The adventure game industry is a small part of the larger game industry, which is a subset of the vast hobby industry. And then again, hobbies are by far the junior partner in the “toy and hobby” or “toy and game” industry.

While this book is primarily written for those who want to start game companies, a moment must be spent helping non-gaming business people who may be hired by (or become partners in) game companies.

The primary thing to remember about the Adventure Game Industry is that it is very small and most of the companies are very small. There are no “Madison Avenue advertising campaigns” and nobody has the money to buy television commercials. There are few if any law suits because only the very few top companies have the money to pay lawyers. Market research consists of Google and of asking friends in other game companies for advice, and in the experience of the company owners.

The second thing about most game companies is the lack of formal business training among their owners. Adventure Game publishers tend to be game designers who were forced to become business people just to get their games published.

And the third thing is that game publishing companies tend to have a few overworked people trying to do too many jobs. When companies get “over the hump” and approach a half million in sales, they are forced to hire non-gaming business people to manage growth. They won’t, however, be able to hire experienced business people with a dozen years of experience, but might be able to hire recent college graduates who, for whatever reasons, did not seek jobs with larger more established companies (outside of the games industry).

The one thing about this industry that is very different from any other is that the companies HELP EACH OTHER. You can ask any other game company where they got their boxes made, their counters die-cut, their figures cast, the artist who did their covers, the printer who did their books, the wholesalers who carry their games, AND THEY WILL TELL YOU, straight up, without hesitation. No other industry passes around this kind of information, maybe because no other industry is run by amateur businessmen who don’t realize you are supposed to keep these things secret. Ok, ok, very funny, I suppose the real reason nobody keeps these things secret is that none of us are any significant fraction of the business of the vendor. The fact that I tell you where I get my boxes made does not mean that vendor will be too busy making your boxes and won’t have time to make mine. The fact that I give you a phone number for a wholesaler doesn’t mean they’ll drop me to pick you up, since we’re both about 1% of their business.

Chapter 3: The Game Industry

3A: The Channels

You will sell games in two primary ways: direct to consumers at conventions or by your web site, and through the distributors (who in turn sell to stores). The distributors and retailers are collectively known as “the channels”.

The Three Tiers

We often speak of the three tiers, but there are in fact six (or more). From top to bottom these include:

0. Vendors: Not traditionally thought of as a tier, these are the printers, suppliers, service and shipping companies, game designers, artists, sculptors, and everybody else who does something for or sells something to your Manufacturing company. Note that some manufacturers do things for other manufacturers (for example, a miniatures company doing contract casting for another game company) and in effect operate on two different tiers. Some examples of Vendors include your printer, your pewter casting house, your landlord, your cleaning service, United Parcel Service, the Post Office, and so forth. This tier is important because you won’t get far without these guys, you have to learn how to get the most out of them with the least amount of your work, you have to pay the Vendors on time, you have to struggle to get the lower tiers to pay you on time, and you have to get these vendors to do their thing on your schedule (or at least on a schedule that you can live with).

1. Manufacturers: This is the traditional first tier and is where you reside. There are (by various counts) around 200-300 of us manufacturers doing business during 2004-2006. This counts only the “adventure game” companies which are members of GAMA and/or the GPA. You may never be aware of them, but there are easily that many more game companies doing family games, educational games, and so forth. Go to Toys R Us and you will find hundreds of games on sale but will only rarely find one that comes from a GAMA member and hardly ever from a member of the GPA. The manufacturers can be thought of in five groups:

- 1. The Bigs, such as Wizards of the Coast, Games Workshop, or Wizkids, (say, roughly, $25 million in sales per year or more, in the case of WotC, a lot more).
- 2. The Semi-Bigs, such as Steve Jackson Games (call this category $2-$5 million in sales per year).
- 3. The Small Publishers, such as Amarillo Design Bureau ($100K per year up to $500K in sales per year).
- 4. The Really Small but Still Real Publishers, such as Ad Astra Games (doing $50K in sales per year).
- 5. The PDF publishers (who exist mostly in the RPG area) and do a few thousand dollars in sales per year that is almost entirely profit.

1+1/2. Consolidators: A relatively new tier, not counted as one of the three tiers, these companies exist as a fallout of the d20 Open Gaming License. Lots and lots of little companies started up, far too many for the wholesalers to deal with. So, consolidators were born. Consolidators combine orders for the products of many small game manufacturers into a single large shipment to a wholesaler. Alliance Games Distribution led the charge to force (or “encourage”) the smallest manufacturers to go through consolidators. Each consolidator has his own “terms”. Most of them will take about 1/8 of your money (the money that the wholesalers pay). You will need to send the Consolidator your products (or some of them, they probably will have a limit on how much of your product they will hold since warehouse space isn’t free) and they will sell them to the wholesalers. You get paid as things sell to wholesalers, not as you ship stuff to your Consolidator. You need to work out with a consolidator, before you spend a ton of money printing games, what their arrangement is and whether or not they even want to carry your games. Some of
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them even have print on demand equipment and will manufacture your products for you. Consolidators usually handle sales to wholesalers (they issue lists of newly available products) but actual marketing (including the expensive advertising) is left to you.

2. Distributors (a.k.a., wholesalers): The second of the three traditional tiers, these companies have the thinnest margins and yet have the most money, since there are less than 20 of them compared to 200 or more manufacturers and 3,000 or more retailers. (One industry analyst theorizes that the wholesalers are the only tier absolutely forced to operate like a real business instead of a glorified hobby.) Wholesalers buy games from many manufacturers (some through consolidators) and sell them to many retailers. Wholesalers are the gatekeepers of the industry. If your line is not picked up by the wholesalers (with or without a consolidator) your chances of selling any significant number of copies are slim at best.

Some chains of stores do enough business that their central warehouse is treated as a wholesaler, which it functionally is and actually is not. The classic example is Compleat Strategist in New York.

If you ever manage to sell into the “book trade” or into Walmart, they would functionally fit into this tier.

