

NINJA THEORY

**THE INDEPENDENT  
AAA PROPOSITION**

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CO-FOUNDER & CHIEF CREATIVE NINJA

NINJA THEORY

AUGUST 2014

Hello my name is Tameem Antoniades, Chief Creative Ninja and co-founder of Ninja Theory.  
Thank you for attending.

In case you aren't familiar with Ninja Theory, here is a short video that shows what we do:

<https://vimeo.com/70026594>



- 14 years old
- 100 people
- Cambridge, UK
- Console-focus



Ninja Theory has been around for 14 years now and I've been making games for 19, which in game development terms is a lifetime, so I'd like to share with you insights and trends that we have faced along the way.

History tends to repeat itself, markets roll in cycles, and patterns of behaviour repeat themselves. The better we are at seeing these patterns, the more likely we are to break the negative ones and adapt to new ones.

So as we are neck deep into yet another major gaming transition, it felt like a good time to take stock of where we came from, see where we are heading and see if we can steer ourselves into a better future.

# Gaming Transitions

- Arcades
- Atari 2600
- Home PCs
- 2D Consoles
- 3D Consoles

now: Digital Transition



I feel very lucky to be born at the right time to see gaming evolve from its simple beginnings to now. With each leap in generation, game genres die out, new ones are invented, gaming interfaces change, payment models change radically, companies go bust, new ones emerge, people leave the games industry and new blood joins. Fear, change and excitement is part of the natural life cycle of gaming.

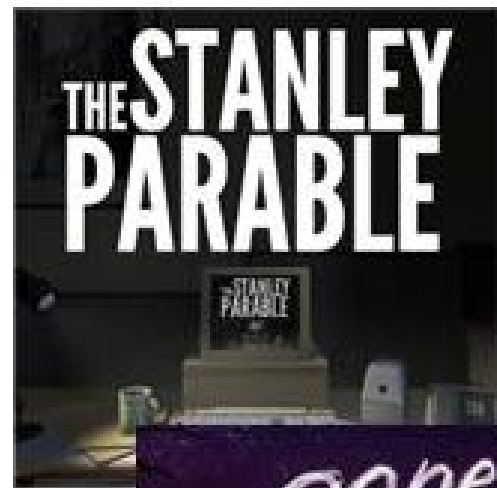
What is unusual is just how long and steady the last few generations has been from PS1 to PS3. In that time, the retail model has dominated with a high fixed pricing model forcing games to compete on size and features becoming what is now known as AAA.

But now, we are bang in the midst of an even bigger transition. It's too broad to neatly classify like the arcade/home or 2D/3D transitions. It involves, apps, steam, indie, free to play, social gaming, games as service and cloud gaming. I would say it all sits under the umbrella of a "digital" transition.

Digital has and will continue to raze through entire traditionally physical industries, music, movies, books and so on. We have a good few years of seismic upheaval to get through as we transition fully to digital in games but it is and will continue to happen.

# Independent AAA

The Space Between Indie & AAA



There is a space I want us to fill. Common wisdom says that this space doesn't exist. I'm calling this space Independent AAA.

It's about self-publishing AAA-quality games that are narrower in focus, selling them for a fair price and connecting to your fans in a meaningful way. It's a place for developers like us who don't fit comfortably in the mega-budget AAA space but who are not true indie developers.

I believe that we need this space to be filled if we want the future of gaming, particularly on consoles, to be diverse and creative for both developers and gamers. I will be speaking from a console developers' perspective because that is where our history and heritage lies.



## “AAA Indie”



Lorne Lanning  
Oddworld Inhabitants



A note on terminology. I talked to Lorne Lanning from Oddworld about this space between AAA and Indie earlier this year at GDC in San Francisco. He used the phrase “AAA Indie”. I am using the more neutral “Independent AAA” because there is a particular ethos, culture and energy that surrounds the word “Indie” that I admire but don’t feel like I’ve earned.

As for Lorne, he’s put his money where his mouth is and launched a high quality digital game for the price of a DVD movie. It’s a good example of what AAA indie is about. It would be good for all of us if he is successful. I wish him and his team the best.

# Sharing our Journey in AAA



"In case some of you don't know, Tameem is known for being a) out-spoken and b) making semi-controversy[sic] statements."

**A publisher**

I want to share as much as I can without breaking NDA's and be respectful of partners that have supported us over the years. After all without them, we wouldn't be around. For that I am appreciative. Being in the games industry for 20 years means that I am the establishment, whether I like the sound of that or not, and want to make better games in a better environment for everyone: gamers, devs and publishers.

My intentions here is educational, to put forward my experience and share my observations through examples.

"To see with eyes unclouded by hate"

## Sharing our Journey in AAA



So in this spirit, I will be revealing footage and documentation of some of our projects that didn't make it. Some of these will be made available online to everyone next week. We gladly share it with you in the hope that it will be interesting, useful or educational.

This talk will describe the changes brought about by the rise of AAA gaming using our history as an illustration. I hope this talk will be interesting for AAA developers looking for change, for indie's who are looking up to AAA, and to publishers who are considering their place in the digital publishing world.



## The Beginning – March 2000



I was employed as a programmer and designer when I and two of my colleagues, Nina Kristensen and Mike Ball set up Just Add Monsters with £3000 in savings and not a lot else.

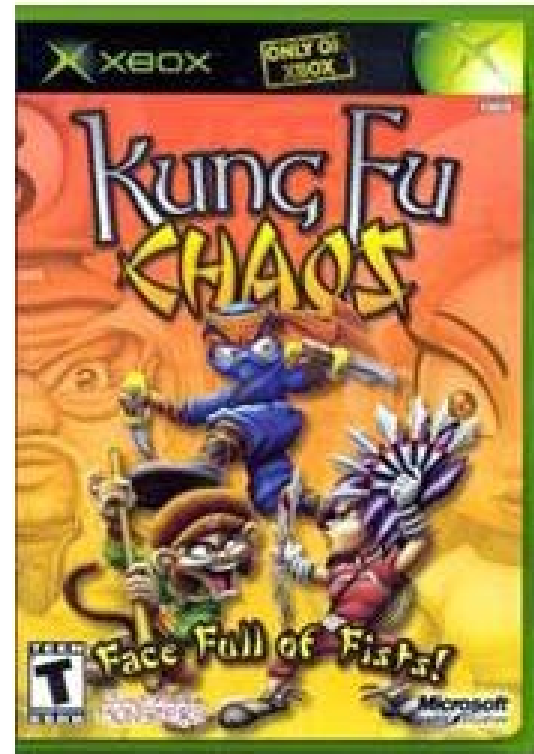
We had little money, no equipment, no code, and no office, just a spare bedroom. I had a passion for Kung Fu and had designed a multiplayer brawler called Kung Fu Chaos, something smallish to get us started.

We set about looking for investment but no one was interested in that. Instead, 3 game companies, all developers wanted to buy us outright. Having run out of savings, we sold to Argonaut 6 months after founding.

With Argonaut's backing we bought computers, hired staff, and moved into a little office and prototyped a little gameplay demo. We signed the game to Microsoft Games Studios on who were looking to make a mark in the console space with the Xbox.

We grew from 3 to around 20 at full production. We were owned by Argonaut, but operating independently, in a small office in Cambridge.

## Kung Fu Chaos – Feb '03



The publishing team we worked with was brilliant and supportive. They helped us out in every area of production to create a cool first game that we still get love for.

As the game hit the shelves, there were no ads, no support and the game tanked at retail. I was amazed that an organisation would invest so much in a game and then send it out to die. It seemed like such a waste of money. But the logic behind this was very simple:

An organisation with a marketing budget will back the games that give a better return on the investment. If game A is projected to make a better return per marketing dollar than game B, then game A will likely receive ALL of the funding.

<https://vimeo.com/103044283>

## Kung Fu Chaos 2 – Feb '03



But before Kung Fu Chaos hit the shelves we were already working on a sequel.

During development, it was clear that some players didn't take to the cartoon style characters so we started heading towards a slightly more mature style for the game. There was an expectation from publishers that audiences wanted more realism in their games.

