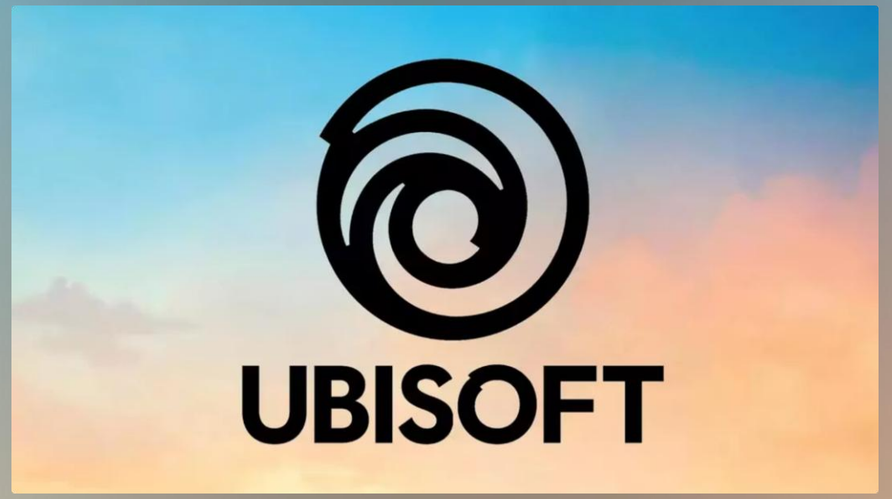
Strategic Transformation of Ubisoft: Leveraging Dynamic Capabilities in AAA Gaming

Presented By: Arsh Chandrakar



Organization Background

Ubisoft Entertainment S.A.

Key Area Description

Industry & Core Business

Scale & Structure

The Core Challenge

Strategic Context

Global AAA Video Game Publisher. Focus is on the **"Games as a Service" (GaaS)** model: continuous content and engagement post-launch. The industry demands continuous, high-quality content delivery to mitigate player churn in a saturated Live Service market.

Operates over 45 studios globally. Transitioning to "Creative Houses" to decentralise creative authority and speed up decision-making within franchises. Requires a shift from a lengthy, single-project focus to an adaptive, continuous content generation model.

The average cost of producing high-end AAA games has escalated to over **$200 million** per title, demanding strategies to maximise player lifetime value (LTV) and reduce risk. Our strategic plan must focus on cost-efficiency and scaling content creation beyond manual labour capacity.

Strategic Planning Canvas: Opportunities (The "Sense" Phase)

1

Improve Existing Business (Operational Excellence)

Operational Content Velocity: Industrialize content delivery to combat rapid player churn and content fatigue in the Live Service market.

Problem: Existing multi-studio pipeline is too slow and inconsistent to keep players engaged long-term.

2

Transform Existing Business (Data Operationalization)

Real-Time Player Economy Management: Deploy a robust analytical infrastructure for immediate visibility into player behavior, maximizing long-term loyalty and monetization.

Problem: Decision-making is reactive, relying on slow, post-mortem analysis to detect critical issues like economy exploits.

3

Innovate Radically (Algorithmic Content Creation)

Hyper-Scale Procedural Content Generation (PCG) & GenAI: Leverage AI to automate the creation of complex assets (3D models, textures) to break the escalating cost-time curve of open-world development.

Problem: Manual asset creation for massive worlds is the primary driver of rising development cost and multi-year production cycles.

Strategic Planning Canvas: Seizure Methods & Outcomes

Strategic Thrust	How the Opportunity Will Be Seized (Action Plans)	Transformation Outcomes & Expectations
Improve Existing	• **Mandate Content Pipeline Workflows:** Implement clear, automated workflows, including robust version control and asset optimization, to enforce iteration speed. • **Seasonal Strategy:** Establish a mandatory quarterly retention strategy incorporating incentives and new content.	• **Operational Metrics:** Expected **20% increase in Day 30 (D30) player retention**. • Reduced Content Production Cost Per Asset (CPA).
Transform Existing	• **Deploy Serverless Game Analytics Pipeline:** Launch infrastructure capable of ingesting high-volume, real-time streaming data from all major titles. • **Mobilise Live Ops:** Train teams to utilise real-time dashboards and predictive alerts.	• **Performance:** Expected **80% reduction in time-to-detect** critical gameplay economy issues. Proactive, data-informed intervention on player churn.
Innovate Radically	• **AI Integration:** Embed Generative AI tools (e.g., text-to-3D) for rapid initial asset drafts. • **PCG Scaling:** Implement advanced PCG using deterministic principles and distributed generation for scalable world construction.	• **Velocity:** Expected **15-24 months reduction** in the core asset creation timeline for next-generation AAA titles. • Ability to deliver larger, highly detailed, and adaptive game worlds.

