

GAME PROMOTION & MARKETING

COURSE 1 – GAME DEVELOPMENT BUDGET

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Game development budget

Why is it important to make a budget for game development?

- Helps determine if **a project is feasible or not**
- Informs on how much **funding** you need to get
- Helps to **readjust the scope** and design of your game

When is it the right time to make a budget?

- **At the start of a project**, at the same time as the pitch (in fact some elements of the budget should be part of the pitch)
- And then it needs to be **updated during the project** if the scope, funding or schedule changes (remember the project constraints pyramid).

Warning: Never start a project without making a budget, it's probably the most important financial statement.

Game development budget

How much does it cost to make a freaking game!?

\$0 ?

\$100,000 ?

\$1,000,000 ?

It depends on what you want to make (scope of the game)

But for a first game, I highly recommend making a small game with a small budget to reduce risks and learn more rapidly.

Note: FPS fan boy story

Fixed Costs & Variable Costs

In game production, **Fixed costs** are expenses that **do not change in proportion to the sales** of a game (rent, electricity, etc.)

Variable costs change in relation to sales or production volume.

Some typical variable costs in game production:

- Royalties to distribution channels (console makers)
- Game packaging and shipping

Since **we don't deal with variable costs during game development**, our budget for the game project doesn't need to include them.

Note: we will use variable cost later when we want to predict profits for our game

Game development budget and other industries

The game industry is different from most other industry when it comes to making a budget.

Since there is usually no income during game development, game developers needs to wait before the release of a game to finally see the profits.

During development, game developers usually deal with **production costs** and **promotion costs**.

Note:

Most expensive video game

Production Costs

Important Production Costs

- Rent
- Food
- Electricity
- Phone & Internet
- Hardware (PC, Dev Kits)
- Software (Game Engine, 3D modeling tools, etc)
- Game content (employees or freelancers):
 - Programming
 - Character Art
 - Level Art
 - Animation
 - Audio (sound effects)
 - Music

Other Production Costs

- Steam Greenlight fees
- Submission to distribution channels (console makers)
- Government Tax of your funding
- Gifts to the team
- Reference material (games, books, etc.)
- Training courses and seminars



Calculating cost related to game content

When dealing with **employees**, the cost is the salary during the project.

For example, a 6 months project with 2 level artist paid at \$40,000/Y,
the cost for level art is:

$$40,000 \times 2 \div 2 = \$40,000$$

When dealing with **freelancer**, the cost need to be negotiated and can be calculated **per hours or per asset**.

I highly recommend to pay per asset since it's much more easier for the budget and has other benefits (no need to control time, motivation, etc.).

For example, a game with 5 levels and with 1 freelance level artist that agreed to make 1 level for 5,000\$, the cost for level art is:

$$5 \times 5,000 = \$25,000$$

Employees or Freelancers

Employees

PROS

- Can be full time on a project
- Per hour rate is often lower than freelancers
- They feel more of a sense of belonging to a project and the team
- Tax break from the Quebec government

CONS

- Still need to pay them during non-project time (or let them go 😞)
- Lots of paper work and engagements (need a HR department)

Employees or Freelancers

Freelancers

PROS

- Less engagements, more freedom on how they come in and out
- Easier to do the budget and make predictions if the cost is per assets
- Easier to work remotely
- You can negotiate prices

CONS

- Per hour rate is usually more expensive
- They might not be as devoted as you to the project or the team
- You have less authorities on them

I recommend freelancers when starting a company since they are less risky and requires less paperwork. Just make sure you have a good contract (we will see this later).

Promotion (Marketing) Costs

Important Promotion Costs

Thanks to the **internet and social medias**, the **cost of promoting a game can be reduced dramatically**; however, there is still a few other costs:

- Website design and maintenance
- Game trailer production
- Gaming Events (PAX, IndieCade, Indie Game Festival)
- Promotional Art and Accessories (Posters, T-Shirt, etc.)
- Travel expenses (airplane, train, hotels)



Other Promotion Costs

- Crowdfunding setup (video, reward samples, etc.)
- Crowdfunding backer rewards (variable cost during game production!)
- Government Tax of your funding
- Street Banners
- Internet Ads (Facebook)
- Magazine ads
- Donations



Making a budget

Before making a budget...

Before making a budget you need to figure out all the costs of development. For that, you need to:

- **Interview teammates** (freelancer or employees) to get the costs related to game content (and also the time require to finish)
- **Shop and research on the technology** that you will be using to see what fits your project best (Game engines, PC requirements, etc.)
- **Research of promotional opportunities** (gaming events, etc.)
- **Interview other game devs** that did a project along the same scope to compare your budget with theirs



Making a budget

I recommend using a spreadsheet (Excel)

Note: show template



After making a budget...

Go adjust the scope of your game according to your budget; in other words, revise the pitch and game design document of your game.

Been indie gives you **the ability to change the budget and scope of your game faster**; you should use that ability!



Tips to save money

- Reduce rent cost by **living with roommates or with your family** during game development.
- Reduce food cost by **eating at home** more often.
- Reduce Electricity cost by **been responsible** with lights and the AC.
- Reduce software cost by looking into **free alternatives**. Upgrade you game engine only when it is necessary (Unity).
- Reduce labour cost by only **subcontracting** area of expertise that you don't know yourself.
- Re-define the **scope** of your game and change your **budget**.
- Reduce labour cost by hiring **interns**.

Interns

Interns

PROS

- Free labour or low cost labour
- The intern might become an employee later
- You're teaching someone

CONS

- The quality is often not there at first so you need to spend the time (and money) to train them
- Very hard to work remotely (not recommended)

Bibliographies

Useful links:

[Indie Game Girl](#)

[Budgeting and Scheduling Your Game](#)

Dropbox link to course presentations:

<https://www.dropbox.com/sh/3zhrwn6nxrr5ywh/AACKUZSxAv30yzCH9qopVmlia>