Documented Change Processes Across the BSR With Updated Regulations, Strategies and Schemes

Output 2.4 of the BGI Project

This output documents strategies, regulations, and schemes initiated, introduced or supported by public authorities in the Baltic Sea regions to shape improved, more efficient and congruent framework conditions for business development of the game industry. The change processes outlined here form the basis for continued enhancement measures. The described change processes may also serve as examples for other regions seeking to improve the promotion their own regional game industry.

Content

1. Introduction

Recap: From innovation dialogue to action plan

The ambition of the Baltic Game Industry project was to empower a booster for the regional development of the game industry by enabling both the public authorities and the game communities to implement measures and framework conditions to foster growth.

To tap into the full potential of the collaboration of nine individual regions of the eight EU-member countries bordering the Baltic Sea, the first step was to map the BSR game industry and provide a sound basis for exchange between public authorities and industry stakeholder (innovation dialogues) and determination of activities (action plan, incubation and VR pilots) to reach the project goal.

The attempt at a snapshot of the current situation proved to be unwieldy for several reasons: e.g. there is no a specific NACE (Statistical Classification of Economic Activities in the European Community) classifier, allowing to identify game development enterprises under a game development category; incongruent definitions and analytical categories used to classify statistical information; the fact that for many regions no facts on the game industry have been gathered, and if at all only nation-wide. This snapshot was to cover not only the current situation of the game industry but also reflect the economic climate and include factors that may incite or inhibit the appeal of the region for game companies to settle there. For this purpose, we identified ten areas:

- Availability of young talents
- Availability of senior talents
- International success
- Positive awareness
- Investment activities
- Existing game community
- Game-supporting Lobbying with policy-makers
- Good living conditions
- Good salary conditions
- Entrepreneurial spirit

We gathered as much information as possible into an interactive online map.[1] With the incongruity of the game-related statistics, we decided to use a mood barometer based on estimates of relevant experts to reflect the climate for the game industry. The reason for this investigation was to have a shared understanding of where the potential for improvement and remedial action lies and to identify respective actions. Whereby the transnational exchange was to inspire and guide each other with respective experiences, good practices and success stories. The idea was to compare the mood

---

[1] http://profile2020.baltic-games.eu

barometers of 2018 with those of 2020 to evaluate whether the actions taken or initiated have (already) shown an impact.

The research confirmed the need for much closer cooperation of the regional authorities and their agencies, with stakeholders from the game development ecosystem to hightlight actual challenges in start-up and scale-up of games businesses. This was effectuated in the so-called innovation dialogues which brought stakeholders from different groups to the table and provided an environment for intensive discussion and capacity building on all sides about the requirements, needs, backgrounds, approaches, reasoning, history, attitudes, and limitations of authority or influencial capacities.

The main takeaways of these innovation dialogues[2] were the ensuing Action Plans. However, the documentation of these dialogues embodies far more than just a set of reports, they provide valuable suggestions and practices on how to shape a productive encounter and exchange of two factions that often seem to be at the opposite ends of the demand-grant chain, with very different responsibilities and procedural environments. While in some regions the dialogues themselves have been perpetuated and thus constitute a "change" in their own right, other dialogues provided the public authorities with constructive input for the design of an action plan, published output 2.3 of the BGI project.[3]

From action plan to change process

In parallel to initiating or implementing the action plan, more intangible activities not always specifically mentioned in the plans were ongoing measures to enhance framework conditions and forster a positive climate for the game industry. The impact of these activities were improvemens such as putting the industry on the political map, increasing the appreciation of the industry, strengthening the ties between public organisations and industry stakeholders, community building efforts, promoting the regional game industry, enhancing the location marketing and facilitating recruitment of experienced non-EU senior professionals.

In the following, the public authorities have portrayed the change process in their region. As with the description of the innovation dialogue, here to an additional benefit can be found in the different practices, success stories, ideas and approaches and taken as inspirations by other regions. Naturally, the governmental policymakers are likely to change with every election, which creates an additional challenge to implementing a consistent change process. Also, a lot of planned measures were put on hold due to the pandemic and the ensuing encumbrances in travelling, physical meeting and event execution. Nonetheless, the changes initiated and outlined in this document are remarkable and testify to the strong impact the BGI project had on the promotion of the game sector.

---

[2] http://baltic-games.eu/171/outputs/framework-improvement/ - see the pdfs in (2) Communication map and an innovation dialogue documentation

[3] See documentation of the dialogues ending with the English summary of the action plan (footnote 2). For the native language action plans, see. http://baltic-games.eu/171/outputs/framework-improvement/ - pdfs in (3) Action Plans and Strategies for Framework Change Processes

2. Denmark – Norddjurs

2.1 The role of the Innovation Dialogues

Several challenges were identified during our innovation dialogues with both key local stakeholders, as well as external experts and organisations. We concluded that in order for any framework conditions to change, following challenges needed to be addressed:

- A lack of public-private partnerships, where municipality, educational institutions, and game incubator strategically work together.
- Attracting talent to a municipality outside the few larger cities in Denmark, requires raising awareness and being proactive with activities that puts the ecosystem and the city on the map.
- There is a clear lack of physical infrastructure that showcases all the game development activities going on along "The Game Mile", where all game educations and the game incubator are physically located.

Image: Mood barometer 2018-2021

- The mutual dependency of education institutions, the game incubator and the municipality, requires a cluster development approach to a clear, agreed-upon common development plan.

Following our innovation dialogues, we analysed the results in SWOT and TOWS which served as a basis for our action plan development.

We determined the following 4 action areas with corresponding activities within our overall action plan would serve as a way of strengthening the framework support of game development in Norddjurs:

Action Area 1: Creating a common vision and plan for physical development of the game community

A. Engaging experts in physical planning and city development
B. Identifying key local stakeholders
C. Development workshops with local stakeholders

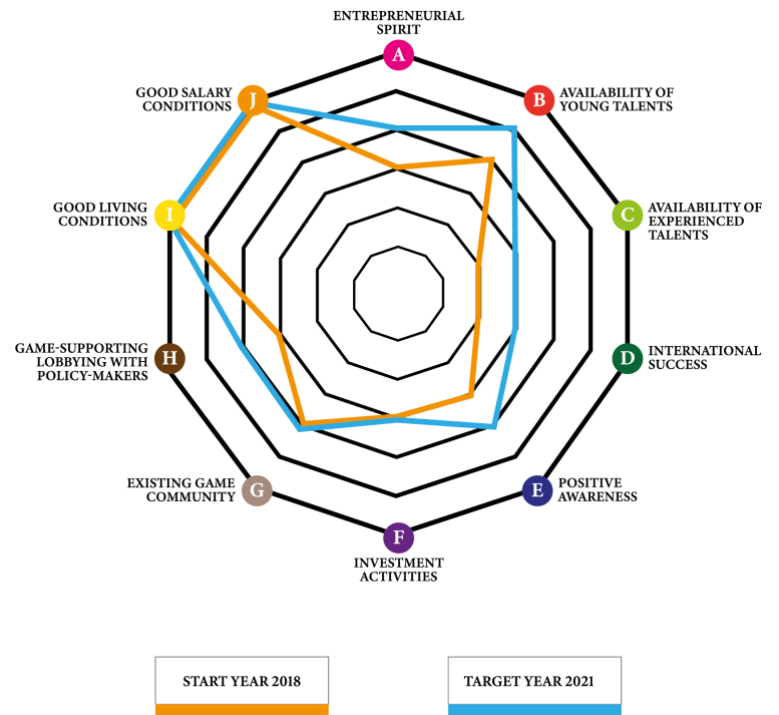**Action Area 2: Public-Private Partnerships**

    A. Increased dialogue and cooperation between Norddjurs Municipality and the local game ecosystem

    B. A united development strategy for the game community

    C. Raised awareness and branding of the game community and funding opportunities

Action Area 3: Cluster development

    A. Research on cluster development and mapping potential clusters for best-practice knowledge

    B. Study trip, analyses, and recommended activities for developing a fully-fledged game cluster

Action Area 4: Creative talents for the future

    A. Host a development workshop on the role / lack of role of the game community within the existing business supporting scheme

    B. Follow-up activities on the results of the workshop

It is important to point out that the activities in the action plans are not stand-alone activities but overlap and are sometimes dependent on other activities within the action plan in order to be effective.

2.2   Change Process

Context of Change Implementation

A key challenge during the project was the introduction of a new national business support law, which reduced the number of public organisations who can support business development from three to two. From being supported on a national, regional, and local level, business support can now only be supported on a national and local level. This change has had an impact on several of the action areas, as the regional level has played a key role in supporting local initiatives traditionally.

Results of the effected improvement process

Local funding for Game Hub Denmark incubator activities

One of the key issues for the development of the game industry in Norddjurs is a continual flow of financial support to provide quality activities and to promote game incubation. As a consequence of the above-mentioned changes in the public business support structure, we started looking into local political and financial support for activities that could increase the success of the incubator and growth of their start-ups. Through a lobbying effort and a series of informal meetings where the incubator met with local politicians, a partnership agreement was signed agreeing on financial support from Norddjurs Municipality in the order of 1.2 m DKK for a 4-year period. The funds were also available for the incubator to be used as co-funding in larger projects.

A united development strategy

Following the informal meetings regarding financial support, it became clear that a more united development strategy for the game sector in Norddjurs was needed. Therefore, the relevant educational institutions, Game Hub Denmark and Norddjurs Municipality worked together on prioritising the goals of a united development strategy, that can be implemented in cooperation.

The strategy was a snapshot analysis of the entire game ecosystem in Norddjurs, combined with the long-term potential and finally the goals and needs of the ecosystem in order to succeed.

Pause on physical infrastructure development

The entire game ecosystem in Grenaa is located on a single street, and the trajectory of game development education "runs along" the "Game Mile", where a young talent in game developer eventually would end up in Game Hub Denmark, if they want to start their own game business. However, there is a massive potential for investing in the enhancement of the physical infrastructure of the "Game Mile". There is no physical evidence of the street being the centre of the strongest game incubator in the country, which means neither foreign investors, game promoters, local or national stakeholders can see what goes on.

The action plan strived to create a common physical development plan, where each institution would incorporate the promotion of game development in their physical infrastructure development plans. However, the plan was put on hold, partly due to economic struggles of Norddjurs Municipality, as well as due to the stakeholders realising a need to create a common language and branding and marketing cooperation, before the partners could agree on how to create the physical infrastructure.

A common language for branding and advertisement

During the series of meetings between stakeholders and partners during the work on development strategies, it became clear that local cluster needed to get to know each other much better. Furthermore, there needed to be an agreement on how to promote the local cuslter, using common terms and a common language when promoting, lobbying, and working on showcasing the qualities of the ecosystem in general, and the incubator in particular.

Work has progressed on getting comfortable with understanding each organisation, the structure and their interaction with the game ecosystem, and how the financial support structure is set up for each organisation. Furthermore, a one-pager has been created that each partner can use whenever they are promoting the ecosystem and specific partners to external stakeholders. Creating a common language and agreeing upon how to promote the ecosystem towards a multifaceted group of stakeholders is a long process, and something that is still being worked on.

Cluster crossroad

Norddjurs Municipality has worked towards making the entire game development ecosystem into a full-fledged cluster. The development of the incubator and the series of game development-focused education that has grown in Grenaa, had taken place autonomously, outside of the existing public business development schemes. This means that they had not received any type of support other than the most general business support, and only had limited options finding external funding for development projects on a local, regional, and national level. As the incubator has matured, it has had more luck in gaining regional support and then through that, also EU-funding. However, with the departure of the regional business support scheme from Danish law, this has left yet again a gap, with very limited possibilities for specific financial support on the national level.

By Norddjurs Municipality becoming a partner in developing a game cluster in Grenaa, the chances of getting more funding and thereby developing the entire ecosystem has increased. This is a long-term effort with a focus on triple-helix cooperation, meaning PAs, educational institutions and private game companies via the game incubator. In the cluster, the partners have to work closer together, both internally, but also externally towards stakeholders.

The cooperation is now in place; although various economic priorities have put a strain on the level of commitment each partner to dedicate time into the cluster development, which is a long-term endeavour. Therefore, the cluster is heading towards a crossroad, where the choices are staying as a local cluster in Grenaa or opening up and merge with other regional and national partners and be part of a larger cluster of game development, with stronger financial support.

"The Danish Way" – Informal discussions and lobbying

The Danish way is a way to describe the methods been used to create change as envisaged with the action plan. We have worked in a very informal environment, where the hierarchy in each organisation and stakeholder institution has had very little impact. This means as an example that our mayor has visited the game incubator on several occasions, has talked strategy and development with the head of the incubator, but also with the enrolled students / start-ups.

Norddjurs Municipality has also used this approach to lobby towards more public funding specifically dedicated to game development, which is a long-term effort but where some of the results hopefully will be showing in the coming years.

