How to Start a Game Company

George Moromisato

Founder, Kronosaur Productions

California State Polytechnic, Pomona

11 May 2017

ANACREON
Resonstr ation 20

Imperial Conquest in the Far Future
by George Moromisato
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Chron X

TRANSCENDENCE

TMA   Genetic Anomalies   Kronosaur Productions

1988   1996   2012

Result: Result: Result:
Flame Out!   Sold to THQ   ???
              For $10 MM

TMA   Genetic Anomalies   Kronosaur Productions

1988   1996   2012

Indie   Venture-   Lifestyle
Studio   Funded   Business
              Startup
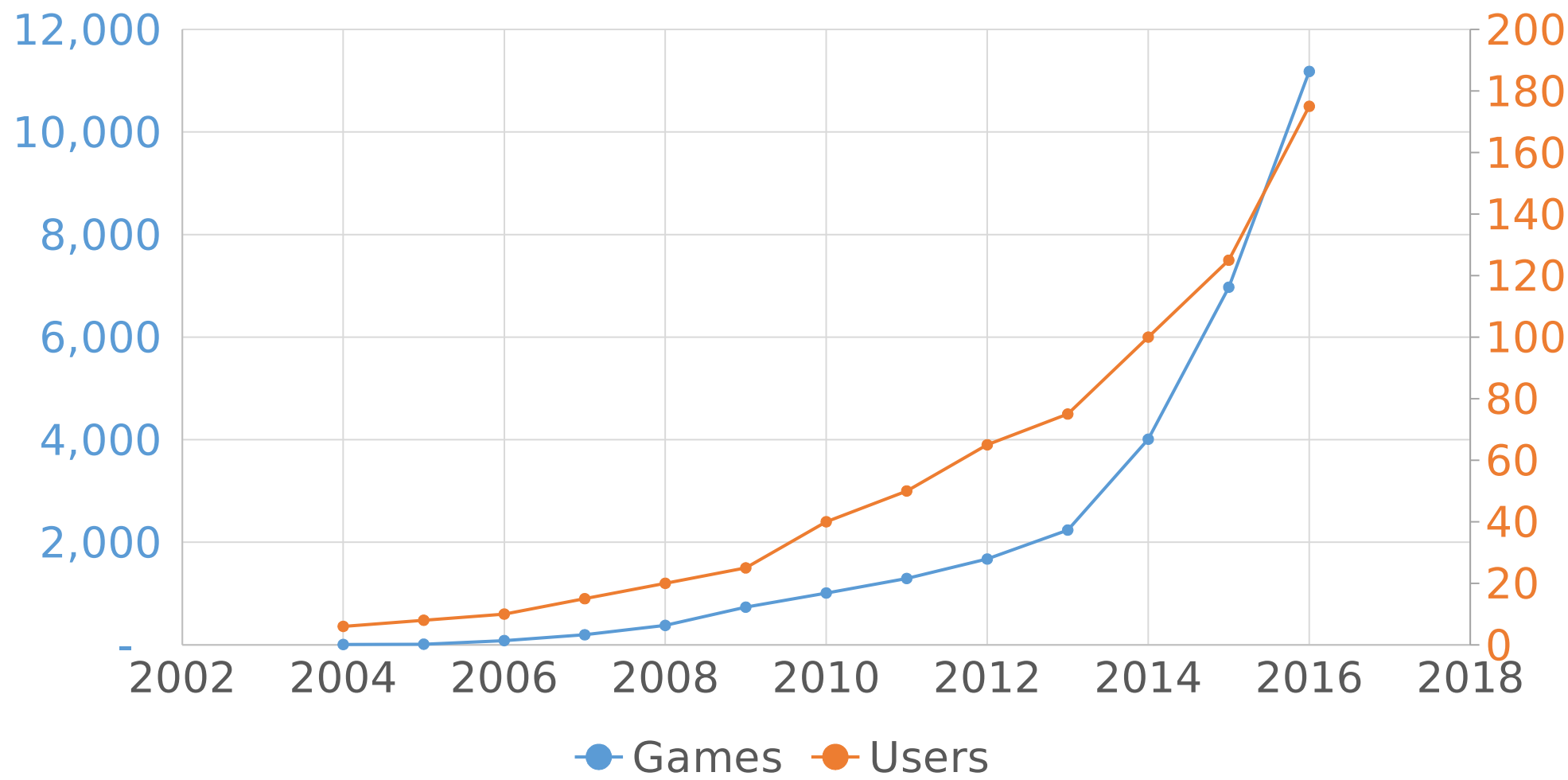
How to Start a Rock Band

