is not their thing or it hasn’t been what they thought it would be. From time to time you can see that people are very tired. But after all this is very interesting work, we seem to have a love/hate relationship with this work, and at the end we can summon the energy. Sometimes we recharge the batteries and then work hard again.

14) Do you feel you are motivated in this job?
Yeees. I think this is interesting enough work to motivate me. For artists it is kind of visible if you are not motivated, the passion is missing. You can see it in the quality of the work.

15) Is it easy to find inspiration to your two-week sprints?

Depends a bit on the project. There are good days and bad days.

16) Does the company help with motivation?

We have had some artist sessions to build some team spirit, and get more interaction between the artists. Team spirit of course is very important for the motivation, and every now and then we have some parties together.

17) Where do the ideas for the games come from?

It can be best bits from classics or whenever from wherever. We have ‘Game Concept Cups’ once or twice a year where all the employees can bring forward their ideas and best ideas are rewarded and they will be developed further. The ideas can come from anyone in the company; we have done prototypes of coding guys, artists and board members. It can be anyone.

18) How do they get rewarded? What’s the motivation to ideate?

Different kind of rewards, iPads, money, etc. These kind of things are encouraging people to put a bit more of their free time into the process and create new things.

Is it also internal fame and honour that you get if you win?

Yes, of course, you have a constant little competition with your friends and with this you get to show you are getting somewhere. I haven’t really taken part so much, I haven’t won any. I have had a few suggestions a long time ago but not recently.

19) So are those the only games that you develop, or how is the business model?

That is how the fishing happens, but they are just ideas that can change a lot. That is one channel, but also marketing department has suggested something (but I’m not sure if that went through). Some games we’ve done for outsider, but those are not our IPs. Usually we make a prototype and start selling it to publishers.

20) You do a lot of outsourcing?

A lot of art work is outsourced. We used to have only a couple of artists in-house and we outsourced everything else. I don’t work that much with outsourced partners, but the Producer is doing more of the paperwork with them now. I am just checking the specs with designers so that we would get the work back as wanted.

21) Is it threatening the artists that you use outsourcing?

There is enough work, I don’t think they would be threatened. It is more of a relief to share the workload outside so that you don’t drown in the work as our team is still not massive.

22) Who is you target customer/market?

Depends a bit game to game. iPad platforms have different target group than R-rated pirate adventure, so it depends on the product. We are nowadays more diverse with iPad/iPhone but
also serious gaming. Before we were focused on the strategy gamers but we have now diversified as we have more productions running simultaneously.

23) What are the strengths of NOG?

The team that has been the same for more than four years, and we have a good group spirit. And we have managed to retain the knowledge in-house, unlike in some firms in Helsinki area. Company has grown to get more new blood but the core has stayed the same.

24) What are the weaknesses then on the other hand?

Well... Hnm... Deep silence, ha ha. Perhaps it is the making the estimates for larger productions. A challenge or a weakness, at least a challenge. But I don't think we are the only game company with this challenge.

25) Anything you would do differently management-wise?

Cannot think of anything. Would not want to change places with him. I don't want to give advice or criticism.

26) Would you like to have a more creative role?

It is not that I am not in a creative role but I am not doing the concrete work but using other people's hand to produce the vision. It has been my choice to do it this way. In this double role I have even less time to create. Every now and then I try to do some little projects of my own, or for smaller iPhone/iPad projects I can do something small. It is very refreshing to do something like that.

But you think this has been organic development, not that you have been forced into this?

Well, yea, I guess. Sometimes it would be nice to be more in the AD/artist work line, but all in all cannot complain too much.

Ok. Thank you very much for the interview!

Name: CM
Title: 3D Animator
Date: 29.05.2012
Length: 31:32

(Translated from Finnish to English on 29.05.2012)

1) Could you start by telling about your background?

I started studying in England when I was 21 because there were not very good schools in Finland. I didn't really think about computer animations specifically but yea... I got into a really good school in Bristol, and it was fun – we had a cool place in Bristol to study, I lived there and partyed there a lot. I got good points for the program. I came back to Finland and started looking for jobs and a friend knew someone here and introduced me to the CEO and I was quite lucky to get the job. The only thing was just that this is in this city; I am from Helsinki and would've wanted to stay, but this was a good job opportunity with good salary etc. So I started here in last
September, so I have been here 8-9 months. And I am 3D Animator. I have been the only animator for a long time, but now a week ago we got a new animator from South America.

2) Are you a gamer yourself?

Yea, but I don’t play many games, but I like playing a lot of the few games I do play. I rarely try anything new, but I always play the latest version of the same series. It is good to play, because then you look at the games in a different way; I look at them thinking how cool some animations are and how great that explosion was. But in the summer, when I have been working for 8 hours in front of computer, I am not playing anymore in the evening at home, I have had enough of games at work.

3) How would you describe NOG?

One of the biggest game companies in Finland, where we do different kind of games; iOS, console and PC games.

4) What is the company’s purpose?

To entertain other people in this world.

5) What do you think about this city as a location?

At the end it doesn’t really matter. The workday is always the same 8 hours, and I would just go home in Helsinki as well. However, I do go to Helsinki in the weekends.

6) Do you hang out with other creative?

To be honest most of my best friends are not really at all creative. But it is really interesting to share this; for my friends this is exotic, whereas their world is new to me. So in that way it is good to get the outsider perspective from them, the kind of views of the people who play the games.

7) What kind of role do you have in projects?

Quite... we can all tell our opinions quite freely. We can give feedback. We want to make the games so that it is our game, not that it is a mass game. We try to listen to everyone’s opinions. My role is to animate, but I often go to for example to level edit to see what they are doing and give my opinion. I also nowadays work a lot with coding guys and I give them animations that they put in the game and we work together to make it work. Everyone can influence everything if they want. It depends a bit on the personality. I like to be vocal about my opinions.

8) Do you have big project teams? Who do you work with?

It is always so that... we are some 17 people now in the current production and I am always personally in touch with one person at a time. It is me and a coder, or me and an artist. I have a lot of influence in a small unit.

9) Are you happy with Scrum model used in your company?

I suppose it is. I am a bit like, I am not really interested in listening to what some coders whose work doesn’t involve me in anyway, then I’m a bit bored and would just want to go back to my own work. I guess its good to be up to date on everyone’s work, but it just feels a bit unnecessary sometimes.
10) What is most difficult in finalising a project?

Most difficult... Perhaps, when I get an animation task, it is hard to make a final product that everyone is happy with. To make everyone happy with your own work, that is hard, but that is what I do. You get a bit blind with your own work and sometimes it doesn't look at all good when it is in the final context.

11) What is the level of independence in the company?

Very independent. I have a lot of freedom. Of course if I do an ugly animation, I will be told that it needs to be done again. So I cannot make visually bad things, but I have full artistic freedom to work.

12) How is the workload in the company?

I would say that it is good. Sometimes I take too much work for myself, start some side projects. Just because I can do video editing and so forth, I just accidentally take some extra work and have to stay in longer. But it doesn't happen that often. And of course I don't do it for free or anything.

But you don't feel burned out?

Well there have been some times like that. I know that with this upcoming deadline it might get a bit stressful. Sometimes it feels that the deadlines are crazy, and then no one sleeps in 4 days. It feels that we don’t have any flexibility, and sometimes they expect us to just get something done. I have sometimes been here for 24 hours. Normally this is quite relaxed, but sometimes they have this thing that the deadline is in 2 days and then there is panic in the whole company.

But why is that?

Somehow, the planning is bad. Like when they plan what we do every 2 weeks for the sprints, and then everything is left at the end. There is no tweaking time. It would be good to have some time to fix everything that doesn't work. Like problem fixing time. They just assume everything works after the first time. This work takes so much testing time, this is so much about trial and error. There should be more time for that.

13) Do you feel you are motivated in this job?

Yeees, if the projects are fun. Sometimes, it’s not like all project are fun. Sometimes you know that the next 2 weeks are going to be boring, that the work is not very inspiring, might be not exactly your own expertise. But it’s like that everywhere.

Is it easy to find inspiration to your everyday work?

Yea, sometimes it is really stressful, but fortunately there are weekends.

14) Does the company help with motivation?

Yeah, I think if you say it out aloud about the feelings, they would try to help, and the management really tries to make the work enjoyable. But usually you easily keep it inside if you are not feeling the best. But I think they would try to help and talk about it if you mentioned it.

But do the management not see it in the quality of the work?
Well, I think maybe, but you would make it well because otherwise you’d just have to do it again. You cannot just not do it well. With some animations it just breaks you if it doesn’t work. And then you just leave it and hope it’s going to be ok. Sometimes you just feel it is bad but you cannot do it anymore.

15) Any examples of how the company can motivate you?

Well there is quite a lot of patting your shoulder and it can be really annoying too. It’s like you are the best and doing a good job’, but I don’t know how to make it better. I just don’t know.

16) Where do the ideas for the games come from?

From us. We have been playing and testing a lot of things. So we go ‘this would be cool’ and ‘I have always wanted a game like that’ and we just say something out aloud and then we just use the ideas. Whenever we make games, we also come up with new ideas and the project evolves. It’s not like we make a script, we actually develop the concept all the time. There has been also this Concept Cup where you can introduce your idea, and if the management likes it and it goes forward, you’ll get a reward. It is the whole team who decides if the idea is good. If they see something has potential, they will choose it. The management are also gamers and they know what would work in the market. Of course it has been thought about the market perspective. They think if it sells. If is just a cool idea for us, but it wouldn’t sell it wont be developed.

17) Have you had an idea that has won?

Yea, and it’s in progress now. That was quite fun... I had been thinking about it for a while and when I heard they had this Concept Cup I started developing the idea bit further. I made a flash video because I cannot code about the concept. I introduced it quite well to the team. Now there is a playable demo about it and we’ll see if it’s going to be made into a proper game or not. I started thinking about the mechanics when I heard about the Cup, but I had had the visual idea for a longer time. So the Cup made me flesh the idea out more.

18) How did you get rewarded for the idea?

Money. And it was really cool that I got to go to SF to introduce the game concept and network. It was cool to introduce my own game. But I guess that also depends on the person; I like talking so it works, but perhaps someone quieter wouldn’t like to advertise their game.

19) You do a lot of outsourcing, do you feel they’ll take your job?

There is soo much work that not really. The only annoying thing is that I have to then go through and check a pile of animations that have come from different parts of the world. I have been responsible for the quality of that work, so if I say it’s good and it’s been paid and the later on it’s not, it is my fault. It is a lot of emailing back and forth. The models I animate have to be very clean, no extra bones or something, and sometimes when we get back some animations they have added some thingies like bones etc. and that makes it very difficult. We have to have very careful guidelines when we order outsourced work, and we have to check everything carefully. It is very annoying if we don’t realise some mistakes before we pay the bills.

Is it you who orders the work?

In the fall we had an animation partner who did a lot of the work, who worked with a list we had given them, but it was done before I started. So I had to email with them all the time and it was out of control. If it has to do with animations, I am the contact.
But do you feel you spend your days just emailing with them?

Last year, yes. There was new version all the time, breaking the day. It was also stressful to be doing that to be able to get forward. It took time from my creative work, was just secretary work.

20) Who is your target customer/market?

Basic gamer, action game gamer. Core gamer who plays a lot.

21) What are the strengths of NOG?

That we listen to everyone. That it is not just someone giving orders, that we are not just pieces on a chessboard. We all have our say. We have a laid back atmosphere, and can do our own thing.

22) What are the weaknesses then on the other hand?

A bit too busy all the time. We don’t think about everything until the end and then we get busy and have to take the worse option because we just do and do and do, and not test. We just do things without testing it properly.

But why is it?

Probably the budgets. Publishers dictate the pace. I am not sure how the management does that, but it feels like we can never say no, we just have to hop according to them.

23) Anything you would do differently in your company?

Perhaps more testing. That there would be dedicated testing times, when we would only test stuff. Do more research. And we could be in Helsinki (where I have my life).

Ok, thank you so much CM! Have a good work day!
CASE 2: PMD

Interviewees:
- CEO
- Game Designer
- Producer

Name: TN
Title: CEO
Date: 06.06.2012
Length: 41:44

1) If you wouldn't mind telling me a little bit of your background in the industry – how did you end up where you are right now?

Sure. I guess the short story is that me and couple of friends were very attracted to the games industry. We'd always been very interested in following it like any kid who's interested in games looks at the industry or many kids look at the industry and think "that's something I'd like to do some day". But we never really had the ambition of (at the time) working in a game studio because at the time where we started up, the world was kind of a different place where the big console titles were still the dominant types of projects. And if you weren't in a place like that, you were most likely, you know, the programmer number 17 working on the animation of monster 7’s right foot animation or something like that. And so it's not, it's... It didn't feel interesting from the creative perspective. So around 2004 mobile phones were just emerging with colour screens and capable CPUs and things like that, that would actually allow games, and we thought that's actually really interesting. And we think there's a whole new business that is going to follow this. So we quit our educations and jobs and started up with three guys in 2005 and pretty quickly got out and found clients who wanted to pay us to make games for them. And that's pretty much what we've been doing since. We've basically grown the company based on going out to clients, pitching projects for them. Them paying us to complete those projects.

2) So you were three guys at the beginning, what kind of backgrounds did you have? Were they very creative?

No, we were very... We were very skewed towards the engineering types. So we were, I was a programmer, F was... well actually the same, and H as well. So we were very much skewed towards the engineering side and not very skewed towards the more soft creative skills.

3) Ok. And you were 3 guys at the beginning, how many are you now?

Just around 30.

4) In Denmark that is pretty big?

Yea, I think we are somewhere around top 5.

5) You mentioned briefly being interested in games when you were growing up – are you a big gamer now?

I think when you've worked in the games industry for long enough at least with the sort of management side of things or maybe just because you get old, I don't know, it's one of those two,
then you don't really do much gaming apart the gaming your business life requires. So no, I'm probably not a big gamer today.

6) What would you say is the purpose of your company?

That’s a good question. We exist to make great games, I think. We don't really... We're sort of a... So our business model is very much work-for-hire and we're very much consultants in this business. And with consultancy follows the fact that you don't necessarily have really big creative ambitions on your own, you have them on behalf of your clients, because you deliver products to the clients. So, I mean, the bottom line, the reason why we're here, is to make money and to make sure that everyone has a job that we grow as a business. I guess that's the really cold version of it, the other version is that we like to deliver great games.

7) The games you develop, where do the ideas for those games come from?

It depends a lot on the project. Usually a client comes to us with a schedule and an idea. And the idea could be to two lines or it could be two pages or it could be full design document. But we do a lot of creative work here in terms of coming up with the basic premises of the game, the gameplay and the art design and the story design. So I think 75 percent is completely originated here. The rest is probably something that gets dictated by the clients.

8) So how does that 75 percent of creativity distribute, who makes the decisions on that?

I think individually you don't have a lot of autonomy. Everything is always aligned with the group, as in a designer doesn’t really have a good idea unless the programmer is able to implement it within the scope that we have for the project, and the client doesn't have a great idea that’s also possible to implement within the scope of the project. So pretty much everything is, sort of, bubbles up to the producer who then has the responsibility of managing what’s possible and also expectations for the client side.

9) So your producers also work as art directors?