Conclusion

All in all, the action plan has significantly helped to develop the game development ecosystem in Grenaa, while at the same time also highlighting the needs and potentials that can be worked on. It has also given a much clearer picture that some actions are more short-term and should be prioritised first, while other more long-term actions can be made easier by finishing some of the faster implementable activities within the action plan.

3. Estonia – Tartu

3.1 The role of the innovation dialogues

Background

Even though Estonia's game industry is a fairly young and emerging industry, in 2012, the GameFounders, a start-up accelerator and pre-seed fund working exclusively with game studios, started its operations in a hub in Estonia. The slow growth, a lack of resources and educational opportunities were the key challenge for the game development industry. A small number of companies and a high number of enthusiasts represented the industry.

Today, the sector employs around 500 people, the largest pool of companies consists of small teams with up to 5 employees (80 % of the whole sector). An estimate of 70 companies places the industry size in the lower range of the whole BSR. Two NGOs dedicated to supporting the game community were established in 2017 – APT Game Generator (in Tartu) and Gamelab (in Tallinn).

Image: Mood barometer 2018-2021

However, with all that taken into account, the lack of attention and support from the government, in Estonia, as the game industry is part of the creative industries sector and therefore curated by the Ministry of Culture, was the major setback of the game development industry.

Initiating the dialogue between industry and government

After initiating meetings and interviews with the relevant stakeholders (representatives from the ministries, game studios, etc), we identified the following critical problems:

1. Lack of strategy/action plan for communication and lobbying outside the game development community
2. Little knowledge of the game sector in the VC/business angel community.
3. Lack of support measures (basic financing, co-working space) for game start-ups.
4. Lack of skilled specialists in some technical areas (UA, Unity/Unreal development, etc.).

Our approach for the innovation dialogue was influenced by the fact that although Tartu City Government is responsible for the framework change process, it was essential to share knowledge and information between us, Tartu Science Park (responsible for the incubation programme), the local game community and other relevant stakeholders in the region and beyond.
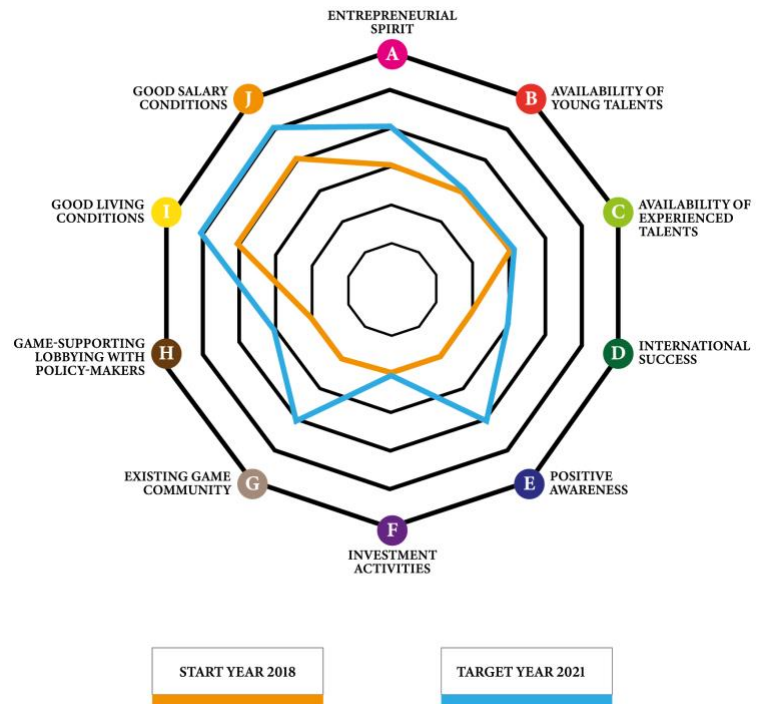
The innovation dialogues were very important to establish a working relationship between these stakeholder groups and build understanding and trust that could be converted into common initiatives and actions. Yet, in order to get a more detailed overview, bigger meetings were held during key regional events that enabled us (Tartu City and Tartu Science Park) also to get more depth insight into the community.

Determining the action plan

We have chosen a bottom-up approach for Tartu – we have identified the challenges, collected necessary data and now we are trying to solve those problems on the regional level. In order to compile the action plan for improving framework conditions for the game industry, an analysis on the status in other countries and regions was conducted. During the analysis, 11 people were interviewed, including industry insiders, people from the ministry and experts from across borders (e.g. from Finland and Sweden). In addition to that, the relevant documentation and strategy papers were analysed and the industry development situation in Finland and Sweden mapped. One of the outcomes of the aforementioned analysis was the SWOT-matrix of the Estonian game industry.

The main aim was to develop a dialogue between the different institutions that had a limited understanding of the activities, resources, and powers of the other parties. These meetings and the discussions helped to prepare an action plan addressing following challenges or requirements:

- Lack of a national support scheme for the game industry - Facilitating inclusion of a game development component on the local level in Tartu. The most efficient and feasible course of action was deemed to be a focus on human resource development via trainings, workshops, seminars, jams / hackathons, and creation of a systematic approach by introducing an incubation scheme.
- Lack of funding - The community today is based on enthusiasm and the people developing games are doing it as their hobby. Public support instruments are mainly dedicated to companies which are making R&D projects, however, not many small enterprises are familiar with it and do not have the knowhow to use these instruments.
- Lack of knowledge – We lack senior experts, either developers or mentors, therefore new game start-ups do not receive the necessary advice from mentors, which could be very beneficial during a start-up phase. One of the biggest gaps may also lie in the sales and marketing knowledge regarding games, because many start-ups who managed to create really good products have little experience with how to sell those products.
- Lack of specific education - A noteworthy point was made that there is not much game-specific education in Tartu and in Estonia. In Tartu, ICT curricula are being taught in Tartu Art School etc., however, those provide only parts of game development study subjects, such as 3D modelling or other elements of game development. It might be possible to cooperate with the Tartu Vocational School who is under the responsibility of the Tartu City Government and might be more flexible than traditional educational institutions.
- The most valuable observation was that local business support organisations and the game community are open to the idea of including game development elements and are favouring the creation of the incubator for which they already had some specific ideas on what and

how that could be achieved. This gave a great perspective at what future action plans could look like and a bright outlook that these stakeholders would commit to help drafting them. On the basis of our SWOT and TOWS analysis, we found that the following three actions would serve as a way of strengthening the framework support of game development in Tartu:

Action 1: Incubator for game industry start-ups

- Establishing incubator and office space for start-ups
- Launching a mentoring and assistance programme

Action 2 - Game development education in Estonia

- Launching a pilot programme in game development clubs in high schools
- Enhancing the curriculums and courses to educate specialists in different fields of game development

Action 3 - Communication and dissemination

- Raising awareness for the game industry potential among decision makers in ministries and government
- Raising general awareness of games' potential and role

3.2   Change Process

Recap of Change Implementation

- Actions are done, however, some still need more „flesh on the bone".
- Initiatives implemented by other organisations have become a key factor in the success of actions, which have accelerated some of the changes. The video made (additional activity which was not planned originally) for showcasing our potential and opportunities was an essential part for communicating the game sector.
- The speed and order of actions were affected by the need for planned measures or changes.

Initiated Change / Improvement Processes

During the BGI project, we started to contribute to the implementation of various other initiatives, the generation of ideas, the organisation of events that contributed to the promotion of the game industry in Tartu and helped to improve the business environment for game companies.

When starting with the project, we, together with the Tartu Science Park found that the ideal place for the game incubator could be under the Creative Industry Centre. Although this has not materialised, the collaboration between Creative Industry Centre and Tartu Science Park has resulted in launching an incubation programme aimed at game developers and film industry companies interested in gaming.

Video games have evolved into complex works of art, where game design marries many other art forms including 3D animation, music, and storytelling. The desire to be actively involved in an engaging story is a basic human impulse, and the main reason behind the success of computer games

is the interactivity they offer. Games and films are likely to merge since people would prefer to engage in something that combines different forms of entertainment. In the future, the movies will be playable, and games allow players to access more movie-like content within them.

Technical competence and experience will be brought to participants together with APT Game Generator, Tartu Film Fund, and international partners of the Baltic Explorers project[4]. Participants will have access to international mentors, free participation at international events and numerous relevant workshops.

The role of the City Government is to support such initiatives – we are to grant the sustainability of the ecosystem and support viable ideas.

Although we were not able to make significant influences to enhance the game development education in Estonia, we were able to support the local community in organising events and the APT Game Generator got funded by the city in order to help youth education in gaming.

Furthermore, we mapped the local situation and found also enthusiasts working on VR games from the University of Tartu, that we missed during the initial mapping in 2018.

Together with the Tartu Science Park and sTARTUp Day, we launched a sTARTUp Talks series event on gaming. sTARTUp Gaming[5] is the place to be for game developers, professional gamers, and gaming enthusiasts to learn about the latest developments and learn practical skills from some of the most talented professionals in the world.

Assessment of change impact so far

1. Game incubation is continuing after the BGI project and a framework for the sustainability has been created.

2. Game education needs more attention in all of the education levels. Good to see that the youth education is being tackled.

3. The awareness about the game industry potential among decision makers in ministries and government needs more lobbying. The local / regional level is already on board. In February 2020, City of Tartu underwent a change in the city government. The new coalition agreement between the Estonian Reform Party and the Social Democratic Party to govern the city of Tartu states: "We participate in supporting business accelerators and incubators in innovative fields (space technology, biotechnology, computer game industry, etc.)", making the game industry an important part of the local ecosystem. Furthermore, sTARTUp Day business festival (with 4,400 participants in 2020) has put gaming as one of the key topics into their programme.

---

[4] https://balticexplorers.eu/.
[5] sTARTUp Gaming 2020 is part of sTARTUp Talks – an official side-event series of sTARTUp Day 2021, the biggest business festival in the Baltics taking place on 27–29 January.

4. Finland - Helsinki

4.1 The role of the innovation dialogues

Framework Conditions at the Beginning of the BGI Project

When the BGI project started, the Finnish game industry was already well developed in comparison to other Baltic Sea countries. The Finnish industry had maturity and it was on a quest to greater stability. The number of studios and employees in the industry was relatively high compared to other countries in region – with about 250 studios (104 in Helsinki area) and 2,750 employees (source: Finnish Game Industry Report 2016). In 2016, Finnish game industry had a turnover of 2,500 million euros (source: Finnish Game Industry Report 2016) and public authorities on both the local and national level were beginning to acknowledge the game industry as significant economic driver.
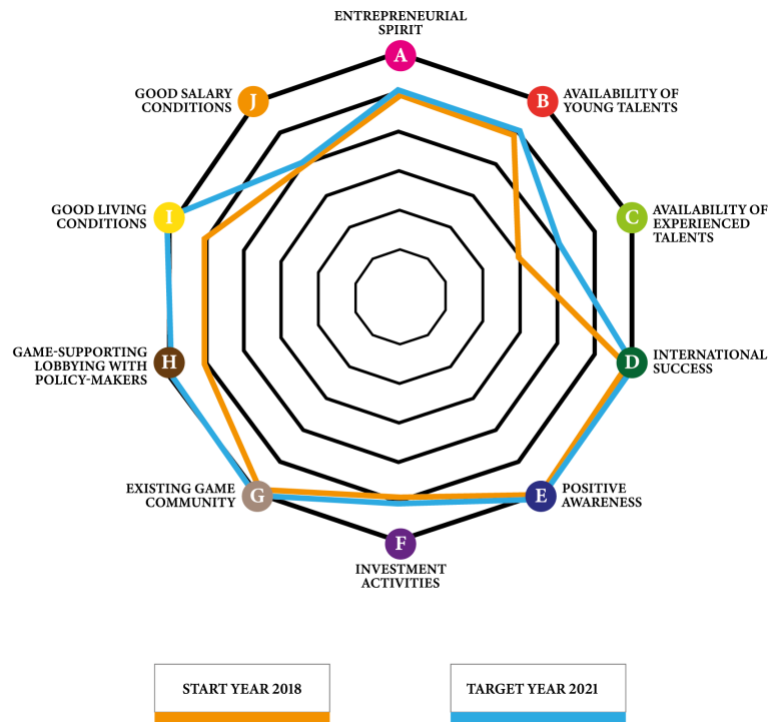

Image: Mood barometer 2018-2021

The game developer community was, and still is, strong in Finland and especially in Helsinki. It is a community that is eager to share their learnings with each other and nurture the growth of new game developers. There are also established organisational structures to maintain and support its growth and development.

The public government attitude towards games industry was (and still is) rather positive. However, overall, even in Helsinki there was a need to discuss the benefits the industry brings for the city and its needs. The City of Helsinki and the local game industry had a joint understanding of the key challenges to be addressed on the local and national level. On national level the biggest problem seemed to be a low prioritisation of the industry and its key challenges by policy makers, particularly in non-economic government sectors.

