



NCTI 2009 Innovators Conference

Podcast Interview

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Transcript

Sure. So I come at this wearing three hats. My former hat is I used to run Activision Studios in Los Angeles, which was a large commercial computer and video game publisher; I'm also the chairman of a non-profit called Games for Change that connects foundations, non-profits, government and game industry and academia to rise the sector of social impact gaming. And my new company, E-line Ventures is a company focused on digital entertainment, with a primary focus on computer video games, but we also do web comics, graphic novels, that have a real world impact around learning, around healthy living, and around youth empowerment. So I come at it from those three angles. One of the things that I've noticed since entering the world of impact based gaming, and this is true whether the desired impact is a learning impact, or a health impact, or a social change impact, and often those boundaries do blur, is that the platform of interactive games is actually a very, very powerful platform for impact and there's now a fair amount of research that shows things like when you play a game you can take on a role, you can take on a role of somebody very different than you in a very different context and you actually have to interact and make decisions in that role, in that context and have consequences for what you do, which is a very powerful way to build awareness, empathy, in a deeply interactive versus a passive context. Games, good games, also have a very interesting and delicate balance of challenges and rewards. You have a challenge, you have to figure it out, you accomplish it, you get rewarded, you level up, you get a bigger challenge, and that becomes incredibly engaging but it is also an incredible model for learning, it is the basis for the scientific method. Games also have currencies. As you level up, as you accomplish things you are given rewards. And the currencies come in all sorts of forms; whether it's a kids' virtual world like Club Penguin, to a sophisticated, massive, multiplayer games like World of Warcraft, they have currencies. And currencies are a form of rewards that drive choices and values. So how you take the currency can actually create behavior change. It certainly creates behavior change in the game and it can actually create behavior change outside the game. Games have other attributes that are very powerful. When you think about jobs in the 21st century, almost all of them now have some sort of digital component, some sort of technology component; you have to learn new interfaces, you have to design new interfaces for other people to use. These are skills that are developed and often these skills are developed outside of school versus in school and figuring out how to create learning ecologies that can cross from schools to after schools to community centers to libraries to museums to home to parent-child is very, very powerful and



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games are a great platform for doing that. Inter-generational games- there's a lot of research that shows when you read to a child it's a good thing, and it's not just the reading, it's the conversation around the reading, it's the situational vocabulary that develops. Games can do that on an entirely different level if you think about the level of interaction, the level of engagement and yet parents rarely think about I should be playing games with my child, I should be discussing the context of the games. It's an incredibly under-utilized form of inter-generational learning. You already see in games incredible peer-to-peer learning, a child or a teenager or an adult who's playing a game will often find out hints/clues from their peers in the game. It's kind of just in time peer-based learning, I mean that maps to the work force, that maps to so many things in life so this just scratches the surface of why interactive digital games are incredibly powerful. The goal of my talk here was to talk about some of the challenges in realizing the potential of scaling that impact. Foundations more and more, non-profits more and more, the government, the public interest sector more and more, are recognizing that games are a powerful platform, but to date they haven't been particularly successful at translating that insight into actual fun games that reach large audiences to have the desired impact and that's because making games is really, really hard. You can't see it in an audio podcast, but all of my gray hair, aside from raising young children, comes from the challenges of managing a game studio, it is actually very, very difficult. There's a long history of folks who've wanted to come into the game industry and failed. Even the Hollywood studios that have great expertise in terms of creating entertainment, almost uniformly in the 1990's tried to build their own games studios with very little success because software is hard, interactive software is hard, gaming software is particularly hard, and when you add a research or impact component it becomes very, very, very hard, so how do we address this? I titled my talk "How to Turn Accidental Publishers into Effective Publishers?" because when you really look at what the government or a foundation or a non-profit does when they fund a game, they have all of the responsibilities of a game publisher, they provide the capital to make the game, they select the developer, whether it's an RFP or some peer review process, they are responsible for managing the developer, if the developer runs into trouble, and it's technology so they always do, they are responsible for marketing and distributing. Even if there's no financial return desired, they still have to get it to their target audience, well that's marketing and distributing. They have to make sure it's financially sustainable. There's a distinction in games right now that a lot of people, even people in the game industry don't fully understand, which is the difference between a game as a product versus a game as a service. So a game as a product would be something that you would go into Walmart and say buy Guitar Hero, or Madden Football. A game as a service would be a game that you play on Facebook or a virtual world like Club Penguin. The games as a service are actually mini internet businesses, they don't go away, they



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have a monthly cost, and yet they're often planned by foundations and government as games as products so they get a grant but it doesn't work that way, you need a sustained funding and the philanthropic funding or the public interest funding isn't really set up to do that so even distinctions that big are often missed and as a result products run out of money, they're not properly managed, and no impact is made at the end of the day. So if you think about it, the government and these foundations are actually game publishers because they are taking on, or should be taking on all those functions, but they are wholly unqualified and unstaffed to do that. And yet often the research and their desire is dead on, and there really is an incredible potential, so I think the solution comes in a couple different forms. There's no question there needs to be innovative public-private partnerships, there just has to be, because these are, they're very different skills being able to do the research, have the insight, provide the high-risk capital, often very interesting non-traditional distribution channels if they're learning games or health games, then the ability to find the right development talent, manage the right development talent, align all the stake-holders on what is the desired financial return, what is the desired learning, health, or social impact, what is the organic alignment of what makes it fun, impactful, and financially sustainable, what are the expectations in terms of financial sustainability, all the way through how is the product marketed, distributed, and supported. So forging these multi-stakeholder partnerships, public-private partnerships is critical. But I think there's other insights as well. If you look at the most successful game franchises out there – Madden Football, Call of Duty, Guitar Hero, World of Warcraft, these franchises are built over many years, over many cycles, and the publishers have a green light process where they'll look at what platforms are they going to support, what genres are they going to support, what franchises are they going to support, and the ones that are finding traction they will stick with and optimize and get better and better at. The technologies, the engines will get better, the tools that work with the engines will get better, they'll find the best talent to make the games, they'll understand their audience, they'll have multiple feedback loops, and as a result they'll put more and more effort behind the winners and the ones that aren't working will fall off and they'll have to have an innovation cycle to introduce some new franchises, it's, and they have a green light set of thresholds and they'll provide capital based on the results and they'll unleash more capital – the strongest publishers are very good at doing this, the ones that don't do it go by the wayside. I think the same rigor needs to be applied to the public interest sector and to the foundation sector. Instead what I see happening a lot is you get a one-off grant over here to explore this, you get another grant over there to explore that, and there's kernels that might be working but they're not built on, and they jump ship because something went wrong with the developer, and so you don't get this disciplined green light process where the amount of capital is aligned to the opportunity, and the ones that are starting to win are being



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supported with rigor, and I think that what I would call publishing methodology really needs to be mapped to the overall impact sector if we're going to really realize the incredible potential of games to make meaningful learning, health, and social impact.

****It seems to cut out for a little at ~10:55**** Knowledge that aligned with the consumer need and has been improved and optimized over and over again, and I think, you know, that makes for a great franchise and it think there's a lot that the public interest and foundation sector can learn from those types of partnerships.