

Nathaniel Hahn
Managerial Decision Making - Decision Project

Decision Project - Indie Game Development Funding

Background

During the global game jam event of 2015, Nathan Hahn met Pattie Umali and found a kinship in their perspectives about the result of their games created during the game jam. Both were leaders on their respective teams, and both found that their skills as producers languished with developers unwilling to commit to any development process that involved feedback from other members of the team. In this discussion, they also found they shared similar life goals of combining game development with cross-cultural education. With each of them united in their goals of practicing professional character in game development and contributing to the conversation of cross-cultural communication, Pattie made a proposal to work on a game merging Philippine mythology with history while Tagalog language learning and Philippine culture emanated from the game's environment. Development on the game began on June 1st, 2016.

The development team working on this game has expanded and retracted, based on the availability of Pattie's friends willing to contribute to the project. At various times, there have been artists and musicians working on the game, but the core team evolved to 3 individuals: Pattie Umali, the lead visionary, Nathan Hahn, the lead programmer, and Kirby Cofino, the lead game designer. They all agreed that progress should be made to produce a game "demo", a small section of the game that could be presented to players to develop buzz for the game and potentially find investors.

Decision Problem

As these three individuals developed the demo for the game, they were also forced to consider how they might pursue funding for the rest of the game. Some games are developed purely with the team's funding, with each of the individuals contributing funds and time as needed to ensure the game succeeds. This was commonly done when it was difficult to begin a game studio supported by a publisher outright. However, with the rise of the internet and inexpensive game development tools, pursuing a publisher was not the only way to seek funding for a game. Teams could strike out on their own to pursue a variety of different funding options. This funding would be used to fill in the gaps in their development expertise, such as high-quality art and a well-constructed asset pipeline, and some funding would be used to pay the creators of the game for their hours spent on the game's development. However, as the three primary members of the game design team considered seeking funding for their game, a variety of funding possibilities presented themselves. This was the decision that they were faced with: what funding options should they pursue for funding the completion of their game?

Decision Alternatives

The team performed an initial brainstorm and analysis to come up with the different types of funding options. In this analysis, they found 4 major categories for our funding options: crowdfunding, investors, grants, and organizations. With the crowdfunding option, the team creates an account on one of the popular crowdfunding websites, and pursues funding from a wide variety of contributors, who expect to receive a reward (such as a free copy of the game) when the game is completed. For investors, there are

far fewer people to contribute to the project, but the targeted approach means that more time can be spent on finding the right fewer investors. There are also grants that a team can apply for, especially from the department of education. The game's focus on cross-cultural education with a historical basis would allow it to qualify for those grants. Lastly there are many organizations that focus on Philippine history and the Filipino-American community that might be willing to provide funding. In total, they found the following options for each of the different categories:

- Crowdfunding
 - Kickstarter
 - IndieGoGo
 - Patreon
- Investors
 - Filipino-American Angel Investors
 - Brown Alums
 - Game Studio Investors
- Grants
 - Educational Non-Profit Grant
 - Cross-Cultural Grant
- Organizations
 - Philippine National Historical Society
 - National Federation of Filipino-American Associations
 - Conference on Asian-Pacific American Leadership

Once they determined these were the alternatives they would consider, they set to deciding which of them they would pursue.

Decision-Making Process

For their decision making process, they pursued a variety of preliminary steps to ensure they would make a strong decision. The structure of the decision would be mapped into various parts:

1. Conduct a survey to determine key decision-making biases before the decision would occur
2. Determine the funding required for the game's development
3. Determine the appropriate criteria for distinguishing funding options
4. Estimate criteria for each funding option
5. Discuss funding options
6. Determine initial funding options to pursue

Following each of these steps would hopefully allow them to make a good decision. In terms of their decision-making, Pattie would be responsible for the overall decision, while Kirby and Nathan would be responsible for providing input, recommending options, and agreeing with the final decision. All three would be responsible for implementing the decision.