When it comes to direct public support, with three interest and lobby associations and with two incubators with special focus on games, the Finnish game industry had already rather good support structures. Financially, the Finnish game industry benefitted from public funding, such as Business Finland grants, and other support instruments. Furthermore, positive investment climate supported the growth of the industry and experimentation of new things. However, private investments were

lacking as the investors lacked an understanding of the game industry and also the availability of seed funding was identified as a problem.

At the beginning of the project, the three project partners in Helsinki joined their forces to map the current state of the industry and to the form a mood barometer. In many ways, situation was already great – e.g. when it came to international success, existing game community and positive awareness – but there were some challenges to tackle by the project as well – especially the availability of experienced talents was letting the industry down. The mood barometer helped the project partners to identify the areas of focus on in the upcoming innovation dialogues and the SWOT analysis.

Innovation Dialogues Giving Important Guidance of Needed Changes

In the beginning of the dialogue process the project partners noted the importance of communicating effectively with public governance authorities, game developer studios and indie developers alike. Therefore, the project partners in Helsinki chose to approach the innovation dialogues with an intermediate approach with Neogames being the one organising and moderating the dialogue events. Neogames was an ideal candidate for this role due to its experience on acting as an organisation bridging the gap between different actors in the local game industry ecosystem.

After finalising the mapping of the current framework conditions and analysing the possible focus areas that should be improved in particular, the partners in Helsinki launched a series of innovation dialogues. The innovation dialogues were held in spring of 2018. The first dialogue focused on talent attraction and co-operation between the industry and the city of Helsinki. The meeting united games industry HR specialists and public authority representatives from the city and the national government too. During the meeting, especially the need for co-operation between different actors in marketing Helsinki as a place to work and spouse support measures were underlined.

The second dialogue focused on challenges and opportunities game industry entrepreneurs face in the Helsinki region. The meeting was attended by game entrepreneurs and city officials. The meeting discussed the challenges companies face in Helsinki, solutions to them and what kind of support new start-up companies need. Most of the attendees could be profiled as indie developers. During discussions it was emphasised that start-ups need more information on different funding opportunities and business models. Peer-support was also considered to be extremely important for young start-ups.

The third dialogue was organised with leading global game developer studios located in the Helsinki region. The discussion highlighted especially the need to solve immigration-related challenges, the need to make Finland more attractive for global talents and that Business Finland plays a crucial role with its funding and the importance of policy makers' understanding both in Finland and EU of the game industry so that the decisions they make do not make it harder to access new markets.

After these three innovation dialogues, Neogames called together a work group with people from different parts of the city governance (different divisions such as International affairs, Culture and Leisure and Education were present) and the Metropolia University of Applied Sciences. In a work group meeting in October 2018 the group discussed the next steps and co-operation with different actors who should be engaged in the upcoming action plan.

Creation of the Action Plan

As the action plan had to focus on actions and approaches that would be possible to realise during the project's lifetime, some ideas discussed with the work group did not end up in the action plan. Those discussions and topics, however, are kept in mind for longer term development and lobbying efforts. As the current strategy of City of Helsinki covers the years 2017-2021, it was decided that the action plan should address its implementation.

Three main action areas were identified: access to support, marketing and talent attraction, and smooth transitions to amateur talents.

Action 1: Improving accessibility of public support measures for games industry SMEs

This action had two main ideas:

1. Access to information: to map the gaps and bridge the gaps in access to information on support measures

2. City of Helsinki supporting games industry: to identify the lead body in city administration for strategic development of support measures targeted to game industry and to institutionalise these measures

Action 2: A public-private co-operation in city marketing and talent attraction
This action was focused on two themes:

1. Talent attraction: establishing co-operation model for supporting talent attraction

2. Talent integration: finding ways to support talents and their families in relocating to Finland

Action 3: A clear route for games industry professional for amateur talent

This action focused on following topics:

1. Tackling the barriers of the entry to Finnish game industry for young talents: support measures for students to find their way to industry and implementation of BGI incubator

2. Intergenerational knowledge transfer: facilitate intra-community knowledge transfer and better matchmaking for local internships

4.2 Change Process

Context of Change Implementation

The change process did not take place in vacuum, so this chapter also explains what external factors influenced in the implementation of the change process. Consequently, the first part describes the changes in the environment, i.e. efforts that were made outside the action plan, supporting the goals of the action plan, and challenges faced during the implementation.

Now that the BGI project is ending some parts of the change processes are still on-going under dedicated new projects and co-operation practices. Therefore, the second part describes efforts that are still ongoing by city governance or some other actor.

The third part describes how we implemented the action plan and what we achieved with it.

During the change process, Neogames organised three work group meetings with representatives from different departments and divisions (such as international affairs, economic development, education, culture) of the City of Helsinki, representatives from Metropolia and the Helsinki Games Capital cluster organisation[6] – in October 2018 (engaging the key stakeholders in the drafting process of the action plan), in February 2020 and in September 2020 (in order to follow up and discuss the implementation of the action plan).

During the action plan implementation phase, Finland arranged a parliament election in spring 2019. Negotiations on the new government and its policy programme took place over the summer 2019. Even though it was long known that elections would come and depending on the results, the government might be very different (or very similar) to the last four years, during the drafting of the action plan it was not possible to foresee the results and what would be the topics put on the policy programme of the new government. However, as the new policy programme defined the resources of the City of Helsinki and therefore would have a significant impact on realising a number of key parts of the action plan (in particular talent attraction and integration), during 2018 Neogames adopted some of the project priorities in its own policy recommendations and pushed the new government to address them.

Putting the game industry on the government's policy map with talent attraction a high priority

The key lobbying efforts of Neogames on the policy programme of the new government addressed a number of key issues that are relevant for the games industry – in particular related to immigration. The success of these lobbying efforts led to changes in the action plan implementation.

Neogames drafted a working document on optimising the Finnish immigration process for highly qualified experts,[7] as the innovation dialogues had stressed the importance of making the whole process smoother. All in all, during the action plan implementation phase, Neogames had 12 meetings with various key decision makers on the immigration process and talent attraction. In the end, lobbying efforts together with industry stakeholders brought results – the new government set a one-month immigration process as one of this targets and, the government agreed to increase Migri's (the Finnish immigration agency) funding by 13 million euros for year 2020 and launched new support measures for talent attraction and integration.

Furthermore, as moving to Finland might bring costs to the talents moving here, Neogames lobbied for having tax relief on the moving costs paid by the employer. This was adopted to Finnish legislation

---

[6] https://helsinkigamescapital.fi/
[7] http://www.neogames.fi/wp-content/uploads/2018/04/Neogames-Erityisasiantuntijan-Oleskelulupa-draft08.pdf

in 2020: 50 % of moving costs paid by employer become tax free income in the personal taxation of employees.

New Project to Support Talent Attraction and Talent Integration

The need for better support and coordination for both attracting talents and integrating them to the Finnish society was highlighted during multiple discussions with the city governance. With the help of funding from the new government, the City of Helsinki launched a project called *International Talents Accelerating Growth*[8] in autumn 2019. The project activities focus on attracting talents to Helsinki and helping talents to integrate in Helsinki area. This project continues until summer 2021. It is co-funded by the ministry of employment and economic development, the cities of Helsinki, Espoo and Vantaa and other project partners.

The *International Talents Accelerating Growth* project is largely based on the work done during the BGI project. Many actions named in the action plan about talent attraction and talent integration and also some in the action plan on finding routes for amateur talents were realised under its umbrella.

We do not foresee an immediate effect of these changes, but a long-term impact as there is an extreme competition for those talents (the "war for talents").

Tough Spots

As mentioned before, the change process did not take place in the vacuum, and we faced a couple of issues – first in early summer 2019 when Games Factory[9] closed its activities and the second one as the COVID-19 pandemic reached Finland during spring 2020.

As the implementation of action plan started, the City of Helsinki and Neogames received worrying news about the Games Factory. The community space for games in Helsinki would be closing its doors soon (during early summer 2019). When the action plan was drafted, we expected the Games Factory to provide more possibilities for knowledge transfer in daily life and as a place for different events. This space maintained by the Games Factory was also the home of the Farm League game incubator pilot, run by as part of the BGI project. Overall, Games Factory was proven to be important for Helsinki's game ecosystem with its different functions, and a continuation of that kind of activities was noted as crucial for the ecosystem development and its well-being. With this understanding and based on the co-operation models established under the BGI project, both the city and Neogames united their forces to remedy the situation. In the end, already in autumn 2019, Helsinki Games Capital was launched, and it took over key activities that were earlier carried out by Games Factory. This change took time and resources, but this work was important for Helsinki's game ecosystem.

In March 2020, the COVID-19 pandemic forced Finland to move to working from home. It also meant that meetings and events scheduled under the BGI project and beyond had to be cancelled or moved online. As of September 2020, many game developer studios have successfully relocated their staff

---

[8] https://www.metropolia.fi/en/rdi/rdi-projects/the-international-talents-accelerating-growth-project
[9] Games Factory was a unique game industry community hub in Helsinki.

from their offices to home-based work, but trade missions that are important for companies seeking publishers and investors are either cancelled, postponed, or changed to online events. The City of Helsinki and Neogames have been looking and, if the global situation remains gloomy for longer time, will continue to keep on looking for the best ways to help the companies in this new situation.

The COVID-19 pandemic has seriously decreased the immigration to Finland. Since COVID-19 has affected both the immigration process and talent attraction and integration, the situation has to be monitored and new discussions have to be conducted by all key stakeholders in the Helsinki ecosystem.

In the end, the COVID-19 situation highlights the need to keep working with the themes introduced in the action plan after the BGI project ends. Even though the outbreak significantly slowed down the change process, both the City of Helsinki and Neogames are engaged to continue with the process. Neogames is dedicated to follow-up in relevant stakeholder groups, such as the game industry HR group. The plan is also to continue the activities of the BGI working group, consisting members from different departments and divisions of the City of Helsinki and representatives from Neogames, Metropolia and Helsinki Games Capital after the project. The BGI project demonstrated that discussion groups of this kind are a good way to keep things moving forward and ensuring the development of the game ecosystem.

Initiated Change / Improvement Processes

Action 1: Improving accessibility of public support measures for game industry SMEs

Introducing new support measures, such as funding tools, would have not been possible in Finland within BGI project's lifetime. However, we started looking forward and are taking small steps which were mentioned in the action plan. Business Finland, a public agency for economic development, is a great supporter for Finnish game industry and, partly based on the work done in the BGI project, Neogames was commissioned to map potential new support measures targeted to audio-visual industries in 2019.

Action 2: A public-private co-operation in city marketing and talent attraction

As aforementioned, the implementation of this action has been realised by shared efforts from Neogames and the City of Helsinki, especially with the *International Talents Accelerating Growth* project. This *International Talents Accelerating Growth* project continues until summer 2021.

Talent attraction: Establishing a Helsinki model for talent attraction and creating a co-operation model for supporting talent attraction

A co-operation model for talent attraction was drafted during the BGI project (the model is part of the "Invisible Success Story" survey)[10] but the implementation and the building future co-operation

---

[10] In Finnish: https://www.hel.fi/static/kanslia/elo/kuva-neogames-2019.pdf, summary in English:
http://www.neogames.fi/wp-content/uploads/2020/06/An-invisible-success-story.pdf.

activities is yet to be discussed. Both the city and Neogames are engaged to implement this model and to build activities around it.

Talent integration: Finding ways to support global talents and their families in relocating to Finland and integrating into local communities

In Helsinki, the re-opening of International House Helsinki and its services in October 2019 again under the same roof was important part of helping people relocating to Finland. International House Helsinki, managed by the City of Helsinki, offers every service needed when relocating to Finland under one roof. The service model is so popular that the house is working at full speed all the time (excluding during COVID-19 lockdowns).

The spouse programme, part of the *International Talents Accelerating Growth* project, continues until summer 2021.

Action 3: A clear route to a game industry professional for amateur talent

The implementation of this action and its sub-actions has supported the availability of young talents and the existing game community. It is also related to game-supporting lobbying with policymakers and good living conditions. The implementation has been a shared effort from the City of Helsinki (Economic Development, NewCo Helsinki, *International Talents Accelerating Growth* project), Neogames, the Metropolia University of Applied Sciences and Helsinki Games Capital.

Tackling the barriers of entry to the Finnish game industry: Implementation of BGI best practices on games industry incubators and finding support for the continuation of incubator activities

On the city level, discussions about needs to support game incubation are on-going. NewCo Helsinki is planning an accelerator that would also host game start-ups based on good experiences in incubator activities and Helsinki's game ecosystem needs. Also, Business Finland is planning to fund mentoring activities tested during the BGI project.