We do try to separate jobs as much as possible. But we have some producers who do a little bit of... Who can assist at least a little bit with the art direction and things like that so we have some crossover, probably more than a really big studio like IO Interactive would have more specialised roles.

10) Out of the 30 people you have, what kind of roles do they have?

Umm... We have a pretty, it's pretty divided between programmers, artists and designers and producers. We have two people in sort of management and administration and sales. And then we have four producers probably, we have eight to ten programmers, something like that. Four artists, four designers, how much is that?

Quite light administration then?

Yes.

11) In relation to this purpose of your company, do you have a vision and mission statement?

Yea, I mean, I know the right answer is yes we do, and I can give you the elevator speech about it. But because we are a consultancy type of company we obviously have some growth milestones that we'd like to meet, but at the same time are also cautious not grow too much
compared to where we are today. So I think the sort of goals we have are more in terms of consolidating the company in terms of making good money and that possibly positioning ourselves at some point in time for sale because that’s the kind of the lifecycle that a company like ours typically go through.

12) Interesting. You mentioned that you are more of a consultancy, but do you self-publish at all?

We do. And that’s actually a separate part of the company, and one that we are building up right now. So we have PMD that’s sort of the consultancy side of things, where we are around 30 people, and then we are currently two people in a new company that we’re setting up that deals in self-publishing and facilitation of development of both, where we try to source great games and then we publish those across a number of channels. And then we work with developers to build that content on our technology.

Those ideas originate, and then form inside the company?

Yes.

13) Who are the ones who come up with the ideas in those cases? Specific individuals?

Not apart from the fact that there is some people always in an organization like ours who are really good at getting relevant ideas, and by that I mean ideas that are good from a gameplay perspective but also from the monetisation perspective, so maybe they have an idea for a game they also have an idea on how to make money from that idea. Which in this world just makes the idea a hundred times better. So we have a few of those people who are able to do that but it’s not necessarily designers or just programmers, it’s more of an individual thing I think.

14) You are located in Aalborg, was there any reason to set up your company there?

We lived here.

At the moment is it a good thing, bad thing, or doesn’t make any difference?

No, to be honest I don’t think it makes a lot of difference. We have a studio as well in the UK and that’s because it allows us to... umm, to get good talent in a different part of the world. There’s maybe not all a whole lot of talent in Aalborg that we can tap into, but on the other hand the university here is doing a great job. So there’s a lot of highly qualified students that come out of there. Also there's not a lot of games businesses here, so we don’t... there’s not a lot of competition for those good people. And that of course benefits us. I’m sure you could find equal pros and cons by having us in Copenhagen.

I was mainly thinking about creative hubs like Montreal or San Francisco. Does it make any difference to have your company set up in a place like that?

It probably does. But at least I’m not... For me, I don’t see specific, you know, qualities, in setting up in San Francisco instead of setting up in a place like Aalborg for the kind of business that we are. If you’re a business that relies on venture capital then obviously putting yourself in a place of the world where there’s a lot of this available is a good idea, and then Aalborg is probably not the place for that. But that’s not something that we’re looking to do, so I think, in theory, you could position yourself everywhere. And you could also, and we do that as well, we work with people, freelancers, across the globe. So if you’re able to do that, you can pretty much set up of anywhere.
15) I was actually going to ask about freelancers – do you use a lot of them?
Not lots but we have like five or so that we use on regular basis.

For what kind of work mainly?
Mainly graphics work, art stuff.

They complete tasks that you give them an outline for?
Yes.

16) About internally – do you use any kind of project management?
We use kind of a... bastard Scrum. We sort of ended up using it because it works better than any of the others, you know, finalised models that we have been able to find. I think one thing that we struggled a lot with is that we can’t get one model to work with every customer because every customer has different way of working, and Scrum is not something for instance that we can get all customers to play by. There’s just... I think the keyword for project management sometimes is ‘chaotic’ because there is some of work being done to manage expectations from the client, and that’s the role the producer tries to fulfil, and it’s a lot of time it’s very difficult to put that into a solid system or we are not or good at it. I don’t know. One of those.

17) What do you think are the benefits of Scrum?
I think because it allows us to, to some extent, to be agile in the way that we do things. It came close to the model that we were already using and I guess that’s kind of why we went that way.

18) What do you think is the most challenging from a managerial perspective in finalising a product?
Umm... getting the client to wrap-up, probably. Because it is really easy to get good ideas and find productions and it’s hard to find out requirements. So I think that’s probably the most difficult thing to manage.

19) How well do you keep your deadlines?
Pretty well, I think. We are good at meeting our own deadlines we have set. When it starts shifting it’s usually because of feature creeps or changes to specs originating from our client and things like that.

20) How do you think about management moneywise... do you have liquidity issues?
So the model we use is, we usually work with, is a milestone-based model where we always get a sign-off fee. So we are able to invoice the client before we actually start working. At least in theory, because the deadlines are always tight and we always have to get started before the contract is fully signed and things like that. So liquidity is definitely a challenge for someone like us, small [company].

21) Do you think your employees are motivated? How do you keep up motivation?
We try to give them a good place to work and we try to offer, you know, fun environment and hopefully also some fun projects to work on. We put a lot of emphasis on the fact that we like our jobs and we care about them. We care about doing the work and we are not just a nine to five
company where you come in and you leave when you are done for the day. People should have passion and if they have it’s a good place to have that passion. So we try and, you know, remind ourselves of that. And we try to also attract some interesting projects that people want to work on.

22) Does the team work on many projects simultaneously?

We usually have anywhere between 5 and 10 projects going on all at any time.

23) How do you allocate different people to projects, do they have any say in it?

It’s very much according to skillset and then also to who’s available at the given point of time.

24) Do you have some kind of a bonus system?

No, not something that would be official. We sometimes do specific project bonuses if somebody's, you know, worked their ass off or done something extraordinary. But nothing formalised.

Why not?

Umm... (haha) I think the main reason is... it’s... There is so many factors to decide whether or not a project is a success. Because we are not the ones selling the project to the end-user, then our... the only thing we can sort of see the success in is meeting the project milestones for schedule. But what if that changes during the project? What if the client is completely unreasonable? There's a very large amount of factors that makes it pretty difficult to decide whether or not a project is a success or not. And it might be a project that we've actually lost money on, but that we know a year later because it was this or this. It is not something we’ve found a way to, sort of, share the success with the employees. We try to do it in terms of the salaries and make them reflect the profits of the company.

25) So you rely more or less entirely on the publishers taking care of the sales, marketing and end-user side?

Yea.

26) Are the IPs yours or theirs?

They are usually owned by the publishers.

27) Despite this, do you think your company does creative work?

Yes.

Even though you are very process-oriented consultancy company?

Absolutely. I definitely think that if you kind of strip-off the whole client side of things, this is still no different than the other game company. We try and make the best game you can. So yeah, I would categorise us as being creative.

28) In such a hit-driven industry, your business model doesn’t really put you in a big risk?

Yeah, it’s true. We are very much unaffected by whether or not the game becomes a hit or not.
But does it make any difference to your reputation?

That’s actually a difficult question because I think we try to do both because a ‘hit’ is a difficult thing to identify in the games business, I think. In 2007 or 2008 or so we did a couple of titles that you’d probably regard as ‘hits’ but they didn’t sell very well, so they were sort of, creative hits in the sense that they had extremely good reviews and a lot of very core gamers knew about the titles and saw them as being incredibly well done. And that caught the attention of a lot of publishers as well. So in that perspective, those games were hits, but they didn’t sell very well. So, they didn’t catch the eye of other publishers. But then we’ve had other titles that, you know, we definitely don’t feel as proud about and weren’t as good in our books, but have just been phenomenal hits in terms of sales. And that’s where you start to, you know, gain the interest of other publishers. So we balance it. We’ve tried to always feel good about the products that we do and if we do that, then we can argue to clients that they are hits in some form or in some way. If that makes any sense?

29) Yes, definitely. Seems to be in the industry that not many terms are carefully defined. I have heard a lot about the term ‘indie’.

Yeah, that’s the big thing these day, being ‘indie’, that’s really important apparently.

30) You just got a DFI grant, didn’t you?

Yes we did.

Was this for the side where you do your own games?

Yes.

Do you apply for lots of grants in general? How do you finance that business?

We don’t do it a lot because we are really not big fans of free money. In the sense that, you know, we really don’t think that the government should pay for the games industry. Because it is, we see it very much as a commercial industry, not a cultural phenomena. So we very much believe in sort of making our own destinies. We sometimes do apply for some grants when we have maybe a product that is well-suited for that. It’s in that certain space where it can make sense to seek funding like that. That particular project, it is something that we started doing with a Danish publisher, but that publisher then decided to close down, so the project was very much in limbo. The only way to get anywhere with it was to get any funding to continue working on it. And that’s what happened.

So you see commercial potential in that game as well? Or cultural?

Absolutely, it is a commercial project, not an art project.

31) In Denmark, how easy or difficult it is to get a public grants for entrepreneurial purposes? Or is it mainly just cultural grants you can apply as a developer?

Usually they are cultural because, the problem is, when you start supporting business, you start to do, you know, unfair advantages. EU-regulations, there’s laws preventing doing that. So there’s very little business assistance you can get. So all of these grants are always somehow culturally minded or camouflaged if you will. There’s obviously everyone in the professional games industry will use the money they get from DFI to make commercial products because that’s what they need to do be here tomorrow. Whereas, it is not a key decision maker for DFI,
that has more of a cultural focus. I think, fortunately, there are some sensible people managing the money, so it gets attention both ways.

32) This is the core of my study really, can you do both things at the same time: can you put out culturally important games and also commercialise those?

I think at least our approach is to make it commercially viable first and once you've solved that, you know, choose more creatively. Because if the business model doesn't work, then... I mean, for us there is no point if the business model doesn't work. We sell games for living and we need to sell more games to make a living. So that's number one for us. But then the when that's sort of framed, where you have vision for that, then you can start putting that vision into something that is really really creative. I think, for me, you can go some way with luck, that to me Limbo is a great example of that. Where definitely, it seems to me those guys had a strong art vision and executed it well and they were really really good at it, and lucky also and had the right timing. But that's not the kind of project that we would put our bets on. Because it's just... That's where it gets really really high risk.

33) Do you think you have a lot of competition as a company?

Yea we do. The cost of making games or to enter the games business has gone down quite dramatically over the past years. So, pretty much, there's a lot of different sized studios that are our competitors.

34) But is the more that the games are competing with each other or is it the actual companies?

I probably see the companies as competitors. Because you can compare to factories, if you want to be really boring, and the products they make are just like other games. It's about having the best factory to make those games. And it's at least for us, it's not about do we want really an amazing game that we all really want for us. It's more about making sure that we're really good at doing great games that we'd rather reduce the risk. And when you have a lot of those, at some point you hit a hit, and that pays off.

Ok, thank you very much for your time and the interview, it has been a pleasure!

Name: CP
Title: Game Designer
Date: 13.06.2012
Length: 25:19

1) Could you please just start by telling about your background and what have you done in the video game industry in general.

Well not a lot actually, PMD is kind of where I started. I was studying multimedia design and was hired as an intern for six months, and then after I finished my internship I guess they needed me on the projects I had been on, so I was hired full-time as a designer.

2) Did you study in the town you are located now?

No, in Århus.
3) Why did you choose PMD? Are you a gamer yourself? What was the attraction with this particular job?

I am a gamer and I have always loved games. I chose PMD because my brother worked as a QA for Deadline Games, which is now gone. One of his old colleagues, we met him, and I was looking for an internship, so he set up a contact, and that’s how I found PMD.

4) Was there any reason to choose PMD location-wise?

Denmark doesn’t really have a much of a video game industry going for it, so there weren’t a lot of choices. Since I also had a contact, this seemed like the most obvious choice and it was actually my first choice also. It didn’t really occur to me to look anywhere else.

5) Do you use some kind of project management in the product development?

Well, my title is Designer. It’s not so much a project management, it’s more of... I mostly deal with interface design and stuff like that.

6) But what kind of role do you have in projects? Games are built in projects, right?

Well that depends on how much work is needed on a project. We do a lot of work-for-hire and some of our customers really really know what they want, so there’s not a lot of executive decision to be made there. I just sort of follow what the customer wants and try to, try to integrate that as well as possible. In some of the projects the clients’ wishes are more vague so then I have to have more of a leading role and decide how the game is going to be.

7) Which one do you prefer?

Obviously, it’s more fun to have the freedom to be creative. Sometimes on projects where you don’t have a lot of freedom it almost sometimes feels like you are doing slave work because there is absolutely no room to experiment with how the game could be, just do exactly what the client tells you.

8) How often is this percentage-wise?

It really depends on where you are in a project. If you are in the start of the project, customers are often more open to ideas and there is a lot of freedom to try and experiment with this work and that work. But when you start nearing the deadline, maybe the customer realises that they don’t have enough time to implement some features, and they make some decisions now “we are just gonna do it this way”.

9) When you talk about clients, you mean publishers or? [Yeaa.] Is it then only PMD that completes the whole project?

We mostly do the whole game. Sometimes we have some freelance workers we have used several times and some server related stuff, and stuff like backend stuff is sometimes outsourced to China.

10) How are you managed? Is it always the clients’ call?

Well we sometimes do games of our own, if we have a little room to do our own stuff, and not for a client. This is typically something that we put interns on. Someone in the company might have a great idea for a game, it could be anyone in the company really, and if we decide to go with it, we use one of our designers part-time to just supervise project and then have the interns
actually make it. Other than that about how projects are managed – again it depends on the client.

11) So you don’t use any project management system? Agile? Scrum?

We do do try to use some agile but when deadline it starts failing because some of the projects can become unpredictable really fast. Suddenly a new project comes along and might need some of the people that were previously on another project. I mean it’s really hard to use agile project management when not sure of how many team members you have and how long you have them for.

12) How big are your teams?

Well… a designer, two or three artists, and a couple of game programmers and a producer to supervise the project. But that usually the core team is somewhere around five people then people who help out might be a few people.

13) Which platforms do you develop games for?

Primarily mobile these days. We have done some Nintendo DS titles in the past, I think some PC titles before my time, but primarily mobile.

14) What do you think is easiest/hardest in the projects? Time management? Coming up with new ideas?

I probably have to say that time management is one of the hardest things. Because as I said before, we never know how many people we have on a project and how long we have them for. Some other project pops up, and another project might come to a stage where suddenly they need a lot of people because we misjudged a deadline or something like that. So when people are on and off of project all the time, it is incredibly difficult to manage that. But it can be [managed].

15) Do you feel that you can be independent at work or are you micromanaged?

We have a lot of room to be independent and to judge how much time we are going to spend in a specific task and how would we like to do it of. Again, it really depends on the stage of the project because when you are running close to the deadline, of course of the producer supervising the project needs to micromanage a lot to make sure that we hit the deadline.

16) Is the workload balanced?

It’s… sometimes it feels like you are totally overworked and don’t have time for anything. Mostly, I’d say the workload is pretty fair. It doesn’t feel unfair but you feel stressed sometimes.

17) Do you feel motivated? [Yea, mostly.] Why?