George Moromisato

Lead Singer, *The Kronosaurs*
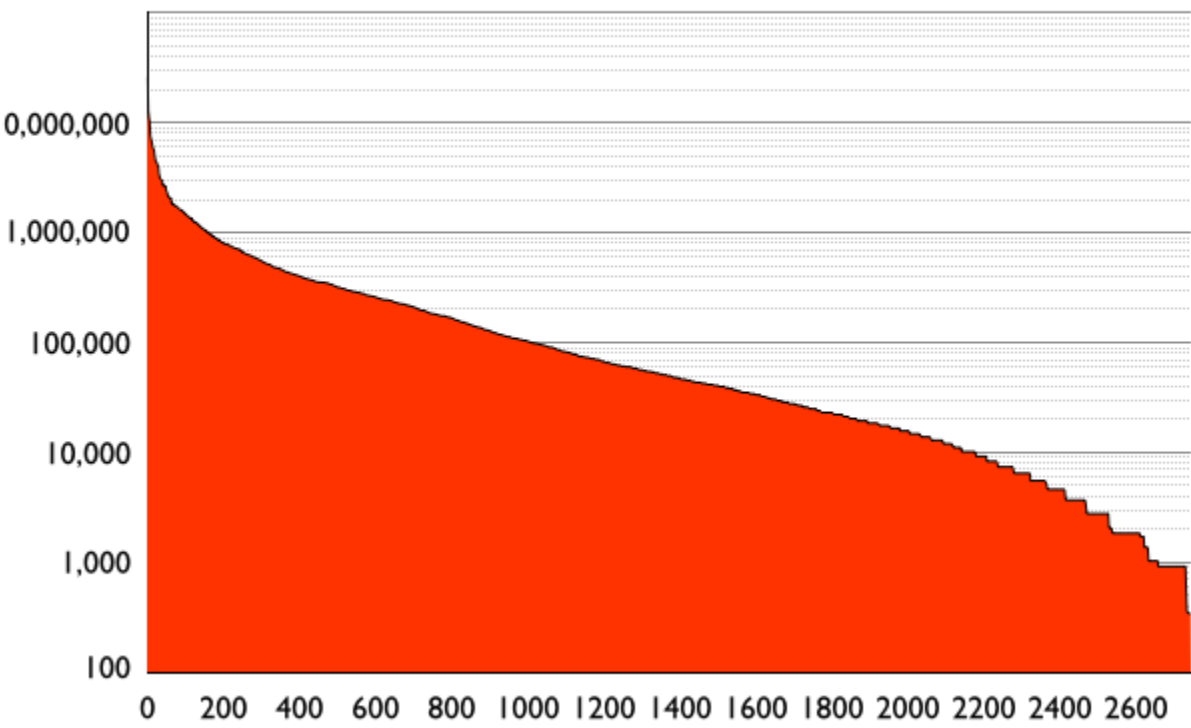
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Games and Users on Steam