3. Retailers: This is the traditional Third Tier. There are somewhere between 3,000 and 4,000 of these. At least, that many stores that carry the kind of games that are produced by members of GAMA or GPA. The number of these does change considerably from year to year. There was a major shakeout of stores (those with marginally profitability died) during 2004-2005. If manufacturers are game designers who couldn’t get anybody else to publish their games, then retailers may well be gamers who wanted to get their own games at half price. Some started that way, and some of them learned (the hard way) how to run (or not run) a business. There are tens of thousands of other stores that sometimes carry some kinds of games, and a lot of time is spent (see Ali the Game Babe and Mark Simmons’ unfortunate Games Expo) desperately seeking some magic way to get these people to buy our kinds of games from us.

4. Consumers (a.k.a., Gamers): These are the people who play and buy the games. A decade or two ago these were but a handful of overly-intelligent people (who liked complex games) who were very forgiving of low-end production values. In 2005, that small niche market of forgiving uber-gamers still exists, but most of the market is “normal” people who want a game they can learn in a few minutes and play in a couple of hours and looks like it was made in the same factory that makes Monopoly.

The Only Constant Is Change

Things change in this industry, a lot. New kinds of business, new kinds of products, new kinds of games, all drive changes at every level.

When the author began in gaming in 1974, there were perhaps 100 game publishers (compared to 300 in 2005), 75 wholesalers (three times as many as 2006), the standard small press game had unmounted counters and a map in several pieces, and “game stores” did not exist (wargames were a sideline for hobby and toy stores).

The author arrived in the industry after Avalon Hill’s boardgames had doubled the size of the previous wargame industry (which focused almost entirely on miniatures gaming). Shortly thereafter, D&D doubled the size of the industry again (leaving it 50% RPGs, 25% board games, and 25% miniatures). By the early-90s, card games had arrived to quadruple the size of the industry and by 2000 the new clicky-base games were all the rage and the “punch out plastic toy” games were establish a firm niche of their own. Each new innovation brings into the industry new gamers who are only interested in that new innovation for a year or two or more. Eventually, these new customers begin to consider the broader range of games produced by the industry.

It’s All Just “Stuff”

You love your game because you created it. Players love your game because it’s fun to play. To the retailers and wholesalers, however, it’s just “stuff” that they buy and sell. They don’t care if the gamers get to explore the best dungeon ever; they care if the gamers will pay hard money for it. They want to know more about sales points and marketing plans than cool game mechanics. [I am indebted to my friend Mark Matthews-Simmons for this particular insight.]

The Book Trade

There are chains of bookstores in this world (not to mention Walmart and other big stores) which one might think could do well carrying Adventure Games.

There are seminars at GTS most years on how to do this and they mostly amount to “why you aren’t going to succeed if you try” crying festivals. These chain stores do not think in terms of our kind of products.

Sure, if you land one of these accounts you will sell a ton of games. But read the contract carefully as this could be a suicide mission (see 9A for what that means).

If you mess up the bar code on your game, the Adventure Game retailers and wholesalers will often not care. If you do that with a product sent to the book trade, they will send you a bill for the hand labor of putting stickers on your products.

It gets worse. If your games don’t sell, they will send them back to you. Or sometimes they will rip off the covers and send those back to you for full credit.

I don’t sell to the book trade, never tried, probably won’t ever try. But if I (Steve Cole of ADB) was going to, I’d darn sure go find an expert to walk me through it.
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3B: Understanding the Industry

Understanding the Retailers

Retail is a tough business with a high probability of failure (i.e., going out of business because they don't have enough sales to keep the doors open). Some stores last for decades but others last only for a few months. Even some good ones will suddenly go under because market conditions change. (A year-long road construction project that makes a store hard to get to can sink it, so can a shift in the products the market wants, so can most of their customers being sent overseas in those funny green suits.)

There are a few basic categories of stores:

First, General game stores that carry a wide variety of merchandise. These tend to be the best-run stores and to survive in market conditions that kill other stores. They will have collectible figures, games, comics, movie rentals, even airsoft guns.

Second, comic book stores that carry a few games on the side. Most of these also fit into the third category so far as games are concerned. The difference is that even if their game business tanks, it's only a tiny part of their overall business and they can survive without it. Unless their comic business tanks.

Third, "fad stores" (whether they have comic books or not) tend to carry only the handful of super-hot fad games such as the latest "fad" card game, clicky-base game, or "punch out and snap together" game. These stores do well when times are good and tend to do worst when times are tight. These are the stores that only want to carry games which are supported by huge ad budgets, hordes of demonstration people, huge full color posters, and expensive giveaway toys at the GAMA trade show. They only want games which are "pre-sold" and require no more effort than handing the product across the counter in exchange for money. They want long lines of customers who are so thoroughly pre-sold that they will wait in line forever without complaint for the privilege of buying the product. Hopefully, some of these stores have managers able to evolve into first-category general game stores.

Fourth, internet discount stores. These are the scourge of the industry, and are very unpopular with manufacturers and with actual brick and mortar stores. Usually run by one person as a part-time sideline, they exist only because Google can be used by a thrifty gamer to find an on-line store with a discount. Most of these get their games from Alliance, and many of them simply list the entire Alliance catalog on their web site and only order a game from Alliance when they have an order from an end user, which means they give pretty slow service. They steal sales from brick-and-mortar stores which are then in a tougher battle to survive. There is nothing you can do about these stores (the law allows anybody to open a business and as long as they legally buy the merchandise they can charge anything they want for it). If you really want to push the case, about the only thing you can do is demand that they not copy the photos and advertising copy from YOUR web site shopping cart (which most of them do without asking). Many of these internet discount stores will actually ask you to put a link to their store on your web site, which is just stealing sales from your proper channels and even from your own shopping cart (where you charge full retail because if you do not, the stores will stop carrying you games). Worse, they will rip off the pictures and descriptions from your shopping cart without even asking, even if your cart is clearly marked "everything here is copyrighted and cannot be used by other web sites". The law says that they can be in business and can sell for any price they want to charge. The law does not say that YOU have to do any of their work for them.

In our industry, many (perhaps even most) retailers are in fact gamers who wanted to get into the game business and just happened to pick running a store over designing and printing games. Some of them actually know how to run a business; the rest either learn very fast or disappear in short order. Most of them, like you, are "gamers with fond memories of actually playing games since they don't have time any more because they are running a game business".