Well because it is… If you try to ignore the periods where you have to do the slave work and catch deadlines, it’s a fun job and you get to be creative. And it’s, well, it’s well a media I use a lot myself, so it’s fun.

18) Do you think the company encourages motivation in some ways?

Yea. We have an internal committee to try and keep doing stuff with each other sort of stay creative and pretty up the offices to make it feel more inspiring, stuff like that. That is something that we think about, yea.
19) Do you think you get enough support from your supervisors?

Yea. Sometimes it’s one of the problems could be that there is not always enough communication. If everybody’s really really busy on project it’s the sometimes we forget to communicate what’s going with each other internally. But mostly we try to keep each other informed and motivated, and the management doesn’t really have a problem with us trying to stay creative. Funding all of the stuff there.

20) So they don’t have a problem, but do they help in any way, could they do something more?

They probably could. I mean it would always be nice to focus more in the internal stuff instead of just the projects. I think they do what they can with the time we have. We do enough for ourselves that it doesn’t really matter, I think.

21) Your business model – mainly you do work-for-hire and mobile games for publishers? [Yes.] How is this divided percentage-wise?

80-85 percent maybe even 90 percent of what we do is stuff like that. Our own productions are kind of small, short-term projects.

22) Are there many different clients or only a couple bigger ones?

I wouldn't say many big clients, but several.

23) Are they all over the world or mainly European?

We have done a lot of children’s games for a publisher in Denmark. We have also worked a lot with EA both in the UK and the US. So yea, it’s pretty much all over the world.

24) When talking about your customers, do you consider the publisher as your customer or the end-user?

Well, yes and no. The end-user is something we discuss with the publisher, but ultimately it is the publisher who makes executive decision on how we target the end-users.

25) So if the game flops, is there no harm for you?

Well it does affect us. It affects how much goodwill we have with that publisher and whether or not they are willing to work with us again. If we do good work for a publisher, they will want to hire us again.

26) How would you describe the purpose of PMD?

Purpose... Well, our stated purpose is to make great games that everyone can enjoy. The overall philosophy of the company is not really something I think about on day-to-day basis.

27) What are the strengths of the company?

Well lately we’ve become really really strong at making mobile games and making those work really well. We are good at ... Well, I don’t know... Good at making games, I guess.

28) Any weaknesses?
What I would like for us to do better than these, is to make our own productions. We take on a lot of the projects for publishers and don’t do a lot of our own.

29) Would it be viable to do more of your own stuff?

We do have some plans to work on that, to make more of our own stuff. And try self-publishing. That’s been a plan for a while now and it’s still at its infancy. But I hope we are getting there.

30) You think it would be a good idea?

Yea, I do. As a designer, someone who must be creative, I think that would be more fun. When you discuss design ideas, how to implement ideas, it is more fun to discuss face-to-face with someone that you work with instead of via email with a large publisher.

31) Have you ever consider finding something else, more creative?

I have considered it. But I would say I’m fairly happy with what I do. There are some plans in the work and some things that I’d like to see through. So, I mean, it is not... It’s exciting to be here and it’s not like I’m dreaming of being somewhere else.

32) Do you feel you have options to go somewhere else PMD being one of the biggest companies in the area?

Well, I haven’t looked into it seriously at any point. Because whenever I think about it, it’s because I’m on a deadline with a client who knows exactly what they want and I have no creative freedom. Of course you start thinking: “Oh, this is stupid, my ideas are better than his, and I could do this better somewhere else”. But I never really follow through with that stuff. At the end of the day it is very fun to be here.

33) Do you try to get your ideas through to the publisher? When you think your idea is better?

Yea. I try to discuss the ideas about stuff that would work well in the game.

34) Do you think they listen?

Sometimes, again. Depends on the publisher, depends on the stage of the development. If there is not a lot of time, they are unlikely to listen and more likely to say that “now we are going to do it this way”.

I think that is all, thank you very much for your time!

Name: SV
Title: Producer
Date: 14.06.2012
Length: 34:44

1) If you don’t mind starting by telling me about your background.

I have done a lot of Nintendo DS games. I have only worked for PMD as a games company, but I worked here pretty much since the beginning. But yea, a lot of experience in DS games, iOS, have
done a lot kids games actually, but also one of The Sims mobile titles. Is that something down the line of what you need to know?

2) Yes, sure. What kind of educational background do you have then?

Actually, it’s quite split with a technical bachelor in, what do you call it... computer science. And the last few years were more in the humane field, multimedia computer interactions, stuff like that.

3) Are you a big gamer yourself? Or why did you choose PMD?

Yea, I most definitely am, yea. I have... what do we say... I have an opinion, so to speak, on games and I always consider why this was done and how that was not something else.

4) What was the main reason why did you choose to work in PMD? Why a games company?

Well, by chance actually. Well I started my own company with two others guys back in 2000. I did a lot of web things and was mostly focused around creative/visual side of things. So that was fully just started how things should look and how to talk to customers and all that stuff. And one thing went from there. It makes sense... a producer is... You probably know what a producer is, but it’s more sort of a facilitator. You need to know a little about everything basically. And that is what fits me very well. I know a little about art but I can’t draw, and I know a little about programming but I can’t program and so on. I understand all the different fields but I’m not a master of any of them.

5) Are you from here or why this location?

Education and family. I moved here for education and I have a brother who moved here for the same reasons.

6) Do you feel you had other options in that area?

No, not really. Yea, we have one other company here that does games as well. But it’s sort of games in a different way. They have a web portal where they do flash games. That’s a bit different from what we do. That’s the only other bigger game company here at this time.

7) Do you use any kind of project management system or tools in your daily work?

Yea. We do we have a set of agile, Scrum-based tool called Pivotal Tracker. That is used for daily task management and for forward planning iterations each version of the game.

Does everyone your company use this tool?

Yea, it is something everyone use it. Everyone checks their tasks in this system and uses it on daily basis.

8) Do you think it works well in video game development?

It’s the best we have found so far. There are a lot of different options out there, and it is very difficult to separate them. And there are not two game projects that are alike. But this is a really flexible tool that gives us a lot of options. We customise the use of it depending on the project and the customer we are working for. Because for some of the projects it will be the customer for example delivering the science or delivering the art or something else than we actually also
have the customer using this system so they can see what we're doing and we can see what they're doing. Yea. Everyone can follow track in that one system.

9) How much independence is given to people to work on the projects? Is it a very rigid control system? Or is it like Scrum and two-week sprints?

It is a bit more flexible. We are working towards Scrum and towards setting up something that is like that. But it is just a really tricky matter because we need to be really adaptable to client needs their demands, and we can't do that by simply saying that this is how we do things and this is how you need to work with us. Usually the client is bigger than we are, so, and they are putting the money on the table so we are trying to be as adaptable and flexible as we can.

10) Don’t you think you’d be more adaptable if you had project management system that would work in every project? As you do mainly just mobile games?

Yea, but we do mobile games that are completely different. Some are fast 3D premium-based games and others are simple 2D kids games. So there are big difference between the various games we do. And the teams also vary a lot in size. We have teams where we just have one programmer, a producer and we have teams where we have three programmers, two artists, one designer and so forth. It varies a lot, really. But definitely there is somewhere in between where we have to find out how to not reinvent everything every time you start new project and on the other hand not going too far the other road, so you loose flexibility.

11) Do you think that the workload at projects keeps stable?

Again that depends a lot on the project. And usually how much we like to keep the client happy as well. Game development has multiple phases, and there is always a tough spot at the end. Game development... The biggest difference compared to doing systems... It’s mostly that you have really clear specifications when you start working on a system for a bank for example. And we don’t. We have a very loose contract that just outlines all the basic stuff. And one of the challenges for us is to try to balance that throughout the entire process, and try to figure out what we can afford to give the client and what we can’t. And try to balance that with the client. And say that "ok, you proposed this but we can't do that because that’s a too expensive solution. But we can do it this way around which gives you basically the same but it's more simple, and we can do that easily. So there’s a lot of communication like that going on and we use a lot of time on it. If that hasn’t been done properly throughout project, you'll end up with a big crunch in the end where everyone needs to work hard in order to meet the final deadline because we promised too much. Whereas if everything has been managed well throughout the project... You will always be busy at the end always though. Because there will be... One of the hardest things is just... The amount of things you see in a game... Once you think you have the final game; from that step until it being completely bug-free, it can be anything from one day to several months. So that’s a really really tricky one to work with.

12) What do you think the hardest thing in finalising a project? Is it this de-bugging or what?

That, and then ensuring that the client expectations have been met. Because sometimes you’ll see a new... very late in the process that clients can change their mind basically. And that's one of the things to handle that because they can change their mind at the beginning of the project, that's fine, we can get that. But the door sort of closes along the road and that’s really tricky if the client doesn’t understand that in the later part. So it’s wrapping up the entire game, making sure everything is bug-free and then having ensured that whatever is there, meets there client expectations.

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13) Do you normally meet these expectations fairly easily? What leads to the situation that they wouldn’t be happy with the end result?

Well, some of these organisations we work with, like some of the major publishers... They have multiple, what do you call it, gatekeepers, that you have to go through. So you might have three main contacts on their side. One is their creative producer, one is a producer and one is their development manager. And they usually have the contact to the rest of their organisation. And then there is always upper management. And the upper management on their side can always change their minds. And they don’t see that, they usually have some meeting throughout the development period where they just get to see the product. That’s perhaps only two times throughout the development. Usually one time with the first prototype, when first playable is there. And then later especially just before the game is completely done. And that later one, that can be really tricky because that basically means that from the beginning of the project the upper management can tell those guys that they want this and that and then they actually don’t talk to those guys or haven’t given feedback to those guys for another three months, and a lot of things can happen in that time. We have seen that before. We have actually previously done a game, and month or so before the game was complete we were told to stop. We were paid for all development up to that point. And then the client changed their mind about how that game should be done. We basically re-did it all from scratch. So it can be really tricky.

14) But isn’t that a contract issue... Did you get paid for doing that?

Yea, in that case we did. When there is a major thing like that we just can’t do it. We go a long way to make clients happy. That’s basically what we do. We are like any other company that sells a merchandise or goods – we sell our people and our technology to produce games. So, we go a long way to make sure that our clients return because there aren’t a lot of big publishers. We go a long way to keep them happy and ensure that everything is as they expect. And when it comes down to even in the late of the project process, and they say something that is a straight opposite of something they said previously, and want us to redo something, we try to take it from there. If it’s a major thing we might require them to pay for it. We like to stay away from contracts as much as possible. We like to think that creative thinking is better than just two people sitting writing contracts, that’s no good. We try to be... We want to be easy to work with.

15) On the other hand, you keep your clients happy but is your staff happy and motivated?

Yea, that’s a good question. We don’t... We are a work-for-hire company. People here need to be satisfied for doing games. I mean, we can be creative but we have limits and is usually those limits are given from clients and those are very different from a project to project what those limits are. For example for art, sometimes we might be given a one hundred page art bible explaining exactly how the character should be, what the character should look like... And then in other games we might be told “it needs to look like a jungle you can do whatever the hell you want”, and then we take it from there. But again it’s down to what the client wants and us being as flexible as possible.

16) Is it easy for your people to find inspiration for work everyday? Is the work still fun?

I would like to think it is but... I cannot say for sure. If people like games and have that sort of a mind-set... I mean, people don’t work in the game industry for the money because that is just not going to happen. (haha) So, I mean, people here are all passionate about games. I don’t think there is a single person here who doesn’t go home and play some kind of game when they get home from work, either on their mobile or Playstation or whatever. We are all dedicated gamers and we like games and everything about them. We have an opinion about games and that’s
because we are here. I think you’d get fed up really quickly here if you were not this kind of a person. Does that make sense?

17) Yes. Can the company help people with motivational issues?

We do everything to help if people say that they have an issue. The problem right now is that we haven’t done enough in terms of being more open towards people, and trying to have them say their opinion. We are working on that right now. We have... what you call them... Employee development interviews, I think they are called. The plan is to have those during the next couple of months. And that would be first time in the company’s existence that we have those meetings. So that’s something we have been lacking. We try to be more aware of what people think of being here. That being said, we have a really low rate of people leaving us, if it’s people that are hired here, they are still here. I think we have only lost a couple of guys down the road.

18) So, your business model – I have understood you do mobile games only? Do you do any games of your own at all?

Actually, that’s one of the areas we are trying to focus more on right now. That was sort of the entire idea from the beginning, but we sort of have given it several attempts down the road, but not really trying to do it more seriously. We set up a sister company to PMD. It is going to be the publisher division of the mother company. That means that it needs to have first and foremost the money to be able to do something, to do some investment to gain more money. It needs to have a lot of knowledge of marketing and sales, digital games, digital distribution. And that is what we’re basically trying to get started right this moment. So right now we are not doing a lot of games of our own, but the plan is that for the future that, PMD might actually be hired by the sister company to do games, so we are sort of self-sustained. That’s the idea at least. (haha)

19) Do you think your own games would also be on mobile platform?

Yea, still mainly for the mobile platform. That is our strong point, definitely.

20) Ok. Do you outsource any work?

We do. We have had good and bad experience with it, all the time. It also depends a lot on how well we describe the assignment. We only outsource to the guys we have now. We have an artist in Ireland who we have worked with for the last seven years, actually. Then we have two programmers in China doing database stuff. That is the stuff we outsource right now. I don’t know if you can call it outsourcing, but we do have a studio in the UK. We have six programmers, no wait five programmers, and an artist there as well. But that’s not sort of outsourcing, it’s just different locations.

21) A bit more philosophical question: what is the purpose of PMD?

If I had TN in the room right now, I’d point you to him. [No, I want your opinion about this!] (haha) Ok, I am pretty sure that I was... I know he started this because he wanted to do games. They wanted to work in the games’ industry. He likes games a lot. And I am pretty sure that was it. I don’t think it was because of the money because that would be ridiculous. I don’t think that there is an exit strategy... That’s not my impression. I don’t think there are that many in this company giving it any thoughts for where this company is going to be in ten years or where they will be in five minutes. So I think we will grow. I hope we do great games in the future.

22) What do you think are the strengths of the company?
Umm... I probably shouldn't hesitate to that question should I? (haha) It's definitely that we have strong communication. That we have a lot of experience, and that we have the finger on the pulse right now. Usually clients just don't come and tell us what they need. It's a collaboration where we also share our experience with them. For some of the clients we have, they have never done any mobile games before so we try to share our experience and guide them. So I think it is better that someone who don't know anything about this either... Then going to us, having out thought. So we basically advice our client son everything, what we think the price should be and so on.

23) Any weaknesses you can think of?

Yea there is. The major one is the whole scheme of this financial thing, that we are purely project-based. And we've seen... In Denmark there was a lot of gaming companies crashing in 2007 and the following years. Many of them where companies that started 20 men strong, focused everything on doing one game and then they ran out of money down the road or the game went to market but wouldn't sell anything before they got cash in, and then they soon ran out of money. We tried to build as many pipelines as we could. So instead of doing one game, we are doing seven or nine different games at the same time. The bad thing about that is that we have to be working for new projects all the time. We cannot just go out, get an order and work for the same game for two years and then work on a new order. We have to keep projects coming in as steady flow as possible. And that's a really big challenge. And we don't have any internal IP we don't have the rights for any known... Well we do but that's only for minor stuff. We don't have any real major licenses for anything other.

