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**Memory Supplier:
Revolution to
Launch Mid-2006**

Monolithic System Technology, Inc. let it slip during an earnings conference call that Nintendo is looking to launch its next-gen console sometime in the middle of next year. MoSys will be providing SRAM memory which will be incorporated with NEC's memory chips in the Nintendo Revolution. The timing of the launch, if true, is not surprising since Sony is likely to ship the PS3 around then as well. [Full story](#)

**IGE President on the
Emerging
Secondary Market
for MMOs**

The announcement of Sony Online's auction service stirred up quite a debate between SOE and Mythic Entertainment. We spoke with Steve Salyer, president of IGE (the

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Developer representation

**ISM Agency Strengthened by
Acquisition of BizDev**

With the acquisition of BizDev, Interactive Studio Management is now the world's largest representation agency for interactive entertainment clients. We speak with ISM Principal Dan Rogers about the significance of the acquisition and we also discuss the importance of representation with Rogers and Silicon Knights' Denis Dyack.

[Interactive Studio Management](#) (ISM), an agency that has represented a number of top independent developers such as Digital Illusions CE (recently acquired by EA), Paradox Development (recently acquired by Midway), Silicon Knights, and others, has announced the acquisition of interactive business agency [BizDev, Inc.](#) Financial terms of the deal were not disclosed.

ISM gets bigger

Earlier in the year, ISM acquired Digital Development Management. The addition of BizDev now makes ISM the world's largest representation agency dedicated to interactive entertainment clients. BizDev's CEO and founder, Dan Lee Rogers, will stay on board and will now serve as the principal of ISM, according to the agreement.

"BizDev's strength in negotiations and acquisitions combined with ISM's strength in sales and reputation allow us to provide our clients with the highest level of representation available today" commented Bob Jacob, co-founder of ISM.

"With publishers mandating that developers run their studios as real businesses, the acquisition of BizDev further enhances ISM's leadership position in representing top quality development studios," added Lee Jacobson, vice president of business development for Midway Games.

Q&A with Rogers, Dyack

Developers are often so focused on creating high-quality games (as they should be) that they sometimes don't give enough attention to the business aspect of video games. *GameDAILY BIZ* discussed this and more with Dan Rogers and Denis Dyack, the President and Founder of Silicon Knights (*Blood Omen, Eternal Darkness, Metal Gear Solid: The Twin Snakes*).

GameDAILY BIZ: What does the acquisition of BizDev bring to the table for ISM, and how does ISM enhance BizDev?

Dan Rogers: BizDev is well regarded and known for their expertise in negotiations and acquisition research. ISM has continued to build its strengths in sales and publisher relationships. Together, we are a much stronger entity. With BizDev's negotiation strength, ISM is able to focus not just on acquiring deals for their teams (which incidentally they have been very good at), but also on negotiating the very best terms for their clients. Unlike the small agencies we compete with, ISM is able to work with their clients on multiple levels, helping to groom them for acquisition (if that is a goal), advising them on content matters and industry trends, as well as looking for their next meal.

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**Pre-E3: Need for Speed
Most Wanted**
Need For Speed: Most
Wanted seems to be a ble

leader in the secondary market), to get his take on the issue, as well as to find out more about the secondary market. [Full story](#)

IGN to Bring the Nintendo DS Online

More details about Nintendo's online plans for the DS have emerged as they have selected IGN's GameSpy technology to help create the handheld's online infrastructure. Nintendo will not charge anything extra for the online service, which is slated to launch later this year. Animal Crossing DS and other online DS titles are currently in development. More within... **[Update:** we speak with IGN] [Full story](#)

[Silicon Knights Become Unreal](#)

Canadian developer to use Unreal Engine 3

[E3Insider 2005 Announced](#)

So the public can see what all the fuss is about

[Nuby Takes Street Fighter Wireless](#)

Cammy controller, now with more fan service!

[Japanese Game Sales](#)

Mobile Suit Gundam: One Year War back on top

[Gunstar Heroes Return](#)

Finally, a sequel to the seminal run n gun shooter

"Developers who negotiate directly with publishers risk not seeing the big picture, and few go into a negotiation really knowing what a publisher is willing to pay or the terms a publisher may have offered other developers," Dan Rogers, Principal, ISM

BIZ: How does the acquisition of BizDev fit in with the prior acquisition of Digital Development Management?

DR: ISM continues to build momentum and strength by acquiring businesses that complement its growth strategy. There are over 400 active interactive developers today, most of whom are not well represented. ISM's goal is to control the independent development segment of the interactive marketplace so that our developers can sit equally at the table with their publishing partners.

BIZ: How important is it for game developers to have business representation in this growing industry?

DR: Even successful independent game developers are discovering that as the industry matures, publishers' demands are getting tougher. Developers are asked more frequently to accelerate development schedules, to adhere to smaller advances, and to give up rights to the very software they create. For example, after investing two or more years in a product that they are banking their homes and families on, these same developers are often allowed little input into the marketing, packaging, and positioning of their products and future. And as we move into the next generation of console systems, it could get tougher. To boost corporate profits, publicly traded publishers are exerting even more pressure to cut development budgets and to trim developer royalties.

But this isn't to say that publishers are bad guys who wear black hats. They are our business partners, and we enjoy healthy business relationships with all of them. We respect them and they respect us. But, at the same time their business goals aren't always in sync with their development partners. What a publisher thinks is fair compensation may not be fair at all when you consider a developer's contribution to their bottom line. And there are other terms that may be equally important, too. Development schedules, advances, creative freedom, intellectual property rights, and a myriad of other critical success factors all need to be agreed on, and all can be important to a developer.