Bias Survey

Based on the results of a reading discussed in class, a survey was presented to each of the three decision contributors. The results are shown below, the highest scores indicate the ratings from the survey where the contributors indicated the most bias:

Bias	Score
Confirming Evidence Trap	19
Framing Trap	18
Prudence Trap	14
Anchoring Trap	13
Overconfidence Trap	12
Status-Quo Trap	11
Sunk-Cost Trap	11
Recallability Trap	10

As a result of this analysis, the top 2 biases were the Confirming Evidence Trap and the Framing Trap. This led the team to conclude a danger presented due to only seeking out evidence that confirmed their prior pre-made decisions, and there was also a danger of bias in the presentation of ideas as positive or negative that might influence their decision. This was considered when making their final decision

Funding Needed for Game Completion

For the team's funding, Nathan made an estimation of the cost of programming, while Pattie estimated all of the other aspects of the budget. For these estimates, a worst case and best case was presented. From these, an average was calculated. In this way, the team could plan for different outcomes based on their estimations.

	Best Case	Worst Case	Average Case
Art	1260	6300	3780
Programming	4100	7700	5900
Writing	400	760	580
Game Design	1900	3800	2850
Gameplay Testing	490	730	610
Music/Sound Design	850	2260	1555
Production	1000	3000	2000
Promotion/Marketing	2280	4980	3630
Total Budget	12280	29530	20905

From these estimates, they would be able to determine the amount of money they would need for completing their game. While it was not determined exactly how much money they would raise, these approximates gave the team goal targets too look at when considering the game's development lifecycle. There may also have ben other factors not taken into consideration with these estimates, so the team agreed to consider the worst case to account for aspects of the game's development they did not consider.

Criteria for Funding Options

For the specific criteria for funding options, there were 5 criteria:

- Time Investment
- Monetary Investment
- Odds of Success
- Amount of Return
- Buzz Potential

The time investment is the amount of time expected to achieve the desired result from the funding option. The monetary investment is the amount of money required for the funding option to achieve the result. The odds of success is the probability that pursuit of the funding option will yield the result. The amount of return is the expected return for achieving the funding option, and the buzz potential is the amount of buzz that it will generate to pursue this option.

These 5 criteria were picked to assist in the determination of which funding methods we should pursue based on common criteria. By providing these estimations, they could come to a common understanding about the reasons why they would choose or avoid certain funding options.

Estimations for Criteria

Each of the three of the primary team members took a survey, and approximate estimations were made on each of the options. There were some options where there were additional aspects there were not associated with the main 5 criteria that were also a part of the decision. For certain criteria, there was disagreement on the estimation, so those were left with question marks. These findings can be viewed in Appendix A.

Discussions

In addition to providing our estimations, the team also had numerous discussions as a team and with individuals outside the team to help to make this decision. Pattie and Kirby discussed with one of their professors about the types of funding options to pursue, and in particular directed them towards Filipino-American associations as a key funding option to consider. As a part of these discussions, the team formed opinions about the nature of the different options, and reasons for and against the more commonly discussed options.

Decision

Pattie made the decision, and Nathan and Kirby agreed, in pursuing the funding options in the following order:

1. National Federation of Filipino-American Associations
2. Philippine National Historical Society
3. Filipino-American Angel Investors
4. IndieGoGo

The reasons for the first two options were that the members of the team decided that the organizations where they had the chance to reach members of the community that would be directly affected by the popularity of the game would likely have the best chance for a positive outcome. Even if they did not

receive the level of funding support that we would pursue to finance the game, they still might be able to develop a considerable level of outreach to our game's target audience.

This level of influence would aid us in pursuing option number 3. Angel Investors might be willing to match the investments from the organizations if they knew that the game design team had prominent organizations on-board with their game idea. In addition, this would take a minimal amount of pitch-time to know whether or not they succeeded or failed.