24) Is there anything you would do differently yourself if you could?

That's a really good question. (haha) There is a lot of things we could improve, I know that. I want to focus more on them in the future. Umm, but, aside from that, no, I don't think so. I mean there is some things I would do slightly different than today. I just think... I don't know if it's always like this, probably is, but there is just a ton of stuff that could be improved for us as a company. I guess there always is.

What kind of things do you mean?

For example keeping better financial track of a project when it's in development. Stuff like, the development interviews for the employees. To know more about where they see themselves. Yea, we are just not good enough in doing stuff like that. We are... We run too much from one project to the next instead of trying to focus on these sort of bigger points. And there is always a project after the one that we just got. And we need to be better at that. Also stuff like postmortems, gathering feedback from the development and bringing that forward and making sure that we learn from our mistakes and making sure we don't repeat the same mistakes.

Ok, thank you, I think I have run out of time now. Thanks you very much and have a good week!
CASE 3: FLL

Interviewees:
- CEO
- 3D Modeller

Name: TL
Title: CEO
Date: 04.06.2012
Length: 53:19

1) Could you please start by telling a bit about your personal background?

My personal background is that I didn’t even finish university before I started my own company and have been doing various start-up-ish kind of things for the last 20 years. And around 8-9 years ago I got tired of the entire investment blah blah blah, this is all serious business, not game related. So around that time I started my own company, a consulting company, where I did a lot of consulting in public space and similar, and earned a lot of money that I could spent on hiring small teams to create games. So, in that way being my own angel investor and run things on my own commercial terms. And what we have accomplished doing the last years is primarily a bunch of work-for-hire work in gaming industry as well as creating seven iPhone/iPad/PC/Mac games, not console. Self-funded. So we are releasing hopefully a month from now a seventh game that we have self-funded and self-published. That’s not the usual gaming company profile in that regard, and that leads into the more commercial/artistic part, is there a clash? I think there is a clash for some companies, because a lot of the companies I see are very driven by “I have this one great idea and I need to become a millionaire” or “I need to do something that is ultra creative out there that is so far out that it will create waves but it’s totally creative thinking, not commercial thinking, how do I actually make a business that I can live off after that project”. The funding that you can get in Denmark, not investment funding but the Nordic programs and the film institute funding, is primarily also creative-driven and also funding projects that not necessarily have commercial perspective. Funding a lot of small companies that have this one project that they finish and then they think that they have a business but they don’t because it’s not sustainable. I think that’s the inherent part of the Danish gaming industry, that’s a huge problem that there’s a lack of commercial thinking. Definitely. For a lot of companies, I’m not saying everybody.

2) Your personal perspective then, you are the business-mind behind the games? Or do you develop the games as well?

I do both. I mean we are, at the moment we are six guys plus freelancers, and that means I do everything; fetch coffee, buy office space, blah blah blah, including running the business and I’m a programmer as a background, so I also program the games and I do they game design, 80 percent of it at least.

3) But it is a permanent organisation?

Yes, we have a permanent team of six people. The way that the company is structured is that we try to run game productions that last 6-7 months. And on the side or in between there, in between game productions, we do work-for-hire that pays for the next project. And that’s the way we are navigating around and financing ourselves. So any given point in time there might be, like right now, I have, 2.5 guys on a... actually 3-3.5 guys on a work for hire project that has started, and 2.5 guys that are finishing a game production. When they are finished they will
either go over on the work-for-hire and complete it faster or I have the next game project that we'll start slowly. That's also one of the other things about the game industry that when we wrap up at the end of a game project and then suddenly you are sitting with a team of 6-7-8 guys when you only need one to start the next one. Trying to balance this work-for-hire and creating a game project in this way, and smooth out that transition because that can then reason balance people from one project going to another, it's not easy.

4) And how long has FLL been running now for?

Since 2004. So, that's like 8 years now.

5) Did you start with just you...?

It started just by myself. At the beginning it was 100 percent work-for-hire and then slowly adding more and more team members and creating more and more games and larger games. So, it's been... It's a long-term organic growth.

6) Right now do you work with any publishers or have you got any grants?

We haven't got any grants at all. We are starting to seek some of the grants, I am not even seeking... because what we are trying to create is more commercially-driven games and finding our own niche. So we are trying to hit the 30-40+ male group that is more hardcore but still family-driven. So, they have too little time to play Skyrim but they would like to play Skyrim/Call of Duty, that kind of a game. And we are trying to make games that they can play on and off for 10-15 minutes instead of 200 hours. But still core gamers.

7) So you have a very specific niche?

Yes, exactly. Until now we have self-published, so we haven't had any publisher funding, so it's all driven by work-for-hire and sales of our games, until now at least. At the moment I am actually thinking about taking in an investor on a project basis, not on an equity basis, which there's several investors interested in. But that's primarily because we have started to be the size of the company where the "where does the next pay check come from" starts to be a factor. So, that's where we are. Or finding publisher-funded games, that's also another possibility. But yeah, cash flow is always... finding balance in medium-sized companies.

8) Are you from here or why this was chosen to be the location?

I live in Sweden. But it's historically driven. When I created the company I lived here in Denmark and I then, after some years moved to Sweden with the family, just over the bridge, because it's just out on the country and cheaper to live. And I developed consulting in Denmark still, that's why the company stayed here. And a lot of my team, as I started up, was virtual, so they're living in Ukraine, USA, Northern Sweden... And it's not until 3-4 months ago, something like that, that I actually started hiring local people, and simply because I know Lars from Apex and we've been talking about some serious gaming projects that we want to do together, that I got lured into setting up a physical office around here. Also I still drive it up from my home office in Sweden on a virtual basis.

9) Do you think this city is a hub for talent?

No, I actually think there is a lot of talent out in the big world, and that the investors are in the big world, and they are not in Denmark. Yes, there is a games industry in Denmark, but if you take a look at it and compare it to the Swedish one, just in Malmö, it's insignificant. There are huge, relatively large gaming companies in Malmö and in Sweden that are attracting much more
talent than there is here. Part of this is of course back to grants and funding in Denmark the structure around it, it's yeah. There's just been a focus in Denmark that hasn't been in the business side, it's been more on the creative side, and that doesn't create big companies. The only ones that have been successful, really successful, are IO, and what did they make, they didn't make kids’ games, they didn't make granted games, they make hardcore games for the big audiences and that's what they used for being what they are now. I can't see anybody that makes some of these kids’ games to become a larger player on a global basis. If that doesn't happen, nobody gets... buys them and nobody creates angel or similar investors that have game industry focus, who can reinvest into the business and create a sustainable funding and investments environment here.

10) Do you think here are too many small niche companies that don't have a bigger market?

Yes, that’s one of the problems. It's something that bites itself in the tail because, again back to the grants and the funds you can get, do not drive an economic point of view into the games industry that creates money that creates success that you can reinvest into the space. And the other investors who are sitting outside, look into business where very very few of these companies make money and do a good job about creating a commercial-driven company, so they cannot see the success, nobody can see the success in the Danish game industry except the IO guys. So how do you culture up industry branch that doesn't have any commercial success (so far)?

11) So the grants given in Denmark are always more cultural not spurring commercial side?

Yes. That's my point of view at least. I know there's other points of views, but I definitely think that the grants situation driven by the Nordic programme and some of the other ones are too focused on creating culture in a similar way that they are trying to fund the Danish film industry. They don't see it as a commercial possibility, they see “we have to uphold the cultural part of the Nordic industry”. And that doesn't create success. Commercial success.

Doesn't that work on cultural success then?

There's definitely games that are been made, that would not have been made otherwise. You can always pick out some of the companies like the Limbo guys, and some of the others that do have had... They did get commercial success out of very art-driven... But I think it's also partly due to the management team being more focused on the commercial side. Relying only on the grants is wrong in my opinion.

It is not sustainable model commercially?

I would much rather see that they'd be more focus on the business side and investing into commercial potential instead of cultural upholding. Does that make sense?

12) Yea. This is where it can go to two different directions: entrepreneurial or cultural way.

Personally I really think that business side should have much more focus on this. Because you can create lots of jobs in a business where with very few people you can create huge amount of money. It's not like the production industry or other kind where you have like 1 to 1 relationship, or people who have the more grow 1 on 1 or 1.5, but here you can have a team of 20-30 guys earn hundreds of millions of dollars that would flow back into the country, and create more jobs instead of creating these small companies that fall, and new small companies
that then again fall because it is a cultural thing. It doesn't create jobs basically. And I don't think it's again, my personal view, I don't think there is a clash in terms of that you couldn't have both in a game company. I mean, if I get a business kind of investment, driven by what would the market be able to... That I can sell into the market and create more jobs - that doesn't necessarily mean that I am not artistically driven creating games. I mean, it is not either or. But it all stands down to where do I find the initial funding for actually creating the game company in the first place. And try to explore some of these steps. There's definitely no advisors on, or investors in Denmark or even a publisher, that can help me on this road. I have to look into the world, and that also means that if I take an external investor from Germany or USA, the money will end up there, and the talent will end up there, not in Denmark.

13) So you would be interested in working with a publisher if you found one?

Yea, sure. There are different publishers that we are talking with and we are working more with, in the line of trying to create some productions that they would actually fund. But again back to does that further the Danish game industry as a whole or does that further me? It furthers me, of course. That's ok for me, but I can just see the long-term game industry in Denmark not growing out of this.

But this is the only concern you have? You don't think that if you start working with a publishers that you'll ‘sell-out’ on your creativeness?

That totally depends on the publisher, I think, and how good you are at managing with them. Hopefully, maybe a little bit naive, but hopefully the publishers will come with the market knowledge and actually make sure that the creative decision that you do while creating the game support a commercial model that is better than if I had done it myself, and in that regards add value also to the creative part. There is so many ways in games you can express yourself creatively and it's not everything under publisher control. So, so yea, I don't see it as a necessarily evil that a publisher comes in.

I have just got this vibe from independent game developers that they see the publisher as an evil.

But how many of them have actually worked with an investor?

They probably haven't, but they stills seem scared that they'd sell-out on their creative vision. Just the impression I have.

Yep. And as I... If we take the indie industry as a whole segment, it's hard to even define what does it mean to be 'indie'? Does it mean that you are like the ultra creative "I create something that somebody has never created before" -kind of indie, or the indies that are more commercially driven again, where you still have complete control of what you do and you decide, but you are just more commercially driven. Just not funded by somebody. I think there are these two polarisations in the indie industry as well.

14) I have asked some people here how do you see Angry Birds and Rovio, and they don't seem to see them as indie because they are so commercial and making millions.

It's down to the definition of indie and I'm very sure that, just put some names on it... If you ask someone like the Knapnok games and similar, they will see themselves as these creative indies that have to do something that is crazy. And then you have more Playdead, myself, some... and Rovio for that matter for example, that are more commercially driven, but still indie.

15) Yes... How would you describe the purpose of your company?
My purpose of the company? Ooh. There’s several answers to that, I guess. There’s several dimensions to that. [I am after your strategic starting point – what do you want to achieve with the company?] I’ll try to answer that in different ways, I guess. There is the fundamental thing that a company is not a company if it’s not for creating value, so there’s the commercial aspect in that. I mean, you can’t have a company that doesn’t have the drive to earn money, because that’s what drives a company. So, fundamentally, to answer the question from that point of view, we need to create money. Make games that sell. On the creative side, what is it, which market group, market segment is it that we are attacking, we are attacking this soccer-dad crowd that is a term that I reinvented from the soccer-mum, Zynga kind of a thing. The hardcore guys like myself who have now family and do not have those 200 hours of spare time to play games, but still want to play that kind of games. I want to serve myself, the niche that I am in, with games that I want to play. That is the drive behind what kind of products that the company makes. And I can see that there is so many companies out there making now a huge amount of money in that space both on the female side and the make side so that serves the purpose of the company again, creating money. And within that, the third dimension on the creative side, what can I actually then do in that niche to create money for the company; I have a lot of artistic freedom of choosing what themes, what game mechanics, how does the artistic style work, still having these fundamental pillars to sit on. I have a defined niche group of people and I want to make money. I have tons of control, artistic control, still left even though I have even though I have these other things I want to do. So, I think that is the three answers to that question. Do I have like a business plan? Not necessarily, but it’s in my head.

16) So you go project by project?

Umm, yes. We do build on top of the previous projects and the previous feedback that we got on the other games, but being a small company we also have to be opportunistic, in... ok, we can see zombie games are just bubbling and out, so let’s make a zombie game. So, I have to do, I have a large list of 10-20 themes of games I would like to do, but then the type of games that we make ... But I constantly, every time we end a production I shuffle it around, see if it, given the commercial aspect and what’s hot right now, and feedback that we got, which one of these are now are the next ones that we could go after and do, that have biggest creative commercial potential.

17) You are doing your seventh game now? [Yea.] Are they all distinctive IPs?

They are all distinctive IPs. Yea. The last three games are in the same game mechanic, which is the way we make games.

18) Do you have a business strategy planned out?

I do have some, of course having picked the target group audience and the game mechanics we are working with over the last few years, as well as strategy of creating frameworks that we can reuse for the next production and next production and grow it, so there is a plan and strategy behind picking what’s next. And I think that’s also something essential part on the business side how you create money to the company; you do that by investing in yourself and the framework that you’ve built. Create more value with less. Moving forward. Then that means that I am not at the stage where I can go out to some IP holders and publishers saying “I got this framework and we can put your IP on top, so if you come with money, I come with my stuff here and we can create your game.” That’s the point I have reached now.

19) So you have 6 people now, is it a fairly stable team?
Yea, it’s the same people. The people that I switch around a little bit are the freelancers that we have around.

So people are not jumping from one company to other?
No.

So companies are in fairly similar stage then, I guess, if the employees are staying in one place?
Yea, I mean, you can only create an environment… I mean, how do you answer that… Of course the Danish games industry, being as vulnerable as it is for many companies, it is not a safe bet to jump around. So I hope that employees are happy that there is now a stable 8-year old company that actually can offer them a fairly permanent job – that’s the best bet to have.

20) So, your team, are they paid on a salary or bonuses or…?

It’s a little mixed. Most of them are on a fixed salary. There’s one guy that I started everything with who is getting bonuses based on a ref share basis, but moving forward and consolidating the company more and more, I want to structure it so that they do get a regular salary and some kind of a yearly bonus or a sales bonus or similar. That is small but still, like a… thanks for creating this. Because end of the day a company is, especially games’ company, is based around the people, so they are the ones...

21) Do you see you are dependent on the particular people you have or are they easy to replace?
Small company like mine is never easy to replace the people. And it’s always harder to hire new ones. But nobody is irreplaceable.

22) Do you think the creative value for your games, does it come from certain individuals or form the group as a whole?
I think it is the group as a whole. Of course it is primarily driven by myself as the one who decided what it is we are going to do and which framework. But the creative process that goes on, I put it up not as a dictatorship but as a team effort, even though half the team is virtual, we often spend half or a complete day on Skype discussing some game mechanics aspect or some creative aspect of the games, and that’s… everybody has a voice. End of the day I’ll decide, if they cannot decide for me, I’ll put my foot down and I say now we have to make a decision. It’s a democratic process creating these games within the frames I have set up.