Users in millions. Source: GameSpy, Wikipedia

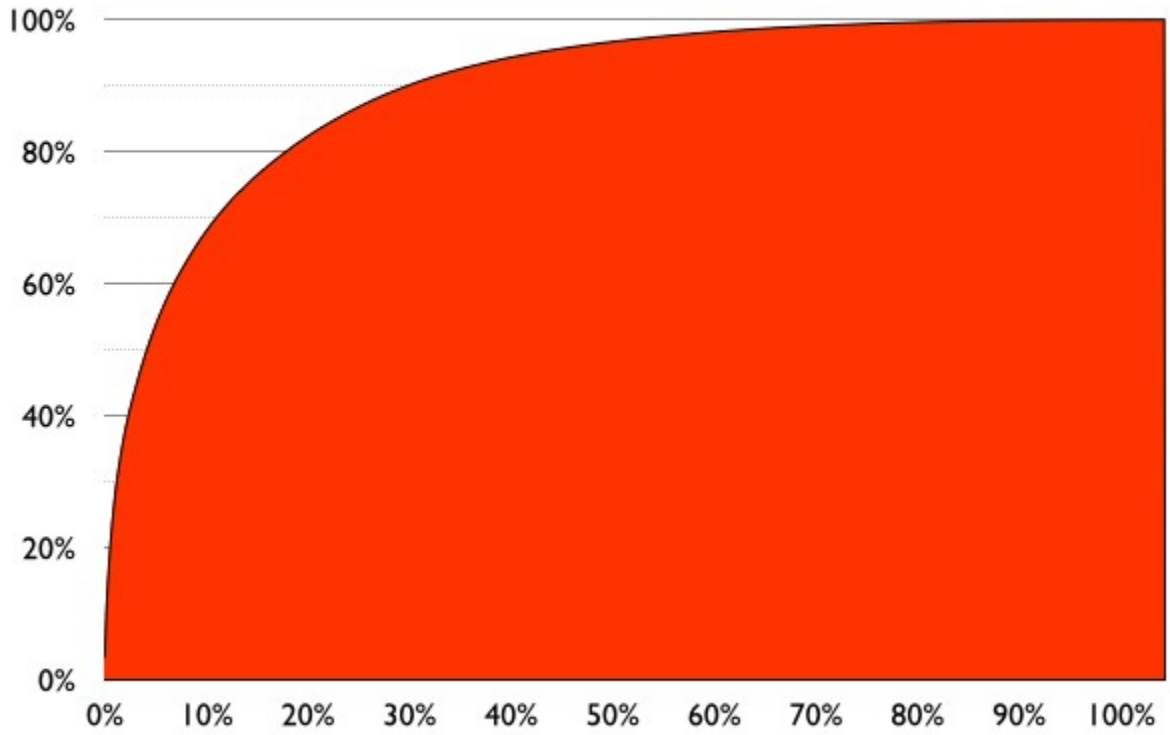## ESTIMATED SALES PER TITLE, ORDERED BY SALES RANK
Estimated sales

X-axis: Sales ranking within Steam (0, 200, 400, 600, 800, 1000, 1200, 1400, 1600, 1800, 2000, 2200, 2400, 2600)

Y-axis: 100, 1,000, 10,000, 100,000, 1,000,000, 10,000,000

CUMULATIVE SALES SHARE OF TOP-SELLING GAMES
Percentage of all estimated steam sales

X-axis: Percentage of top-selling Steam titles (0%, 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, 100%)

Y-axis: 0%, 20%, 40%, 60%, 80%, 100%

2014 Data. Source: Ars Technica

NO MAN'S SKY

Darkest Dungeon

FACTORIO

KERBAL SPACE PROGRAM
Conquering Space Was Never This Easy

Explore 31 sextillion different planets

SimCity for factory assembly lines

Flawed heroes facing unimaginable horrors

Build your own space program

How to Create an Indie Game

- Start with your pitch
- Why should anyone care?
- Create the screenshot
- Create the Minimum Viable Product
- Kickstarter! (or self-fund)
- Continue until done (1-10 years)