We thought that delivering Kung Fu Chaos on time and on budget would mean that our relationship would continue. It didn't. No sales. No sequel. This was something that we learned again and again, on subsequent games, that no matter how good a working relationship is, the only thing that counts at the end of the day is the profit and loss.

And because the Kung Fu Chaos IP was owned by our publisher, and all the code was Xbox exclusive we couldn't take the sequel anywhere else. We had to start from scratch. We didn't have the financial leverage to own the IP and take it forward so it was effectively dead.

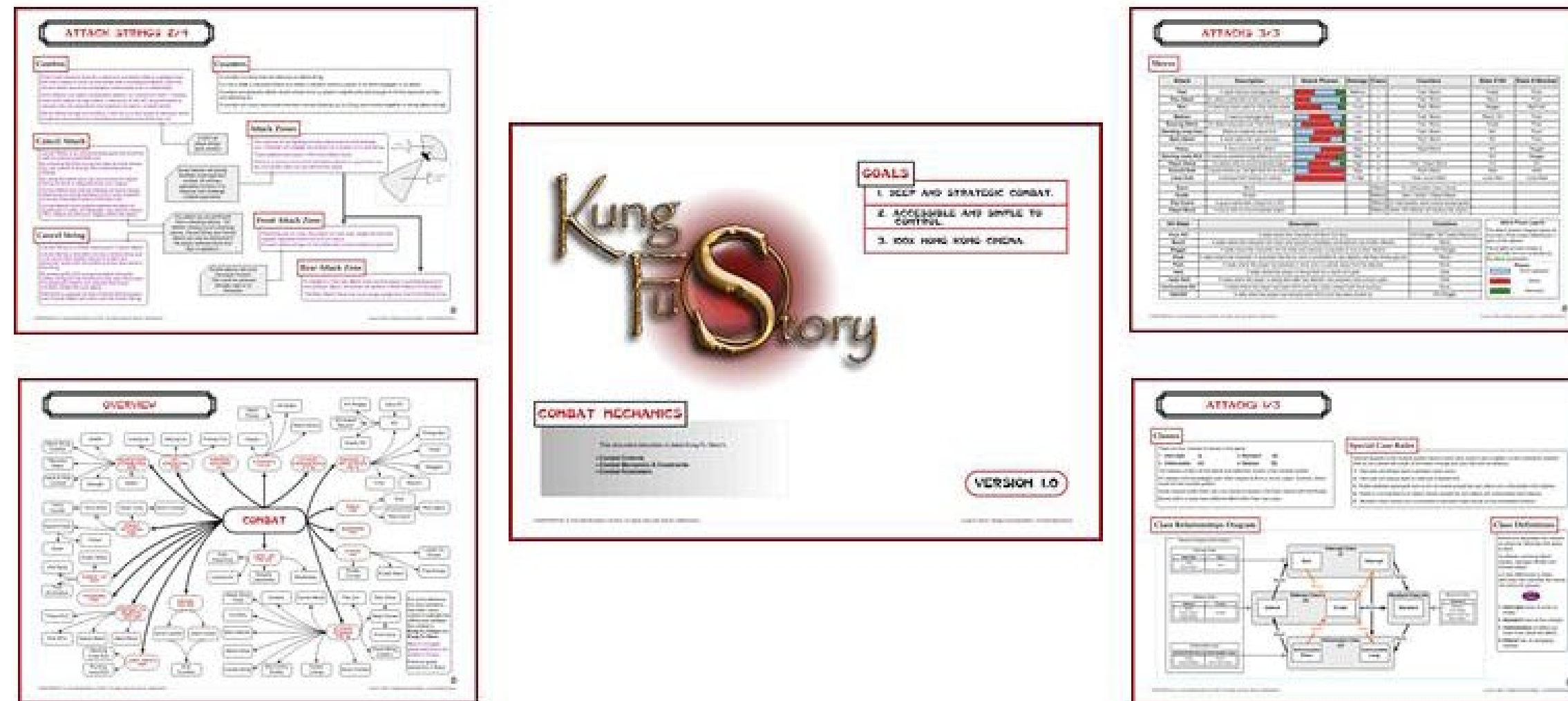
It is simply the model that AAA operates in. The handful of developers that have stand-out hits are able to break this model by funding their own game and keeping their IP but the vast majority were and still are in the same boat.

To this day, if we could work on a sequel, we would.

# Kung Fu Story – March '03

We thought about creating a similarly themed new IP and called this game Kung Fu Story.

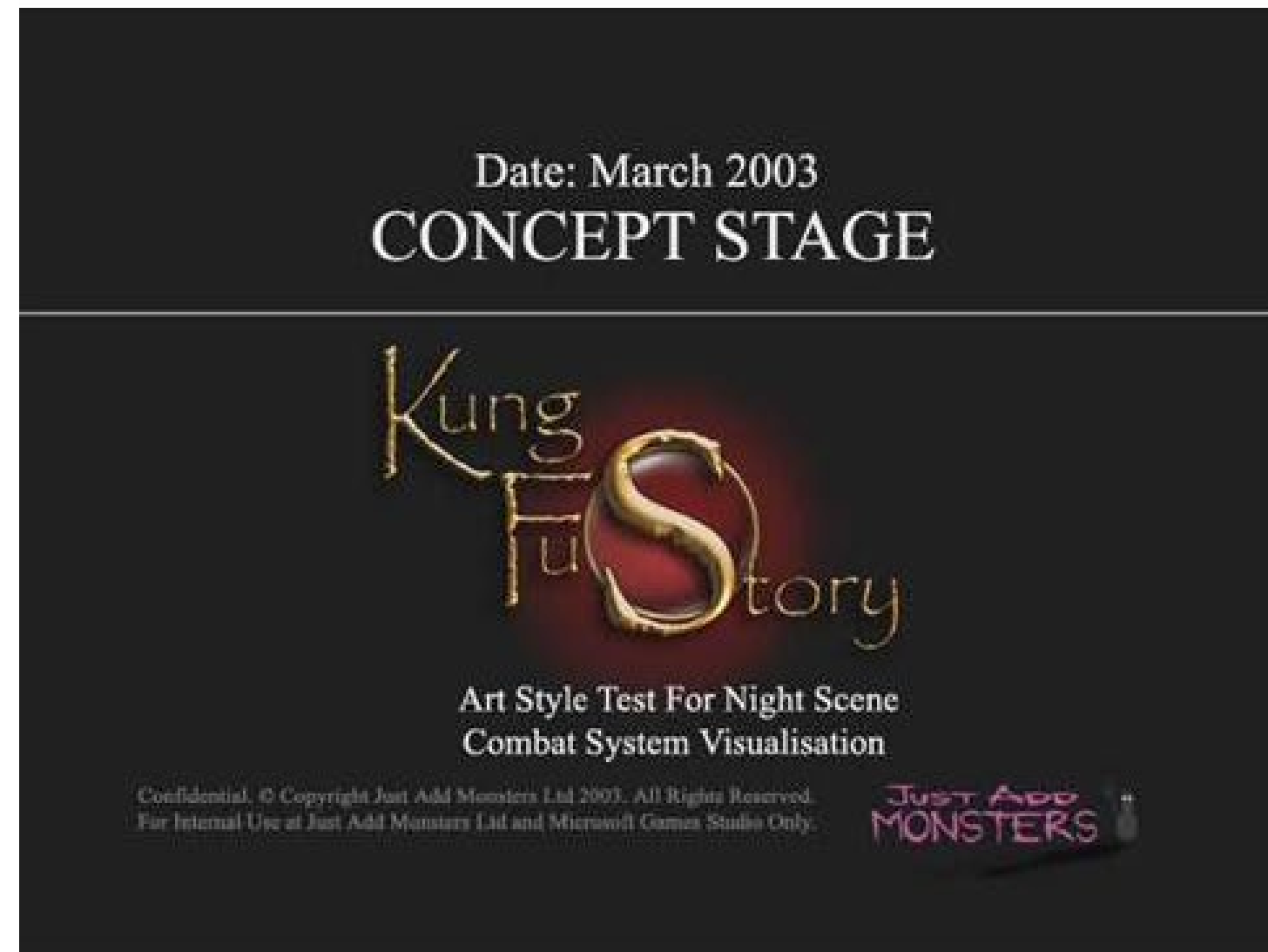
We created this pre-vis video to show how it would look and play.