Tackling the barriers of entry to the Finnish game industry: identifying and creating support measures to students to find a route to entrepreneurship

The *International Talents Accelerating Growth* project by the City of Helsinki has started a co-operation between higher education institutes in Helsinki area and potential employees, with support of the industry through Neogames. The idea of this co-operation is to make sure that the young talents will find the next step into the Finnish job market after graduation. As starting one's own business right after graduation is definitely not for all, this kind of co-operation between universities and business is very important for keeping international talents in Finland after their graduation. Neogames and Helsinki Games Capital have promised to have 3 mentoring workshops together during spring 2021 for Helsinki University's International Talent Programme.

Neogames conducted a survey[11] about the employment of game education graduates in Finland from 2016-2019. This survey has several findings that are important for developing new ways to integrate graduates into working life.

Inter-generational knowledge transfer: Mentoring, intra-community knowledge transfer and better matchmaking

Intra-community knowledge transfer and peer support happens on daily basis in Arcade5, the venue formerly managed by Games Factory and now, after summer 2019, by Helsinki Games Capital. Both the City of Helsinki and Neogames have supported the work of Helsinki Games Capital and are founding members of the new organisation. Keeping the venue alive and as a community space dedicated for the game industry in Helsinki was crucial for achieving intra-community knowledge transfer goal of the action plan. Helsinki Games Capital offers office space for multiple game companies. It provides space for game industry community events and organises them both online and on site.

Achievements

Action 1: Improving accessibility of public support measures for game industry SMEs

The implementation of this first action necessitated game industry-focused lobbying efforts and thus a shared effort by the City of Helsinki, NewCo Helsinki and Neogames. Also, Business Finland has played significant part.

Mapping the gaps in access to information on support measures

This question raised during the dialogues was: Are there really not enough support measures or is the issue rather that people do not know about the already existing support measures? To investigate this further, the first "Get Funded pilot" was organised in January 2019. This pilot event was open to all interested game developers where Horizon2020 and Creative Europe funding opportunities were introduced as well as European loan and equity funding for game developers. This pilot helped the project partners in Helsinki to conclude that the problem is both – the availability of funding (especially to first-round start-ups) and the knowledge of already existing funding and support measures. As we identified a gap in game developers having enough information of different funding opportunities and support measures, the City of Helsinki, Neogames and Business Finland decided to have a second pilot of the Get Funded event in January 2020, again open for all interested game developers. The second Get Funded pilot adapted to the lessons learnt from the first event with more targeted information provided. There were almost 60 attendees. This event was organised by Neogames, City of Helsinki and Business Finland.

Identification of a lead body in city administration and institutionalising key support measures for local SMEs

---

[11] https://neogames.fi/the-employment-of-game-education-graduates-in-finland/

The first concrete achievement of the BGI project was realised when NewCo Helsinki, [12] part of the City of Helsinki's organisation and focused on supporting local business, appointed Mr. Henrik Keinonen as a game industry contact person in spring 2019. NewCo had piloted travel grants for Helsinki-based startups (including game startups) in 2018, and this support continued partly due to BGI actions. NewCo offers free business advisory. Thanks to the BGI project, these support measures have become more accessible for game developer studios, as companies know who to contact and discuss their challenges and support needs with. These consultancy activities were extended when in autumn 2019, NewCo hired a second person dedicated to games companies.

Action 2: A public-private co-operation in city marketing and talent attraction

As availability of senior talents is crucial to future success, there is a connection to international success as well. Many other aspects from the mood barometer are also related: positive awareness, existing game community, game-supporting lobbying with policymakers and good living conditions.

Lobbying on the national level was a very important in particular with a new government elected, as described earlier. Getting the government to set a target of having a maximum 1 month to the whole immigration process for highly qualified experts was a big success.

After this policy programme was adapted, Neogames and other industry stakeholders discussed intensively with the government in summer and autumn 2019 about the funding of the immigration services. Following this discussion, the government promised to increase the funds to immigration. These efforts and achievements were important regarding talent attraction and implementation.

Talent attraction: Establishing a Helsinki model for talent attraction and creating a co-operation model for supporting talent attraction

Neogames facilitated meetings between the game industry HR group and City of Helsinki representatives in November 2019 where they discussed the importance of public authorities working with talent attraction being present in future HR group meetings as well for real public-private co-operation.

The City of Helsinki and Metropolia, supported by Neogames' expertise, produced a promotional video about the game ecosystem in Helsinki for talent attraction purposes as part of the BGI project. Idea behind this video was to promote Helsinki and also provide information about the game ecosystem in Helsinki. Part of this material was also used in BGI project's own video, which has material from all the project cities, to promote the BSR as a game industry hotspot.

In early spring 2020 Neogames met Deputy Mayor responsible for the culture and leisure sector to discuss the results from the Invisible Success Story described above. They discussed on how to make game culture more visible in the city.

---

[12] https://newcohelsinki.fi/en/.

During Pocket Gamer Connects in Helsinki (October 2019), the City of Helsinki co-organised, for the first time, a game industry focused evening reception. The evening programme targeted the promotion of Helsinki as a place to work.

Talent integration: Finding ways to support global talents and their families in relocating to Finland and integrating in local communities

Supercell organised together with other companies in Helsinki area a meeting for spouses in 2019. Neogames supported this action as the first step in this BGI action, on helping spouses and families of foreign talents to relocate in Finland. This event was followed by the launch of City of Helsinki spouse programme inside its *International Talents Accelerating Growth* project in spring 2020. With Neogames' help, the programme reached the games companies too by providing information about the programme to companies and by hosting a call between the companies and the spouse programme. Because of the COVID-19 situation the programme started in an online form but later on there will be also on-site meetings and events for the spouses. The idea of the spouse programme is to ease the spouses' integration in Helsinki and to help them find jobs. The spouse programme will be running until June 2021.

The City of Helsinki also noticed the need to have its services available in English, as Finnish is not a language to be learned in a few months. In spring 2019, the mayor called in a task force of English service development. The game industry was represented in this task force by Neogames and Supercell. The task force worked through the spring. In October 2019, the city launched the Development Agenda for the English-Language Services in Helsinki. This development agenda was also promised to have permanent funding by the mayor's decision.

Action 3: A clear route to becoming a game industry professional for amateur talent

Tackling the barriers of entry to Finnish game industry: Implementation of BGI incubator

The Metropolia University of Applied Sciences piloted a game incubator called Farm League during the BGI project. The pilot raised interest among the game developers and received a lot of positive feedback as a practicable approach to support young teams in their own companies and game projects.[13]

Tackling the barriers of entry to Finnish game industry: Implementation of BGI best practices on game industry incubators and finding support for the continuation of incubator activities

As the situation of funding incubator activities on the same level than during the BGI project proved hard to reach within this timeframe, Farm League rebranded itself as the Living Game Intelligence Network (LGIN) to be a more open-ended mentoring and support network for game start-ups. This is a way to carry on with the learnings made during the BGI project without the need for significant extra funding that a full incubator would need. It must be therefore noticed, that LGIN in this form cannot be as holistic in their support for young game start-ups as Farm League was. However, LGIN

---

[13] In this pilot, there was a special focus on mentoring, and these key findings have been summarised in Output 3.4. Both Neogames and the City of Helsinki have supported the incubator by providing their knowledge and support.

is considered to be more inclusive and to have more variety in the companies and more engagement from the teams and community than a traditional incubator with much more limited focus group. For LGIN, the findings made during this BGI-project have been essential for developing its concept and activities. In November 2020, it was announced, that Business Finland is buying start-up mentoring services from Metropolia and will subsequently secure LGIN's work until the end of 2021.

Inter-generational knowledge transfer: Mentoring, intra-community knowledge transfer and better matchmaking

In parallel to the pilot and study on mentorship byFarm League, then LGIN, the City of Helsinki supported IGDA to organise the IGDA Leadership Day event and a mentor café. IGDA Leadership Day took place at the end of September 2019 in city hall. After BGI, LGIN will institutionalised these events.

Furthermore, in December 2019, Helsinki Games Capital piloted an event called Game Industry Retrospective together with the City of Helsinki to have a whole event of sharing learnings and knowledge between different persons and companies in the game industry. This was a good way to share knowledge inside the industry.

5. Germany – Berlin

5.1 The role of the innovation dialogues

In Berlin we have many official structures that cater to the games industry:

- Senate Chancellery – Department Media and Broadcasting, Web Policy
- The Senate Department for Economics, Energy and Public Enterprises with a dedicated officer for the game industry
- Media.net-bb and game.net-bb (a network organisation for the game community, financed by the State of Berlin)
- Medienboard BB (the public funding agency)
- Berlin Partner (a PPP with a dedicated officer for the game industry)
- game e.V. (the German Game Association, HQ in Berlin plus a Berlin chapter)
- Stiftung Digitale Spielekultur (a foundation for promoting digital game culture)
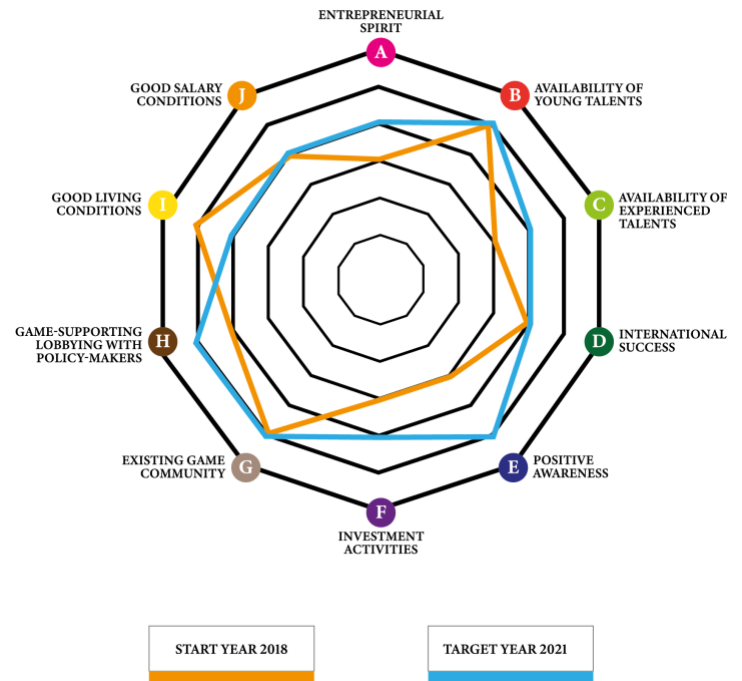

Image: Mood barometer 2018-2021

…and many more community-driven initiatives and events. Hence, the Berlin game community is highly accommodated by support from different perspectives. As often, however, with such multifarious configurations, there is the risk of overlap, ambiguity, controversy of approaches and ideas, and a lack of respective coordination amongst those. This made the innovation dialogues so valuable: upon kind invitation and organisation of the Senate Chancellery and the Senate Department for Economics, Energy and Public Enterprises, the key players came to the same table to discuss their views on requirements, demands and priorities, their preparedness, their scope and its limitations of support, with the ambition to find mutuals areas and shared convictions of how to best support the regional game community. Admittedly, the fact that so much support by the Berlin Senate is already in place and is being supported, made it challenging to discern what the scope of additional support could or should be. Nevertheless, all agreed that no matter how well supported or not, how lively or how creative the Berlin game developer scene might be, they haven't yet tapped the full potential for growth. Reasons for that are partly to due to nation-wide circumstances, others are more specific for Berlin.

From the point of view of economic development policy and what in terms of responsibility the public authorities could contribute, concerned the appeal of Berlin for big international player and the question of entrepreneurial spirit in the highly "indie" and start-up driven Berlin game landscape.

Discerning the actions that would foster these two aspects with public support, resulted in long-term goals and a reinforcement of existing strategies as described in the action plan[14] for Berlin.

5.2 Change Process

The German Game Fund

In 2019, one radical change in the national support strategy encumbered the regional efforts to execute the action plan agreed on: in the coalition agreement, the new government had introduced a substantial funding for the game industry: the German Game Fund (50 million Euro). This absorbed nearly all attention of the game business due both to the time pressure for application, but also due to the fact that for 2019 the de minimis rule was still in place (for 2020 the notification approved by the EU allowed for the exemption of de minimis limits for game development on the basis of a culture test).

The ensuing national "run" for the funding impeded the collaboration between regional game industry and public authorities. The game experts and companies who took part in the innovation dialogues, did so on their own time and account, as most were not employed in organisations that were remunerating for representing the industry. The little time they could offer to the process of framework change, was now invested into preparing at full speed their applications.

This in particular affected the action 2 and the establishment of a game hub.