Retailers get most of their sales from Friday night through Sunday afternoon. On Monday morning, they call their primary wholesaler to order restocks of their standard items, order any new items that just are scheduled for release, order anything requested by a customer, and perhaps hear a sales pitch for a new product or two (rarely three). If their primary wholesaler is out of something, they will call their backup wholesaler to get it, and might (in rare cases) call a third wholesaler looking for a product. The new merchandise then arrives sometime on Thursday or perhaps Friday morning, giving the retailer enough time to put it on the shelf for the big weekend crowds.

Notice the part about hearing a sales pitch or two. The store manager has things to do and the wholesaler's salesman has fifty or more retailers to talk to. There may have been from twenty to a hundred new games and related products that week, and the salesman is simply not going to have the time to discuss every single new release with every single retailer. At best, you can hope that the retailer saw one of your advertisements in a trade journal (or heard something from a gamer) and will actually ask the salesman about it, and perhaps the salesman will actually know enough about the product to answer. (It helps if you provide your wholesaler with a "sales sheet" providing this information.) In most cases, the salesman will know only whatever information, sales points, and so forth you sent the distributor to include in their database. So, as you see, it is important to get these sales points and other information to the wholesalers in a prompt and accurate manner.

Retailers don't have much of a budget to put advertising in the newspaper about your game, so they just won't do it (and it wouldn't work anyway since there are so few "gamers" in the general population). Rarely, some bigger manufacturers will pay for a retailer to run a newspaper ad for their game, but start up companies cannot afford this (exception, see "so you won the lottery" in some other chapter or maybe some other book). They will often put up a color poster for your game if you can get one to them but they will not pay for that poster and are just as likely to leave it laying around for gamers to take. The buyer or manager (often the same person) might even look at a flyer, ad, or postcard telling about a new game, but there is no constitutional right to retailers who read ad flyers.

You can't blame the retailers for running their business like this. They have a lot of work to do, only so much money to buy new products with, and only so much space to display them. Go back to that weekly phone call to the primary distributor. They are spending not just time but money and shelf space, and they start with the staples, then with the hot (pre-sold, well advertised) new game, then with the sequels and expansions of their established product lines, then order anything a customer requested (most stores want to be paid at least a deposit on such things), and only then if they have some money or shelf space or time remaining will they maybe (maybe!) ask the salesman if he has something new to mention (or allow the salesman to bring up such a thing).

One thing about retailers is that if they order two copies of something and sell one, they just about broke even and can get a few bucks out of the second copy weeks or months later by tossing it in the clearance bin.

Understanding the Wholesalers

The wholesalers have a major problem providing communications between hundreds of manufacturers and thousands of stores. The bottom line is that they can't and
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don’t individually communicate your sales data to individual store managers. They simply do not have time. What they can do is list your products on their “new release” sheet and count on your own marketing and advertising programs to convince the store to ask for your product.

Most stores call in their orders on Monday morning, so you want to have your shipments arrive at the wholesalers on Thursday or Friday so they have time to get it checked in and put into the computers before Monday morning. You also want to be sure that all of your wholesalers get the new releases on the same day so that no wholesaler is calling stores with something that nobody else has. Wholesalers who, by dumb luck, get a new product one day early will try to use it to steal the restock orders from other wholesalers.

Wholesalers are the beating heart of the industry. They are the most likely to be successful, profitable, and survivable. They set the rules for both manufacturers and retailers and decide who gets into the market and who doesn’t. There are only about 15-20 of them in the US and (being the smallest of the tiers numerically) it’s easiest for them to (unofficially) get together on how things need to operate.

They also have the lowest profit margin. They buy a $10 game for $4 and sell it for $5. That means if they buy ten games and sell eight, they broke even on book cost but probably still lost money because of their overhead (shipping, warehouse labor, shrinkage and spoilage, cost of salesmen, and everything else).

Back when I left the publishing end of the industry in 1982, wholesalers bought at 40% of retail (manufacturers paid the shipping cost) and sold to stores at 60% of retail (and the stores paid the shipping cost). When I came back into the industry as a publisher in 1999, the wholesalers still bought at 40% of retail (and we manufacturers still paid the freight) but now the wholesalers sell to stores at 50-54% of retail and the wholesalers now have to provide free shipping. (Exact percentages and policies vary from wholesaler to wholesaler.)

This means that the wholesaler is making less money, and has to take less risk. He can no longer just buy a bunch of stuff and hope it sells; he has to have pre-orders or at least a bunch of confidence in future orders. One wholesaler told me that if he bought six of something and sold five, he broke even. All of the profit was in the sixth and last item. Another mentioned to me that his total profit for the year almost exactly equaled his fast pay discounts from manufacturers.

Alliance, the 800-pound Gorilla

Alliance Games Distribution is the largest of the distributors, being about half of the total distribution market. Their policies and practices drive the market and define how everyone else does business. It is Alliance that decided that the manufacturers must give 90-120 days warning of any new product list, and it is Alliance who insists on having full details (price, cover art, selling points) at that time. (This is partly because Alliance is the smaller half of Diamond, which sells into the comic book stores, and those stores traditionally work on that kind of notice/pre-order system because the comic book companies — huge businesses run by serious businessmen — make it happen.)

Some of the other wholesalers take this 90-day warning and use it to schedule their marketing plans, while others ignore the 90 days and do their marketing a couple of weeks before your product ships.

All of which means that you are expected to know, 90 or more days before shipping, the exact components, retail price, and release date of your new product, and have the cover art in hand. This is tough for a small company with too many things to do. You will, no doubt about it, end up sending wholesalers your best guess and hoping that you actually finish writing the rules and doing the graphics and that the printers get everything delivered on time and on cost. You can, at least, get the cover art done far enough ahead to have it appear in advertising and in the sales sheets, catalogs, and magazines of the wholesalers. Warning: the most critical items are the stock number and price; once you announce those it is a whole lot of trouble to change them. (Do not even try!) Also note that when you announce a release date, you can be forgiven for being up to a month late but if it goes beyond that, the wholesalers will want to re-solicit the stores, which means fewer initial orders. Worse, Diamond may send you a bill for their extra cost of doing a re-solicitation.

It is to your benefit to get it right the first time.

Where does the Risk & Responsibility reside?