# Kung Fu Story – March '03

Kung Fu Story

<https://vimeo.com/103085179>





# AAA Retail Trends



## Publisher demands:

- Push for Realism (stylized = cheap)
- “Go big or go home” (value for money)
- No niche themes (limits sales potential)

But the arms race towards higher budgets and more realism was in full swing. A stylised game like Kung Fu Chaos was not appealing to publishers. Kung Fu Story was in the same boat. Back then a game called Brute Force was getting the big push.

Given a £40 game, why would anyone buy a kung fu comedy game over a high budget game with sexy realistic graphics? I can't say that I agree with this thinking but I do understand it – it's much harder to find a unique style than to pursue realism. Publishers do feel realism means less risk so we have to go with the flow.

There was no room for Kung Fu Story.

## Kung Fu Story?



**GO  
BIG  
OR GO  
HOME**

## The \$AA Arms Race

PROVEN DEV EXPERIENCE  
STABLE DEV FINANCES  
50-100 DEV TEAM IN PLACE  
PLAYABLE DEMO IN PLACE  
SANDBOX/OPEN WORLD DESIGN  
ACTION MECHANICS (SHOOTING)  
TRAVEL RELEVANCE (SCIFI/WAR/SUPERHERO)  
PUZZLE/STEALTH  
CULTURAL RELEVANCE & SOUND  
AAA GRAPHICS & STYLE  
ONE MAIN INNOVATION (NOT TOO MANY)  
AAA MAIN ART STYLE  
GROUNDED ART HERO (SHORT HAIR, STUBBLE)  
ONE MAIN GAMEPLAY  
BADA'S (MALE) HERO (SHORT HAIR, STUBBLE)  
GROUNDING (MALE) HERO (SHORT HAIR, STUBBLE)  
MOVIE CUTSCENES  
10-20 HOURS GAMEPLAY  
SIDE MISSIONS  
REPLAYABILITY  
LEADERBOARDS/TOURNAMENTS  
SOCIAL/COMMUNITY FEATURES  
MULTIPLAYER/CO-OP  
MULTIPLATFORM FEATURES  
PLATFORMER DLC  
RETAILER DLC  
FRANCHISE PLAN  
DLC PLAN  
MULTIPLE DEMOS  
MARKETING SUPPORT  
2ND SCREEN SUPPORT  
SCREEN SERVICE  
MICROTRANSACTION  
GAMES AS SERVICE  
85%+ METACRITIC  
COMPANION APP  
RPG PROGRESSION  
SKILL TREES  
CRAFTING

The doggedly fixed price of retail which continues to this day results in an arms race where bigger bets must be made alongside lower creative risks. Competition focuses on size and feature lists pushing budgets up to unimagined levels. We're in a world where for some games, selling less than 5m is deemed a failure.

**This is the Go Big or Go Home pattern that has continued through to this day in AAA.**

As creative innovation and competition goes down you start to see fewer bigger games, many of which seem quite similar to each other. Hence the observation made by some: "Everything's Uncharted"

This list is everything a modern AAA game must have in terms of feature set to be considered viable. AAA is starting to look more like Tesco superstores: big, homogeneous, high volume, expensive, and not necessarily better quality than diverse local markets. This is a creatively destructive force that has sidelined entire genres of gaming as the demand for higher budgets and more predictable sales took hold. It has sunk many creative teams and kept many games away from players that couldn't compete with the blockbusters simply because they couldn't justify the retail price tag.

3D Realms - 2009  
 7 Studios (Activision) - 2011  
 Backbone Vancouver  
 BigBig (Sony) - 2012  
 Bizarre Creations - 2010/2011  
 Black Rock (Disney) - 2011  
 Blue Fang Games - 2011  
 Blue Tongue (THQ) - 2011  
 BottleRocket - 2009  
 Brash Entertainment - 2008  
 Budcat (Activision) - 2010  
 Castaway Entertainment - 2008  
 Cheyenne Mountain - 2010  
 Cing - 2010  
 Clover Studios (Capcom) - 2006  
 Codemasters Guildford - 2011  
 Cohort Studios - 2011  
 Concrete Games - 2008  
 Deep Silver Vienna - 2010  
 DICE Canada - 2006  
 EA Chicago - 2007  
 EA Bright Light - 2011/2012  
 EA Japan - 2007  
 Eidos Manchester - 2009  
 Eidos Hungary - 2010  
 Ensemble Studios (Microsoft) - 2008  
 Factor 5 - 2009  
 FASA (Microsoft) - 2007  
 Fizz Factor - 2009  
 Flagship Studios - 2008  
 Flight Plan - 2010  
 Frozen North Productions  
 FuzzyEyes - 2009  
 Gamelab - 2009

# Casualties 2006-12

\*Neogaf



Game Republic - 2011  
 GRIN - 2009  
 Helix (THQ) - 2008  
 Hudson Entertainment - 2011  
 Humannature Studio - 2009  
 Ignition London - 2010  
 Ignition Florida - 2010  
 Incognito Entertainment (Sony) - 2009  
 Indie Built (Take-Two) - 2006  
 Iron Lore - 2008  
 Juice Games (THQ) - 2011  
 Kaos Studios (THQ) - 2011  
 Killaware - 2011  
 Killspace Entertainment - 2011  
 KMM Brisbane - 2011

Krome Studios - 2010  
 Kuju Manila - 2009  
 Kuju Chemistry - 2009  
 Kush Games - 2008  
 Locomotive Games (THQ) - 2010  
 Luxoflux - 2010  
 Mass Media (THQ) - 2008  
 Monte Cristo - 2010  
 Monumental Games - 2012  
 Midway Austin - 2009  
 Midway Newcastle - 2009  
 MTV Games - 2011  
 Multiverse - 2012  
 NetDevil - 2011  
 Ninja Studio - 2009

Outerlight - 2010  
 PAM Development (Take-Two) - 2008  
 Pandemic Australia (EA) - 2009  
 Pandemic LA (EA) - 2009  
 Paradigm Entertainment - 2008  
 Pi Studios - 2011  
 Pivotal Games (Take-Two) - 2008  
 Propaganda Games (Disney) - 2011  
 Pseudo Interactive - 2008  
 Rainbow Studios (THQ) - 2011  
 Realtime Worlds - 2010  
 Rebellion Derby - 2010  
 Red Octane - 2010  
 Rockstar Vienna - 2006  
 Sandblast Games (THQ) - 2008  
 SEGA San Francisco - 2010  
 Shaba Games (Activision) - 2009  
 SOE Denver - 2011  
 SOE Seattle - 2011  
 SOE Tuscon - 2011  
 Stormfront Studios - 2008  
 Straylight Studios - 2009  
 Team Bondi - 2011  
 The Code Monkeys - 2011  
 Titan Studios - 2009  
 THQ Studio Australia - 2009  
 THQ Digital Warrington - 2009  
 Transmission Games - 2009  
 Universomo (THQ) - 2009  
 Venom Games (Take Two) - 2008  
 Vicarious Visions California - 2007  
 Visceral Australia (EA) - 2011  
 Wolfpack Studios - 2006  
 Yuke's Company Of America - 2010  
 Zoe Mode London - 2009

Many have packed it in and started over in indie gaming, apps, or other areas. Others have been absorbed into publishers who are not willing to bet \$100m+ on external game developers. Most have simply gone bust because they cannot attract funding to compete with huge teams.

This isn't "survival of the fittest". Evolution has nothing to do with being "fitter" or "better" and everything to do with being more adaptive to a changing environment.

While people in these studios often move on to form new ones, talented teams are broken up forever, and years of knowledge in AAA game making is thrown out as developers switch industries.

How have we survived? We focus on quality, stay on budget, ship on time but then, so have many others on this list. It comes down to this: we have been lucky.

## Heavenly Sword – July '03



Given the push towards realism and going big, Kung Fu Story was looking shaky. So we doubled down and bet on going big.

We would create a new IP for next gen platforms, then not even on anyone's radar, and create something with outstandingly high production values that, unlike Kung Fu Chaos, would be difficult to ignore. So Kung Fu Story evolved into Heavenly Sword. This is the first concept video we made, a few months after Kung Fu Story.

