



Game Incubators - A Brief Analysis

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with additions from the BGI consortium



This document provides an overview of various types of cooperation as a means to strengthen and stimulate the computer games industry. To start with, we attempt to specify the terminology of game hub and its two most common formats, the collective and incubator. Next, we describe a catalogue of instruments being applicable to both, illustrating their respective implementation with practical examples. This is followed by case studies and the conclusion.

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1. Definition

For the purpose of this document, we refer to **Game Hub** as the umbrella term for basically two types of cooperation models. What all game hubs have in common, is the will to form an independent identity that goes beyond a single company.

- **Name and logo** as a demonstration of the common identity of a group of otherwise economically relatively independent persons or companies.
- **A joint website** that lists the members and activities of the hub.
- **Common social media channels** such as Facebook, Twitter and Instagram.

The terms used in connection with the different types of game hubs are not standardised and partly overlap in their definition.

In the following, we will focus on the two most common types of game hubs, which basically reflect the duration of the membership with these programmes. Both programmes are not mutually exclusive but can complement each other and be part of the same game hub.

- **Collectives** usually have not limitation as to the length of membership showing therefore a long-term orientation. The membership approach is team-oriented, mainly driven by knowledge-sharing and mutual support through co-working.
- **Incubators** work in time-limited predefined runs. The programmes usually take place 1-2 times a year. They often end with a final event to evaluate the future commercial potential of the graduates. The membership approach is more project oriented.

There can also be a distinct differentiation between incubators and accelerators. The former starting early in the start-up phase, while the latter concentrate on projects that have already aroused initial commercial interest. Also, they usually differ in duration, with the accelerator being shorter-termed than the incubator. In practice, these programs often merge seamlessly or are used synonymously. Therefore, they are not considered separately in this document.

At Game BCN¹, the incubator programme is initially limited to 6 months. This is followed by another 8-month accelerator programme for selected companies.

It should be noted that public incubation schemes can often be longer, in order to give the start-ups sufficient time to launch more than one title, and thus become sustainable.

Examples: Game Hub Denmark (Denmark) offers a 2-year programme, the Game Incubator (Sweden) even up to 3 years.²

¹ <https://gamebcn.co/>

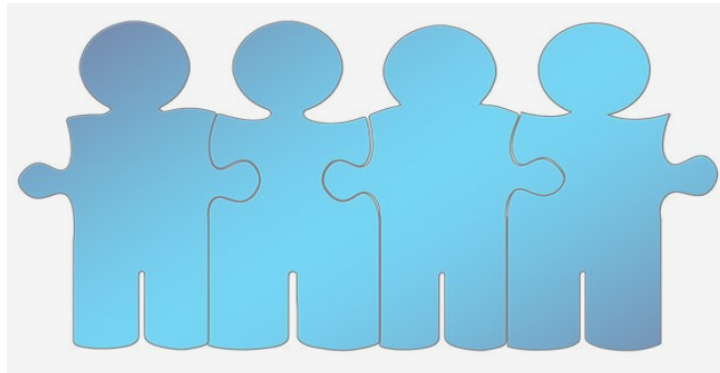
² <https://gamehubdenmark.com/>, www.thegameincubator.se/

2. Benefits of Membership

Participating in game hubs usually offers following benefits:

- As the **central contact and representative** of several parties, hubs have a better chance in approaching e.g. government authorities or other important actors. Typically, they are also the first contact for journalists.
- Co-Working in a similar field fosters a **sharing of pertaining knowledge** amongst participants. Typical exchange of knowledge takes place in the technical field (engine use, programming) and in bureaucratic questions (applications for funding, accounting, legal questions). Tools for targeted communications are provided by the hub (e.g. chat tools such as slack, forums or internal wikis). Network contacts can be used for job offers or press contacts. The network covers not only the current members but extends to a potentially existing alumni network.
- There are synergies in sharing work resources and in the **division of labour**. Typical areas of cooperation are development, legal consultation, publishing, marketing, QA or customer support.
- **Software licenses** can sometimes be made available cheaper or free of charge through hubs.