Retailers (especially the lazy ones who shouldn’t be in the retail business but were able to do so as long as things like Magic The Gathering meant that tons of pre-sold product was showing up at the back door while hundreds of fans with money in their fists were pounding on the front door) would prefer for the responsibility to make sales to be somebody else’s. They really like the Magic The Gathering model but it won’t ever happen again since if it does Walmart will take over the market.

Wholesalers want the Risk (what happens when a product doesn’t sell) to lie with the manufacturers (via deals such as “flooring” where the manufacturer doesn’t get paid until the product actually sells) or “full returnability” where the wholesaler can send back unsold product for a refund (or at least credit on new products). [Retailers don’t have much risk since they can always put an unsold product in the half-price bin and some game nerd will buy it just because it looks like it would be moderately amusing to read.]

Properly, Risk and Responsibility should be shared by the entire chain. (At least the manufacturers think so.)

Understanding the Dynamic Model

In a static model, if you change one variable, the other variables behave and remain the same, and the only change is in the result. Thus, under a static model, if you replace one component of your product with a cheaper one, the only change is the result (that much more profit). On Planet Earth, however, there are no static models.

In a dynamic model, your change to one variable may cause unintended, unpredicted, and even unknown changes to other variables. For example, if you cheapen a component, the variable for “customer satisfaction” may change (downward) all by itself as a result of your action, and that might well lead to a downward change in the result of the equation (your profit).

Even more fun, some of the variables change themselves in ways that can (or more often can’t) be predicted and have nothing to do with anything you did. The infamous 9-11 attacks caused an industry slump for many months as people watched the war on television rather than played games with friends.

The Dynamic Model has an effect in more than just money; it can affect business relationships as well. Let’s say that to take advantage of some opportunity or avoid some calamity, you have to unilaterally break an existing deal (whether an informal deal or a contractual obligation) with another company. Breaking that deal doesn’t cost you anything (and has the defined benefit for you), but it may well cost the other party in the deal a lot of money. They may well retaliate by canceling other deals, filing law suits, bad-mouthing you in the industry, never doing business with you again, convincing others to never do business with you again, or in other ways.

You don’t get to say “Why are you being mean to me? I need to break our deal in order to make more profit for myself!” You went into the deal with the other party on the theory that a deal IS a deal.
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3C: The Rest of the Industry

Groups and Associations

GAMA: This is the Game Manufacturers Association. Like all trade and professional associations, it runs trade shows (Origins and GTS), is much maligned (often unfairly) as incompetent and fumbling in its efforts, often does some really great things for the industry, is always working on high-sounding programs that don’t actually accomplish much (Games in Education, the Origins Awards), is the scene of vicious political infighting (although not about policy, just about who gets to be the boss) and nasty feuds (do not stand in between Anthony Gallela and Mark Simmons at a convention or you may be hit by a flying coffee cup — just kidding), manages a health insurance program (if you can understand it, as such beasts are tricky), and is mostly just tolerated or ignored by game companies that don’t want to put forth the effort to make it better. You should join GAMA (associate membership is cheap, voting membership is probably not worth it other than the entertainment value) just because you should join GAMA and be part of the industry; the benefits of membership are minor and often hard to get or even discover. (They have health insurance, a list of stores, discounts on trade show booths, and other benefits.) The current management (as of May 06) is making great progress in fixing what’s wrong and improving what doesn’t work, but there is always going to be a ways to go. [Update from July 06: After their astoundingly good performance at Origins 06, it is clear that Rick Loomis and Anthony Gallela have gone a long way. It’s hard to think of much they could do to improve Origins.]

You can contact them at www.gama.org and you should. GAMA is (in the eyes of the US government, anyway) a non-profit trade association. Contact them at:
- Game Manufacturers Association (GAMA)
  280 North High Street, Suite 230
  Columbus, Ohio 43215
  Phone: (614) 255-4500
  Fax: (614) 255-4499

One thing you could do for GAMA that would earn you a favor and cost you nothing is to publish an advertisement for Origins (partially promoting your own events) in an unused corner of some page of one or more of your products. You can even go to:
http://www.gama.org/communications/logos-and-images and get various logos for Origins to use.

Game Publishers Association: Originally the “small game publishers association”, the GPA is the club for publishers making way under a million dollars a year (although bigger companies can and do join). You can contact them at their web site www.thegpa.org; the “management” changes often enough that any kind of permanent mailing address would be obsolete and there are no offices or full time staff. The work of the GPA is done by volunteers who will never be able to do everything they can, should, or want to do, but they try hard. The best benefit of this is the GPA mailing list, where smaller game companies exchange news, advice, and so forth. To get on the mailing list, contact dress gpa@thegpa.org www.thegpa.org or go see their web site www.thegpa.org. The GPA mailing list is a great place to ask questions like:
  What discounts should I offer?
  Where can I get boxes made?
  Has anybody heard from Joe Slobodowski lately?
  Anybody know a cheap artist who can do my covers?

The very best thing that GAMA does for the small publisher is to have booths at conventions where many small companies can sell their products (for a fee) without actually attending.

Games Quarterly Catalog: Not really an association or a club or a group, this is nevertheless an important part of the industry. This is the industry bible, the catalog listing every product in print by any manufacturer. If a gamer walks into a store and says “I want to buy Iqilo of the Care Bears by Arctic Games,” the store manager is going to look up Arctic Games in the GQC and then go down your listing looking for the stock number of the specific product. (Which is why you want to be listed and want your listing to be right.) Having found the stock number and having confirmed the proper title of your game, the store manager will then call a wholesaler (who uses the GQC listing to build his database) and order the game. This catalog is published every three months by Matthews-Simmons Marketing.

Note: In a shock to the entire game industry, Matthews-Simmons Marketing went out of business on 6 April 2007, selling Games Quarterly Catalog to another company:

R&R Publishing Company
12568 Tammywood Street
Broomfield CO 80020
Richard Hartnett
GamesQuarterly@ecnal.com
phone: (303)437-3218 or
Richard Martin Leep
GGProductions@comcast.net
phone: (303) 817-1877

Getting your products listed in this catalog is basically free (although you can pay a small fee for a better-looking listing, and you probably should, since this will make you look like a serious company when the retailer looks up the game that his customer wants him to order, and you just might get a copy of your game on the shelf). MSM and GQC issue the “three letter code” that identifies your company. As such, they have power of life or death (no code, no listing, you’re not in business) but have never abused this power and issue the codes and provide the listings as a true service. Of course, you have to proofread your listing carefully as typos do come up, and their intelligence department gleans product release information from a wide variety of sources of varying reliability and accuracy. For your own benefit, convince them to only publish data about your company provided directly by you and then follow through and provide that data on time and with great precision and accuracy.