<https://vimeo.com/103043648>



## Heavenly Sword – May '04



We prototyped the game on PC guessing at the capabilities of the then unannounced Xbox 360 and PS3 which were about 3 years away.

We had no idea what a next-gen game was supposed to look like so we really were shooting big. This is an early prototype. Even back then we had full scene shadowing, high dynamic range lighting, realtime time of day changes, armies of thousands in realtime, time-dilation effects and physics.

Publishers were very interested as we ticked all their GOBIGGOHOME boxes. But none would bite because they knew something we weren't aware of: Argonaut our parent company was in trouble.

<https://vimeo.com/103043372>

## Argonaut in Trouble – Oct '04

- Argonaut enters administration
- 2 weeks until we are liquidated
  - Remortgaged houses
  - Found investment
  - 3 months cash raised
- Ninja Theory is born



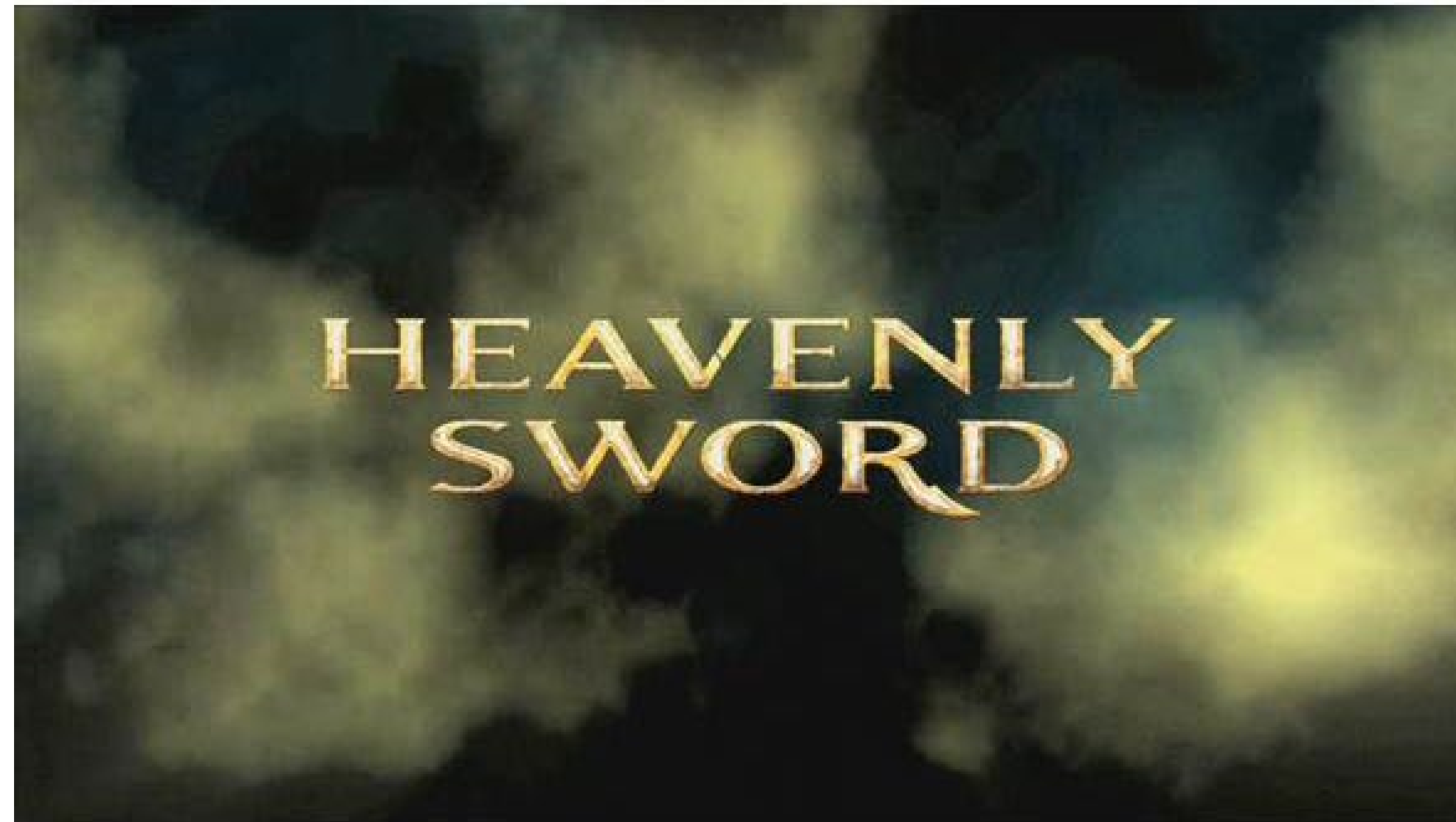
We got a call. Argonaut is entering administration. Under the same pressures, the biggest developer in the UK could not sign their games to publishers. As they were our parent company, we were told we would be shut down in two weeks time.

We needed to find cash fast. In the end we remortgaged our houses and Jez, the CEO of Argonaut invested some money. We had enough to buy back the company from the administrators and enough cash for 3 months.

We returned to publishers but this time there was a different problem. No one believed we could pull it off. At the time the thinking was that only high end PC developers would be able to cope with next gen technology. In the words of one of the biggest publishers, "We've had 50 people working on next gen tech for two years. What makes you think you can compete?".

It's a pattern that was going to repeat over at the start of every new hardware generation. Publishers button down, focus on internal development, stating that independent devs don't stand a chance. This is the most dangerous time to be independent. It invariably turns out to be untrue.

## Heavenly Sword – Sept '07



In the end, within days of running out of money we signed to Sony who were by now aggressively betting on PS3 content. But our desperate position left us weak. We signed the IP rights away, the technology away and became an exclusive Sony developer. Sony saved our skin for which we are grateful to this day but we no longer owned our creative output and effectively lost our independence.

We achieved many things to be proud of some of which is still rarely seen on the PS3 or X360. We had also pioneered the use of performance capture in a videogames with help from Andy Serkis and Weta digital.

The game came out on the PS3 in 2007. In retrospect, we took on too much but as a first effort on PS3 it hit 79% metacritic and had a great attach rate. With this grounding we were planning to knock it out of the park on the sequel.

<https://vimeo.com/103214745>



# Heavenly Sword 2?



**Often the only power a developer has  
is the power to say “no”**

So we started planning the sequel. But since we came into the deal from a weak desperate position, we would now suffer the consequences. We didn't own the IP or the tech we developed and we were tied by exclusivity.

At the time, a game development team would be expected to start at 15-25 people and build up during production. We had built our team up to 80 die-hard loyal developers and this didn't fit into the cost-analysis model of AAA production. Exclusivity meant that we weren't free to develop or find new projects for the team outside of heavenly sword 2. We explored every option open to us and found none that didn't involve the dissolution of the team. This was not a situation that either party had envisioned but nevertheless, it was where we were at. Publishers need to protect their interests and developers need to protect theirs.

We knew that the value of a creative company comes from the teamwork, experience and talent of the people in it. Creating games is a very personal endeavour that takes a lot out of you and it's a very painful thing to let your baby go but keeping the team together was more important and more valuable to us. For that reason, we felt the only correct choice was to walk away from both the IP and the technology and seek a deal that would allow us to stay together as a team.

It was a heart-breaking end to an amazing journey but I am very grateful that we had the opportunity to make Heavenly Sword and that we got to work with so many talented and passionate people at Sony.

To this day if we could work on a sequel or remake we would in a heartbeat.