Amongst others, Google, Microsoft and Softlayer (IBM) belong to the official partners of GameFounders³, and offer their services for the hub members either free of charge or at clearly better conditions. Participants of the Spielfabrique⁴ or the Greenshoots⁵ program may use Microsoft services such as Azure or Office 360 free of charge.



³ <http://www.gamefounders.com/>

⁴ <http://spielfabrique.eu/de/home/>

⁵ <http://www.creativeengland.co.uk/story/greenshoots-July-2016>

Many game hubs offer co-working spaces. This boosts the beneficial effects mentioned above. For example, knowledge exchange happens not only in specifically arranged forms, but also informal and spontaneous. The division of labour is fostered by short distances in the office. During press visits, several developers can present themselves on the spot in consecutive sessions at the same location.

In addition to using workstations (usually in open plan layout), the equipment can also be shared. Usually the hub provides following facilities and equipment:

- **Conference rooms** allow meetings in sufficiently large and representative rooms that can be used for planning or business initiations. Calendar systems can be used to book rooms, so that the rooms are used to their full capacity. Conference rooms can be equipped with additional resources such as AV systems, whiteboards and presentation computers.
- **Dedicated rooms** equipped to meet bespoke requirements might be provided for, such as video editing labs, sound studios, or green screen rooms for producing videos or special rooms for larger VR areas.
- **Hardware** can be shared by the users of the office. Typical devices are printers and scanners. In modern offices, 3D scanners, 3D printers and separate VR areas can also be found, which would normally be unaffordable not only because of the acquisition costs, but also because of the space requirements. Computers do usually not range amongst the centrally managed devices of the hub.
- **Adequate Internet access** is usually included in office use and also allows the exchange of multimedia data with a correspondingly fast connection.
- **Service facilities** in the form of a canteen or office kitchen is an integral part of the offer of many offices. This often even includes the supply of drinks, fruits and snacks. These areas are usually designed to facilitate socialising.

3. Publications

To raise awareness and distribute targeted information, many game hubs also publish common items such as:

- **Newsletters and blogs** are available at most game hubs. For example, they can inform about new vacancies, their own activities and product highlights of their members or region. Newsletters in particular are comparatively effective in this respect. This also includes joint press releases.

Example of a blog at GameFounders

- **Magazines and brochures** in digital or printed form are suitable for larger contributions. *The Dutch Game Garden publishes extensive annual analyses of the state of the Dutch computer game industry. SpielFabrique plans to regularly publish comparative data on computer game markets in France and Germany together with the DFJW.*

- **Multimedia content** includes own video productions and podcasts. Twitch⁶ for example is often used for real-time streaming and direct exchange with the recipients.

Stugan participants produce weekly video diaries on their development progress. The NYU Game Center provides a free archive of lectures from the last eight years. The Academy is a series of lectures by the Dutch Game Garden, which is distributed via the udemy platform. Individual contributions cost between 35€ and 75€ (access via the own website is discounted by 20%).⁷

- In addition to the games that hub members create under their own company names, some hubs also produce **games** that put the hub itself in the foreground as a creator and are to be perceived as collaborative work.

The Hub All Day Breakfast sold a collection of games on itch.io under the title Fruit Salad. The Sokpop collective⁸ offers games on their paid Patreon site that are regularly produced jointly in the Hub.

- Game Hubs can also offer their own merchandise (e.g. T-shirts).

The Saftladen⁹ has its own Spreadshirt page.

⁶ Twitch is a live streaming video platform owned by Twitch Interactive, a subsidiary of Amazon (source: <https://en.wikipedia.org/wiki/Twitch.tv>)

⁷ www.stugan.com/, <https://gamecenter.nyu.edu/>, <https://www.dutchgamegarden.nl/>, <https://www.udemy.com/>

⁸ <https://sokpop.co/>

⁹ <http://saftladen.berlin/>

4. Public Events

Organising public events is an integral part of the hub concept:

- in B2B and B2C, such as GDC, GamesCom or PAX. This includes, for example a joint stand at these events. Not only the rental and construction costs are shared, but also the required attendance time.¹⁰

The NordicXRStartups¹¹ organize their final presentations at the Slush Conference. Due to a lack of alternatives, the German-speaking Indie Arena developed its own exhibition stand at Gamescom called Indie Arena Booth. Meanwhile, the stand has reached a size of 1000m² and exhibits over 80 games.