Actions in Progress

Planned action: Establishment of a physical game hub

Based on the understanding of the idiosynchratic nature of the Berlin game landscape and on the observation that there is a notable tendency to transform conventional game incubators in hubs with a more sophisticated strategy of fostering entrepreunial mind-set and start-up growth, the action planned for Berlin was for the PA to support the establishment of a physical game hub.

To this end, interested parties in establishing such a game hub were invited by the Senate Department for Economics, Energy and Public Enterprises to apply for an EFRE scheme that would provide the foundation for a sustainable operation of such a hub. In parallel, support was provided

---

[14] http://baltic-games.eu/files/bgi_goa2-2_output_1_ger-be.pdf

in finding a strategy in terms of a feasible legal framework and co-financing concept and a suitable location. When the German Game Fund came into play, the question of applying for the EFRE funds, which necessitated the creation of a network association, was put on hold, as most game companies involved applied for the Game Fund, and thus exhausted their de minimis limits. New attempts in 2020 were then obstructed by the onset of the pandemic and lockdown regulations. However, now that the Game Fund has been notified, the pursuit of establishing a game hub has been taken up again.

Planned action: Enhanced access to support for games

Regardless of the new Game Fund, action for enhanced access to support and increased support were executed. The strategies implemented here were manifold:

- Increased funds for game with the Medienboard Berlin-Brandenburg (the public agency for funding film and interactive audiovisual media)
- Intensified offers of explanation on how and where to receive funding (e.g. in events such as "Cash me if you can", "Money and Honey")
- Installation of an officer dedicated to games within the Senate Department for Economics, Energy and Public Enterprises
- Consolidated information on support organisations and schemes within the newly created online platform "Games Capital Berlin", financed by the public authorities
  Inclusion of three game expert consultants into the pool of coaches of the business development agency and bank of the Federal State of Berlin (IBB)
- The Senate Department for Economics, Energy and Public Enterprises also published a call for a PR video on the regional game industry which not only introduced Berlin as Games Capital but also provides success stories with relevant public funding schemes

Planned action: Capacity Building of Investors and Funding Agencies

The capacity building is reflected in the initiatives taken towards supporting the growth of emerging games business. E.g. the Senate Department for Economics, Energy and Public Enterprises financed a new format to be included in the renowned Berlin Game Week programme, which would bring together interested investors and Berlin game companies: „gamescapital.berlin Investment Masterclass". This was to complement the activities of the initiative Berlin.Baltic.Nordic.net financed by EFRE fund, which created a network of publishers and investors and organised match-making events for regional game companies with them. This new format was planned to be implemented in the 2020 games week in April as physical event and was then re-scheduled for 29 October as online event.

Implemented activities

Though largely intangible, the innovation dialogue and the above described initiatives contributed to placing games more centrally on the political and economic development map. The Governing Mayor of Berlin opened the Gamesweek Berlin, attended the opening of the e-Sport arena, the Berlin Senate regularly reports on Game industry events and initiatives, the Senate Chancellery organised a panel on game productions for non-entertainment industries, and much more.

The German Game Fund, with the notification, allows for higher funding amounts which will attract larger international companies to Germany. Here lies an opportunity for Berlin, with their big game community and large amount of young talents, both as start-ups and young professionals. The public support was directed in particular towards enhancing the location marketing for Berlin as games hotspot, e.g. with financing the brand and online platform "Games Capital Berlin"[15] or workshops such as "Talentfestival/Let's get hired", "HR Games Track" etc. supporting the recruitment of young talents, "GameCamp Berlin Community Evening" informing on the educational offer for games studies.

The public-private partnership organisation "Berlin Partner for Business and Technology" collaborates with the Berlin Senate and over 230 companies dedicated to promoting their city. They have an officer dedicated to catering to the game industry. Complementing the heightened location marketing, Berlin Partner initiated a "TALENT ATTRACTION 2020 Joint recruiting campaign for GAMES companies in Berlin".[16] Five to ten Berlin games & games related companies are invited to join this joint talent attraction campaign under the umbrella of "BERLIN". Using the positive image of Berlin to generate attention and link it to the respective companies and job offeres. Besides the pure marketing, this includes a head-hunter for direct search and a connected talent pool to find suiting candidates around the world. For this recruiting services Berlin Partner is paying the costs (roughly 15k€). Attending companies only need to pay a one-time participation fee which is used for a central landing page the target group-specific social media communication of the two-month campaign.

These efforts to attract more senior talents to Berlin and big international companies were flanked by workshops on how foreign talent recruitment, in particular from non-EU contries, supported by the Senate Department for Economics, Energy and Public Enterprises.

---

[15] https://www.gamescapital.berlin
[16] https://www.businesslocationcenter.de/en/recruiting-campaigns/

6. Latvia – Ventspils

6.1 The role of the innovation dialogues

Snapshot of the Latvian Game Industry

With a total of roughly 61 game companies, €16 million turnover, and €8 million profit in 2018, the Latvian game industry belongs to the young and emerging game industries within the BSR. There is definitely room for improvement, as it lags far behind other Baltic states such as Lithuania, whose annual turnover in 2017 was approximately €100 million, and the Nordics such as Finland, whose turnover in 2018 was over €2 billion.

Nevertheless, in the last 4 years there has been a slow but steady rise in both turnover and profit of game development companies registered and operating in Latvia, mainly thanks to the input of smartphone game developers. Approx. 80 % of games developed were digital games and 10 % were board games.

Image: Mood barometer 2018-2021

The survey conducted by the LGDA[17] shows that the total turnover of the industry experienced a slight decrease mainly due to the fact that Suricate Games (a complex of game development studios located in Riga), with a turnover of almost €3 million, ceased operations in Latvia in 2018 and was completely liquidated in 2019. However, due to the rapid growth of Estoty (mobile games), GameInsight (mobile games), Fufla (mobile games), AmberGames (browser games) and FunGenerationLab (mobile games) as well as other companies, in 2018 this figure has increased by over 34 %.

The same survey concluded that there are about 450 game developers in Latvia, which is slightly less than a year before. 80 % of these employees are based in Riga, while the remaining 20 % work in such cities as Jelgava, Ogre, Mārupe, Valmiera, Rēzekne, Sigulda, Kuldīga and outside Latvia – Vilnius, Parnu, Tallinn. The gender breakdown in the industry is as follows: 83 % male, 17 % female.
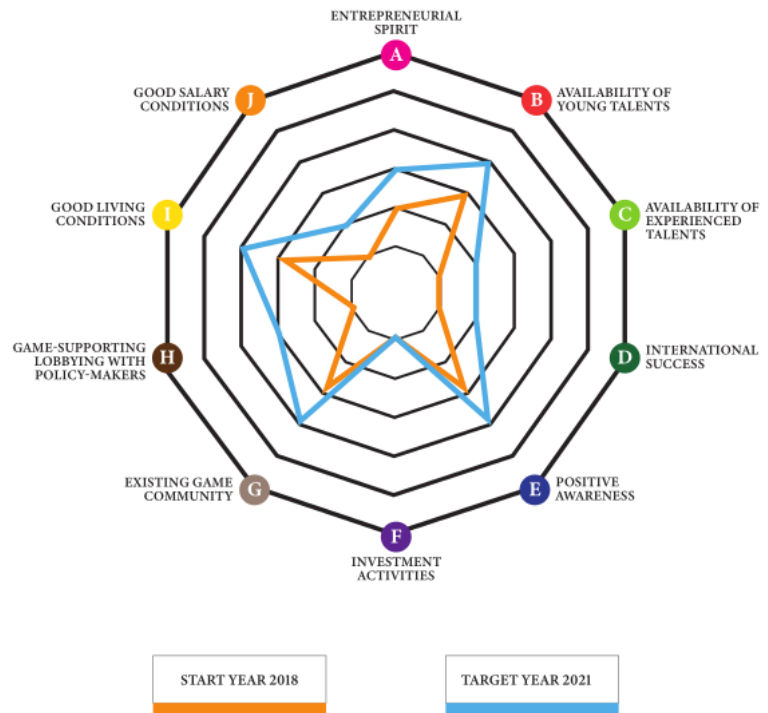
---

[17] Latvian Game Developer Industry Data 2019.

With an average of 5 employees per company, the Latvian game industry is dominated by small firms. In contrast to these low-ranking figures, Latvia has the largest number of technical incubators that can also cater for game start-ups.

Another positive aspect is the recent addition of a bachelor's programme in 2018. EKA University of Applied Sciences has introduced a study programme "Computer Game Design and Graphics". The university is located in Riga.

With regard to organising industry specific events, support mechanisms and policymaker-lobbying, overwhelmingly, most of the work has been done by the LGDA.

Before Ventspils Municipality participated in the BGI project, there were no game development companies nor industry specific events as well as support programmes and policy maker lobbying to speak of in this region. Thus, regional game industry development had to be built from scratch, which was both an advantage and a challenge at the same time. The advantage was that in the beginning phase of the development, Ventspils Municipality was able to adapt best practices from other regions where this industry is already booming. The challenges were the lack of talents as well as a lack of financial and infrastructure resources that held back the development of the game industry.

The first task carried out by the project partners was mapping the current state of the industry in order to form a snapshot of industry state called a mood barometer (see image below).
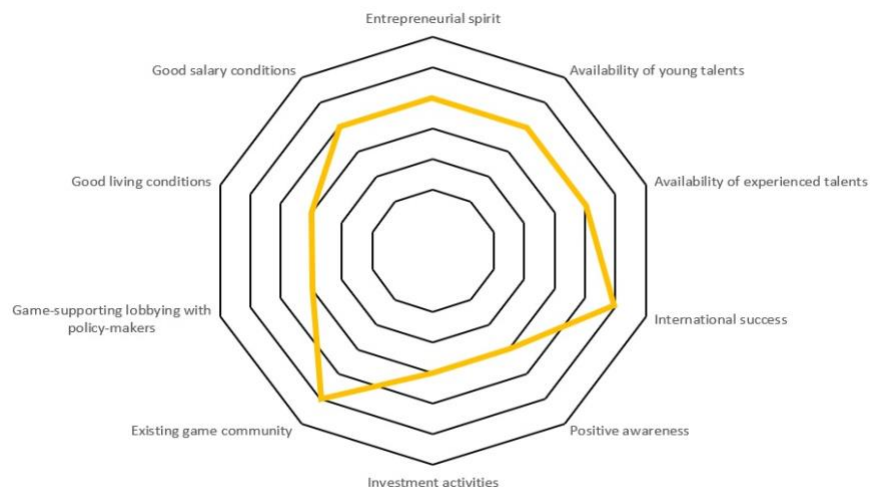

Image: Estimated mood barometer at the beginning of the project

At that time there was a no communication and collaboration between policymakers or public entities VDC and industry experts such as LGDA. Therefore, the initial mood barometer reviewed at a later stage by LGDA representatives, was estimated to be too optimistic. In a way, this highlighted of the main problems for the growth of the game industry: a lack or rather missing communication channels between LGDA / game developers and policymakers, educational establishments, and local governments.

Developing the action plan

Ventspils as a BGI project partner investigated both strengths and weaknesses of their emerging game industry from different perspectives such as availability of support mechanisms, infrastructure, education and so on. As a result, SWOT and TOWS matrices were formed allowing to estimate the directions and scope of possible strategy development and thus what actions must be taken to strengthen the weak points.

The action plan of Ventspils describes 3 main actions.

Action 1: Provide high quality and competitive education opportunities that are based on the needs of the current and future Game industry labor market.

- Providing game development education opportunities for school-aged youth.
- Increasing the number of higher education graduates with knowledge relevant to the industry.
- Focusing on lifetime education and the quality of academic personnel.

Action 2: Grow of the local community.

- Creating a unified system for access to information.
- Organising industry events for both professionals and newcomers.

Action 3: Develop and attract financial support mechanisms and tools.

- Supporting game start-ups and existing companies.
- Developing industry-oriented business incubator.
- Attracting foreign investments.
- Lobbying for governmental and municipal support.

6.2 Change Process

To ensure good communication and collaboration between existing game industry representatives and local regional entities such as Ventspils Municipality, VDC initiated and developed a joint memorandum of understanding between VDC, Ventspils High Technology Park (VHTP), Ventspils University of Applied Sciences and LGDA. This document outlines actions and responsibilities for each entity, allowing to jumpstart the practical development of the game industry.

The next step required a long-term development plan in the form of a strategy which was non-existent for the game industry. To overcome this, Ventspils Municipality decided to involve industry professionals to develop the strategy based on LGDA experience and knowledge. But first, Ventspils as an ecosystem of different entities had to be aligned towards the common goal of developing the game industry.

The fact that it has become the first precedent of a public organisation collaborating with LGDA makes this memorandum unique in Latvia. VDC continued to strengthen the collaboration with LGDA

and invited game development industry experts and board members to discussions, co-organised events with VHTP and AHK and re-evaluated previous assumptions of the Latvian game development industry. This led to the creation of a better estimate of the mood barometer in the beginning of April 2020.