## Enslaved - Feb '08



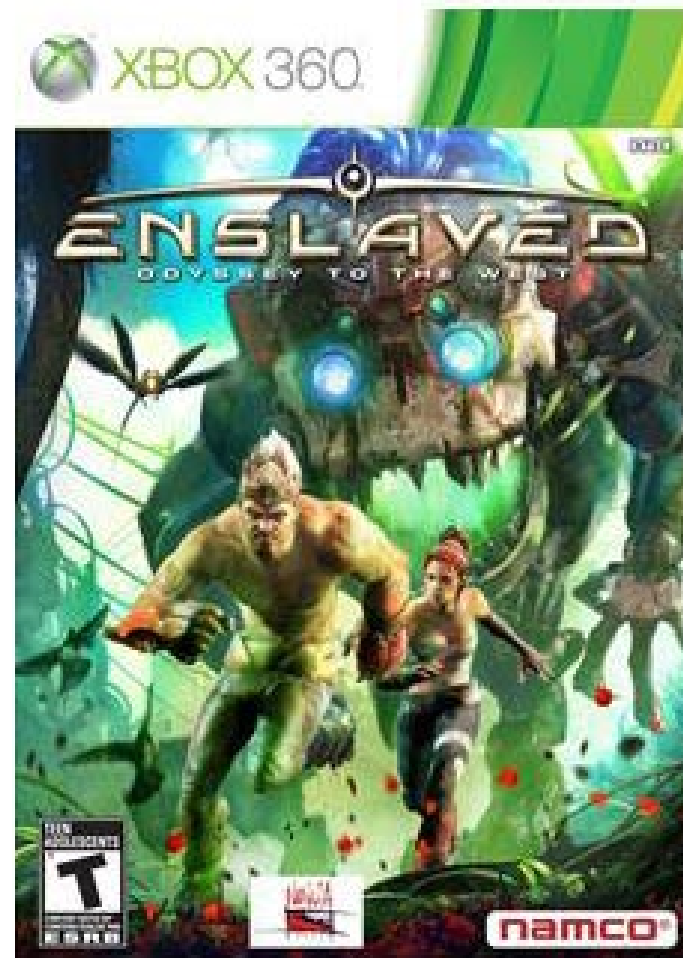
Once again, we were out on our own with little cash reserves. As we couldn't use our own engine, we licensed Unreal Engine and set about creating a new IP, Enslaved: Odyssey to the West, then called Monkey. In two months we created a design doc and this CG trailer.

We were in a financially critical position when we signed the game to a new publisher called Green Screen. Green Screen imploded within one month of signing us. But the signing fee meant that we had a tiny bit of time to find another publisher. We signed with Namco in the nick of time.

With far less time and budget than Heavenly Sword we released the game it to good reviews, 82% on metacritic. It was delivered on time, on budget. It had almost double the game content of Heavenly Sword with 2/3rds of the budget. Massively improved efficiency is the real value of keeping a team together.

<https://vimeo.com/103214251>

## Enslaved – Oct '10



The game came out with little fanfare and disappointing sales. To this day I'm not sure if the fantasy elements were a turn off, the gameplay mix or the lack of visibility.

It was probably a mix of all three. But yet it is a game we are very proud of, we pushed storytelling further than we'd done before and created a game that was able to touch players on a real emotional level. Our production had matured and Namco were great partners.

But once again, there is no sequel, we don't own the IP and the sales figures are the only thing that matters in publisher decision making. It was dead in the water and we couldn't do anything to resurrect it.

At the risk of sounding like a broken record, if there were any chance for us to work on a sequel we would. When you don't own the IP, you don't get a say in the matter.



## DmC – Jan '13



We started DmC just before we finished Enslaved and hit the ground running. Once again we delivered on time, on budget, hit 86% metacritic. At launch it hit number one in the US, Europe and Japan and is the first game we have generated royalties on.

We had a great relationship with Capcom and we are grateful for the opportunity to work on DmC.

But by the time of release, the retail market for generation 7 was winding down and, once again, we were left to ponder our next steps.

<https://vimeo.com/103214116>

# Our Generation 7

## The Good

- 3 Released AAA games
- Good to Great 79%, 82%, 86%
- 4.5m total sales
- Kept a strong team together

## The Bad

- No IP retained
- Insignificant Royalties
- AAA arms race continues



In summation, the generation has been good for us in terms of getting games created and out to the public.

However the AAA arms race hasn't let up and IP ownership remains a dream when you are not funding development yourself. Royalties are virtually impossible to achieve because you have to pay back the rising development costs before you see them.

By the time DmC launched, retail sales were nose-diving for all but the biggest hitters like GTA. As the next gen consoles weren't fully realised, no publisher was signing games for these, instead focusing on the internal teams they already had.

This was to coincide with the current transition into PS4/Xbox One and digital landscape and prove to be another tough chapter in NT history.

# AAA Retail

## PROS

- Amazing art & tech
- Fixed Pricing
- Good value for money
- Accessible on high street
- Physical ownership
- Second hand market
- Huge source of funding

## CONS

- Limiting fixed pricing
- Rising budgets
- Rising sales targets (5m+)
- Lengthy development (3+yrs)
- Developers lose IP
- Vanishing Royalties
- Feature Bloat
- Lowered creative risks
- Design by Committee
- Second hand market

1m sales were considered a hit in PS1 days, this became 2m in PS2, 3m for PS3 and it was clear that it was going to be 5m+ in the new generation. This has far reaching ramifications on what kinds of games would be signed.

The common wisdom from publishers was that any game genre, art style, gameplay concept that would not all guarantee 5m sales would be dead. We've variously been told point blank that single-player story games are dead, that any art style other than realism is not commercial, and that melee games do not sell.



# The Next Generation

## The Rise of Digital...

- Free to Play
- Apps
- Social Games
- Indie Games
- Steam
- MOBAs

## The \$AAArm\$ Race...

- \$100m+ game budgets???
- 5m sales break even???
- The \$70 price point
- Internal Dev Retrenchment

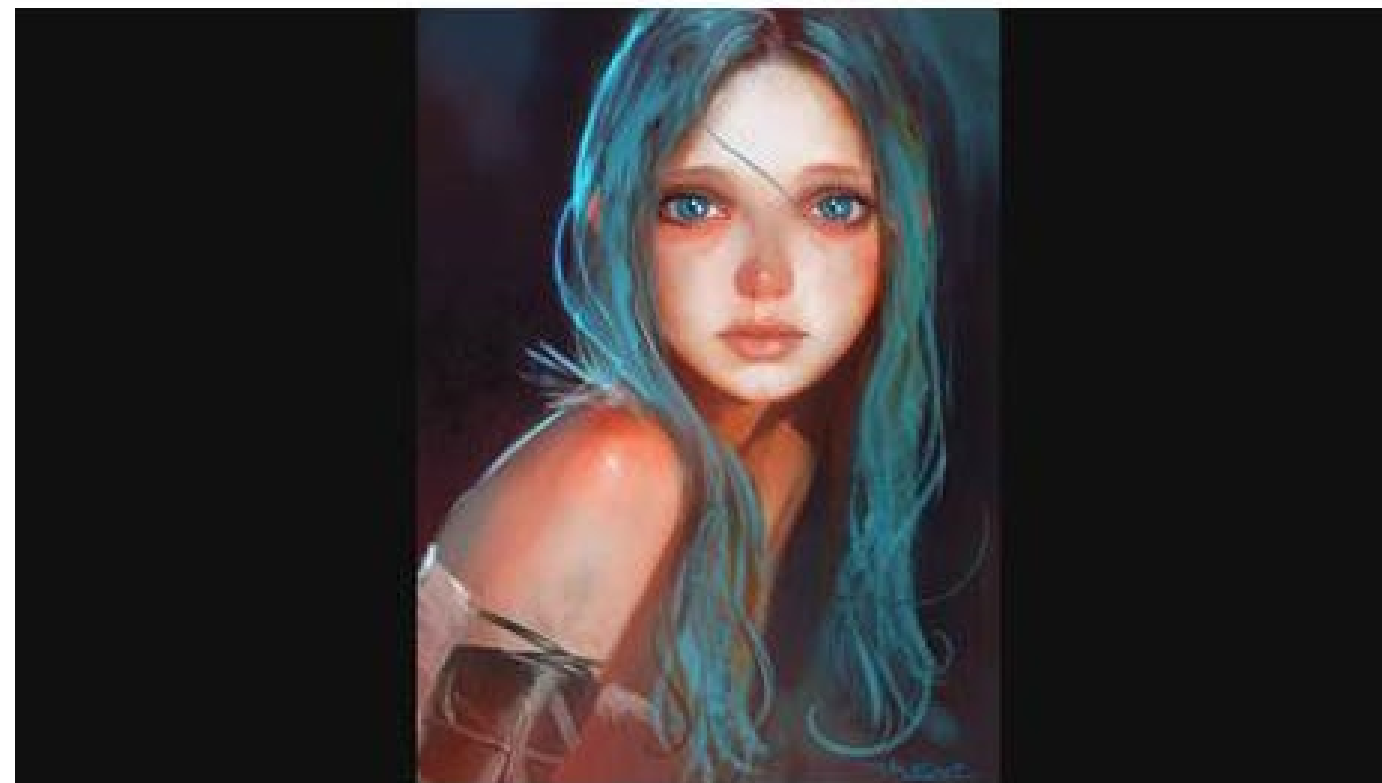


As the Xbox 360 and PS3 were winding down, and due to the perceived threat of mobile and PC, console publishers were unsure about the future of consoles full stop. They were taking a very cautious wait and see attitude or pulling out of consoles altogether. The global financial crisis wasn't helping.