Lastly, IndieGoGo was chosen as a crowdfunding option instead of Kickstarter and Patreon. Video Game development projects are not as popular on Patreon, and the amount of funding received through Patreon is considerably less than the other two options. For Kickstarter, you are not able to keep the funding commitments you have received if you do not reach your goal. Because the team considered a high probability that they may not reach the entirety of their target, they felt it was important for them that they have a platform that allows them to retain the funding commitments that they have received. They also viewed the IndieGoGo campaign as a way to gather a fanbase through a centralized platform.

The team did not rule out the possibility of considering other funding options, but because they have a limited amount of time to pursue funding in proportion to the time spent on game development, they felt that these funding options would make the best use of their time.

Implementation

Setting up legal contracts among team members

Prior to collecting funding for the game, the team still needs to write up a written agreement of their partnership. This is to ensure that there will be no conflicts on the use of funding after it is received, and that all members of the partnership feel fairly compensated for their efforts towards the project. Because some members of the team have been working longer on the project than others, the team will need to take that into consideration with the legal contracts.

Making a Funding Pitch Deck

In order to seek funding, the team will need to have an effective funding pitch deck. This deck should be portable and easy to share with potential funding options. This deck may be refined over time as the team receives feedback and further develops the game.

For Organizations

For organizations, the team lead, Pattie, will reach out to the organizations and find a potential contact. This may be an individual or an organizational email account. She will then send out an email to the organization with a short description of the game. Once interest is confirmed, she will send out the pitch deck to the organization and ask for a meeting to present the game. The three primary decision makers will be present at this meeting to pitch the game.

For Individuals

For individuals, the team will follow the same approach for organizations, except for the fact that they will need to identify which individuals would provide the greatest likelihood of funding success. After those individuals have been identified, they will follow the same steps as for the organizations.

For Crowdfunding

Because crowdfunding is the 4th funding option to be pursued, at this point it is expected that the pitch should be highly refined. This pitch will be used for the video for the project. In addition, the campaign contribution levels will be designed by Kirby and Pattie. Once the campaign is launched, the team will collect funding and email addresses to be better able to communicate with our core market for their game.

Future Perspectives and Conclusion

While at the time of the decision the team felt fairly confident that the decisions made were effective, there are many things that could change that might impact how they proceed. If none of the top 4 funding options work out, they may need to identify other sources or consider funding options they did not already pursue. In addition, the challenges of creating a game while at the same time pursuing funding may present challenges to finishing the game within a short period of time. The nature of the final decision has hopefully left the team with enough flexibility to adapt to changing circumstances while still advancing in a direction that is good for the completion of the game.

Appendix A

Funding Name	Funding Type	Time Investment	Monetary Investment	Odds of Success	Amount of Return	Buzz Potential	Other information
Kickstarter	Crowdfunding	Very Large	Very Small	Medium	Large	Large	You keep none of the money if the campaign fails
IndieGoGo	Crowdfunding	Large	Very Small	Large	Medium	Medium	You have the option of keeping some of the money if the campaign fails. Easier to get onto than Kickstarter, which is why their odds of success are lower in comparison
Patreon	Crowdfunding	Medium	Very Small	Medium	Small	Small	Measured over 6 months, assuming 50+ patrons at average \$3 per pledge
Filipino-American Angel Investors	Investor	Small	???	Medium	Medium	Small	Pattie has some ideas about prominent Filipino-Americans that might be able to match
Brown Alums	Investor	Medium	???	Small	Medium	???	Pattie's Alma Mater
Education Non-profit /non-federal Grant	Grant	???	Small	Very Small	Medium	Very Small	With Department of Education getting budget slashed, I doubt they'll have grant money
Cross-Cultural Grant	Grant	Small	Small	Small	Medium	Small	
Phillipine National Historial Society	Organization	Medium	Small	Medium	???	Large	Based in the Phillipines
Conference on Asian Pacific American Leadership	Organization	Medium	Small	Small	Small	Medium	
National Federation of Filipino American Associations	Organization	Small	Small	Small	Small	Medium	Pattie knows someone associated with this organization
Game Studio Investment	Investor	Large	Small	Very Small	Very Large	Very Large	Unsure if a studio would be willing to support this kind of a project