Academy of Adventure Gaming Arts & Sciences: This is the semi-independent body (composed of game designers and publishers) who manage (or, depending on your point of view, grossly mis-manage) the Origins awards. To contact them, check with GAMA or Academychair@gama.org can also help you. Everybody, including the author of this book, has their idea about how to fix the Origins Awards (nobody likes them the way they are, or the way they ever were) and I’m going to resist getting up on a soap box and explaining my simple and obviously-effective fixes to why the awards have gone horribly wrong. [The basic dispute is between those who want fewer awards (so they mean more) and those who want more awards (so more companies have a chance to win one). To have fewer awards, the Academy combines categories, but the result is that only the largest of the original categories ever wins the new combined category and the other games then have no category they could hope to win in. For example, combining Fantasy and Science Fiction means no Science Fiction game can ever hope to win an award because there are five fantasy players for every science fiction player. Those who want fewer awards do not understand why gamers who saw their favorite games and types of games shut out of the competition now ignore the awards.] The awards are, in the greater scheme of things, virtually irrelevant, but we’re an industry by golly and we ought to have awards even if they are virtually irrelevant in the greater scheme of things.
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The Disposal Companies

There are several companies in this industry which will buy (for very deep discounts) quantities of dead inventory and sell them (for deep discounts) at conventions or on web sites. If you have dead inventory, you may want to consider contacting one or more of these companies.

Titan Games: Marcus King specializes in large quantities of dead inventory, often RPGs. TitanGamesInc@aol.com

Crazy Egor: He specializes in used copies of out of print games. www.crazeyegors.com

Noble Knight: They sell all kinds of stuff, including out of print and discontinued games. www.nobleknight.com

The National Conventions

These are a significant part of the game industry. It’s a chance to see what’s going on, talk with consumers, promote your games, and so forth.

A brief story: I usually go to Origins. I have gone to Gen Con just a few times (the combined Origins-at-GenCon shows and once when GenCon “hired” me as a guest speaker on military intelligence and on why there are no UFOs). I took my company there in the summer of 2005. I figured out, about an hour after the show started, that the people who attend GenCon were not interested in my products, and spent four miserable days waiting miserably for the miserable drive back home. Does this mean GenCon is bad? No! It means you need to think carefully about what products you produce (mine were all wrong for the GenCon market) vs what shows you attend.

Origins is “the” national convention. (If you do not believe that, ask the guys who run it, they’ll tell you.) Origins is run by the Game Manufacturer’s Association (GAMA). While it has all kinds of games and plenty of the latest “hot” or “fadd” games, it is probably the most balanced and broad-based convention for all kinds of “adventure games” including board games, RPGs, card games, and ... well ... everything else. Origins is held every year sometime around the 4th of July in Columbus, Ohio. It is very much a “must go” event. Origins has about 15,000 people in attendance but never really feels crowded. It is almost a running joke for exhibitors to ask each other “Just where is this huge crowd that GAMA says came through the gate?” Booths are expensive ($600 or so), hotels are hard to get reservations for (the ones within a quarter mile fill up 11 months in advance), and the convention managers have a proud tradition of screwing things up -- and then fixing them on the spot. One alternative to going to Origins is to pay GAMA the princely sum of $500 to include a flyer in every “goodie bag” (of which 15,000 are prepared beforehand and are free for the taking at the doors). While you’re at it, include an advertisement for Origins in a blank spot in a future product and send GAMA a copy. Then they owe you a favor.

GenCon is the oldest and biggest convention. Once run by TSR (the guys who invented D&D) in Lake Geneva, Wisconsin (hence “Gen”), it moved to Milwaukee when it got too big for Lake Geneva (which is sort of a tourist resort with a small convention facility) and eventually to Indianapolis (a larger convention center than Milwaukee) and as of late 2005 is rumored to be looking for yet another (bigger) venue for the future. GenCon is another “must go” convention. GenCon has well over 20,000 attendees and feels constantly packed and crowded. Nobody ever asks where the heck the crowd is. Booths are expensive ($1200 or so), hotels are hard to get reservations for (the ones within a quarter mile fill up 11 months in advance and, even more thanOrigins, are geared toward expense account business travelers who aren’t paying for the room out of their own pocket), parking is expensive and hard to find for the 80% of convention goers who sleep a dozen miles away and drive to the show every morning, and the convention managers have a proud tradition of not screwing things up.

If you have to pick between GenCon and Origins, take a serious look at your product lines. Origins is more “hard core wargaming” while GenCon (once a purely RPG convention that deigned to allow other games into its hallowed halls) is now a very general convention where the best sales are garnered by games which have lots of expensive components and few complicated rules. Pick wisely and cut a deal with somebody to at least show your products at the other convention.

The GAMA Trade Show: This is held every March in Las Vegas. For a small new company it is a “must go” since it is where you will get to talk to wholesalers and retailers face-to-face and listen to a lot of fascinating seminars about how to run your business. There is much more about this convention in the marketing chapter.

Games Expo: Mark Simmons (contact him through marks@gamesquarterly.net) is trying to start a new trade show called Games Expo. In theory, it will be bigger than GTS as it will bring in a lot of stores that do not normally carry “adventure games”, perhaps because they have never heard of them. It’s anybody’s guess how many of the publishers in the Adventure Game Industry would find stores (other that specialty game stores) which would carry their products. But this is a question that only Games Expo can answer. Update: This show proved a disappointment, with only about 150 retailers attending and most of them only talking to larger companies. The show was regarded as a failure and the owners went out of business. The theory was to get buyers from outside the game industry to come to the convention, and those buyers made it clear that they wanted games to be at the shows they go to, not to go to a game show. GAMA is starting a program to have a major booth at such non-gaming shows and “represent” various member companies (who pay a small fee) at those shows.