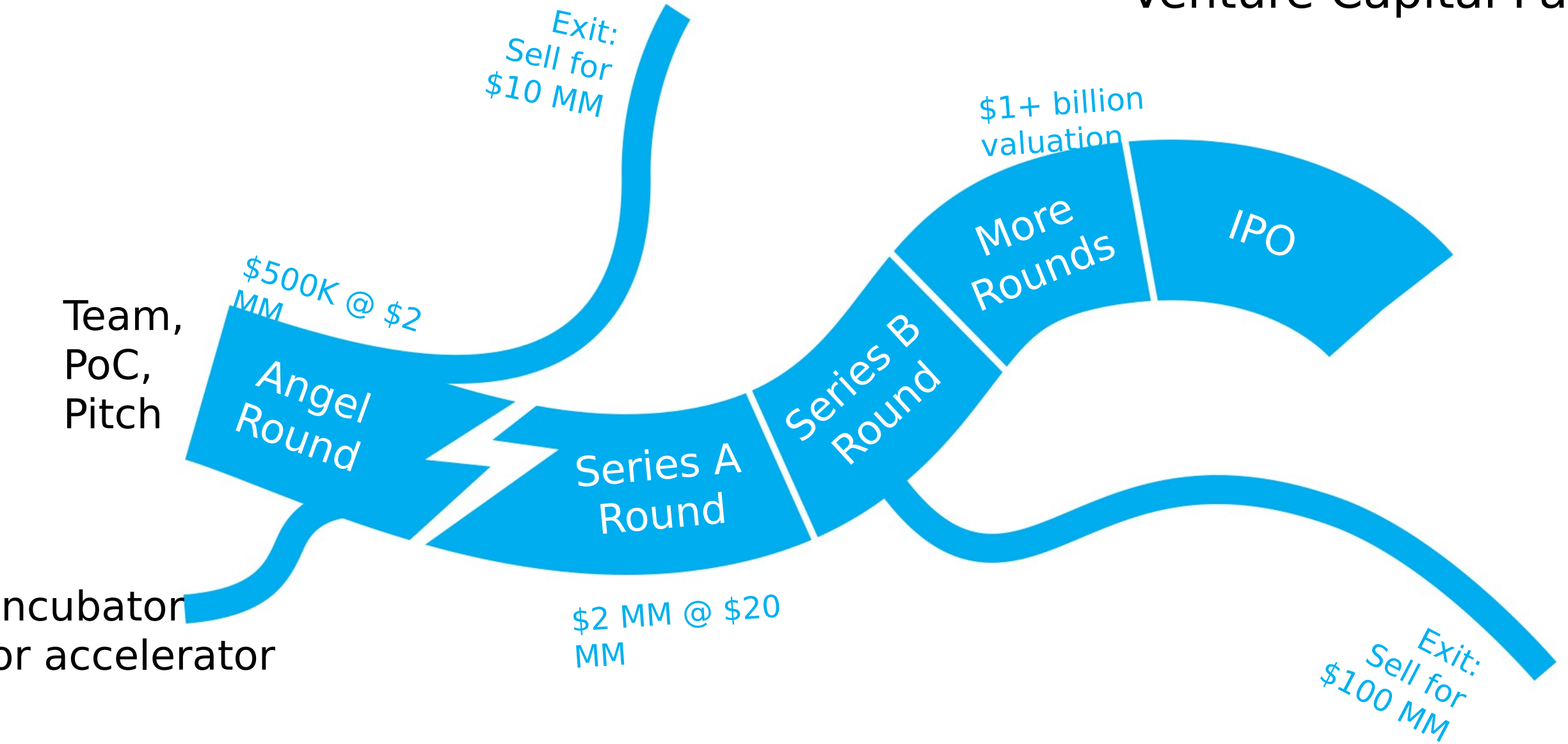| Bonfire Studios	Solfar Studios	Roblox	Fig
Type: Game Development Studio	Type: VR Game Studio	Type: Free-to-Play Game Platform	Type: Crowndfunding Platform
Funded By: Riot Games and Andreessen Horovitz (a16z)	Funded By: Nordic and Asian investors	Funded By: Meritech Capital and Index Ventures	Funded By: Spark Capital and Greycroft
Why Invest? Founders with a proven track-record (Rob Pardo, lead designer of WoW)	Why Invest? First-mover advantage in new tech (virtual reality)	Why Invest? Scalable business model that does not rely on hits	Why Invest? Makes money selling services to game-developers

"A startup is an organization formed to search for a **repeatable** and **scalable** business model"

Steve Blank
Entrepreneur and Author

NOT a Startup	Startup
Pizza restaurant	App that uses a neural network to predict when you want pizza and order it for you
Taxi company	Uber
Hair salon	Uber for hair cuts
A new type of power drill	Holes-as-a-service
A new video game	A new technology to create new kinds of games
A new video game	A service that lets anyone create a video game
A new video game	Free-to-play business model

Venture Capital Path

Exit: Sell for $10 MM

$1+ billion valuation

IPO

More Rounds

$500K @ $2 MM

Series B Round

Team, PoC, Pitch

Angel Round

Series A Round

Incubator or accelerator

$2 MM @ $20 MM

Exit: Sell for $100 MM

Lifestyle Business

Emeathira, "The Eternal Planes"
Creating New Region (6 Rejected)

Initializing...
Preparing elevation...
Setting temperature...
Running rivers...
Forming lakes...
Growing vegetation...
Verifying terrain...
Importing wildlife...
Recounting legends...