- Development and marketing of **own events** to present the own products and members (showcase and demo days).

The Dutch Game Garden is organising its own event called INDIGO, where members but also external developers exhibit.

- **Informal events** are events that take place without major preparation on the part of visitors or organisers. The focus is on a relaxed, sociable exchange between members and interested visitors.

The Dutch Game Garden organises a monthly Network Lunch, during which there is the opportunity to visit the office and exchange at the lunch hour. The NYU Game Center hosts weekly Playtest Thursdays where the games of the Hub are playable for the public in their current state of development and the developers can get important feedback. Every two weeks the social club takes place in the Saftladen, where the members and guests summarise their work over the last two weeks on Friday evenings in order to strengthen the exchange between members and communicate the work created in the Saftladen to visitors. During the International Games Week, the Saftladen also hosts an open day. There are also playful approaches. The Turku Game Hub also organizes its own LAN parties.¹²

- **Game jams** are a very popular means of brainstorming in the developer scene.

Many hubs use their locations as official venues for the Global Game Jam. Among others also the NYU Game Center. The Game Hub Denmark organizes its own Game Jam, which includes prizes from the sponsors. In 2016, the Saftladen organized its own VR Gamejam, in which the game "My pants, WTF", sponsored by the Medienboard, was conceived.

¹⁰ www.gdconf.com/, www.gamescom.global/, www.paxsite.com/

¹¹ <http://nordicvrstartups.com/>

¹² www.gamesweekberlin.com/, <http://turkugamehub.com/>

5. Closed events

Closed events are not aimed at the public, but at the members of the hub and selected business partners.

- Many hubs organise **workshops / master classes** where participants can acquire new knowledge in intensive courses. Lecturers are usually experienced industry experts who share knowledge from various areas.
- In addition to general workshops aimed at the large number of members, **individual mentoring** is also provided. Experts will usually be assigned directly to the participants and accompany them over the long term.
- Seasonal incubators often hold final **demo days** at the end of the project, during which participants present their projects to investors. The Demo Days are often the most important event when participating in a hub.
- Joint **studio visits** are more beneficial as they entail a higher number of invited people.



6. Financing

Very informal hubs (mostly collectives or co-working groups), consisting of only a website and external presence, do not need additional financial resources. This changes at least with shared office use. Mixed financing is often used to cover costs. The hub will need to address sponsoring for e.g. their equipment, broadband supply, rent etc.

The recently established Cologne Game House¹³ is currently discussing a possible sponsorship for broadband Internet supply with the German Telekom.

Basically, there are three types of financing: self-organised groups (mostly collectives), private incubators and public incubators, or a mix (e.g. a PPP). They either generate income themselves (self-financing), or get funding or have sponsors. Often these various financial resources are being used complementary.

In the European game industry, public incubator model has proved to be very successful in creating long-term sustainable companies. Best examples are The Game Incubator (Sweden) and Dutch Game Garden (The Netherlands)



Self-financing

In case of self-financing, the hub membership fees are usually raised in the form of table rents. In addition, the events and publications mentioned above can also be monetised. This approach is the most common type of financing for **collectives**.

Membership fees are usually staggered as follows:

- Physical desks: Fixed desk allows you to have a fixed workstation that can be fully set up. Flex desk allows the right to a “hot” workstation (1st come - 1st serve), which can only be used on the spot. Usually the rent is monthly, but there are also part-time renting offers.

At the Saftladen, a permanent work place costs 220€ per month. The Game Incubator (Sweden) combines a cost contribution from members with external financing (see below).

- Virtual desks are a model in which no actual workplace is rented, but other services such as conference rooms and other events may be used.