23) So your people sit in different locations?
Yes. I do have here including myself, we are four here. And one in Ukraine, one in northern Sweden and audio guy in the US and game designer in the US, that’s on and off helping me with some practical things. So a lot happens on Skype and task managers, those kind of tools that we have.

24) What kind of tools you use for project management?
Yes, we use Jira, which is like and bug-tracker system that has plug-in that does agile and development and that we use for managing the agile part and the day-to-day, what kind of tasks are everybody working on. Then we use GoogleDocs for the design documents and decision logs and all these kind of things. And we use Skype, just plain Skype to communicate. So three are like
the pillars of the project management part. We have tried different other solutions and it just
doesn’t work. It ends up being too complicated or too driven into what they think is the right
thing. You only need the core bases or document-sharing, who does what, when...

25) I have heard a lot of Scrum...?

Yea, it works in an adaptable way. If you go straight by it, it’s too fixed, but that’s again based on
how do you use a tool, do you modify it to your use, or do you use it because you are religiously
thinking that it works, and the answer is in the middle, I think. So we use the principles and we
use some of the mechanics that are in the Scrum system, but we use it in our own way.

How independent your developers and artists are? Is it like in Scrum, two-week sprints?

I give them... I do not give them complete control. I do a lot of, what you could call, framing the
task that they should do in user-driven aspects. So I feed them with that “the player has to
experience this and this and this. How do you do it, its totally up to you.” The art guys, I mean I
set up an art, I tell I would like it to be something like this, go create. They will show constantly
what they’ve done, they get feedback and we adjust it that way. But it’s totally driven by them
how much... I ask them much time it takes and we put that in the plan. With just a little slack
because everybody, optimistically, think they can do things faster than they actually can. But
within that, they can... like say “you have four days to complete that. You say three days, we give
you four days. Go! And so here is how it should work.” And during the time, if they want to get
feedback on it, does it work how we describe it, at the end of it everybody will look at it, play it,
see if it works. So it’s only me cracking it, everybody is looking at it.

26) Is everybody motivated?

I think everybody is motivated in that way that if they weren’t motivated, they would not stick
around. So I think they definitely like the way we work.

Why?

You would have to ask them! (haha) I think it’s a... If you can call it creative freedom from
programmer side and the artist side and the audio side to put their visions into the game as well.
It’s not dictated to them that it has to be that colour and it has to look like that, but they can
come with their input. We are like one month away from beta and we are still evaluating and
putting new things in and removing things based on teams’ input. “Hey I really think we should
do live sites, so lets try that!” So we set aside 2-3 days because there is a buffer that I have in the
plan and then we tested and everybody’s excited because it doesn’t work, so lets toss that. So
there’s a lot of freedom to give your opinions even late in the process. And I think people like
that.

27) Whose idea is the game then in the first place?

The game concept is mine.

Is it always your idea?

Yea. The overall idea is always mine, and everybody else pitches in once I create like half page –
one page of what I think I would like, and then we start a democratic process of actually taking
an idea to flesh out the overall game design. That’s then again the creative process, not with
everybody in the team but few people. Then we take it one step further and create a real game
design out of that, but we do not like, write 100 pages of nitty gritty details, we just write a
creative game design that touches upon the different areas that we would like to have this type
of game mechanic, this type of input, this type of platform, these and these features we think would be cool. As we then start developing, we take the Scrum sprint system by saying that “this week we do the option menu” and then everybody pitches in what should the options actually be. And then we, as the game develops, constantly have these revisions of features of game design, and flesh it out, and put it back to the document, and it grows as the game development goes on. Not like “this is how it should be”, but more of a recording that how the decision were, how to make the game. Decision-log is better term than game design document.

So the idea becomes everyone’s baby?

Yea, and everybody buys into it. There’s not like in some of the other companies, even in this house, one or two people who have the vision and everybody else has to follow that. That’s not how it works here. That works for us, there’s tons of... there’s not one way of running a game company but this is how we ended up.

28) What from you managerial perspective is the hardest thing in finalising a project?

Umm. That is a hard question. I don’t necessarily see it hard to have to finish a project.

29) So you think it’s fairly easy then to keep the deadlines you’ve made?

Oh, they never hold. I mean, keeping in mind that I have throughout my companies and places I’ve been, I’ve created hundreds of products, shelf products, so I don’t necessarily see it as that hard to create a product – I know it’s super hard creating a product, of course it is, but as long as you realise that when you are 80 percent of the way, you still have 80 percent the time left to actually finish it... As long as you are not thinking that “Hey I have the prototype that’s only going to take me a week and I’m done” kind of... if that’s the mind-set you come in with never having created a shelf-product before, you will fail. So the hard part of finishing... umm...

30) So how about your income streams normally, do you have liquidity problems in the process?

The way we’ve structured the company doing work-for-hire constantly while we are also constantly doing game development, allows us not to necessarily end up in that situation where we are running out of money. We have to finish so we can, within reason, we don’t have millions and millions of dollars on our bank account. But it creates an environment where we decide when the game is done. And in that way we are free of a lot of the external “has to be created for next week because there is a slot for E3”.

31) But do you have specific release times?

Umm, no, don’t have anything in particular. I mean, don’t release in the week of Christmas or don’t release in the middle of summer. But I mean those are more of a common sense than driven by any need of releasing. I think, going back to the question that you had before, what is the hardest part about finishing is that we suck at selling and marketing. We are fantastic at creating and finishing products, so the hardest part is basically once you are finished—ish, starting out the engine of selling. That is maybe one of the harder parts. Yea, because it takes time away from your development, and that is where I can see that partnerships with publishers could give value, in that they can take that part. And I’d rather pay a large percentage, possibly even a too large percentage to a publisher if they take care of that and actually sell it for me so that I only have to think about finishing the product.

32) Who do you think are your biggest competitors?
There are not that many in the space that we are in. I think that there are some potential competitors in some of the large publishers, EA, Zynga and those kind of people that must discover at some point in time that they are not serving a large group of hardcore gamers with the games that they are creating at the moment. Of course they have some numbers that I don’t have, if they release Call of Duty, it’s basically selling to an audience that is teenagers and up to maybe 20-25, but that’s where it stops. At some point in time the audience that they are creating, feeding into the family-dad, they must discover that there’s tons of money there, so they must come at some point with their products. So there are potential competitors in that regards, but otherwise not too many. And I don’t necessarily see them as competitors those that are there. They are companies the same size of mine creating similar products in a similar space, but the niche is underserved, so we are simply supporting each other in that way. I’d be worried if I was making puzzlers or runner games because everybody is making those and the competition is huge and price points are going down whereas for our niche prices are up and people are hungry for more.

33) In your team, do all the six people have a different creative role?

No, yea, I more see them as, there’s two groups: programmers and artists. And each of those are groups that do things together and we have these constant interactions on almost daily basis of discussing the game and what should we do and how can we best solve this and this problem in the context of this sprint that we are in. So again, options how do we actually do those and if I program this are you ready with the art in few days and in that way supporting each other. Everybody is doing everything.

34) The games you have released so far, would you describe them as hits or flops?

A definition question. What is a hit? I mean, we created the first iPhone boxing game many years ago and it has been downloaded over a million times – I guess that is hit-ish. We have the latest turn-based game that we released now one and half years ago, still gets like the best tactical SWAT game based on the iPhone. We got that like a month ago on some sites, that it is still rated so high in that regards... And it sells pretty ok. So it supports us. So I guess in that way, it’s not monster hits like Angry Birds, but it’s enough hits that we live on to make next one. I think it’s, we are not going for the hit-hit. We are going for the long-term business. Stable sales versus “I only sell the first 3 weeks after the release”.

35) But it’s very much hit-driven industry though?

In the niches that are, if you can call them niches, where the competition is fierce, in the niches where there is an underserved audience, that will keep buying and supporting higher price points, it’s not that big of a problem. I mean, I talked to an English publisher of strategy games and their best selling game year after year for like 3-4 years in a row now is a game that sells for over 100 dollars. And just keeps selling. Not in huge numbers, but constant sales. The shelf time is simply much much much longer in this niche that we are serving than for everybody else. So I think you can count on it not being hit-driven for us and being a good business. Games are tough though, specially the way we create them with work-for-hire on the side to finance a lot of this. In terms of, it takes maybe a year after a release after before we have the next product out. So if we could like feed games out three months after the next one, having multiple teams running that would be fantastic but that’s just not possible. Without a hit.

36) This is why I’m interested in hearing where the game ideas come from because you have to look into the future.

Yea, and that's again back to the creative process we set up being discussion-based within some frames that are loose. We have a lot room to navigate and we have lots of time to think about
things before we have to have the next game out. I guess the worst thing that could happen is that if we had a hit and went out and hired 50 people and sat there and be “what do we do next that creates enough money to support this”.

37) Does your team ever come up with crazy artistic ideas that are too creative?

Umm... I mean, we are a little special in that regards, being... I mean... The target niche and target game mechanics that we are feeding into are fairly given, so that there is not... It’s wrong to say there is no real innovation on the creative side because there is, but there is a lot of given things that you can play with but not change fundamentally. And we don’t try to change it fundamentally because we want to serve the people who want to play these kind of games. So in that regard we might be a bit different from some other ones that have to like figure out a way to do a one touch iPhone game in a different way than everybody else has done before just to get that price and get that hit. In that regard we might be a little bit different. So the creative part sort of comes in smaller bits, how do we make this super cool, how do we implement some 3D stuff that nobody has done before, how do we make this game more accessible without twenty buttons and so on. So there’s lots of small innovative, creative things, not one big large underlying revolutionary creative idea.

Ok, I think that is all I wanted to ask – thank you very much for your time!

Name: CY
Title: 3D Modeller
Date: 17.6.2012
Length: 35:53

1) So, if you could just please tell me a little about your background to start with?

My background is very short, I guess, as far as game industry goes. I’m a very new addition to the game industry, I finished my internship in March and have worked since then for FLL. Right now I am involved in creating 3D models, level-design, game-design etc. So it’s a very wide experience you get from working for a smaller company!

2) What kind of educational background do you have?

I spent two years at a small art school in Gävle, Sweden, which I think is mainly visual story-telling and I guess just a fancy word for comics and graphic novels. I then realised I wanted to work with games so I applied to The Game Assembly in Malmö, Sweden. Spent two years there to learn how to make art for games. And that is what I did until my internship.

3) So why did you choose FLL?

At the time I had never heard of FLL, being mostly PC/Console gamer I had never played any of their games before which up until then was mostly for iOS devices as I just recently bought my first iPad... that’s how updated I am ... So I heard of it from my classmate who also did his internship at FLL by the way. He had only good things to say about FLL so I figured I’d at least go and meet with TL. After one meeting I was pretty much hooked. It’s a small team you work in, which I very much like, it opens up for the possibility to have everyone involved in as many aspects of the development-process as possible. It’s a more healthy environment to me than the "hardcore let’s work to death" crunch you keep reading about it, which I really don’t find appealing at all in the industry today.
4) Do you sit in the same office with them though? Or mostly work from home?

I always go to the office, it helps me focus to actually sit in the same room and work. We do have people outside of Denmark that simply have to work from home due to the distance though.

5) Yes, I was thinking about that - do you think that might have an affect in the work motivation if you are not in the same physical space?

I definitely do. Personally I’d want us all in the same room. But we're all different, it's just what I think is best for me.

6) Ok, good good. So about the individual game projects - what kind of role do you have normally?

3D modelling is what I usually do, I also get to mess with other things such as level-design, effects, interface etc. And I don’t supervise anyone. I guess I am being supervised by TL and M who is the Art Director on current game. So I do not rule over anyone if that's the question (haha).

7) Haha, yes, that's it. Do you think projects are generally smoothly managed? Do you use any project management system to manage work tasks?

Yes, we work in a task-based system. Meaning you come up with things that needs to be done, then assigning each task to someone. We currently use a browser-based system called Jira where everything is posted and tracked. So for example; you find a bug in the game, just post a task on Jira and someone will eventually pick it up and look at it. And of course everyday we quickly summarise in the morning what we’re going to be doing the whole day, just so we’re all on the same page. Then regularly we also discuss what needs to be done and how much time we can spend on it. With Skype being updated constantly we’re all up to date on where we are with the projects.

8) You like this system? Or is there something that could be improved or doesn’t really work well?

As for me, I like it. I am sure it can be improved on, everything always can. But I don’t really know how. I don’t feel the need either at the moment so I am fine with it as it works right now.

9) Is your work fairly independent, or does it feel like you have someone watching over you all the time? Or does the Jira system make you feel either way?

I think it gives freedom, basically I get a task to do and then I finish it.

10) But do you still think your work is creative?

Oh yes, definitely. I get to go about it in almost any way I want.

11) And what do you find most difficult in game development projects?

Planning is by far the hardest. It's really hard to guess how long certain tasks will take to complete. Sometimes I set aside way too much time for something and sometimes I underestimate how long it will actually take to do.

12) What do you do then when you underestimate the time?
Make time (haha). It doesn't happen in extremes though. It's not like I am missing with a week of time or anything. Some tasks requires to be finished, so you simply keep working until it's done, and some tasks you can just cut off right now "decide it's done" and grab next task.

13) Ok. And do you feel motivated in your job?

Yes I really do, even when you get to work on the "less fun" tasks it is still rewarding seeing the progress of the game moving forward and then again; you spend the whole day in a room with fun people, so there's always some form of motivation to find all the time.

14) Do you think the company helps you with motivation?

Yeah definitely. By the way, company as in FLL or company as in the people around me? Either way both are definitely a motivator for me. Also the house we work in is literally filled with game developers, almost just their presence alone is motivating. Even though I don't understand much, or any, Danish just listening at the lunch table of everyone’s enthusiasm is really uplifting.

15) Perfect, I actually meant the question to be interpreted either way! Have you had an idea for a game concept?

I’m a big fan of old school 2D platformers and arcade-ish games. I’d love to make one of those. I might get some of my own small game-projects done at home some day. But I don’t really have any original idea per se. Mostly things I got are like; "Oh I like that game, I want to make my own but with this instead!"

16) Do you know where do the ideas at FLL normally come from? And continuing on that - do you still feel like it is also your project even if the idea is not yours per se?

Most ideas I’d say are borrowed, can be from other video games, or even board games, some are new, some are existing ideas with a new spin on. We’re mostly making turn-based strategy games, a genre that is very defined. And we all have ideas that we want to put into the game, and they all get brought up on the table for discussion. And I definitely feel like it's my project as well. Lots of the content in there I had a hand in the making. Just the fact that we all spend time to discuss about how the game should be, makes us all very involved I think, in the end we all want it to be fun to play, that means you more or less automatically bring your ideas on what fun is.

17) Has the fact that you are independent 'indie' any affect on this?

Yeah, definitely. I think being a small team where everyone can discuss openly and with no external factors to answer to really opens up for freedom.

18) Alright. So, a bit more about the business model - do you outsource any work?

Nope not that I know of at least... We do have a freelancer for music and sound though.

19) Ok. Then I have a bit more 'philosophical' question; what do you think is the purpose of FLL?