Essen: This is the big game convention in Germany every October. I’ve heard people say good things about it. I know absolutely nothing about it but I have every intention of learning and going in Oct 06. More when I get back.

At this point, I have completed one trip to Essen and don’t plan to return because the sales were 1/4 of what I was led to expect. I am actually having a great deal of difficulty in finding enough negative things to say. DO NOT GO, I think that covers it. Seriously, if you just want to go to Germany because you always wanted to, then go, but don’t take much stuff (you won’t sell much) and don’t expect to make a profit, or even break even. And do not let Anthony Gallela get you a hotel room unless you make sure he guarantees one with a toilet in the room. Random bits of information on the show:

• When you know you’re going, or before, ask the GPA list and any other list for advice. You’ll get a lot of helpful info. Or ask me, and I will do everything in my power to convince you to stay home.

• Best source of general show info: Rick Loomis.

• I heard Rick’s sales figures, compared his product line to mine, and shipped four times as much stuff to the show. I sold half as much as he normally sells. Lots of reasons for that, but the biggest one is that the customers are normal people who play games, not the gamers you meet at Origins. They don’t know who you are and don’t care. They will assume that you are not the manufacturer, but somebody who bought a load of games from a train wreck or maybe a sunken cargo ship and that you’re willing to sell them for half of the retail price. Seriously, gamers at Origins and Gencon expect to pay the retail price. Gamers at Essen expect you to offer them at least 25% off and accept less than that.

• Getting your stuff shipped over: talk to Will Neibling at Mayfair (Email: Wurfel@aol.com). He ships a cargo container and lots of companies pay to include a pallet. Cost is about $1 per pound. DO NOT SHIP VERY MUCH as your sales will be far less than you expect. Maybe a thousand or two thousand dollars retail. NO MORE THAN THAT.
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• Most customers at the show pay cash for games. They will pay in Euros.
  • The place stinks of cigarette smoke. There are no “non-smoking” areas in Germany.
  • It’s not “pipe and drape” like US shows; the booths have hard board walls and you can rent special clips to hang posters. We used non-marking double-stick tape. Just about every booth has these walls, and if your neighbor asks for walls, then you will be charged for walls even if you did not ask for them since you are “gaining the benefit”.
  • Renting tables and chairs is typically expensive. There are rumors that you can buy folding tables somewhere but Rick and I drove to five stores over six hours without finding them.
  • You have to clean out your booth including empty cartons. You can get rid of them as you go along in the various trash cans but at the very end everybody will be trying to do this and there won’t be enough room and the show managers will hide the trash cans so you have to pay them for trash removal.
  • Get hotel reservations early, such as when you check out the previous year. The Jung Hotel is good because it’s the closest one, but insist on the rooms with bathrooms inside the room, not the ones with bathrooms across the hall. Frankly, the Jung is clean and neat but the rooms are small and the beds are almost as comfortable as Army cots. If I ever go again, I’ll stay at the Holiday Inn. And I don’t envision ever going again.
  • The credit card machines that some companies use for US conventions don’t work in Europe, but 99% of sales are in cash. Europe just isn’t big on credit cards like the US is.
  • There is a bank in the convention center (open on Sundays) and some US companies wire the money home. This bank is right inside the Ost (East) entrance that the vendors use, but no signs say it is a bank. It does kind of look like a bank lobby with teller desks.

Random bits of information on travel:

• Frankfurt is the nearest airport with international connections although some people fly into Antwerp or London and take the train. From Frankfurt you can either take a short flight to Dusseldorf and then a short train ride, or a long train ride from Frankfurt. Rick Loomis rents a car and drives the Autobahn which is really fun in a white knuckle terror sort of way. Rick is a really good driver but the Autobahn itself is scary since people drive at very high speeds while other people suddenly pull out in front of them.
  • Currency exchange rates vary. Banks are best if you have an account with that bank (say, Citibank). You can change a couple of hundred at the airport to give you pocket money for the first 24 hours and then find a bank. We took our leftover Euros to England and turned them into Pounds at the hotel desk (easier than getting to a bank), which we spent, avoiding the need to turn them back into dollars. By the way, London is about the most expensive place on Earth.
  • Photocopy your passport and leave the photocopy with a trusted friend who has a fax machine. If you lose it, a fax to the US consulate will speed things up.
  • Airline food is, well, airline food. Biggest problem is that if you have food allergies you can more or less guarantee that the only food on the plane is something you are allergic too. If you are allergic to something, print out some business cards listing your allergies in German before you leave home. Germans are famous for lots of meat on the plate and many offerings have four or five different kinds of meat.
  • Jetlag is a total bitch. It’s seven hours difference to Germany, and the idea that you’re going to get any sleep on the plane trip over is a pipe dream. Read up on Jet Lag and do everything you can to get over it.
  • England is right next door (sort of) and a great place for Americans to visit. It’s also very expensive. Everything will cost a little more “in numbers” compared to the US, but you are paying pounds which are more or less two dollars each, so you’re paying twice as much in real money. At our hotel, a typical meal was $30 per person. Look across the street where small shops sell soft drinks for half as much and offer internet access for 1/3 as much.

Other Conventions: After that, there are a lot of fairly big regional conventions out there which might be worth going to if you don’t have to travel by air and ship stuff by freight lines. Some of the best include:

- Gen Con So Cal (Los Angeles) November
- Dragon Con (Atlanta) Labor Day. Primarily SciFi.
- Kubla Con (San Francisco)
- Tacticon & Genghis Con (Denver)
- Board Game Expo (northeast, late summer)
- Board Game Geek Con (Dallas)
- Orc Con (San Francisco)

And finally there are the smaller regional conventions with a few hundred people. These can be worth going to if you can drive there with a few boxes of games in the trunk of your car.

PREPARING FOR ORIGINS (or any trade show)

1. Establish a Lessons Learned procedure for your company. After the show, have everybody who went (and anybody else who has something to say, including customers on your BBS) write a memo about what they learned, what worked well, what didn’t work, and what could be done better. If you have a seminar, or a quiet moment at your booth or tournament, ask people what you could do better. After the show, pass the memos around the office and write notes on them and give each one them back to the author to update. Make reading last year’s memos part of this year’s preparation. Exchange memos with other companies.