Initiated Change / Improvement Processes

Action 1: Creation of high quality and competitive education opportunities that are based on the needs of the current and future Game industry labor market

Talent growth is recognised to be crucial for industry development, especially in its early stage. Therefore, the main project focus is kept on educational programmes and community growth which is not possible without industry experts working as mentors and academic personnel. Currently game-related education in Ventspils is extra-curricular, hence voluntary or optional. Therefore, the COVID-19 crisis slowed down and in some cases, even stopped the development of face-to-face game education as core (compulsory) education comes with higher priority during the pandemic.

A few initiated changes are listed below:

- VDC organised a non-formal educational programme, "Basics of Game Development" for children from grade 10 to 12;

- The project partners worked together with LGDA to organise the Global Game Jam Next site in Ventspils (previously the event happened only in Riga);

- Information of existing and upcoming resources, events, education options are now shared via VDC and Ventspils University information channels as well as has been spoken about at live events (for example Ventspils Tech Up);

- Groundwork for covering the travel expenses of local youth for taking part in national game development events was being laid, but due to the COVID-19 pandemic this course of action stopped;

- A series of workshops were planned in Ventspils, each led by a different Latvian game industry veteran and covering a different theme connected to game development. Only the first workshop "Versatile Particles" was held before the COVID-19 crisis made on site events impossible;

- In February 2020, VHTP together with LGDA organised GameHack, which was also supported by VDC: a game jam for both new and existing game projects. The event also featured mentoring sessions and an opportunity to acquire financial support for the development of a game;

- In June 2020 an online game jam "Vasaras Spēļu zapte 2020" was organised by VDC and LGDA to compensate for the loss of on-site workshops. This event was unique in the fact that in each team a mentor (a Latvian game industry professional) assumed the role of a team member, working side by side with the rest of the team as well as mentoring them, providing

the most realistic experience of what it is to be a part of a game development team in an online environment. The game jam was available for people of all experience levels;

- In autumn 2019, after a VDC initiative, Ventspils University of Applied Sciences introduced a "Basics of Game Development" course for its IT students.

- VDC worked together with LGDA in organising the yearly Latvian Game Development conference. Due to COVID-19, the conference was cancelled.

- 11 experts were hired to create educational materials regarding game development. The subjects ranged from procedural animation to optimising games for mobile platforms. The materials will be available on the VDC homepage.

Action 2: Growth of the local game community

Local community growth plans took its toll when the COVID-19 pandemic started. To overcome this, VDC decided to use LGDA as a communication platform. This allowed VDC to reach already existing game development communities. In this matter a publication was released summarising all the available Latvian online channels and resources and this information was also shared at live events (EKA University of Applied sciences guest lecture, Ventspils game development workshop to list some of the examples). We strongly believe that other regional communities must follow the example and thus use the LGDA communication framework.

Action 3: Development of financial support tools.

The popularisation of LGDA's available resources also included informing the community of its already implemented financial support tools: organised attendance of European Game Industry events, financial support for attending game development courses, covering mentorship and game publishing costs.

During the project implementation, VDC centre maintained the competition of Ventspils' ICT pilot programme which provides financial support (up to €15.000) for businesses which are willing to develop their product or service in Ventspils. Currently other support mechanisms provided by Ventspils Municipality are not available.

Effected / Manifest Changes / Improvements

Action 1: Creation of high quality and competitive education opportunities that are based on the needs of the current and future Game industry labor market

VDC will supervise a new Science and Innovation Centre of Ventspils[18] which will not only hold exhibitions but also provide infrastructure for companies (offices, conference halls, etc.) and provide critical infrastructure necessary for allowing a drastic increase of current extra-curricular education offers. During the implementation of BGI, games have become an integral part of future education.

---

[18] http://www.lnk-industries.lv/en/news?id=146

In this matter, future iterations of game industry development in this region will be required as the demand is increasing.

One might highlight that due to development of relations with LGDA, the accessibility of new and most importantly qualified Latvian game industry professionals has increased. This is an important point to acknowledge as industry professionals play a key role for boosting the local academic personnel and thus the education of the future.

Action 2: Growth of the local community

Game jams and game development hackathons were heavily promoted during Europlay and Summer Game Jam (Vasaras spēļu zapte). VDC has created valuable materials which will allow to promote the game industry also after the BGI. During the game jams all games were open sourced, and the code of each game was turned into tutorials. This will increase the educational capacity and attract more talent.

Together with Rocknight Studio, VDC created tutorial videos on following topics:

- How to use game jams for your personal game project development?
- How to start streaming your game development / gameplay? Tips and tricks.
- How to organise online game development events using streaming services?

Now communication between VDC and LGDA has become a common practice. LGDA sends updates to VDC about industry events and opportunities. This in turn allows VDC to share this information further with the local community. In the future, similar events to those organised in Riga will inspire and boost the game development community in Ventspils and thus will be organised locally (monthly game development meetups for example). The newly forged relationship with LGDA has also put the city of Ventspils on the radar as a potential site for national level events.

Action 3: Development of financial support tools.

No additional financial support tools are planned as the community must still grow. Current financial support tools may serve the purpose together with already existing business incubators. Additionally, with strong support of LGDA, VDC participates in negotiations for creating a new NACE (Statistical Classification of Economic Activities in the European Community) classifier, allowing to identify game development enterprises under the game development category.

Our aim is to change the current situation in Latvia by providing a choice for game devevelopment companies to shift their category from IT or other to game developers. We believe that the new NACE classifier will allow us to monitor the game development industry more efficiently. More efficient monitoring will allow us to identify the best support mechanisms which have the highest impact on the game development ecosystem.

7. Lithuania – Vilnius

7.1   The role of the innovation dialogues

After initiating meetings with the representatives of the game developer association, we identified critical problems:

1) The game industry lacks attention from the government. The video game industry is equivalent to the film, theater, and music industry and the game industry generates more revenue than the Lithuanian film and music industry combined. It is a significant industry that employs professionals in a variety of fields, but the focus on the game industry is significantly less than on other creative industries.

2) Lithuania did not have official statistics. The data of each organisation is stored, the data of the industry is not systematised, only assumptions are made.

3) A lack of talents. There were no or only a few professionals of advertising, marketing specialists in the game industry at all. The biggest gap was between the demand and supply of senior professionals.

Image: Mood barometer 2018-2021

Even though Lithuania had very significant parts of the ecosystem in 2017, such as the biggest game festival in the Baltic states and a Lithuanian Game Developers Association (LŽKA) that were representing game developers on the political level and were also organising learning events, etc., the Lithuanian game development industry had a lot of challenges that needed to be overcome to boost the growth of the ecosystem.

Slow growth and a lack of resources were the key challenges for the Lithuanian game development industry. The industry was represented by a high amount of small companies. The average size is 8 employees per firm which is rather small compared to most of the BSR. This low average of employees resulted from the fact that 3/4 of Lithuanian game companies only employed up to 4 employees. This indicated that Lithuanian companies struggle to scale-up.

The companies' growth was hindered by the fact that for small game studios it was quite hard to get a financial injection from external sources: private investors were cautious when thinking about the possibility to invest in a game industry company. There were public grants which aimed to foster
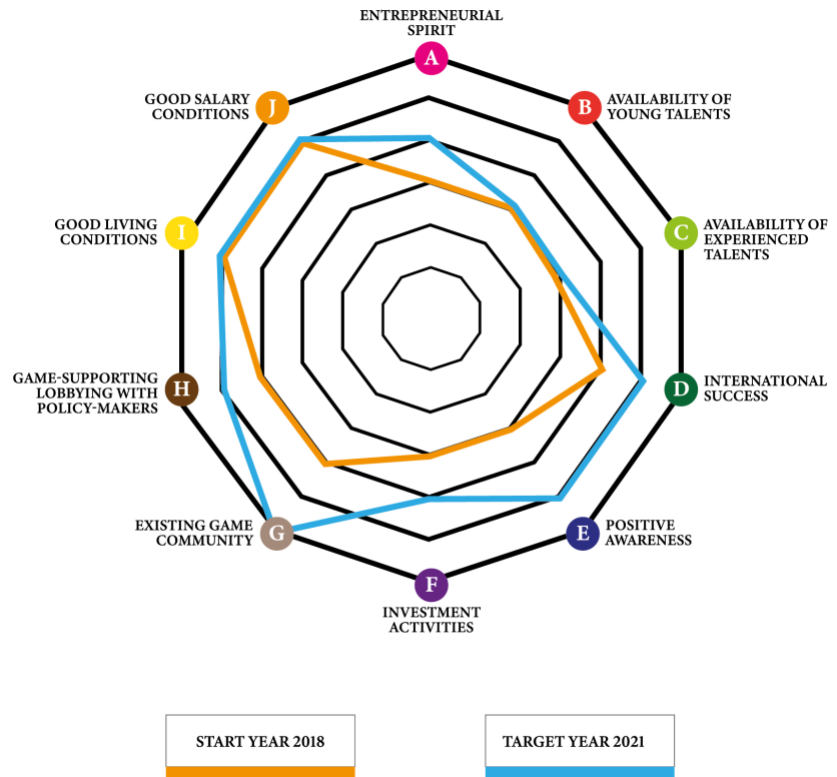
entrepreneurship and company development at a seed stage, however, none of these grants or funds were dedicated to game development companies.

The only funding programme that was focusing on game developers was administered by the Ministry of Culture: The Council for Culture established two programmes, which, for the first time, explicitly listed video game projects as legitimate candidates to receive state funding.

However, with all that taken into account, the lack of attention and support from the government, especially from the Ministry of Economy, was the major setback of the Lithuanian game development industry.

4) Big foreign companies did not choose Lithuania as their investment destination. There is a competition between IT companies offering better financial and development conditions

Development of the action plan

Our approach for the innovation dialogues was influenced by the fact that Lithuanian Innovation Center (LIC) had a strong connection with representatives of SMEs and start-ups, the Lithuanian Game Developers Association, and governmental institutions, i.e. the Ministry of Economy and the Ministry of Science. The innovation dialogues were very important to establish a working relationship between these two groups and build understanding and trust, that could be converted into common initiatives and actions.

We chose a bottom-up approach: with the game development community we identified challenges. In line with those challenges, we found good practices that could be solutions to those issues. We collected all the necessary data about our game development industry and converted the data into concrete arguments how game industry could help to boost Lithuanian economy and get a new competitive advantage. Later, the representatives of the Ministry of Economy were involved.

The main aim was to develop a dialogue between the different institutions that had a limited understanding of the activities, resources, and powers of the other parties. The game industry sector has been classified as an information technology sector in various strategic documents and business support measures, so the exceptional needs of game industry companies had been explained for the main Ministries or other managing authorities.

The representative of the game industry emphasised that even though ICT professionals generate a large part of the value of their products, cross-sectoral collaboration remains a significant factor in the game development process. The game development studios hire or work closely with culture and art professionals. In addition, the video game path to commercialisation differs significantly from traditional information technology products or services. It was necessary to educate the authorities and scientific institutions about the specific needs and biggest challenges of the game industry companies. Meanwhile, representatives of the game industry lacked knowledge about the current business support structure and international opportunities for cooperation and business support.

These meetings and the discussions helped to prepare an action plan which focused on the following activities:

• *A preparation of the methodology of the annual game industry report.*

It was difficult to come up with new proposals for improving the ecosystem when the actual situation of the industry was poorly known. No one in Lithuania had tried to collect information relat ed to the Lithuanian game industry companies. Meanwhile, in Sweden, Finland, and Germany, the decisions were made based on specific statistics.

• *To include game development activities among the priorities of the Lithuanian Smart Specialisation Strategy.*

Lithuanian game industry companies use innovation support measures to a limited extent. One of the biggest obstacles identified were the requirements of Smart Specialisation. In the past, game development technologies and products were not directly included among the priorities of Smart Specialisation.

• *Encourage the establishment of a cross-sectoral cooperation.*

It was necessary to create a structure that would allow small companies in the game industry to attract additional funding. Involving companies in clusters would allow finding new clients and opportunities for cross-sectoral cooperation, which could be financed using various EU structural funds and national funding instruments for clusters.

7.2   Change Process

Context of Change Implementation

- Some actions require the approval and implementation of the authorities, so the result depends on their approval, budget, and scope for change. Meanwhile, other actions can be implemented without political decisions.
- Initiatives implemented by other organisations have become a key factor in the success of actions, which may have slowed down or accelerated some of the changes.
- The speed and order of actions were affected by the need for planned measures or changes.