Good question...! I can't speak for TL but the way I see it; it's a way for us to make the games we want to make and still also somehow make a living out of it. Evidently I am very simple-minded. (haha)

20) No, no, that's perfect. What do you think are the strengths of the company?
We're persistent and always looking for what to do next, we adapt easily, being a small company and easy to manage. There is barely ever any internal fights either even though our opinions may often differ a lot we get along very well. I guess we're also a bit lucky!

21) **How about weaknesses?**

We have no real funding. The big problem right now for instance is we're in the middle of deciding what to do next. We have a set of choices that are open for us, but picking one will close the others. Wrong choice could mean the end of the company. And that is a problem that we're working to get out of. Being small can easily be as big disadvantage as it can be a good thing, I guess.

22) **So is there something you would do differently if this was your company?**

If I was in charge it'd be out of business before lunch!

**Why do you think that?**

I have no sense of business at all. No real interest either really... (haha)

**Ok. I think I have finally come to the end of these questions - thank you again so much!**
CASE 4: BGB

Interviewees:
- CEO
- Creative Director

Name: SW
Title: CEO
Date: 7.6.2012
Length: 59:34

1) Could you tell me a little bit about your background and how did you end up where you are now?

Sure. I started as a student in computer science and ended up getting a job at ITE as a supporter. ITE was making the Google games back in the day. That was beginning of 2000, I think. I slowly kind of became a tester there while studying, and nice and slowly started to code a little bit as well at the company, learning some software. Became QA manager for one release and kind of dropped out of the studies when that happened because it took so many hours of the week. And once that was released I kind of got an opportunity to work as a programmer for that company, so I continued doing that a bit, and started a new study, consumer interaction. And then NDS Denmark bought ITE and I worked in a console department there, working with, I mean, I was technically responsible, so it’s doing submission for Nintendo, Sony, whilst still doing some coding and some supporting some games as well. And once they kind of shut down the console department and sold of the Hugo brand, I started as a just regular programmer at NDS doing set-top box games and I was working as an editor for a while. That bored the living jesus out of me, so I quit that job and started at N which was a new start-up back then. I was hired at C working on an MMO for three years there. Became a lead programmer there, also kind of project management all the time. Then I started chatting with these guys a bit about the current game we are working on, and ended up quitting my job at N. to start up this company. By then NDS Denmark had closed down the offices in Denmark, so my two partners had two months of paid leave, so we could use the offices for free, so we thought it was a good opportunity to start a company. So we started that, I was just a programmer, and we had another programmer and graphics guy and we just sat and coded all day long, until I started to figure out that we needs some money and took that responsibility on while doing project management as well and slowly evolved more and more into CEO role than the programmer role. Few months ago I took the decision that I would be a fulltime CEO instead of always trying to think I could find time code stuff and ending up being a bottleneck in production, so kind of removed myself from that. So yeah, doing fulltime management, investor hunt, publisher hunt, and project management still, I am still doing some tech lead stuff but without actually coding much. So that’s kind of the brief history.

2) Is this what you want to do? Taking the CEO role?

I really enjoy new things and new kind of driving forces, stuff I’ve never tried before. I really enjoy the whole... well it’s kind of a masochistic thing, but I really enjoy searching for money and finding investors, stuff like that. It’s really... Not something I would like to do for the rest of my life because it’s really quite hard, but I do enjoy it. But I also do enjoy coding and really would like to get back to point where I can be partly CEO partly programmer still.

Do you want to be a CEO understanding the coding side, or be a coder understanding the CEO’s role?
I think I am more towards being the CEO understanding the coding because I have been evolving quite a lot with the company and I do enjoy the role and I do enjoy some of the stuff as well. The reason why I’m saying I wouldn’t do this for the rest of my life is that I am doing 4-5 people’s job right now. So once we kind of get some more wind into the sales, hopefully I’ll be able to focus on only 2-3 jobs instead of 4-5.

3) **How big is the company now?**

We are 8 employees and 3 interns, about 11. And we have another intern coming soon.

**So a mid-sized company in the Danish industry?**

Yea.

4) **So your business model is to try and find investors or publishers or...?**

Yeah, well the business model is to get the game out and earn money on that of course. But to get there we need a push, and we need... we have funding to develop the game up until the launch now. What we do need is either a second round investments so we can continue developing of course but also fund the marketing ourselves and self-publish. Or find a publisher who can take on the marketing spent and just with those guys.

5) **At the moment you keep all the doors open?**

I’m just discussing with investors and publishers in terms of both. I mean, investment and self-publishing, or mix of the investment and publisher or pure publisher or...

6) **With investing, do you want an investor for each project or an investor for the company?**

We are... The company is kind of set up in the way that we have a company for per project. This is the first project, so it’s one company. We found a new company for a new project. So the investment is in the game itself and not in the company. Maybe later on we’ll start talking to VCs and doing company investments as in our mother company to really start growing and having more projects and stuff. But we’re trying to just figure our way out with the first project here and see what’s going to happen.

7) **Where did the idea for this game come from?**

So, the idea itself has been in my partner’s head from 1992, I think. He played a lot of Sensible Soccer and Kickoff and though that this could be better. He really liked them but thought it could be improved. So he actually started a hobby project by himself, working on it in 2D on Amiga, found a programmer, who worked a little bit on it, but not really, it was really a hobby project back then. Then 3D came and he thought well let’s make it a 3D game. Then it became a multiplayer game. Then he found a programmer who really enjoyed AI, so well it became a very AI focused game, single player again. So it’s been through a few iterations. Then what happened was that we all worked together at NDS, where my partner started working on this game with two other guys and they started doing prototype then in Unity, started focusing on the multiplayer element once again. That was still a hobby project but they were working their arses off on it, actually. And I was kind of talking with them a lot and kind of following the project. Then the two other guys, the two programmers that were working on it, actually found funding for another project they had going on. And my partner didn’t really like the idea that they got funding for it, so he kind of continued with WoF and started talking a bit with me. We found our
third partner as well that was very interested in it, and we kind of thought let's continue it then. Then I worked for a few months, I mean, spare time, and I worked... And they got fired as the company closed. So they were working fulltime there and I was working fulltime on my old job... Yea. At that point we decided that lets throw all out eggs in one basket and just go for it. So I quit as well, and we founded the company.

8) For you, what was the main reason to leave your job as a lead programmer?

Yea, I had a good job there. To be honest I was actively seeking for new job by then because I was starting to see that company kind of crumble and turn into something that wasn't what I signed up for in the beginning. I kind of got the job following the vision of the CEO back then, and he was fired a few months before I quit. And the new one had started changing the direction and that wasn't something I was interested in. So I was actually going through the Google interviews, on like the fourth step or something and I thought I've been around kind of start-ups for a long time and really enjoyed that kind of feeling and doing something, so I kind of wanted to try out for myself. So I think that was the main factor, being your own boss and working for yourself. Worth the try at least. And I loved the game as well, shouldn't forget that, thought it was a really cool concept.

9) So did you also see that there was commercial potential or creative potential or challenges with this project?

To be honest, I think we started with the creative potential because when I first started on the project, it was just a 3D football game, multiplayer game. I mean, there was no real idea what this business model should be, there was some basic ideas but it wasn't fleshed out at all. It was more in the month that followed that we kind of really conceptualised everything and fleshed out the whole "should be on Facebook" and the entire management part as well. But at the beginning it was, I mean, we all wanted to play arcade football game with our friends, and it was fun. And it was technically challenging and all that. So I think it started out as we want to do this game, and then once we started we thought, ok so how do we actually also turn this also into a valid business.

10) Have you thought about next project already?

Yeah. That kind of came with everything we also thought with this project. I mean... We've been working a lot on re-skins, we call them. It's like old games where we got a new IP in, we just removed all the existing graphics of one game, and put in new graphics and called it a new game. That was kind of the same idea we wanted to go with this: so building the tech so that we could do cross-platform multiplayer games and then we could do different variations on that. So start out with a football game, and then we'd do some more crazy stuff, other sports, or...

11) So you are going to build on that business model trying to get investors?

Yea, definitely. Well, the plan now is that we have to launch this game and prove that it can be successful on platform. Because, this is kind of what we are selling it on as that is going to be first real-time multiplayer sports game on Facebook, and it's going to be the first cross-platform as well. And the whole, I mean the whole free-to-play model is something that works really well, but we think it can be done much better, and that's what we are trying to do now as well. So that kind of needs the proof of concept first. Once we figure that out it will of course be easier to apply other games as well.

12) How do you measure the success on this new concept?
Yea well there are loads of projections based on various numbers here from the industry, people I know are doing similar things. But I guess once we want to measure the success, the measurement is the key word here, it’s kind of mind everything we can instead of metrics etc. And then that would be the measurement for success. In the end the measurement for success is that the cost is lower than then lifetime value of a user, and then Bob’s your uncle. We’ve got a profitable business.

13) Were you all based in this city from the beginning?

Yea. We worked in the same company and then I wasn’t that far away from here as well, so we could see each other easily in the evenings.

Have you thought about moving your business anywhere else?

Oh yes. If I had to start over today, knowing what I know now, I would not have started in Denmark. I’m not sure if I wouldn’t have, but I would’ve had a bigger inkling in going somewhere else. Because finding investors in Denmark can be extremely hard and once you find them, they know they are the only ones, so it's very difficult terms. Whereas if you are in the Valley for instance, you have better terms and lots more interest. It’s a lot easier to find the proper amount as well. So that we could get a first round that could actually cover everything instead of having to find a second round now. But at the same time I think that my two partners would not move from Denmark. One has a kid here and the other just likes Denmark, so in that sense we are here now, enjoy it as well, and there is a pool of talent here as well. It’s just the money part is extremely hard in Denmark.

So money is the only reason you would move? Not talents or inspiration?

Yea. Look at Unity, they have their offices in Denmark and they are hiring for all over the world. The world is small enough place to be able to... Once you... I mean, when you are small it’s nice to start out with student stuff, that’s really nice in Denmark, and later on you can also find decent people but also expand world wide. So maybe more if you think money, it’s more of a tax issue than anything else. I have talked to certain investors that would not invest in a company that is in Denmark just because of the taxes.

14) So do you outsource?

No, we don’t outsource anything. For now at least.

Do you see that as a future possibility?

Definitely. That’s something I have been thinking a lot of. I know it will take initial effort, which is why we are not yet. We need to be a certain size before it will actually make sense, in my world at least. Because once we start outsourcing we’ll have to have a fulltime employee to handle that, because there’s a lot of communication issues, there’s a lot of... whole other management. It would actually make a lot of sense later on.

15) What kind of roles do your personnel have?

Well, basically everyone is a developer, so either programmer, graphics or designer, that’s pretty much it.

So your administration is very light?
That’s one of the roles I have on my table. Well, we are still a start-up or one year old, so there isn’t that much administration, so we can still cope.

16) Have all these people been around almost from the beginning?

We’ve grown a lot recently. We started out just the three of us. Then we had an intern for a while to handle some the web stuff because none of us were really web guys but that kind of didn’t really pan out. Then we found our web guy now who we hired straight away and has been with us since. Then I think we hired a few months in, in December last year, we hired another programmer and that was kind of the team for a while. And then recently we’ve expanded with two more programmers, and a IT designer that we’ve been looking for a long time but we couldn’t find a good fit until we found this guy. And then yea, we’ve had different interns in doing different stuff. We actually had an intern from Holland doing marketing and community management kind of research and planning that. We are very developer-centric right now in our hiring, but we’d love to have more kind of marketing/business experience in-house as well. The problem is that the people who have this experience that know these things, because we are in a new world right now, the people who have this experience are already hired and are impossible to get. And new people don’t really get schooled in this kind of world. I mean, e-marketing is a whole other field than regular marketing.

17) And it’s quite expensive to perhaps hire just business people?

Yea, it’s really hard to measure that value so that we hit the market etc. And on the other hand as well it all depends on which kind of deal we’re going to seal, because if and when we get a publisher, then a lot of that will be handled by them. We don’t have to handle PR and marketing in-house, that will be their job, community management part as well. But if we go self-publishing way, then we do need to have that in-house as well.

18) And perhaps you need a producer as well if you work with publishers?

That would probably be me or one of my partners. I mean the whole producer thing is something I’ve never really kind of even thought of hiring… Always though it’s kind of a weird one. I mean, filling out applications for Nordic Games and stuff like that, you have to write who was the game instructor. I was like, I am not making a movie here, I don’t have an instructor as such. I’m not even sure what they mean by that. There was a producer there as well, but that I can understand. These kind of terms are not really valid in my world. It’s… I don’t know. We might make things a little differently. We are a very agile team and a lot of people have a lot of different hats on and do a lot of different tasks. I don’t like putting people into boxes.

19) Are people motivated and how do you keep up motivation?

It’s always a tricky one, because it’s always a question of do they tell me if they are not, or can I spot it and am I right when I spot it. I mean, usually I would say that they are very motivated because mostly the kind of environment we have, partly the fact that we are a small start-up, all the guys I’m hiring are… well, love the start-up vibe. Some of them come from companies like IO Interactive and stuff like that, and actually they’ve quit that job to join us because they dislike the big corporation side of it. So they get a lot of say, a lot of freedom and a lot of responsibility with that freedom as well. That’s something these guys like, and that keeps people motivated. I can see that they are… I mean, they can mostly decide what they are going to do and how they are going to do it, and just, we have a very relaxed atmosphere in the office. Of course sometimes it’s crunch time, and I have to put the boss hat on and say ‘do this’ and ‘do that’, but mostly everyone’s pretty democratic, and I think that’s good.

20) So in a small team the chemistry must be important?
Definitely. I mean, personalities are very important. But at the same time, I don’t think you can find three more different individuals than me and my partners are. Personality-wise we are extremely different, work-wise we are extremely different as well. We have conflicting opinions, there’s not a month at least that goes by without us having some kind of an argument. But I think that’s kind of with the passion of it. One thing we do share is the passion for this and the game itself, so I think that’s very healthy actually. Because if we surrounded ourselves with people who all just agree with us, we would not move anywhere. So conflicting interests and arguments and personalities can also help spark new ideas and move into directions we didn’t think were possible. But mostly we do enjoy each other’s company and like to drink beer together and have fun and have the same interests of course. There are certain limits to how different people should be.

21) It’s a fine balance to find the right people. Have you promised any bonuses or anything like that?

Umm... No, actually not. Well, yes and no. There are a few people working now on a low salary because we are on the start-up phase and we don’t have too much cash, where we’ve said that we’ll of course negotiate again once we start getting revenues when we get the game out. I don’t want to underpay my employees. At the same time, us three partners are making less than any employee in the company, but we have perspective on that. I’m not promising any shares or any stuff like that. That’s nothing that has come up either. I think that’s one of the things as well, first of all game industry is very low paid when you consider the skills that people have and what the could make on other industries, so that’s also part of what helps people being passion-driven more than anything. One guy was just, he should never negotiate a salary, I had to give him more than he asked for because he was just “well, as long as I can eat and pay my rent, I’m happy”, he just wants to code and make games. I love people like that, I want them, but at the same time, I don’t want to undercut them completely and pay them nothing. So you sometimes have to force them to get more salary, which is strange from the CEO perspective. But I have been in this situation where I felt that I wasn’t remunerated for what I actually did, and that’s a very demotivating factor. So I don’t ever want to end up in that situation with these guys. So I try to nip in the butt and actually go up and talk to them before they come by themselves and say ‘hey let’s talk salary’. So I want to go to them and say ‘hey I think you are doing a good job, what do you say if we’ll up your salary’.