The Transformed Ubisoft: New Value Proposition & Competitive Edge

New Value Proposition:

1. Algorithmic Scale & Efficiency

Breaks the Cost-Time Curve: GenAI and PCG automation drastically reduce the production cycle time and the Cost Per Unique Asset (CPU), creating worlds faster and cheaper than competitors reliant on manual labour.

2. Real-Time Agility (Data Operationalization)

Proactive Intervention: The real-time Game Analytics Pipeline enables immediate strategic intervention and course correction, shifting Live Operations from reactive post-mortem analysis to constant, data-informed optimization.

3. Hybrid Structural Advantage

Creative Autonomy with Scaled Support: The "Creative Houses" decentralize creative vision, while a centralized Production Technology backbone provides the essential, scaled tools required for GenAI integration and high-volume data processing.

Major Strategic Risks and Management

Risk Cluster	Specific Risk to Strategic Plan	Mitigation Strategy (Control Measures)
Human Capital & Culture	**Talent Attrition/Crunch Culture:** The push for content velocity and complex tech integration leads to burnout, compromising the specialized AI and Data Science talent needed to run the new systems.	• Invest in **Continuous Learning and Upskilling** programs for existing employees in AI/Data Science. • Prioritize **Diversity & Inclusion (D&I)**
Market & Execution	**Content Fatigue & Quality Risk:** Rapid content releases (Improve thrust) lead to inconsistent quality or poor pacing, causing players to churn.	• Use the new **real-time analytics pipeline** to dynamically monitor player engagement. • Adjust content update schedules based on measured fatigue metrics.
Technological	**Integration Failure (AI/PCG):** Inability to successfully integrate complex GenAI/PCG tools into proprietary engines, resulting in schedule delays and wasted capital.	• Implement a **phased adoption approach**, starting with low-risk assets (textures). • Establish formal collaboration with academia and industry forums.

Strategic Planning Management Plan

Management Plan & Governance

- **IT Governance:** Establish a **Strategic Technology Steering Committee (STSC)** at the executive level.
- **Mandate:** Ensure all technology investments (AI R&D, Anaytics Pipeline) are explicitly connected to and measured against specific business outcomes (e.g., LTV, CPU reduction).
- **Capability Requirements:**
  - **Talent Shift:** Recruit and upskill in Data Science/MLOps and PCG/AI Engineering.
  - **Technology Stack:** Mandatory use of Cloud-based, serverless architecture for the high-volume, real-time data streaming required by the analytics pipeline.

Strategic Planning: Implementation Timeline

Implementation Timeline (36-Month Horizon)

1 Phase I: Foundation & Pilot

Duration: T0 – T12 (12 Months)

Milestones: Full deployment of the **Serverless Game Analytics Pipeline** in pilot titles. **AI R&D Lab** initiates proof-of-concept for low-risk assets (Innovate thrust). STSC becomes fully operational.

Value Realization: Establishes the core data infrastructure (Transform) and secures governance.

2 Phase II: Scaling & Integration

Duration: T13 – T24 (12 Months)

Milestones: All major Live Service titles transition to the mandatory, high-velocity **Seasonal Update Model**. **PCG scaling** begins on the pre-production of one designated future AAA IP (Innovate thrust).

Value Realization: Full realization of Operational Excellence (Improve) and real-time management.

3 Phase III: Optimisation & Radical Output

Duration: T25 – T36+ (12+ Months)

Milestones: Launch of the first AAA title leveraging full-scale PCG and AI-enhanced asset creation.

Value Realization: Verified **Reduced Cost Per Unique Asset (CPU)** and shorter production duration. Confirms the financial and operational ROI of the radical innovation strategy.

Synthesis: Foundational Conclusions for Success

1. AI is the Financial Mechanism

Generative AI and PCG are the **primary tools for strategic cost reduction**. The goal is a verifiable reduction in the **Cost Per Unique Asset (CPU)**, which stabilizes the high-risk financial model inherent in AAA development.

Innovate Thrust

2. The Priority of Quality Velocity

The metric for the Live Service Improvement thrust is **Quality Velocity**, not just speed. Continuous pipeline optimization and quality assurance are mandatory to sustain player LTV and avoid content fatigue.

Improve Thrust

3. Talent Resilience is the Limiting Constraint

The entire strategy depends on highly specialized technical talent (AI, Data Science). Mandatory investment in **Continuous Learning** and **D&I programs** is crucial to maintain the cultural stability required to operate the complex new technological infrastructure.

Risk Management

Thank You!

Any Questions?