Rarely, though, is a developer in a position to effectively negotiate against a seasoned publisher. Most enter the negotiation room thinking they are on equal footing, not realizing that today's publishers have honed their negotiation and business skills razor sharp. They know their business inside and out, and they often know more about a developer's business than the developer himself. So unless a developer has exhaustively prepared with weeks—perhaps even months—of research and supporting data, unless they know exactly how their offer will affect a publisher's bottom line, and unless they are absolutely convinced that they've created a bullet proof argument with real honest-to-goodness leverage, then they're likely walk away with less than they ultimately deserve.

Denis Dyack: As the cost of development and size of the development teams grow rapidly, business representation is a key factor in going into the next generation. As the industry changes so rapidly, business representation is one of the best ways to have checks and balances for long term planning. Creating games with production values that surpass the movie industry is challenging in its own right and Silicon Knights feel fortunate that Interactive Studio Management can handle the business side of the field. With their vast industry experience we feel comfortable that the business terms are always balanced so the development makes sense for the both publisher and developer.

BIZ: Are developers focused on creativity too much and business not enough, or is that a good thing to let them do what they do best and hire an agency such as ISM to handle business matters?

DR: It's hard to be all things to all people, and when you think about it, even the top independent developers only negotiate one or two deals a year if they are lucky. ISM is negotiating at least one deal a month, and often more than that. ISM

of some of the best stuff fi both Underground and Hc Pursuit 2. GameDAILY tal a look.

[More](#)

New Xbox 360 Images Leaked



Over the weekend, new photos from the MTV part the Xbox 360 unveiling for their way onto the Internet! The images seem to confi the existence of an EyeTc like camera for the next-g console as well as a remc control with Windows Mec Center functionality. Com examine the pictures for yourself and read all about

spends more time negotiating independent development deals than anyone, including publishers. Because of this, we have a broader view than even the publishers we are negotiating with. In addition, we have the unique perspective of seeing deals not just from one publisher but from all of them. There's not a publisher on the planet that really knows what all the publishing deals look like, what publisher X did for developer Y. (After all, that would be collusion, right?) But we do because we're independent and because we are involved in so many deals. Recently, we were in a negotiation with a publisher and the publisher was objecting to a term we wanted for our client. The publisher said, "We don't do that", referring to the term in question, and our agent answered, "Yes, you do, you did it last week!" That's powerful.

Here's another way to look at this: In 1975 Leigh Steinberg successfully negotiated the largest NFL contract ever for a rookie quarterback. At the time, few in the NFL had anything good to say about agents because the industry was plagued with unscrupulous folks who provided little value to either the players or the NFL. Steinberg was ahead of his time, and his business was founded on high ethical standards and shrewd business acumen. When he entered a negotiation, he often knew more about the team's business than the insiders he was negotiating against. He built and presented solid, believable business cases. As rookie quarterback Steve Bartkowski's agent, Steinberg convinced the Atlanta Falcons that his client's contribution to their bottom line was worth every penny they were going to pay him. As a result Bartkowski began his NFL career as the highest paid rookie ever. It was an achievement that would have been impossible for him to do on his own.

Today, you would be hard pressed to find a professional athlete who isn't represented by an agent because, like Bartkowski, they know that the agent machine is the most effective way to broker top dollar for their services. Only by using an agent does any measurable wealth flow back to them. Actors, authors, and musicians do the same. They use agents to create and facilitate demand for their talents. Through agents, publishers and film companies must compete for top talent, which by nature of open competition allows the talent to retain more of the wealth they create.

The old English proverb, "He that is his own lawyer has a fool for a client." applies to interactive software negotiations as well. Developers who negotiate directly with publishers risk not seeing the big picture, and few go into a negotiation really knowing what a publisher is willing to pay or the terms a publisher may have offered other developers.

BIZ: It's getting harder and harder to survive as an independent developer nowadays. What are your thoughts on this? Are you ever afraid you'll run out of clients as developers are snatched up by big publishers?

DR: (I'm chuckling). Over the past two years, Blizzard has fragmented into how many different start-ups? Right now ISM is talking with several people who have left or will be leaving recently acquired independent studios and who are looking for representation.

If you think about it, when a publisher acquires a developer, it is more like "consumption" than it is "acquisition". An acquisition is something permanent, like an automobile collector who buys automobiles and his collection keeps getting bigger over time. Developer acquisitions aren't like that. Historically, developers that have been acquired are simply consumed. Westwood Studios, for example, was acquired by EA in 1998 for 122 million dollars. Where are they now? There are parts of Westwood in EA LA, and there are other parts scattered throughout North America in other companies as well. Westwood was consumed. Papyrus is another example. They were acquired by Sierra in 1995 because they made fantastic NASCAR games. One of the founders, Rich Garcia, has an independent studio in Minnesota, and several others have gone off to do other amazing things. The point is that this interactive business that we are in continues to churn and mix and create new things from the rubble of previous entities, like rock stars forming and disbanding new rock bands over time. And each time a new group is formed, a new opportunity is created.

At the same time, you make a good point about how difficult it is for many independent developers these days. The barriers to entry are very high and while business skills are an important aspect of attractiveness to a publisher, what publishers want most are groups that can do amazingly creative, technical things. Teams that take their eye off that goal are the ones who tend to have the hardest time.

Denis Dyack: We see merges, acquisitions and other rapid changes as a natural maturing process for our industry as it becomes the dominant form of entertainment this century. The industry is rapidly converging to bigger and fewer games and this means fewer but bigger opportunities for developers. With ISM we feel we are prepared for anything and that we will be aware of every opportunity for Silicon Knights. It is essential that we are readily adaptive for sudden shifts and trends in the market and having business representation is a key strategic factor making this happen. We are confident that together with ISM will we be able meet the best partners for Silicon Knights.

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