Of course that would then make them feel more appreciated, I would imagine.

And I’m saying it as if I’m perfect, of course I tend to forget to pat them on their back sometimes as well. Hopefully the general feel is mostly positive.

Having read quite a lot about creative people and creative companies, extrinsic motivators don’t usually work with them.

Definitely. To be honest, if I’ve been through job interviews where the most important thing for them was to talk salary, they didn’t get hired. For one, they might have been very good and very skilled, but if that’s their initial motivation, it’s only going to keep them motivated for a while. And that’s not what I’m looking for in this kind of start-up environment, when we are such a small team and have passion in the project and get into the point when it’s their baby as well just as it is the three of us baby. The people I’m hiring now, of course it’s something, they have to pay their bills as well, but it’s not the one driving force. It is very important.

22) What would say is the purpose of your company?
The purpose of our company? Is to change the world of course! If you are going to get philosophical on me, then I might just as well be grand. Umm... Well, basically to change the way people perceive gaming and Facebook games to be precise. Right now when people hear that it’s a Facebook game they think Farmville “oh no it’s some kind of shit where after a week I’m going to be blocked if I don’t pay”. That’s something we really want to change, make it truly social, have real-time interaction between players on this platform. We want to have console-quality games on this platform. I think that is something that can be achieved. Then the second step is to remove the platforms completely and just have you being able to play on your PC against someone else in a browser and someone else on his phone without any kind of friction there. And to be honest, on the personal side, just having the chance to make the games we think are cool and just play around and make great games. A big part of this whole money thing is that yes we want a big success, we want to earn loads of money because that would mean we would have the freedom to create the games we like. We are at a situation now where we do have to take decisions that we wouldn't have taken, but we had to take for the sound business sense, to get the game out before we run out of money. But hopefully we’ll get to the point when we can start having more security and taking higher risks as well.

23) Do you see yourself as an ‘indie’ game developer company?

Wow, I’m not sure you should record this, but I really hate the term ‘indie’. Actually I don’t hate the term, I hate the way it’s perceived. The way it’s perceived mostly in Denmark, when people say you are indie, that’s when you are doing again, ‘art’, another word, I hate that discussion. I think a lot of Danish community... if you are Danish indie you are doing art games and you don’t make money. And if you think money, then ‘ooh you are bad and you are not indie’. But I know a lot of indie companies that are big successes and even some are art and even make money. So, I’m definitely not into making art right now as such. I think games can be art but then they should be made as such. Then there’s the whole ‘I’m making a viable game for market for business’, that’s a game, it can be fun, it can be weird, it can be strange but come on... It’s not art.

24) What is your take on the Limbo guys?

The Limbo guys are indie. It’s an artsy game, but it’s still just a side-scrolling platformer with puddles built in. It’s an awesome game and they made a bundle of money. So yes they are indie in my world even though they did a Microsoft deal, which normally means you are off the indie chart, but to me they are indie: they are independent, they bought out the investors, they just want to make games for themselves. But I think the term indie comes... This discussion will never end, I think. The use of the term moves a bit as well. In my world indie is just an independent developer. So you are independent from a bigger publisher. Once you get bought out, or under something, then you are not indie anymore. But otherwise you are.

25) So under then indie umbrella you have artsy indies and commercial indies if you will?

Yea. That’s funny when you mentioned Limbo, because Limbo is definitely a mix between art and commercial. Because you’ve got Arnt on one side who is the visionary who spent six years making this game from this Youtube video and just pixel-fucked everything to look exactly as he imagined. And then you have Tino on the other side, who is a very good businessman that transformed this into a business as well. So they earned a lot of money and did an artsy game and I think it’s considered as art as well.

Is that what everyone should strive for?

I don’t think art games are for everyone. One thing we’ve had enough is first-person shooters god damn it. They should just stop doing that. I think the indie now, if you look at the people who call themselves indies and doing art and stuff like that, those that are kind of famous in the indie
community – they have their trends as well. They like to differentiate themselves from the bigger companies because they are the big bad evils doing the same first-person shooters all the time, and they are doing art. But at the same time they are all doing platformers at the moment with pixel-graphics, and then Limbo came and now everyone’s doing black&white stuff. I don’t think indies are as artsy as they think themselves. They have the same trends. That would work for painters as well, they have the trends they follow as well. I think indie is basically...

Independence to actually follow your own vision, whether that vision is art or disruptive gaming to get out on the streets and do stuff out in the open or if it’s more mainstream games or if it’s something else. I don’t really care, that’s matter of taste and opinion. I think that goes for everyone. And once the indies start making money, there will be another wave of new indies saying you are so commercial now. I think the most part of indie community tries to label it as artsy. Whereas, I am still part of the indie community even though I am not making art, because I am indie, I am an independent developer.

26) Do you think it’s all needed in the industry?

I think it’s the same as with movies. There are grants for movies that are art and of course sometimes art becomes a commercial success as well, but the main focus should not be the money. In movies there are grants for art and also for the commercial movies. And there are always the non-independent movie makers in the industry. I think the games are quite alike, the only trouble is that the grants that are there, I don’t think they really know for sure if they want to be cultural or art’s grants, or they want to be commercial grants. And they kind of mask themselves in different terms that try to do both, but I think it’s wrong to try and be both. I think they should be art grant which are ‘this is just random crazy idea, get some money and do it’, because this is art and art shouldn’t necessarily be understood by anyone, or even be commercially viable or even have a market, it should be allowed to live for what it is, for art’. Then there also should be grants for ‘we are actually trying to build up a sound business here, we just need the last push to be able to reach that point or the necessary push to grow etc.’ I mean that’s something that is really lacking.

27) So the grants in Denmark are more for the cultural side?

I mean, I have been turned down for certain grants and I know others as well, that have been turned down, because we were too close to reaching the market. So, for grants have to be just, from idea to prototype, is the type, so shouldn’t be too close to market, shouldn’t have too much of a plan. I think that’s what grants have mostly been given out to.

28) So you think there is potential in Denmark to grow?

There is huge potential in Denmark. Look at the small size and what we’ve achieved worldwide, in both let’s call it indie/artsy side to the smaller-medium sized companies to IO Interactive. And I definitely see the potential being new Rovios out there in Denmark.

29) Coming back to your company, what kind of project management you use?

Yea, we are doing Scrum agile process, and we are actually constantly iterating on it. When we were a small team we had a lot of... I really believe in low-tech process, so we had Post-its on the wall and everything was just very easy to move and create, and that worked extremely well when we were a small team. Then once when we grew to the size we are now, we started having trouble because it started getting more and more loud and people weren’t really using the process right. So we have been iterating on it, now we’ve actually just moved onto an electronic system and trying that out. So we are constantly being agile on our process as well. We try to find out how our team works best and what tools work best for us.
30) What’s your take on Scrum?

I seriously love it. I wouldn’t do it any other way. I think it’s important also to remember, that Scrum is not ‘you read the book and you do what the book tells you’. I think Scrum is that ‘you read the book and find out what the toolset is and then you pick up the tools that work for you and you change the other tools so that they work for you’. It’s a question of using the proper things for that specific team for that specific project, because teams are different, people are different. I’ve been through various versions of Scrum and it’s different every time. Which is what I really love about it, that you can, the most important thing is that you iterate on your software and have a working software. People know what they should do, they scrum leader knows what is happening right now and communications aspect is extremely important. But the cool thing is that you don’t only iterate the software but also the process.

You have a very programmer-take on Scrum. Creative people don’t seem to like it so much.

Yeah, it might be programmer way of seeing things, but also manager way of seeing things. Because I think that even creatives can estimate. And I think creativity actually works best under some kind of process as well. Because I know that most creatives would say that ‘I don’t know when the good idea comes to me, it just comes to me, I cannot be pushed or pressured’. But of course they can, it’s just the matter of tools again. I mean, maybe sometimes a brainstorm can help you spark some ideas and that you can estimate how long it would take. And then you can put in new tasks for new things. The whole ‘I’m not sure if it’s going take a month or a year to get the idea’ – that just doesn’t really work in production. And the whole idea with Scrum also, the cool part is that when you feel estimating that’s where the process itself kind of evens out. The more iterations you run, the more you know what kind of burn rate you have etc. You start getting to a point where actually it does work. It’s always chaos in the beginning, and it is suppose to be, that’s what people don’t realise. It is suppose to be completely off in the beginning because that’s when it evens out.

31) If a project is truly creative, can it be put in a process like that?

But ‘truly creative’ is again... you are implying what ‘creative’ means by asking me that question. Surely there are people who think that creativity should not be put in a box, but I’m not talking about putting creativity in the box, I am talking about helping the creativity along with certain tools and certain elements that work to spark ideas etc. Obviously you wouldn’t make a task ‘find out the next game idea - you get six hours’. Of course not. But you make a task ‘brainstorming about next game idea’. That you can estimate. Then after that you can respond, ok well, ‘find top 3 and flesh those out and enter some more detail and then let’s have another talk about that later on’. Everything can be put into a process. I mean, even creative people use different techniques to get to their ideas and to spark new things. They just use them without knowing that they use them. I think that if, you can put that into a system and then find what kind of manner the creatives use to get to their ideas.

So the creatives, when you give them a time limit, they come up with what they can in that time, not necessarily the best result that they could make?

Yes and no. Maybe sometimes that is good enough, because problem with creatives and other people as well is that they tend to forget the broader picture. Because sometimes it is the matter of ‘we have to figure out how to do this before this date because otherwise we won’t have the game, or we won’t be able to ship, or we won’t have a company’ – maybe sometimes we need to put some limits on it, so that we don’t search for the best idea in the world, we search for the best idea we can do in that time. Which is sometimes good enough because you can always iterate on an idea as well, and branch out. If you just say... You got to have some kind of process
somehow, because I don’t think that the whole holistic approach of… I mean, ‘it will come to me when it does’ – that works if you are working on a hobby project. Then you’ve got all the time in the world, you can spend a month in Seychelles enjoying yourself in the sun, drinking martinis, because that’s the way think you work best. Fair enough, but you can’t work like that in a company, you have to have some kind of structure I guess. Then of course once we… (haha) the more secure we get, the more space there will be for the more kind of ‘let’s play games for a week and see what we can figure out’. But that’s still again, playing games for a week, not ‘find the idea in a week’.

32) Who do you consider as your biggest competitors?

There are none. (haha)

No competition?

Well, of course there is competition. But I think, yea, the thing we are doing, the whole idea is that we are doing something no one has done yet. But I mean, of course there are the EA, the FIFA, the soccer games and Facebook games, top 11 football – there are tons of football games out there.

So it is the games competing against each other rather than the companies?

Yeah. I don’t know of anyone trying to set up doing what we are doing. Of course there is someone. I don’t know. Sometimes I think there’s shit loads of soccer games, but there’s a lot of people wanting to change browser gaming and all that as well, and lots and lots people wanting to do different things. And I don’t really necessarily think we need to be competitors, I think there is a lot of space for people to live next to each other. I mean, FIFA and Pro Evolution Soccer is the perfect example because it is two very very similar soccer games, but they do exist next to each other and a lot of players actually play both. So… I don’t know. I don’t think we have any direct competitors. Also, I tend to work a lot with other companies. So instead of saying ‘oh, you are another Danish gaming company so you shouldn’t be hearing about my competition because if you get success I wont get success’. I more think, well let’s just get one to success because that will help the gaming industry in Denmark in general.

33) How easily replaceable your team members are in your opinion?

No comments or what… I don’t know. If I say yes that’s really hard, if I say no, that sounds naïve. No one is irreplaceable, even not myself. Even though there would… if anyone left there would be a setback but of course anyone can be replaced. It would be naïve to say otherwise. But I think that…

So are there some people with the core creative vision or core skill?

Of course. I mean everyone has different skills that are completely essential for the company and that are turning the game into what it is now, and turning the company into what it is now. But I mean if I was ran over by bus tomorrow, I am the only one with the contacts in the business side of it, all the investors etc. I mean, they would have a huge problem of course, but they wouldn’t be screwed, someone else would go in take over. They would find a solution. They might be as fond of it, but it would work. If DH gets ran over, well, shit, he is the one who had the idea since 1990, he is the graphical style and place and he is doing everything like that. Of course it would be a huge set back, but… It’s… I mean it is more on a personal basis it would suck extremely because the team is what it is now, and the team is the company and the company is the team, and game is becoming is what is now because of those individuals put together. If one of them leaves and was replaced by someone else, the game would change, the company would change. I
think besides the whole business part, because I am really shielding the team away from all that external bullshit and bureaucracy and stuff, I am taking care of, which might be a bad idea if I get run over by a bus. The rest of production and ideas, the design etc. is something that we really communicate a lot about, so everybody really knows what each other is doing, where we are going with it, what the plans are and why they are like that. Mostly, I would say, of course. There is no one person that sits with the key and if he is gone for a week, then everything fails. But of course there are people who have been buried into various parts of the system or design-wise etc. I mean, would be really time consuming to get their point, of course. Not irreplaceable, that would be bad management, bad communication, because if one person is taking all the decisions and basically just pushing all the stuff. If that person leaves then, the entire project is dead.

34) As a manager, what can you do to decrease that dependency?

Well, Scrum is definitely a big part of it. Every day you have the stand-up meeting and everyone is up to speed with what everyone else is doing, what the issues are, how they are solving them. I think, we are really trying to be very communicative as well. So, I mean, whenever we have design decisions and stuff like that, we do them in an open forum. We don’t sit DH into a room and lock him in and then he gets creative and he comes out whenever he does with the idea. It’s a creative process we are all involved in. I think that really helps a lot. I think it’s very essential as well, because if DH is locked into his room, talking about the whole putting creatives into a process – I mean if he went to Bahamas for a week, and came back with “guys, I got this brilliant idea” – he would’ve completely forgotten about everything that’s technical, or business-wise viable. Which is then – ok, then we’d have a big issue because maybe it is extremely hard or impossible to make it technically, maybe there is no natural fit with the organisation etc. So the fact that we are all part of it together does that people are pushed or pressured to answer to each kind of group. I mean, what is tech or graphics or design or organisation or time-wise from project management perspective. And the cool thing here is that maybe the idea was to do this, to go from here to here, but then we could’ve achieved 90 percent of the idea by going this by doing it a little bit differently but adding some things, removing some other things. The general gist of it, feel would be the same, but it’s viable, it can work, it makes sense.

35) My last question is – in the hit-driven industry, how do you predict which games become hits?

So this comes down to risk management, I guess. So instead of doing what I think sadly a lot of people are doing right now, focused entire on the creative, their golden idea, doing kind of a hit and miss strategy. So “lets just throw it out there on the market place, the Apple store or what ever, and hope that people will catch on”. Or hope that the 20 Twitter followers will ‘viralise’ it. That happens in one out of a million, you cannot build a company based on that. So it’s minimising the risk on that doing, doing publishing deals, having a marketing budget, actually marketing the game and getting it out in front of… of people’s faces, so that they can…. You can have the best game in the world but if no one sees it, then it doesn’t really matter. We want to push it out to as many people as possible. So yea, it’s also designing stuff so that everything kind of fits. It should be fun, it should have some kind of progression element in it, so it makes sense, it kind of evolves throughout the game. So it’s not something you think is fun once and never try again. And you should be able to monetise it somehow. Of course we are going to do some random fun stuff just because it is fun and makes no sense, because we are crazy like that. But mostly we are going to do sound decisions. Risk management.