2. We have a word processor document that is “Things to do to get ready for Origins”. We have used it eight times as of 2006, and are using it to prepare for 2007 even as I speak. We organize the things to do into categories based on when they can be done (or have to be done) and sometimes who is going to do them. We add to the list whenever we think of something (even if we just did it). When we do something, we “cut” it from the list and “paste” it at the end of the list under a heading “done this, save for next year”. This avoids making a new list every year and forgetting something. When the list is empty, you’re ready to go to the show. The list is adjusted after the show by the lessons learned process above.

2A: We also have a “list of things to take” which is organized into specific elements (the demo box, the tournament box, the booth box, the display box, etc.). When we can, we make sure that each “box” has its required inventory. To make sure we always have a stapler at the show, we bought a cheap one and put it in the booth box and it sits unused in that box 360 days a year. One box I had not previously mentioned is the car emergency box with the air compressor, tow chain, tool kit, and that sort of things. Another
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item is that I always bring stuff from my house (pillows and other travel comfort items) and in eight years I have twice had to ask my wife to drive down to the house an hour before we left and get the pillows so I could nap in the car (and the pillows ARE on the list). I have taken to calling my home answering machine during the days before Origins with lists of things to put in the car during the days before the show.

3. We have an invaluable document called the WayPoint List. Since Origins is in the same place every year and we get there by the same roads, we started years ago writing down key mile markers, such as the edge of the Saint Louis traffic loop, the point where I-44 splits from I-40 (and the minor detail that it splits to the left not the right), the location of our favorite restaurant (Missouri exit 163, Sweetwater Barbeque), the location of the gas stations where we get fuel every year, all of the state-operated roadside rest stops (that refrigerator in the car means more bathroom stops than the old days), and so forth. Driving down the Oklahoma Toll Roads, if I want to know how long to the toll plaza, I just look at the clipboard. The list will have mistakes and things will change so check each item as you pass it and mark corrections and update the list when you get home. After eight trips we have most of it memorized but when the musical question “How far to that KFC where we have had lunch every year?” comes up, we know the answer: Even better, on the outbound trip, write down the mileposts of construction zones so you don’t get surprised on the way back. We also have a small plastic envelope containing the $14 needed for Oklahoma Toll Roads and religiously put the receipts in it as we move along. Be sure to have the phone number of the auto club in your wallet. Even if you don’t drive, keep a pocket notebook and make a record of where the good food is in the airports you go through.

4. Another one of those documents we use over and over is a spreadsheet listing every product we have and how many we sold at Origins in each previous year. I can print out a copy, scribble some notes on what I want to take this year, and hand it to the warehouse crew. They pack everything they can two weeks early (obviously, the new products won’t be ready) and stack it on or under the Origins Table in the warehouse. We enter the “items taken” and inventory the “items that came home” and my pocket notebook keeps a record of “the stuff I gave away” and, well, do the math.

5A. My partner and I each have a cell phone, and they are deliberately different models from different companies. In 2006, my cell phone would not work in Columbus (but it would work 40 miles outside of town and it worked last year without problems). I spent two hours on the hotel phone with a nice lady from someplace not in the US entering 96-digit codes into my cell phone and the bloody thing never worked. Fortunately, I just took my partner’s cell phone so I could stay in touch with the office. Carry the hotel phone number in your wallet, not just the hotel phone. We use a car charger and charge the cell phone and the bloody thing never worked. Fortunately, I just took my partner’s cell phone so I could stay in touch with the office. Carry the hotel phone number in your wallet, not just in your cell phone (which might be lost or dead). Carry a charger for the cell phone. We use a car charger and charge them while driving.

5B: We also carry radios, those little ones which have “privacy codes”. I have one on my person all day (tied on with the six food idiot cord since I lost one in 2004 and my partner still has not stopped complaining about it), as does my partner. The third one is in the sales hall booth and the fourth one at the tournament base. They work great. Without privacy codes we would not be able to use them at all as there are 97 people on every channel, none of whom actually know radio procedure and all of whom assume their group is the only one on (or who should be allowed on) that channel. There are spare batteries in the tournament box and booth box.

6. I have a stack of big plastic envelopes. At the start, the change fund (you do take a few hundred in small bills, right?) is in one and the others are empty. Every day, all day, the surplus money, big bills, credit card receipts, business cards, and other “stuff to take home” is shoved into one of these plastic envelopes (which is right by the cash box). End of the day, the money is counted, the non-money moved to the “take home bag”, that day’s receipts are sealed in one of the envelopes, and the change fund (always the smallest bills) is put into the original envelope for the next day. Repeat four times. Consider looking up the local branch of your bank and wiring the money home Friday afternoon.

7. About a month before the show, we set up a table in the office or warehouse and start stacking Origins stuff on and under the table. This includes the “booth box” and everything else. If I suddenly decide I want to have some catalogs in the booth at the show, I just print them and put them in one of the boxes on this table. Care should be taken to make sure that things go in the right box. Our boxes are defined by where they go. This one to the booth, that one to the hotel room, another one to the tournament. My spare toothbrush goes into the hotel box, not the tournament box. There is also an “en route box” which fits between the front seats of the van and has the waypoint list, the stuff I promised to read, two flashlights, some headache pills, my spare glasses and spare sunglasses, and so forth. During the early phase, we also have a big box that is just “stuff that needs to go but isn’t in the right box yet.” Things in that box are moved into the proper boxes as time permits, but it saves us a lot of hassle (since the other boxes can be closed and stacked to save space, and we don’t have to unstack and open them just to put a small item into one of them.

8. A plug-in refrigerator and a cooler full of snacks will save you a ton of money. Brownies cost 1/3 as much at the grocery store as they do at a highway quickie mart, same for drinks. Next year, I’m adding cans of Dinty Moore Beef Stew and my Army P38 can opener. Include some Mountain Dew for late night driving alertness. Also bring along manuscripts from hopeful writers which you promised to read.