We could see that there would be huge risk in continuing in the AAA retail space so we thought it wise to diversify our approach and break up our team into several smaller ones each focusing on a different avenue to explore.

## Beautiful Corner – Early '13

- **Make it beautiful**
- **Fully In-Engine**
- **No CG, No Post**
- **10 Artists**
- **10 Weeks**



We wanted to test next gen art production pipelines in Unreal Engine 4 to see what we could do with it. We called this our beautiful corner.

So with 10 artists and a 10-week window, we set out to create something beautiful in UE4. Our rule was no CG and no Post Production. Everything had to be in-engine. So from a one-page brief and in 10 weeks we created a 3 minute short movie.

It felt good to be working on a project in which we had creative authorship and the tech we developed for this would help us push the limits of what we could do for next generation consoles.

## Fightback - iOS & Android

- Released Xmas 2013
- Prove we can do “small”
- Smartphone & Tablet
- Understand digital publishing



On the other hand we had no experience in mobile and digital publishing so we set a small team apart to explore both these concepts and we created a game called Fightback on iOS and Android. We learnt a hell of a lot about creating smaller games, digital distribution, live tweaking gameplay, games as service models, mobile technology, touch controls, the list goes on.

It has hit 3m downloads on iOS in Europe, Russia and the US and has now gone wider on iOS and Android. This game showed that we could put our hands to different business models and non-console platforms. It also showed us how tough and competitive the apps landscape is.

<https://vimeo.com/103214567>

# Design-by-Spreadsheet

## Horror Game

“Add melee combat to it”

“Horror games don’t sell”



## Real-world Story Game

“Only space marines, superheroes or soldiers sell”

“Why don’t you set it on mars?”

We also approached publishers offering to bypass the AAA monster with smaller games, episodic games or online games.

We pitched a novel horror game that we worked up with Alex Garland, the writer, producer of 28 Days Later, the Beach and Sunshine and collaborator on Enslaved. Only to be told that we had to add melee combat in it because that was what we could sell. Then told that melee combat wasn’t popular enough and neither was horror. A spreadsheet was shown to us that demonstrated this.

We also pitched with Alex, a co-op story based game set in the real world with real characters only to be told that super heroes and space marines would sell better so “why don’t you set it on Mars?”. That was the end of that game.

I believe both these concepts were very strong and we would have made a go of it if we had funds to. We could have pandered to these requests but our heart wouldn’t have been in it and “heart” means everything to us.



# Design-by-Spreadsheet

## Multiplayer Fighting Game

- “Should focus on single player”
- “Fighting games don’t sell”
- “Not enough online experience”
- “Build a game then come to us”



This video shows an early prototype for a multiplayer online melee system. All animation, sound and effects are placeholder. The focus was to test core combat mechanics across a network before proceeding towards gameplay design and iteration.

With the experience of making DmC, we had an edge that few western developers have in combat gameplay. We had never tackled multiplayer and we felt that it would be interesting to create a multiplayer game based around this. We had an online prototype up and running.

We took a concept around to publishers and the response was mixed. One was fixated on developing the single player story aspect of the game which wasn't what this project was about. Another didn't believe that online action melee would sell because their spreadsheet said so. Another was concerned that we didn't have experience in online. We would have to develop much more to prove otherwise but it was not something we could fund ourselves so we had to put it on ice.

Every concept we came up with came back with a sales sheet showing how similar games didn't reach 3-5m units and some frankly ludicrous suggestions.

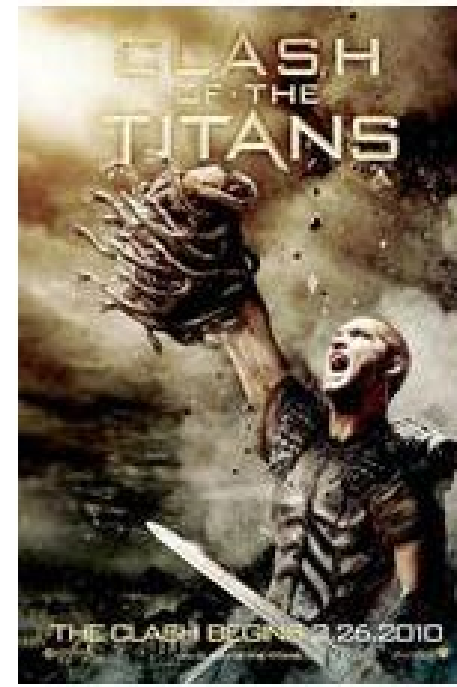
<https://vimeo.com/103041611>

## Independent Vision vs Blockbuster Product



### Black Swan (2010)

- Budget: \$13m
- Revenue: \$330m
- Metacritic: 87%



### Clash of the Titans (2010)

- Budget: \$125m
- Revenue: \$493m
- Metacritic: 28%

In 2010 two movies came out that made the same amount of money. Black Swan and Clash of the Titans. One was creatively risky but low budget and made \$327m post budget and one was big and dumb and made \$368m. I asked one publisher outright which kind of bet they were more comfortable with. It wasn't Black Swan.

I believe the idea perpetuated that you must "go big or go home" to be a fallacy. It was proved to be a fallacy once the indie scene started taking off. Now the story goes that you can either be indie or a blockbuster AAA with no room in the middle. I believe this will also be proven incorrect.



## Razer – early '13



Nevertheless, pitching smaller or alternative distribution models to big publishers was not working....

We took a different tack with regard to pitching AAA concepts and partnered with a publisher to build a concept from the ground up to suit their commercial requirements. I should note that although the publisher was very keen to partner on this, development was to be done at our expense.

We tried to design a game that would fit into their checklist of desirable next gen features while applying the kind of creative wrapper that would satisfy our desires as a studio. It has always been important that we work within whatever constraint box we had to craft something that we felt had soul in it and it felt like there was still room for us to do this.

We called this concept Razer and I'd like to show you what we did for the first time.



<https://vimeo.com/103042345>



Razer combined next gen art, tech, smartphone, online combat and our heritage in story. It was our attempt to go big enough to be viable.

The game was going to be a mix of melee and gunplay. You were fighting an ever adapting enemy that required you to collaborate in squads and constantly adapt and change your attack patterns. This is a pre-vis of how we imagined the gameplay looking.

<https://vimeo.com/103043079>





Players would come together and fight a creature that has taken a planet. In effect, this would be the world's biggest boss fight. The creature was a beast that lived in the cloud driven by a complex adaptive AI server. Tens of thousands of players would take part in taking down this monster over the course of months and years. The game relied on procedural techniques to create millions of missions all over the planet. Here is an early test of our procedural techniques.





<https://vimeo.com/103042049>



Razer  
Game Design Document

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Razer GDD\_01\_Overview

In the end, the game didn't survive the publishing green light process because Destiny had just been announced. And no publisher wanted to go up against that game. As games get bigger, more realistic, and spreadsheet driven, they start to clash against each other. Razer was a no-go.

So I'll be putting up these videos, concept art and the full game design document online next week. It may be useful for those of you interested in looking behind the curtain of games making. It is also something I wanted to do for the people who worked on these materials. It's always hard to work on things that may never be seen.