36) What if this game flops?

Cry a lot and drink a lot of beer. And then have a one month vacation. And then try again. I mean, we have been bitten by this by... Or I have at least, and I know the guys have as well. So, and I’m thinking well... They’re very... I mean, the risk is always there of course, but... Yea, I don’t think it
will, and second of all we have learned a shit load on this project that we have a lot of experience now that we can use in another project.

**Ok, that is all, thank you so much for your time!**

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**Name:** DH  
**Title:** Creative Director  
**Date:** 18.06.2012  
**Length:** 27:04  

1) **Could you tell me a little bit about your background and what have you done so far in the industry?**

I started a long ago in 1997, I got job in FunCom in Norway as a graphic artist, doing animation, graphics in general, 3D. I was there for 2,5 years and then I went to IO Interactive in Copenhagen. I worked on the first Hitman game and the second and Freedom Fighters, so, yea.

**What were you mainly doing?**

Characters, 3D characters and textures. I have done some freelance work. I was five years in a company called NDS Denmark, where I made SW. We made games for set-top boxes, so really, what do you call it, primitive games compared to earlier. And now we are here.

2) **What is your title here?**

I’m a Creative Director.

**Ok. Are you a big gamer yourself?**

Yes.

**So that brought you to industry?**

Yeah, I started out wanting to do comics and then it turned into games.

3) **Why did you choose BGB, why did you want to work with SW?**

Well, we... the company we worked at was closed and we had four months of, what’s it called, gardening leave. We thought, I had an idea for a game, and we thought we could use that time to make a demo and see if it would work.

**And it did?**

Yeah so far it did. (haha)

4) **What do you think is the purpose of BGB?**

Well, we want to make games that are... what do you say... It doesn’t have to make money. So we want to make games that we think are fun. In order to build that we first have to have a success track to generate money. So... So, yea. To do fun games that we would like to play.

**And hopefully others?**
Yes.

5) In game projects, do you work one game at a time and then next?

Yeah.

6) How do you manage these projects?

We used to use just stickers on the wall, Post-its. But now we use Pivotal Tracker, I think it's a free tool, Scrum-based. So... It's really good.

It's a good system?

Yes.

7) What kind of things are most important in project management?

Getting an overview. Since the team is now growing, we need to know who is doing what.

8) How many people are you?

I think we are 10 now.

9) Are everyone hired on salary?

Yeah. Well, my brother is here sometimes, working for free. I'm training him on graphics. That's a way to start.

10) What do you think is the hardest thing in a project?

I think it's because we are doing, what's it called, a vertical slice, so a little bit of everything working but nothing gets final. So... so we have to remind ourselves that things are not finished and it's ok to release it. Because we are used to polishing and releasing only once but now we can release several times. And the difficult part is making everything work despite everything not being finished.

11) How do you manage with this then?

We test a lot. (haha)

12) And do you feel motivated yourself?

Yes.

What is the main reason for that?

Because we are making a game I want to play.

Was it the same when you were at IO?

No, not at all.

Why?
Then I was just a grunt. Working... Didn't really like projects.

**But how did you... Was it harder to force yourself to work on that in daily basis?**

Yes, yes.

**So it's more fun this way?**

Yes. But the salary was better. (haha)

**So now you don't think it is not an issue?**

Yea. This is... Also, there aren't a lot of work in Denmark, so...

**As long as it pays the bills?**

Yeah.

13) **And here you have about ten people working – are everyone fairly independently?**

Yea. We are planning every Monday, and we plan the tasks ahead and they have to be able to work independently and together.

14) **Is it a week-long or two week sprint?**

We have one-week sprints now. It's sometimes two weeks, sometimes we don't make it on time.

15) **Do you think everyone is still motivated even though it is your idea?**

I think some of them are here because it is a job, and that's fine. That's how it is. But the... Again the ambition is to make more games later on and hopefully have everybody contributing. Yea. So. Right now it's kind of... It was my baby but I feel it's our baby now, as a team.

16) **Do the other artists have strict guidelines for the artwork?**

I am more or less the only artist... So, it's easy. I can decide.

**Rest of them are programmers?**

Yea, and game design.

17) **Where did you get this idea?**

I played a game and liked it... Called Kick-off. And just thought it could be improved. That's how it started. Started way back in -92. So...

18) **From the beginning the idea wasn't then Facebook game?**

No, it didn’t start as a Facebook game. Started as a 2-player game on Amiga. Then I learned 3D, it turned into a 3D game, then online and turned into a online game and now Facebook it’s a... can be a nice portal. I think. So, I... just kind of developed.

19) **Do you think it matters on what platform it is? Do you have a preference?**
I would've liked to put it up on consoles and have it free to play if I could, but we have to make a living. I think it would be better suited on a console for the gameplay of consoles. For usability reasons. Luckily we came up with a design that works on PC with mouse and keyboard control, it works. But ideally it would be on consoles.

**Is the plan to release it on both?**

Eventually, if we can, any platform would be fine. I’m not crazy about mobile. Because I don’t like the input. But we are going to make a mobile version of it. Not sure if they can play against PC gamers but... We’ll see.

**So you want people to be able to play against each other, like cross-platform?**

If possible, if it makes sense, if it’s not too unfair on different platforms.

**20) So, but you have a new game idea for the next game after this one?**

Yeah.

**Is that also your idea?**

More or less. But it’s kind of a spin-off of this. So we... it’s more violent and more crazy. So... we have to stick to the rules of football. But we want to make another game that is simpler, but can use the same structure with team set-up and all. So we plan to reuse a lot of content.

**Is that a good thing or a bad thing?**

I think it is a good thing. Yeah.

**Why?**

Because we need another game out fast. And I think there is a market... People who don't like football can like the other game. So just because it's football, some people don't like it. So in the other game we can do... We can have aliens and monsters that... whatever. That we can’t have in real life.

**21) Is that still a game you want to play as well?**

Yeah, definitely.

**22) Do you have many different ideas based on this already?**

Yeah, if there is a market for it, we are planning to have ice hockey. Other sports...

**23) About the business – do you use any outsourcing?**

Everything is in-house.

**24) Who do think is your target customer?**

People on Facebook who like football. We are trying to do some things different than most Facebook games, 'cause they are very casual games. You play one time and then you are out. We are trying 3D on browser, synchronized multiplayer. So it’s less casual than usual. But, yea...
But... Anybody, who likes to play football. We are going to add female footballers also, so if you want to have a female team then you can have that. We did a test... There is a school here... We did a test in a class and there were many girls and we thought oh no they don't want to play. And all the girls loved it.

25) Do you do lots of testing like that?

No, we've only done a few. It was great.

Do you get new ideas from it?

It's more like... Made us believe that we are doing the right thing. But some of the girls asked for... if they could put flowers next to the pitch. We plan to do a stadium creator, so you can build your own stadium, so there is no reason why you couldn't put flowers.

So it works as additional testing then?

Well first we had to convince our investor that people would play it. So we had to do some tests and prove to him... But I don't really... I don't really believe too much in focus tests because I believe there should be, not necessarily one person, but there should be one person saying this is how we should it. And you can use tests to correct. But there should be people in the team with the vision. Because... If you just listen too much to focus tests, you risk going to all directions, it's not simple vision.

It might be hard to follow all those ideas?

Yeah. And they maybe good but may not fit into what you are doing.

26) So you have an investor – how much does he have influence?

He has a lot on the planning. But not anymore [as we are almost finished].

Do you think he has had too much control?

No. He was... I think it's called 'clever money'. So he knew what he was talking about. So that was good. That was one of the reasons why we wanted to go with that one.

27) You were talking with a lot of different people?

No, but there aren't that many who want to invest. But we knew that they had the experience in games. So we listen to him (haha).

28) What kind of things do they demand as an investor?

Well, there are milestones. And he wanted the vertical slice, a bit of everything working. So... So we thought we would follow this with an actual 3D game. Because he knew what we wanted to do. But he wanted to prove that would work first before we got to do the management part of the game. He made us start with more focus on 3D game. I don't mind, that's the part I like the best. But yeah. He made us do that. He has a big say.

29) Is there a point to what he said?

I think it was fair on his part. I think maybe we have a better product now because of it. I don't know, difficult to say.
30) But he didn't have any say in the creative vision of the game?

No. That hasn't changed at all.

31) Some companies might be afraid to work with investors or publishers because of this?

Yeah, absolutely.

With this investor this is not an issue?

No. But we are also playing it very safe. There is no violence, no blood. It's for kids and adults. There’s nothing graphical. Just has to look appealing. Safe territory.

32) All in all, what are the strengths of BGB?

I think we are able to adapt. We have a skilled team... with a lot of experience from other companies. Pretty much that. And we don’t have one guy doing this, and other guy doing that. They can trade places. So, in March we were planning days off, which we didn't expect or think about. And suddenly people wanted to take days off. And some people could step in. So it’s very important.

33) Who is responsible for recruiting?

The founders. Three founders. But it's friends of friends, and people we have worked with before.

34) Community in this city is fairly small?

Yea. And also we cannot really compete with salaries, so it’s often people... we have somewhere we try to be big company but just a small company level. So you get more freedom to choose what you want to do.

35) Is that something you use to attract new talent?

Yea. And I think it’s just nicer to be a small company. When we were at IO, we were 180 people. You would meet people on the hallway that you didn’t know, or what they were doing. That’s not great.

36) Is there more of a company culture here?

Yeah. It’s... That’s the same in a big company but it's different. It's smaller groups. I was at IO, I was the second person they hired. We were 20 people on the first Hitman game, 20-25. And then on Hitman 2 we grew to 80 people, so the culture just changed suddenly. We started out in an apartment, big apartment, near Kongens Nytorv, and then we moved to big offices where we were on separate floors. And it ruined stuff. In a small team you can do... what you do is kind of more important. At IO I went from doing character models to doing like a dumpster container. So when people ask: “What did you do on the game?” , “I did the container on level 5, did you see it?”, “No.”. (haha) So when you are in a small team, you can see it more. That is... some people like that.

37) How about the weaknesses of BGB?
The same, being a small team. So it’s... if one guy is ill, it’s immediately noted. Or if you are on vacation... And we do have some... There is one person with most skills in web development, and sometimes he has too many tasks. And that’s a big mistake. Coordinating the work. It really depends on each guy. I know that’s why the other companies grow big, because publishers demand you have more personnel. That’s a difficult balance.

38) So you don’t want to grow?

We do, but not too big.

Where do you think the limit goes?

20... Around 20 people I think. And then we would rather outsource.

39) Now you have the investor but is there anything you would do differently if you could?

Mm... No. It’s been really good. We’ve been lucky.

That’s all the questions I wanted to ask, thank you very much for this!
### APPENDIX D. Coding frame for facilitation of creativity in video game development

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<td>Employees are given substantial responsibility</td>
<td>Responsibility</td>
<td></td>
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<tr>
<td>&quot;Typically we always try to achieve a position where we own the IP and the license, so we also try to maintain the control of the IP and therefore the game design.&quot; (CEO, case 1)</td>
<td>Commercial rights to own work</td>
<td>Retaining IPRs</td>
<td>Ownership</td>
<td></td>
</tr>
<tr>
<td>&quot;Right now we are not doing a lot of games of our own, but the plan is that for the future that, PMD might actually be hired by the sister company to do games, so we are sort of self-sustained.&quot; (Producer, case 2)</td>
<td>Self-publishing keeps the control of all aspects inhouse</td>
<td>Self-publishing</td>
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</tbody>
</table>
## APPENDIX E. Coding frame for facilitation of rationalisation in video game development

<table>
<thead>
<tr>
<th>Interview example</th>
<th>Description</th>
<th>Basic theme</th>
<th>Organising theme</th>
<th>Global theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;So we are constantly being agile on our process as well. We try to find out how our team works best and what tools work best for us.&quot; (CEO, case 4)</td>
<td>Ability to respond to the needs of the market</td>
<td>Agility</td>
<td>Efficiency</td>
<td></td>
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<tr>
<td>&quot;Since then we have been releasing something on some platforms on a quarterly basis, so around two releases per six months.&quot; (CEO, case 1)</td>
<td>Games out in a steady stream</td>
<td>Flow</td>
<td></td>
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<tr>
<td>&quot;I do not give them complete control, I do a lot of, what you could call, framing the task that they should do in user-driven aspects.&quot; (CEO, case 3)</td>
<td>Strict project management</td>
<td>Process focus</td>
<td></td>
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<tr>
<td>&quot;We are doing, what's it called, vertical slice, so a little bit of everything working but nothing gets final. So we have to remind ourselves that things are not finished and it's ok to release it. (Creative Director, case 4)</td>
<td>Vertical slice</td>
<td>Multitasking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;[We want] to entertain other people in this world.&quot; (3D Animator, case 1)</td>
<td>Making games that entertain</td>
<td>Popularity</td>
<td></td>
<td></td>
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<tr>
<td>&quot;About 80% of all 3D models and 2D concept art work comes from outsourced. In-house we do coding and the outlines of the game and usability. And our in-house 3D animators do as much as they can.&quot; (Producer, case 1)</td>
<td>Outsourcing other than core competencies</td>
<td>Core competencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Because end of the day a company is, especially games' company, is based around the people, so they are the ones...&quot; (CEO, case 3)</td>
<td>The employees of a knowledge-intensive company increase its value</td>
<td>Employees</td>
<td>Value creation</td>
<td></td>
</tr>
<tr>
<td>&quot;I definitely think that if you kind of strip off the whole client side of things, this is still no different than the other game company. We try and make the best game you can.&quot; (CEO, case 2)</td>
<td>Making the best possible products</td>
<td>Product focus</td>
<td></td>
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<tr>
<td>&quot;So I think the sort of goals we have are more in terms of consolidating the company in terms of making good money.&quot; (CEO, case 2)</td>
<td>Consolidating company for the future</td>
<td>Consolidation</td>
<td></td>
<td></td>
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<tr>
<td>&quot;The way that the company is structured is that we try to run games productions that last 6-7 months. And on the side or in between there, in between game productions, we do work-for-hire that pays for the next project.&quot; (CEO, case 3)</td>
<td>Work-for-hire as a back-up business model</td>
<td>Back-up business model</td>
<td>Security</td>
<td></td>
</tr>
<tr>
<td>&quot;We go a long way to make sure that our clients return because there aren't a lot off big publisher. We go a long way to keep them happy and ensure that everything is as they expect.&quot; (Producer, case 2)</td>
<td>Pleasing client will bring them back</td>
<td>Repeat business</td>
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<tr>
<td>&quot;At the moment I am actually thinking about taking in an investor on a project basis, not on an equity basis. --- But that's primarily because we have started to be the size of the company where &quot;where does the next pay check come from&quot; starts to be a factor.&quot; (CEO, case 3)</td>
<td>Using investors to secure the production</td>
<td>Investor-funding</td>
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</tbody>
</table>

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