Initiated Change / Improvement Processes

During the BGI project, the Lithuanian Innovation Center also contributed to the implementation of various other initiatives, the generation of ideas, or the organisation of events that contributed to the promotion of the game industry in Lithuania or helped to improve the business environment for game companies:

1. The lack of collaboration between education institutions and game development studios was identified as one of the biggest weaknesses of the Lithuanian game industry ecosystem. For this reason, the Lithuanian Innovation Center together with regional partners, the Lithuanian Game Developers Association, UAB Telesoftas, Kaunas University of Technology, and Infobalt organised two roundtable discussions to which we invited all key representatives of business, education, NGOs, and

public organisations to discuss opportunities and the action plan on how to improve science and business cooperation to strengthen the game industry in Lithuania.

2. To solve the problem of limited funding opportunities for game development studios, LIC, together with the representatives of the Lithuanian Game Developers Association, started to develop an idea of a national game development accelerator, which could be co-funded by the public-private investors. The idea was developed into a specific concept based on mathematical calculations of all risks and expected payback, and this concept was presented to the Ministry of Economy and Innovation, who were ready to consider this idea when approving financial instruments in the new financial period.

3. We approached the Invest Lithuania organisation, proposing that they include the game industry among their priority areas, as this would help to focus more actively on attracting investment from foreign companies in this sector and adapting the business environment to the needs of companies in the game development sector.

Effected / Manifest Changes / Improvements

1. Game industry technologies and products were included as a subtopic in the Lithuanian Smart Specialisation Strategy.

2. The Lithuanian Innovation Center in cooperation with the Lithuanian Game Developers Association created a methodology of the Lithuanian game industry report and released its first version.

3. To have a steadily growing gaming industry and to become a regional hub for this industry, we needed to have a comprehensive strategy for the next 10 years. To achieve a sustainable outcome, it is not enough to identify or implement individual actions. It is important to make an overall assessment of how various fields could be improved: infrastructure, environment, knowledge, and cooperation.

Therefore, a decision to prepare a roadmap of the Lithuanian game industry for 2020-2030 was made. The Lithuanian Gaming Industry Roadmap is designed to identify the main challenges for the development of the game industry which are determined by global trends, as well as to set goals that unite the sector and define unique development directions in the next 10 years. The roadmap will have to become a strategic document for the Ministry of Economy and Innovation, the Ministry of Education, Science and Sport, and the Ministry of Culture, so whey will be able to see a broader picture of what measures and actions need to be taken and better coordinated. This should help to implement reforms more effectively and improve their quality.

8. Poland – Krakow

8.1 The role of the innovation dialogues

In 2017, when BGI was launched, the situation of the Polish game industry was good, but there were possibilities for improvements. We can definitely claim that our game industry was very close to the top. So, our ambition was to improve framework conditions and be even closer to the top.

Here are the main numbers regarding 2017: approx. 400 game studios (almost 50 in Malopolska Region), approx. 6000 employees, approx. €450 million revenue, Polish game market 7th in Europe, 23rd in the world.

Here the same data for 2020: over 440 game studios (over 70 in Malopolska Region), over 9000 employees, approx. €480 million revenue, Polish game market 7th in Europe, 20th in the world.
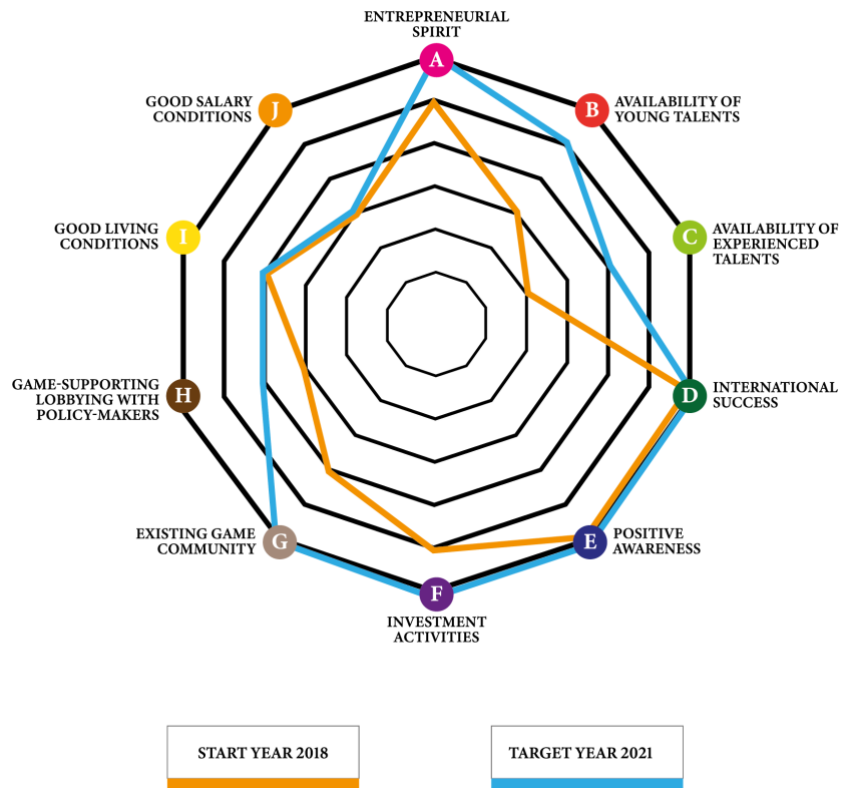

Image: Mood barometer 2018-2021

Main features of the Polish game industry:

- Well-developed formal and non-formal communities;
- A lot of local, regional events, two strong international level events – Digital Dragons (B2B), Poznan Game Arena;
- First expanded programmes to support knowledge sharing (Digital Dragons Academy);
- public authorities (PA) on the regional and national level understand game industry as important part of entertainment, culture and business;
- Highly qualified specialists – juniors, mids and seniors;
- Big needs for new talents;
- Low level of cooperation between universities and companies;
- Not-so-good higher education (gaps in entrepreneurship competences, low level of soft skills, alumni without experience, etc.);
- Two strong independent organisation representing game developers (Polish Games Association, Indie Games Poland Foundation);
- A few funding tools (Game INN Programme, Programmes of Ministry of Culture and Heritage, Creative Europe);

- Few investors and VCs ready to invest in game industry;
- Fast growing fame of game industry;
- Discussion about tax relief for games with Polish / European cultural context;
- One of the seven Regional Smart Specialisations is „Creative Industries" (incl. video games)
- Complicated and high tax regulations;
- Complicated public rules / regulations for non-European workers.

The innovation dialogues were the tools to build in-depth knowledge, to map the main challenges, and to choose more important ways to support the Polish game industry which formed the basis for developing the action plan.

Action 1 - Establishing the incubator for game start-ups

- Establishing the incubator
- Running mentoring and assistance programme
- Physical infrastructure for incubator and game start-ups
- Made up business model with a few various ways of development

- Funds for incubator - own budget of KTP and / or co-financed projects

Action 2 - Support for HR development

- Refined and enlarged "HR Zone" on Digital Dragons conference and during the KrakJam hackathon
- Workshops and consulting for students who want to starta career in game development and other people who want to change the ways of their career
- Cooperation with universities from East Europe – foreign talents will be invited to the Digital Dragons conference
- Create non-formal network with East European partner, such as universities, HR agencies, NGOs, companies
- Prepare manual for game companies about foreign talent hiring

Action 3 - New specialists – training

- Greater range of Digital Dragons Academy
- Verified repository of knowledge for newbies in the game industry
- Analysis: is it possible to establish in Krakow a modern training center for game development?

8.2 Change Process

Across the main categories of BGI acitvities and changes (Entrepreneurial spirit, Availability of young talents, Availability of experienced talents etc.) and main directions implemented in our action plan, we have carried out following activities:

Entrepreneurial spirit

1) Piloting a game incubator – development of entrepreneurial skills: 2018/19 – 1st batch (mobile games) with 4 game start-ups, 2019/20 – 2nd batch (PC / console games) with 8 game start-ups, 2020 – 3rd, remote batch (mobile games) with 7 game start-ups (outside of BGI, in cooperation with Marshal's Office of the Malopolska Region). Physical infrastructure for incubator and game start-ups (5-10 % of KTP tenants were from game industry). Roadmap for Digital Dragons Incubator development during next years.

2) Pitching session with investors during Digital Dragons conference (2019). 14 companies, 24 investors and publishers.

3) Letter of intent between KTP and new, highly specialised investor – Satus Games VC (letter of intent).

4) „Game of Dev" – business serious game for policy makers and game start-ups; tuition material to introduction to the world of game industry; pilot workshop with Malopolska Region representatives (11.2020).

5) Two promotion videos about game industry: 1) national, about Polish game industry, DD Incubator and BGI (in cooperation i.e. with Ministry of Entrepreneurship and Innovation), 2) international, about Baltic game industry, partners, BGI (05-11.2020).

6) Human Resources and salaries in Polish game industry – new research and report (08-11.2020)

7) "State of the Polish game industry 2020" – new research and report about national game industry (05-12.2020); one of many interesting conclusions from the research: 50 % of respondents recognise the Digital Dragons Incubator. In cooperation with Ministry of Culture and National Heritage and ARP Games

8) "Creative Malopolska II" project – internationalisation of regional game studios by attending respective game conferences, fairs, etc. The project is supported by Malopolska Centre for Entrepreneurship (09.2020+).

9) Participating in consultations new frames of Regional Strategy of Innovation "Malopolska 2030" (since 11.2020). Suggestions for game industry stronger support. Phrase "digital dragons" we can find 5 times inside of Strategy; "digital dragons incubator" - 1 time

Availability of young and experienced talents

1) Greater range of Digital Dragons Academy. Since 2019 – not only in Krakow but in Warsaw also, and since April 2020 – fully remote, for people from whole Poland. Number of attendees: season 2018/2019 – 1000 people, season 2019/2020 - 1587 people, special "COVID" remote edition in cooperation with National Centre for Culture Poland (July-August 2020) – 676 people (+3113 on YouTube) (7 online workshops)

2) Job walls for attendees during events and workshops organised by KTP (Digital Dragons conference, Digital Dragons Academy in Krakow and in Warsaw, KrakJam hackathon). Offers for junior-level specialists.

3) HR Zone during Digital Dragons conference (2019). 50 participants. Matchmaking employers and students, young alumni, etc.

4) Support for students of the High School no 31. with KTP and Digital Dragons as a main partner (since 09.2019)

5) Analysis: is it possible to establish a modern training center for game industry in Krakow? Prepared in 04-06.2020. In brief: yes, it is possible, but requires preparation, especially now, during next waves of COVID. It is one of the side branches for the Digital Dragons Incubator development in the future.

6) "Foreign talent hiring" – manual for game companies (11.2020)

International success

1) Supporting young game start-ups in the Baltic Sea Games Award 2019 competition. Winner of the BSGA is from Poland ("Weakless" designed by Punk Notion).

2) Two promotion videos about the game industry: 1) national, about Polish game industry, DD Incubator and BGI (in cooperation i.e. with Ministry of Entrepreneurship and Innovation), 2) international, about Baltic game industry, partners, BGI (05-11.2020)

Investment activities

1) Letter of intent between KTP and new, highly specialised investor – Satus Games VC (letter of intent).

2) Cooperation with City of Warsaw – "Warsaw Game Industry 2019/20" report (01.2020)

Game-supporting lobbying with policymakers

1) Public presentation of Polish game industry achievements during plenary meeting of the Malopolska Council of Innovation (regional authority – advisory body) (05.2019).

2) Public presentation of KTP's support for the game industry (BGI, Digital Dragons initiatives) and Polish game industry achievements during special session of the Malopolska Committee of Innovation and New Technologies (part of regional council) (01.2020).

3) Minister of Innovation and Technology – Jadwiga Emilewicz – as a special guest, speaker and VIP giving the main prize during Digital Dragons conference (05.2020) and interviewee in promotion video about polish game industry (09.2020)

4) Policy makers as a guest during many KTP activities: DD Incubator demo days (02.2019, 03.2020), Digital Dragon conferences (05.2019, 09.2020), Innovation Dialogues (06.2018, 12.2018, 02.2019, 03.2019) – Malopolska Region, Krakow Municipality

5) Malopolska Region, Krakow Municipality – main partners of Digital Dragons conference (05.2019, 09.2020)

6) New, 3rd batch of DD Incubator developed in cooperation with Regional Authority (02-12.2020)

7) Marshal of the Malopolska Region as a main speaker during opening of Digital Dragons conferences (05.2019, 09.2020)

8) Took part in telco with The Lower Silesian Agency of Economic Cooperation Ltd. about establishing a game incubator in Lower Silesian.

9) KTP attended the iBSG forum meeting and the presentation by PP8 to network on the EU level on behalf of BGI and the Region of Malopolska (Informal Baltic Sea Group seminar, 11.2019, European Parliament).