## **New AAA Game – mid '13 to early '14**

### **The AAA Market Has Changed...**

- “Melee doesn’t sell”
- “Stylistic doesn’t sell”
- “Co-op won’t sell”
- “Stories don’t sell”
- “Not big enough”



It was apparent that creating new IP was extremely problematic but we eventually landed a different project based on the work we had done on Razer. It was an existing IP and so we set about changing Razer to suit the IP. But this wasn't the happy ending we were hoping for.

As months passed, the same sales-driven decision-making took hold. The publisher asked for drastic redesigns and changes and we did our best to accommodate these. Over time, the game lost its identity, and stopped becoming a ninja theory game. We had no control over its direction.

The project was amicably terminated on both sides. In the past, we would pitch an idea we are passionate about, find a partner that believes in it enough to fund it and we execute on it largely on time and budget to a high standard. Yet here we were hitting a dead end on virtually every project because of sales-based decisions.

However, publishers are not making these calls out of spite, they are not the bad guys trying to crush creativity. What they are doing is responding reasonably to AAA market conditions with the evidence they have to hand.

# The Creative Leadership Problem

## Conclusions:

- Consensus valued over creativity
- Creativity creates uncertainty
- Creative thinking undesirable

## Large Organisations:

- Tend to expel creative risk takers
- Tend towards consensus: design-by-spreadsheet
- Lose ability to innovate



As publishers hold the creative power over developers and the games they make, a particular quirk of big organisations becomes relevant. In a paper titled “Recognising Creative Leadership: Can Creative Idea Expression Negatively Relate to Perceptions of Leadership Potential?”, three studies examined how creative people were viewed by colleagues. What they found was that those who expressed more creative ideas were viewed as having less, not more, leadership potential.

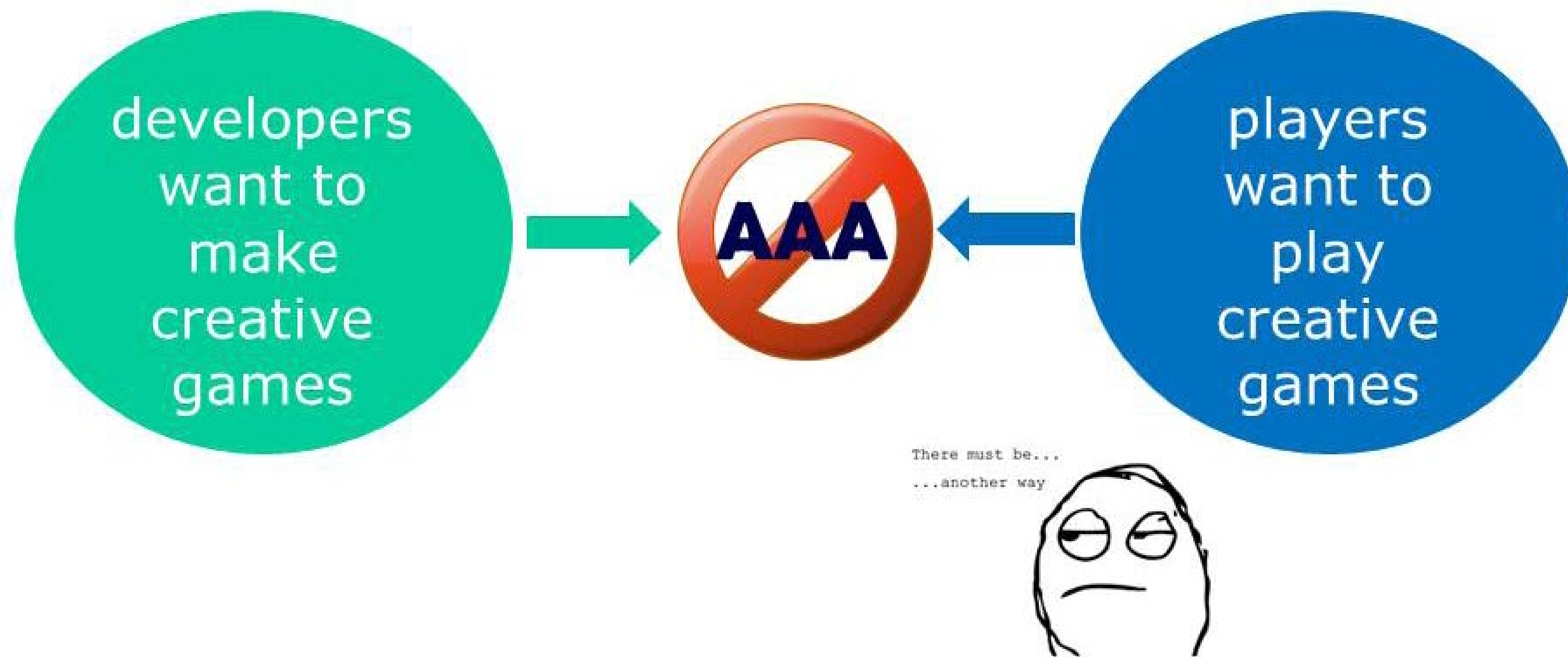
“The value that leaders have for groups is in creating common goals so the group can achieve something, And goals are better the clearer they are — you don’t want uncertainty. So leaders need to diminish uncertainty and create standards of behaviour for everyone in the group. And they create those standards by conforming to them.”

In summary, creative ideas are valued less than consensus. As an organisation grows, it brings in non-creative leaders, investors, shareholders, partners who value consensus and predictability over creativity. Risk takers will always be the first out of the door when things go wrong but sales driven analysts that conform to consensus are protected by group think and market data.

But the real threat to an organisation is when the spirit of creative risk-taking is replaced by a sales-driven design by consensus which I call design-by-spreadsheet. Design by spreadsheet is the fallback position of many companies that will simply take games that have sold well, put their constituent elements into a spreadsheet and rearrange the spreadsheet to create a slight variant. The spreadsheet spews a number out and that is used as the justification for green-light.



# Creativity Always Finds a Way



As tough as things have been in the past, I was genuinely worried about the game development landscape going forward, not just for us, but for all those independent developers in the same boat. If this indeed was a pattern that would hit all developers then the result would be far fewer developers making console game, less games, less diversity, less choice.

But we took step back from the fire-fighting and survival strategies that defined our years in business to return to what we felt was ultimately most important to us: People will always demand cool, fun, exciting games and need creative teams to make them.

If you are someone who loves games and wants nothing more than to make a game you and your peers would want to play, then chances are many others will want your game. Everything else is secondary and that's where it should always be: secondary to the fun, excitement and unforgettable experiences upon which the games industry has always been built on. That's how gaming started, how it grew into the business it is, and how it will always survive. The best games are made by those who want to make games they themselves want to play, not what a sales sheet tells them will sell.

To achieve this we would need to strive for creative ownership and control over the fate of our company, our team and our games.