The Age of Legends
Year 67
Hist Figs: 6373
     Dead: 2598
   Events: 36490
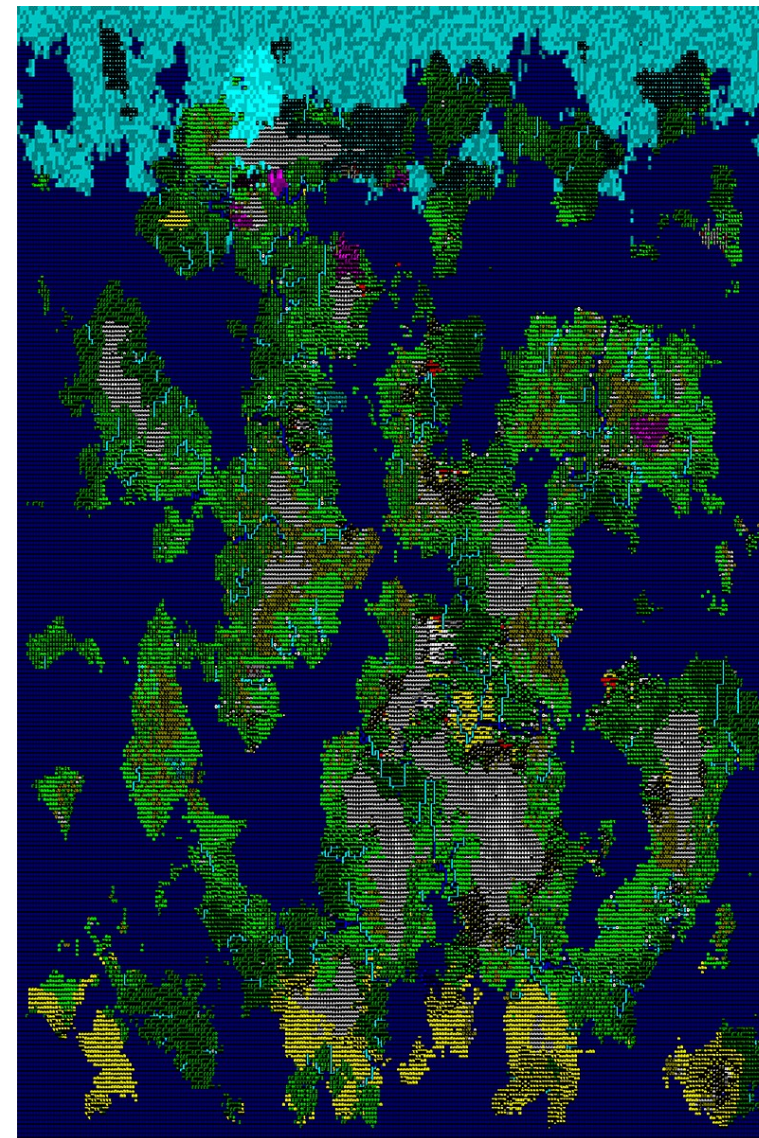
The Dwarven Mountain Halls of Tastrodlikot
The Held Towers

MASS EFFECT
ANDROMEDA

OR

	Indie Studio	Startup	Lifestyle Business
Focus on	The game	The business model or technology for the game	The process for creating the game
Key to success	Unique, compelling, distinctive game	Repeatable and scalable business model	Repeatable business model
How to prepare	Play lots of games, create lots of games	Work at a startup or top tech company	Save up some money
Chance of success	Low	Medium—if you can get angel funding	Medium—if you can control your costs and keep low expectations

"Software is eating the world"

Marc Andreessen
a16z

60s & 70s **Mainframe Era**	80s & 90s **PC Era**	2000s 10s **Internet/Mobile**	2020+ **????**
Paradigm: Time-sharing system with character-mode UI	Paradigm: Personal computer with GUI and LAN	Paradigm: Global network with universal browser and mobile access	Paradigm: Conversation bots? VR? Internet of Things? Sensor fusion?
Uses: Scientific, engineering computation & games	Uses: Spreadsheets, word processing, presentations & games	Uses: Email, e-commerce, business disruption & games	Uses: ???? & games

Thank you! Questions?