10) Participation of KTP in the works of the Smart Panel with game industry experts in Warsaw (05-07.2018). The Smart Panel - 'a tool' that has been devised by the national government (Polish Agency for Enterprise Development) as a means to debate the current state of the Polish game industry and to elaborate on coherent recommendations for alignment of existing public support instruments, with a particular focus on public funds available within the 2014-2020 EU budget perspective.

All of the above activities strongly strengthened and vitalised the game community and the dissemination and promotion activities surrounding them fostered the increased awareness and visibility of the regional game industry.

The implemented activities made it possible to maintain or even raise the high level of some of the conditions for the game industry in Poland and the framework conditions in general.

First of all, the climate for the game industry at the level of regional authorities and in KTP itself is systematically improving - the strategic plans of KTP and point-based actions have become much more ambitious, innovative, and specific. An important element of the change is also the great openness and commitment of regional authorities. The regional and national ecosystem of the game industry has undergone significant development and improvement during the BGI project.

It is important that thanks to the BGI project, KTP manages to animate the game industry support ecosystem, develop existing support instruments, and implement new support services for the game industry through real cooperation between KPT, regional authorities and experts from the game industry

The Malopolska-based and Polish game industry is supported by the KTP and regional authorities more consciously, more purposefully and more effectively.

9. Sweden – Stockholm

9.1 The role of the innovation dialogues

We worked closely with our regional project partner Dataspelsbranschen (the Swedish Game Industry Trade Association referred to as SGI below) who, among many other things, collects data about game companies in Sweden and publishes an annual report ("Game Developer Index") which reflects the status of the Swedish game industry. The Faith report is another report produced which describes the investment climate in the Swedish game industry.

In addition to above-mentioned sources, some research has been carried out on what opportunities Swedish game companies have when applying for public funding in Sweden.

During the course of 2018, we realised that we needed to narrow down the focus area of the BGI project, based on the following:

Image: Mood barometer 2018-2021

1. Main findings from previvous research
2. Activities that would most likely be in alignment with Invest Stockholm's overall operations to ensure internal capacity building
3. Activites that could add value to the game industry community as a whole

The intersections of these thoughts have laid the ground for our strategy work within the BGI project. As Invest Stockholm primarily works with private investors from abroad, it was an opportunity for us to tap into the local game development ecosystem and investigate whether Invest Stockholm's existing capabilities could be leveraged within that context.

Could foreign capital work as a catalyst to stimulate public funding schemes? A number of interviews with individuals with different roles in the Swedish game industry have been conducted to assess what kind of possibilities there are today for a game company seeking financial support.

Early on through the researches we also realised the difficulties for early-stage game studios to gain public support in comparison to their peers in other tech start-up verticals. Several reason could be identified:
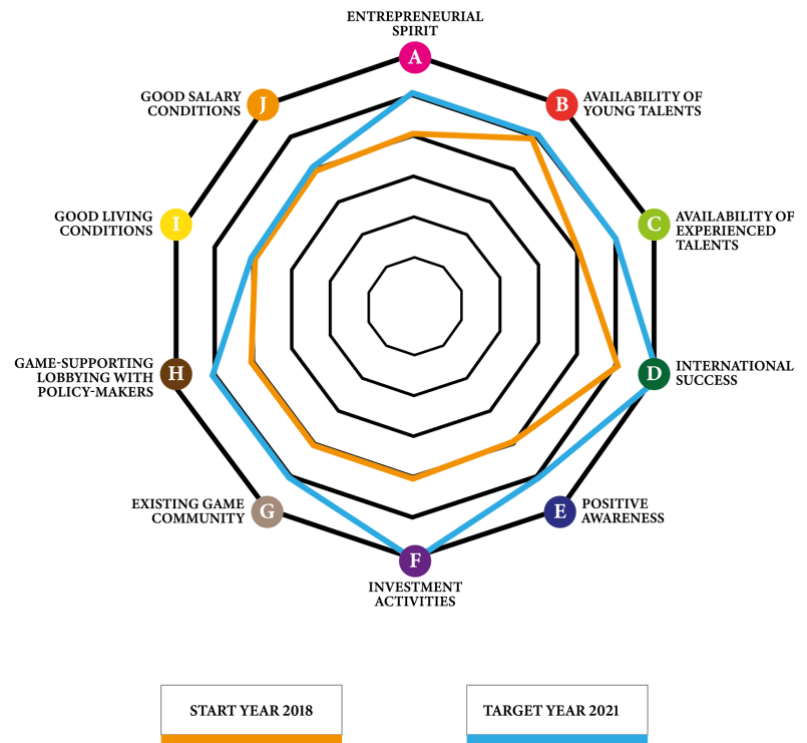
- Lack of understanding of game studio life cycle
- Lack of understanding of innovation elements represented by game studios as the traditional assessment of tech innovation is not applicable in the same manner
- Lack of knowledge and experiences for public stakeholders to look further
- Obscured perception of gaming as a source of overindulgence for youngsters which therefore shall not be with the scope of support from public stakeholders.

Therefore, our focus has landed on investigating the following questions:

- How to make the funding (both private and public) accessable for early-stage game studios in Sweden?
- How to engage public stakeholders to pay more interest and attention to the game industry?
- How to make it easier for early-stage game studios to raise funding for their projects from both private and public investors as well as publishers?

Developing the action plan

After conducting our innovation dialogues, takeaways and written reports were summarised from our dialogues. Based on what we learned during the dialogues, we created a SWOT analysis that describes the situation of the Swedish game industry. Based on the SWOT analysis, a TOWS analysis was formulated in which we pinpointed concrete actions that can be implemented in the Swedish game industry in order to improve certain areas.

We decided on three concrete areas with action points within each of these areas. We have considered "low-hanging / high-hanging fruit" as actions in our action plan, actions that are realistic to complete within the frame of this project and actions that are more of long-term nature. During that process, we involved representatives from SGI in our brainstorming and formulating of the plan which can be found here.

Action Area 1: Funding

A. Creating a platform for private and public investors to meet game start-ups
B. Investigate the possibility of building up a potential "competence pool" or single of point of contact where public organisations have access to when they need to evaluate game-related cases (revised)
C. Identify what financial support is available for early-stage game companies
D. Establish more structured, trusted and efficient communication channels between studios and publishers / investors (added later)

Action Area 2: Marketing & Talent attraction

A. Create infographics for the Swedish game industry
B. Initiate and support Sweden Game Jam (handed over to SGI)

Action Area 3: Knowledge Sharing

- A. Publishing an article with tips from experienced game investors
- B. Organising educational workshops for investors
- C. Checklist on how to invest in games

9.2 Change Process

Below are some of the major pilot efforts (targeting different parts of the action plan).

Game Investor Sessions (Action Area 1 – A, Action Area 3 – B)

We carried out four matchmaking pilot sessions, including the latest virtual session due to COVID-19, all in a cost-effective manner. The purpose is to build a platform for gaming incubators, game-savvy investors, and early-stage game companies to meet and interact and eventually do business.

We iterated and improved the concept prior to each new session to ensure quality and efficiency. Both application and evaluation processes have been constantly revised during the course of time. More incubators have been encouraged to come forward with proposals for start-ups. These deliverables, including methodology can be further improved and ramped up in the extension of the BGI project.

The Publisher's Newsletter

(Action Area 1 – D): One of the biggest challenges facing independent game developers is securing the financial means to launch their titles. One of the most common means of financing commercial game projects is through partnership with a game publisher who may supply everything from development funding and support to distribution, marketing, porting to alternative platforms, localisation and quality assurance. Game studios will typically seek out publishers and pitch their projects to initiate a dialogue about a potential partnership, while publishers will scout for cases they see as potentially lucrative and initiate similar negotiations.

The pilot was set out to see how to utilise established clusters, hubs and incubators who support game studios to make the communication between studios and publishers / investors more efficient. The medium in the pilot was a newsletter containing a curated list of game projects actively seeking partnerships, presented with relevant information in a consistent manner.

The pilot consisted of the concept building, design and coding of the newsletter template as well as developing the digital tools to collect both the required information from publishers and game developers. Two newsletters were conceived, and the whole process has been extensively documented throughout the entire project to enable further validation and deveopment of the concept in the extension project.

The "Nanny" Project

(Action Area 1 – A, Action Area 1 – C): In our original action plan, we planned to investigate the possibility of building up a potential "competence pool" or single of point of contact where public

organisations have access to whenever they need to evaluate game-related applications (Action Area 1 – B). As these ideas were not warmly received at the meetings with the public funding organisations, we needed to pivot our plans. So, we decided to make some in-depth research to demonstrate the challenges for early-stage game start-ups with regard to funding.

Therefore, a survey (with project name "Nanny") was undertaken to investigate existing public funding opportunities that may benefit small and medium-sized video game companies based in Sweden. The effort was aimed at collecting and mapping financial resources that are barely being used by the game industry. Based on this, a guide could then be formed to enable and facilitate game developers to seek public funding as the next step.

The purpose of Nanny is to:

- Increase the knowledge of how companies within the Swedish game industry can benefit from public funding.

- Create a framework to develop knowledge about the game industry among counsellors at public funding organisations

- Contribute to a reinforced dialogue between the industry and funders

The findings of the Nanny project were planned to be made public through a dedicated event either in conjunction with Sweden Games Conference on Oct 21st or a separate online event in November. At the launch event, the findings will be presented first and then discussed by the panellists which will comprise both private and public funders such as Almi Invest, Vinnova, etc.

Through this event and the survey, we anticipate creating open and closer dialogues between the public players / fonders and early-stage game studios who are in need of financial support. We hope to provide more insights for the representatives (especially public players) to gain more understanding about the potential of game industry for the society as a whole.

Investor's Guide & Pitch Checklist, Including Ecosystem Overview

(Action Area 2 – A, Action Area 3 – B, Action Area 3 – C): One of the key findings of the innovation dialogue was the need to create interests and build confidence for both private and public investors / funders to engage more in investing in / funding early-stage game studios. An Investor's guide is therefore commissioned to kick start a learning process, empower potential investors / funders and provide tools for their continued exploration of one of the world's fastest growing industries.

A checklist for early-stage start-ups will also be made available to help them in their understanding of the investors' rationale in order to prepare their pitches professionally. The guide is planned to be launched in conjunction with Sweden Game Conference. We hope it will be a helpful handbook for both non-savvy game investors and public funders. Furthermore, it will provide some hands-on tips for early-stage game studios in their endeavors for fundraising.

We believe all of the findings and deliverables from above-mentioned pilot projects will add value and knowledge to the existing game ecosystem in Sweden. As earlier efforts within similar domains tended to be more regional and hence were restricted to benefit more local game ecosystems, the

activities executed throughout the BGI project enabled us to both consolidate our position as a public ecosystem builder as well as to some extent fill the gaps between different players within the ecosystem in Sweden through identified common objectives.

THE PROJECT

The project 'Baltic Game Industry' (BGI) aims to foster the game industry in the Baltic Sea region - turning an ambitious game developer scene into a competitive and attractive business sector with sound innovation potential and thus making the region a game hotspot with worldwide competitiveness.

The partnership works together on framework condition improvements, on making business support services fit for the special needs of game start-ups and finally on new business opportunities for game developers in other industry sectors, such as health care. The core element is the installation of durable game incubators, programmes and schemes for game start-ups across the region.

BGI effectively combines policy and business development. Tailor-made game business support fosters a durable economic growth of this innovative industry in the whole region. The introduction of VR technologies in non-game industries contributes to boosting innovation beyond games. The common branding of the Baltic Sea region as game innovation hotspot will attract international clients, investors, creative entrepreneurs and qualified workforce.

Read more at www.baltic-games.eu

PROJECT LEAD

BGZ Berliner Gesellschaft für internationale Zusammenarbeit mbH
Pohlstr. 67

DE – 10785 Berlin
phone: +49 (30) 80 99 41 11

fax: +49 (30) 80 99 41 20

info@bgz-berlin.de
www.bgz-berlin.de

Managing Director: Dr. Hilde Hansen
Chairman of the Supervisory Board: Jürgen Wittke
Shareholders: State of Berlin, Berlin Chamber of Skilled Crafts
Register court & number: Amtsgericht Berlin, AG Charlottenburg, HRB 21 292

PROJECT PARTNERS

- Denmark: Dania Academy, Norddjurs Municipality
- Estonia: Tartu Science Park Foundation, Tartu City Government
- Finland: Neogames Finland, Metropolia University of Applied Sciences, City of Helsinki
- Germany: Hamburg Institute of International Economics, HTW Berlin University of Applied Sciences, State of Berlin, University Medical Center Hamburg-Eppendorf
- Latvia: Foundation "Ventspils High Technology Park", AHK Service SIA, Ventspils City Municipal
- Lithuania: Kaunas Science and Technology Park, Lithuanian Innovation Centre
- Poland: Krakow Technology Park LLC, Institute of Psychiatry and Neurology
- Sweden: Swedish Games Industry Association, Invest Stockholm

_____