# “Unsellable” Genres

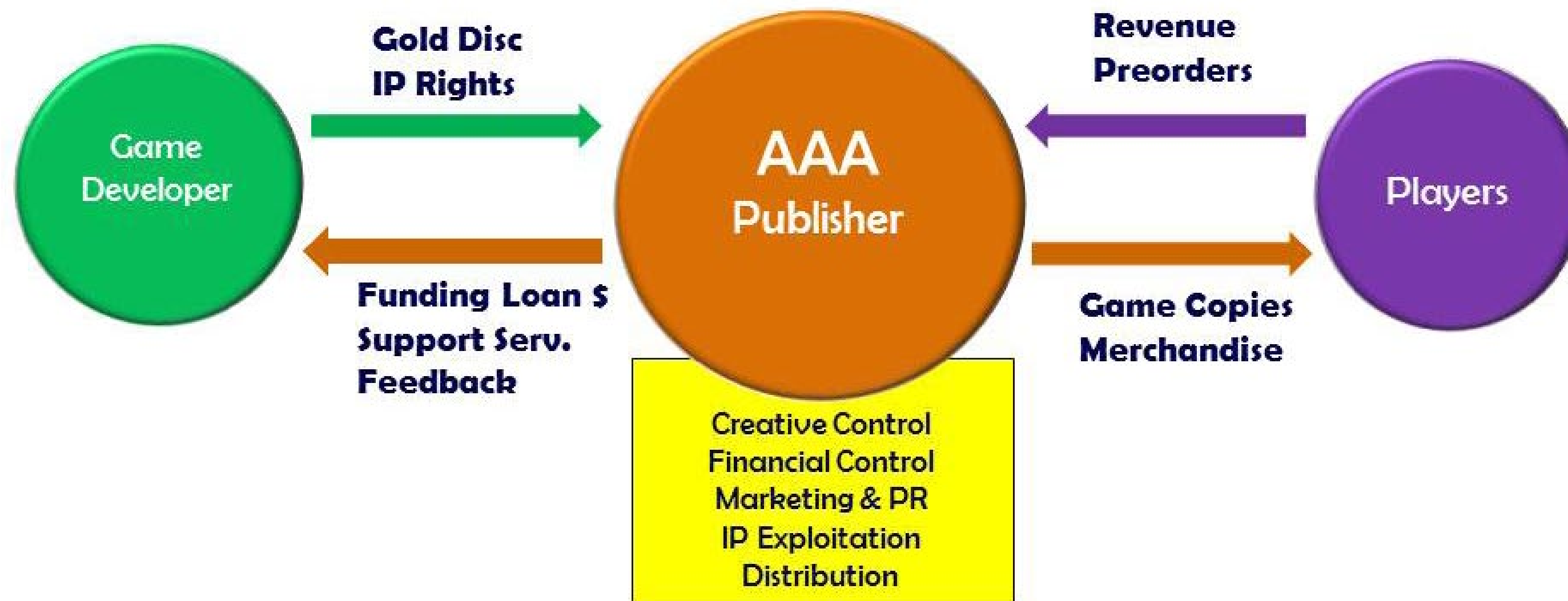


Over time many game genres have effectively become non-commercial because they could not justify the \$60 and 3m sales targets of generation 7. Games franchises are under severe pressure to become all things to all people in order to sell more copies and are forced away from their original creative vision.

Well crafted horror games, JRPG's, stealth games, you name it, either the game has justify unrealistic sales targets or it will disappear along with the teams that made them.

With the stakes raised to \$60 games and 5m sales targets for this next generation the results will be even more pronounced.

# AAA Publishing Model

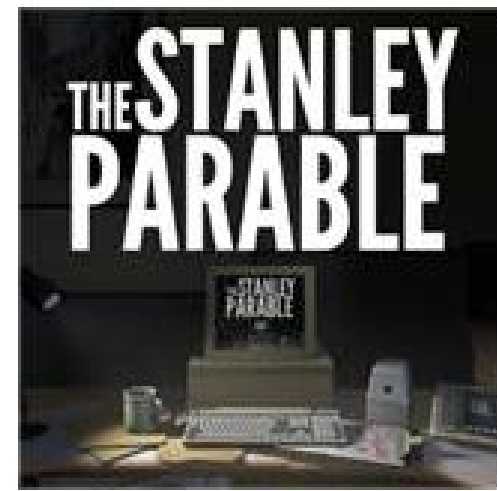


The current AAA publishing model looks like this. All the creative and financial power lies with the publisher.

There is no direct dialogue between the developer and player except for that allowed by the publisher. Creative decision making is controlled by the publisher who will give it and take it as they see fit.

The publisher provides funds to the developer in the form of a loan. The IP is taken because of this loan. The loan has to be repaid plus publishing costs before a penny reaches the developer. In effect it means that for as least 95% of published games, the developer never sees any royalties. Which means that the developer cannot fund their own IP and so the pattern repeats.

What isn't shown here is that well over half the money the player spends when buying a game goes to middle men that are neither the developer or publisher: retailers, manufacturers, returns and tax.



# Independent AAA

The Space Between Indie & AAA

- AAA-quality
- Lower / Flexible Pricing
- Creative Ownership
- Self-Published
- Digital Distribution
- Direct Player relationship



I believe that there is another path that lies between the AAA model and Indie model that will threaten neither side and can be a win-win for all parties: for gamers first and foremost, for developers, and for those that are willing to facilitate the connection of the two. This is what I call the Independent AAA proposition.

For years, we've been responding to publishers and designing games to hit their sales based decision-making process. With all the skills and experience we have built up over the years, we wanted to make a game, not for publishers, but for ourselves and our fans.

What if this game was focused on a particular game experience that the AAA market has all but abandoned because it won't justify the rigid \$60 price point? What if we sold it directly to gamers for a much lower price than retail and pass on the bang-for-buck to the players instead of the middle men?

Independent AAA is a path by which developers can make bleeding-edge games for specialist audiences and maintain stewardship over their game vision. Developers making games to serve gamers, not the salesmen, not the middlemen. I took a small team of 10 people aside and have been working up a concept for a couple of months now. It's early days still, but the game will be announced during Gamescom and will be an independent AAA game.



# Independent AAA Model



The independent AAA model would put the developer at the centre and in direct relationship with the player. Our core proposal is to make a game that looks and feels AAA, but is smaller, has focused gameplay, and is sold for the price of a DVD movie.

The total budget of our game is a fraction of any of our previous games but the biggest problem to solve remains funding.

We are putting up most of the budget ourselves. For the rest, we are pursuing several strategies. When you own the IP, you can create a business. Any money we make here will be used to make a better game.

We have chosen not to go to Kickstarter on this project as we believe we can cover the costs through these other means. If we and others can prove that the Independent AAA model is viable and profitable, it may open the doors to new financing models such as the ones that have been around for decades in independent film production.

As for additional services and resources, we are reaching out for help. Who better than players themselves to give feedback on gameplay and balancing? This will be one of the most important changes we will be putting in place.

Lastly, every dev has downtime from time-to-time. This is where we can help each other out in a manner that is more open than is possible under AAA publishing: we can ask for favours and return them in kind.



# How Publishers Can Help



I want to emphasise that I don't subscribe to the stick-it-to-the-man school of thought when it comes to AAA publishing and publishers.

We are all making games in a complex co-dependent system and we all have a part to play, especially publishers and platform holders who ultimately have far more power to shift the landscape and future of gaming than small boutique outfits such as ours.

I do believe that the promise behind creative work should be between the creators and gamers with publishers as facilitators. Publishers do have an ability to fund games and connect the dots to bring amazing experiences to players. We owe our 14 years in existent to publishers and the good people within them and we do share a common goal to create great games that serve our players.

What I would like to see is a diversification of the publisher model. I would like to see publishers take many smaller bets on riskier games just like film studios do with independent movies. In exchange they reap the rewards across several smaller bets rather than exclusively continuing with the GOBIGGOHOME strategy.

# How Publishers Can Help



But the promise between creators and gamers is a delicate one that is too often broken when the creators no longer control their games. Give developers the freedom to work up an IP into something valuable instead of owning it outright and shelving it forever at the first hurdle. If developers can work up IP into something successful, they can take this to big AAA publishing offering reduced risk. Will we stay in the AAA game? Yes we will, there are still a lot of plus sides to the model. But we also want to diversify our output.

Publishers could set independent funds or a completion bonding program to identify and take these smaller bets similar to Fox Searchlight and Sony Pictures Classics. There will be more games entering the market, more developers in the market taking risks and more partners to work with in the long run.

We all have to adapt going forward, publishers can play a constructive part in a future with us. There is a middle ground between the low budget pure indie development and AAA side of things that can be filled by forward thinking publishers who don't drive away good developers with the onerous level of control they expect with massively funded AAA retail games.

# Current Projects

- **Multiple Projects**
  - None yet announced
- **A mix of publishing models inc retail**
- **One Independent AAA Project**
  - **First to be announced**



So where is Ninja Theory now? We found several projects to work with that we are fully behind. It's a shame I cannot talk about these yet.

They are each unique and all started on a good footing. Despite the overall trends of the AAA retail market, there are still opportunities out there now that confidence is returning to the console space. The projects we choose to go for are those that are prepared to go against the grain and put innovative player experiences front and centre.

We still believe that there is potential for AAA retail to be compelling if the negative aspects can be consciously avoided by both publisher and developer.





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We need you to help us write the next chapter for NT. Join us, follow us and in return we will lift the veil on development, inviting you into our process of making this game and continue to share resources along the way. The things that work for us could work for you and the things that don't, well you get to see us making the mistakes so that you don't have to.

Thank you