



MAKING MAGIC

A BUSINESS MODEL FOR DIVERGENT THINKERS

Karthik Bala, CEO

Guha Bala, President

ABOUT VELAN

Founded in 2016 by game industry veterans Guha and Karthik Bala,
who previously founded Vicarious Visions



90 employees



Based in Troy, New York



AAA veterans gone indie



Create breakthrough games that are **magic**

VELAN STUDIO VISION

THINKING DIFFERENTLY



Being Best at What Exists

- Existing game genres
- Established gaming behaviors
- Easier for consumers to understand
- Craftsmanship is **key**

Convergence



Creating Something New

- Uniqueness is key
- New emotional experience
- New moment-to-moment interaction
- Hard to describe with video and text: Playing Is Believing
- Is the only way to birth new gaming categories

Divergence

ROUTINE FEELS SAFE

WHY COMPANIES ITERATE



Commitment to their value chain, business model

Strategy is based on current resources & expertise

All companies need to focus (usually around existing franchises)

Why do companies take so much time to get the next idea done?



Lower market acceptance risk

Easier to focus test and research

Easier to forecast financials



Less chance of failure (for senior execs!)

Failures are career limiting

Easier to get 10% more out of something established than the same revenue from something new

Or **YOU!**

AN OPPORTUNITY EXISTS

BUT THERE'S ALWAYS ROOM FOR SOMETHING NEW



Industry is cyclical

Always in the process of consolidation and fragmentation

Always breakthrough new products “coming out of nowhere”



Established game categories consolidating

Only the top few MOBAs, Battle Royales, Match 3 etc. get the lion share of players and have staying power



Before, big publishers controlled access to:

Capital

Distribution

Marketing/PR

Now, multiple routes exist to each of these for new, unique experiences – **if you are deliberate**



The Velan Approach

INVENTING SOMETHING **NEW**

Simple
Defensible
Scalable

CULTURE FIRST

DIVERGENCE starts with the TEAM

- Build a core team and give them the room to explore.
- Deeply curious about play patterns.
- Not just dreamers, but makers.
- No separation of inventors and developers.
- The smallest possible team to make the **core** interactions fun.



LITMUS TEST

Can the team build it and hand over the controller to someone else to **feel the magic?**

R&D SECOND – BUT BEFORE PRE-PRODUCTION

INVEST in the MAGIC that the TEAM finds

- Passion drives problem solving.
- Find the magic in the core interactions.
- Build and iterate until it's ready to put in an outsider's hands.
- Peer review.
- Rapid process...no frills.
- The Trick: Requires **independent** funding to projects...and patience.



PHILOSOPHY

Minimal value in the pitch, it's **all about the play.**

GREENLIGHT PROCESS

Creative DRIVES go-to-market

- Opposite of what happens in most large companies.
- Find the **right** partner for GTM.
- If you do it independently, start small and community focused.
- **Mario Kart Live** had a very different set of go-to-market challenges than **Knockout City**.
- **MKL**: HW & SW at scale
- **KC**: Digital only/live service infrastructure



MISSION

Get it into gamers' hands!

MAKING IT FOR REAL

Build it, Ship it, Evolve it.

- Building is iterative and extends beyond launch.
- Player feedback is key.
- Budgeting and planning is harder because unique ideas don't have easy comps.
- Everything takes longer and costs more than you think!
- Not an MVP: Determine the scope of the experience that **feels** complete at launch – but has potential to grow.



KEY TO SUCCESS

Find your audience, listen, and **evolve it with the player community.**

VELAN STUDIOS BUSINESS PLAN

OCT. 2016

1. BUILD AWESOME TEAM.
2. FIND THE MAGIC IN SOMETHING NEW THAT THE TEAM IS REALLY PASSIONATE ABOUT
3. FIGURE OUT GO TO MARKET STRATEGY & PARTNERS
4. BUILD IT, SHIP IT, EVOLVE IT WITH THE COMMUNITY

The Velan Business Plan

(Yes, this is actually the business plan)



Simple is hard!