9. Teach everybody to work in the booth. Teach those left behind to run the shrinkwrap machine, UPS computer, and so forth. All that junk that GAMA Emails and mails you about the show is not just for fun. You should actually read it and keep a copy in your briefcase. [I got burned once at GenCon when I showed up with a display item I was not allowed to display. Their pre-convention data clearly said I was not allowed to have it, but I had counted on someone else to read that for me. They read it, but did not notice that the display item they ordered was on the not allowed list.]

10. Start your preparation cycle when you get home with after actions and updated lists. Some boring day in November, go through the list and see if there is anything you can do then. Repeat in February. Start the official “getting ready to go” process on 1 May (ordering the booth posters). Kick into high gear by 1 June and be sure to check with highway departments for major construction zones.

11. Print out several copies of your “what we will do for conventions and how conventions get us to do it” letter and have them in the booth. When somebody shows up to give them the sales pitch for your convention, hand them the letter and send them on their way happy that they can get support from you. Also, print out a couple of dozen of those perforated business cards with your web site in big letters and hand them to people who ask about your web site. Have a couple of dozen catalogs under the table to hand to people who ask for them. (A stack of catalogs on the table takes up valuable real estate, and people will pick them up just because they are there and then discard them later.)

ENSURING GREAT SALES AT ORIGINS

Every year at Origins, my sales are great, while people around me and all over the convention complain that their sales are disappointing and that GAMA absolutely must be
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lying about how many people are there. No, GAMAs not lying; you’re just not selling the right stuff. I should note that these rules apply to any convention, such as GenCon or a regional show.

1. Plan a year in advance to have several new products at Origins. Have your pre-Origins product ship a little late, your Origins release ship to wholesalers the day before Origins, and your post-Origins release also available at the show. If you do pewter miniatures, have pre-production copies of miniatures you will be shipping months later for sale at the convention.

2. Spend 30 years building a fanatically loyal customer base. Hey, it worked for me!

3. Run highly publicized national tournaments at the convention to bring in extra customers.

4. Create some kind of special product (maybe a compilation of useful charts from other products) which you can print-on-demand in small numbers which is ONLY available at the convention.

5. Keep all of the defective pewter miniatures from the entire year, take them to Origins, and sell them for some flat price (say $1 per spaceship) that is about twice what they cost you and a fraction of the retail price. The casting house will be happy to get paid for stuff you would normally send back, and kit-bashers will love it and come to the convention just to get those items.

6. Have a new major release for every one of your product lines, and make this a habit you do every year.

7. On your shopping cart, add a button for “pick up at Origins” so people can order special items you would not normally take to the show and pick them up at the show. I walk into Origins every year with enough pre-sold items to pay for the booth rent and then some.

8. If you have a card game with pretty cards, break up a deck and have somebody leave the individual cards laying all over the convention. People who find them interesting will seek you out.

THOUGHTS ON CONVENTION BOOTHS

Dan Ridenhour of Digital Alchemy posted this on an industry news group and I shamelessly ripped him off because... this is GOOD STUFF!

Here’s a few ideas... that I have either used or seen work... sometimes by accident.

1. In-booth demos... something real quick 2-5 minutes tops that shows something unique and fun about your game. Its easier to make sales to customers that have played your game than those who have heard your pitch... as they have probably heard another 50 pitches in the last hour.

2. Bribe them to play... I’ve gone so far as to give folks $ off on anything in my booth just for playing a 5-10 minute demo. It gives you multiple sale opportunities... first they play your game and might like it enough to buy it... if not now they have $ off on anything in your booth so they will probably take a moment to see what else you have to offer. Don’t give out coupons... just say play a demo and get $X off anything in the booth. That way it forces the buying decision. [Note by SVC, not part of Dave’s article. Ken Burnside does a demo of his space game in which small bars of chocolate are the targets. If you can fly the demo to the point you can shoot the chocolate, you get to eat it.]

3. Cross booth promotions... find other companies that do similarly themed or complementary products to yours and do cross promotions with them... like any sales you make include a coupon for X off at XYZ companies booth #1234 and they have great fold up play aids that work great with the book they just purchased... while XYZ company does the inverse at their booth. This drives customers to both booths.

4. Scavenger hunts are great for cross promotion too... but far too many publishers don’t take advantage of them correctly.

IMO grey ghost games did it right last year... if you wanted you card punched you were playing a demo... some other shops just have people come up looking for their item... get it and leave without ever knowing anything about the booth they just visited.

5. Shiny flashy things... folks at cons are wandering through the hall looking for things to catch their eye... and the strangest things do... be different... have something eye catching. An aply named product can do wonders: “panty explosion” was one of those I saw last year. Add booth decorations in the theme of your game. The chainmail shops don’t have scantily clad women in chainmail because its hot in the hall. ;-)  

6. Avoid the clutter... cluttered booths only work for the used game resellers... otherwise a lot of folks just walk on by rather than spending the time to figure it out. Multi-Vendor booths are notorious for this... keep the clutter down and keep the number of people in the booth at any time to a minimum... if there are more than 2-3 people in the booth... especially if there are more than 2-3 people behind the booth than customers in front of it... then you have a problem.

7. No impromptu catching up in front of the booth... I don’t know how many times I’ve seen this over the years... you see your long lost gaming buddy and want to catch up... which turns into a 20 minute conversation right in front of the booth... blocking the booth from paying customers. It may seem harsh but take it somewhere else... your paying for that time to get in front of customers.

8. Freebees. People like the swag... free cards for your card game, adventures for your RPG, etc. Last year a couple booths had free dice every morning... for the first 50-100 people that asked. You could do similar things... connected to demos or events. People go play your event for XYZ game and get a free [insert relatively cheap play aid here] just by visiting your booth (where they may buy something).

9. Encourage your zealots. I’ve only had this really happen at a couple cons but its fun when it happens... for example had a 13-14yr old kid play my swordplay demo and buy the game right off... then spend the next 3 days dragging everyone he played with in any of his events back over to my demo area to play swordplay... gave me a lot of booth traffic and I didnt have to do my own demos. So if a guy is gung ho about your game... encourage him.

Well, that went on longer than I planned. Hopefully there’s something of some use in there.

Please do not post this document on a web site or pass it around. Anybody who wants a copy can ask or download a free PDF. That’s not because I want to be a control freak but because I do update individual chapters whenever I think of something to add and would just as soon there be one place for the most recent copy.