¹³ <https://colognegamehaus.com/>

External financing

In case of external financing, costs are not covered by the members, but by the hub itself or by external partners. This approach is the most common way of financing **incubators**. When looking at financing and funding, one should be aware

- With **public funding**, a hub is subsidised by regional and national economic development programmes. Usually, for an incubator to be considered within the context of regional economic development, it requires a high regional effect (e.g. company headquarters of the participants in the respective region). The funding scheme may cover part or all of the rent, for example by providing a location owned by the public sector or the public authorities actually own the incubator. Public incubators do not take any equity in the start-up companies.
- With **company sponsoring**, larger companies participate in financing the hub and often support it with their own services. Reasons for this can be potential business initiations or talent acquisition with the successful members of the hub, or the sponsorship is an extensive PR measure.

Raw Fury and Coffee Stain Studios are official partners of Stugan.

- **Individual sponsorship** involves private individuals and thus promotes up-and-coming talent.

Tommy Palm (formerly King / Candy Crush) and Oskar Burman (Rovio / Angry Birds) participate in Stugan.

- Hubs with the intention to make a profit (especially incubators) often feed their financing from **equity funding**, which are amortised through share of company equity or profit sharing in successful projects. In return, the participants often receive financial assistance to cover their living expenses in addition to the aforementioned support.

The Carbon Incubator¹⁴ takes a 10% - 30% profit share in the developed project. For this, participants receive up to \$50,000. GameFounders pays the groups with at least three members an amount of \$25,000 for participation in the incubator and expects a company share of about 9%.

¹⁴ <https://carbon-incubator.com/>

7. Case studies

Here are some examples of different interpretations of a game hub:

Stugan (Incubator)

Stugan is an incubator that has been working in Sweden since 2015. The annual programme invites 20 international developers to spend two months in several cabins in the Swedish forest landscape. It is aimed at teams of 1-2 working on small games (the team size is limited to 2-3 persons).

Participants receive visits from mentors and investors who are expanding their network, but otherwise experience a rather small supporting programme. The focus is on an intensive exchange through living together in a secluded place.



There is no state support nor any profit-making intention. The programme is made possible by the commitment of some successful individuals in the gaming industry (including Tommy Palm and Oskar Burman).

The unusual arrangement and the small number of participants, chosen from a pool of highly qualified international applicants, create participation in a network that is not only distinguished by its professional quality, but also by its personal intensity.

The disadvantage is that this intensive form, however, excludes many developers (e.g. with family) and thus cannot fulfil the self-proclaimed desire to represent a developer community that is as diverse as possible. In addition, the graduates of the programme are not systematically and permanently supported.

Game BCN (Incubator)

Game BCN is an incubator that has been working in Barcelona since 2014. Up to ten teams, mainly from academic backgrounds, complete a six-month programme each round. The games of the teams should have already proven first commercial potential and be beyond the prototype phase.



The program includes 15 hours of instruction per month, over 20 master classes, professional mentoring and participation in various industry events. Up to three members per team may work in the Canódromo Parque de Búsqueda Creativa co-working area, where exchanges are encouraged not only between Game BCN participants but also with participants from the seven other incubators on the area. Each team will also receive €7,000 for participation. The programme ends with a demo day for investors. The most interesting teams qualify for participation in an 8-month accelerator programme.

Game BCN has several state partners: the Ministries of Culture of the Catalan Administration and of Barcelona. The incubator itself is operated by Incubio, a private company whose business model is the

operation of incubators and the mediation between start-ups and investors. Caixa Capital Risc also acts as a partner. The incubator is profit-oriented and is financed, among other things, by convertible bonds with the most interesting companies.

Participants in the programme go through an intensive programme, but aspects such as diversity and cultural enrichment are clearly behind commercial concerns in the evaluation. There is no woman among the ten officially named mentors.

Dutch Game Garden (Collective and Incubator)

The Dutch Game Garden is a Dutch game hub that offers a variety of programs. The hub was founded in Utrecht in 2008 and now has three additional branches in the Netherlands.

The Game Hub is home to over 40 companies and offers co-working areas, its own events, various publications and an incubation programme. Participation in the incubator is free of charge and flexible in terms of time, but is limited to one day of instruction per month.

The Game Hub is supported by the city of Utrecht and through cooperation with a large number of partners (including Microsoft, pwc, Nordic Game). The Dutch Game Garden is one of the pioneers in Europe in its variety of activities and its public image. It would be desirable to strengthen the incubator programme, which is currently only feably developed.



Saftladen (Collective)

Saftladen is a collective founded in 2015 by the companies Maschinen-Mensch and Studio Fizbin in Berlin. The collective currently gathers about 25 developers who work either on indie games or in related areas.

The collective is financed independently and without profit intention by membership fees. Decisions and activities are determined as jointly as possible. The aim of the Saftladen is to be a centre for Berlin's indie scene alongside the common office space. The Saftladen organises various events (e.g. open days or a one-week workshop for BTK students).



8. Conclusion

As shown, game hubs use a variety of instruments to positively support economic development. The variance of these offers makes it difficult to name clear dividing lines between co-working space, collective, incubator or accelerator. It makes sense to look at the landscape of the game hubs and their activities as a whole.

A good game hub is characterised by a combination of different measures. Incubator programmes are suitable for networking young teams as quickly as possible and imparting important introductory knowledge to them. Collectives are suitable for establishing long-term structures. Ideally, these two measures are combined with other means of public relations in one institution.

A combination of financing models is also conceivable, in which private investors are used for some of the measures and public subsidies are used for other aspects. However, the aspects of team diversity and cultural enrichment through computer games should not be neglected in publicly funded activities.

Analysed list of game hubs (complete table at <http://gamecollectives.com>)

<u>Albuquerque Guild</u>	<u>Game Dev Happy Hour</u>	<u>Ohio Gaming Brigade</u>
<u>Another Castle</u>	<u>Game Founders</u>	<u>Philly Game Forge</u>
<u>Arch Creatives</u>	<u>Game Hub Denmark</u>	<u>Plaine Images</u>
<u>ARP Games</u>	<u>Game Mine BH</u>	<u>Playa Game Industry Hub</u>
<u>Babycastles</u>	<u>Game Play Space</u>	<u>Portland Indie Game Squad</u>
<u>Bento Miso</u>	<u>Game Plus</u>	<u>Pyramida Hub</u>
<u>Bergen Game Collective</u>	<u>gamenest</u>	<u>RING</u>
<u>Biome Collective</u>	<u>Gamestorm</u>	<u>Saftladen</u>
<u>Brighton Game Collective</u>	<u>Gaming Inc.</u>	<u>sokpop collective</u>
<u>Bristol Games Hub</u>	<u>Glitch City</u>	<u>Spielfabrique</u>
<u>Buffalo Game Space</u>	<u>gloam collective</u>	<u>Square One Clubs</u>
<u>Carbon Incubator</u>	<u>Greenshoots</u>	<u>Stugan</u>
<u>Cologne Game Farm</u>	<u>Hamar Game Collective</u>	<u>Sweden Game Arena</u>
<u>Cologne Game Haus</u>	<u>Helsinki Games Factory</u>	<u>Tech Valley Game Space</u>
<u>Contralto Game Collective</u>	<u>Indie City Co-op</u>	<u>the Arcade</u>
<u>Copenhagen Game Col.</u>	<u>Indie Game Collective</u>	<u>The Game Incubator</u>
<u>Dallas Society of Play</u>	<u>Indie Warehouse</u>	<u>The House Of Indie</u>
<u>Digitalents</u>	<u>Indies Workshop</u>	<u>NYU game center</u>
<u>Digix</u>	<u>Jorgos Rancheros</u>	<u>Tripleclaim</u>
<u>Dutch Game Garden</u>	<u>Klondike collective</u>	<u>Turku Game Hub</u>
<u>Enthusiasm Collective</u>	<u>Louisville Makes Games</u>	<u>Werk 1</u>
<u>Flyover Indies</u>	<u>MAD incubator</u>	<u>Work-Work</u>
<u>Game BCN</u>	<u>Nordisk VR</u>	

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

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