

Computer Games sector – Information for Brokers

Sector breakdown

The first games were launched in the 1960s. By the 1970s there was a recognised nascent Games industry with video arcades and home entertainment consoles. Home computing exploded in the 1980s and brought a period of huge expansion and creative innovation. Games became a fully fledged industry and moved away from 2 or 3 talented, devoted creative ‘mavericks’ being responsible for every aspect of a project. Developing top of the range computer game titles now involves large teams of people and costs millions of pounds.

The UK Games industry is the fourth largest in the world behind USA, Japan and Canada. The UK punches well above its weight: 29 of the Develop 100 studios are based in the UK (Develop 2007).

The industry is segmented into Publishers and Developers. It is publishers like Sony, EA, and Codemasters that commission and employ Developers like Blitz, Frontier and Rare. There are approximately 9,000 games personnel in the UK, two thirds are Developers. For both parties, development and exploitation of IP (Intellectual Property) is seen as of increasing importance and some developers are asking for more control/ownership in this respect.

It is tough for independent Developers (those not tied to one particular Publisher). 45% have gone out of business since 2000 (GIC report).

Overall the Computer Games industry comprises around **220** businesses which are shared among three sub-sectors as follows: around 155 games development companies, around 30 games publishing companies and around 35 games support companies (including those working in middleware, tools and technology).

The Computer Games industry comprises a variety of company sizes, with a similar proportion of very small and large companies in the sector. A quarter (25%) of companies in the Computer Games industry employ between 1 and 5 people, one in ten (11%) employ between 6 and 10 people, and two in ten employ each of 11 to 20 people (18%) and 21 to 50 people (21%). The remaining quarter (25%) of the industry has more than 50 people working for them, which includes the 5% with a workforce of more than 200.

Almost all of the larger companies are either Developers or Publishers. There are now at least 11 large Developers with over 100 staff, like Jagex (350 employees, 2009) Frontier (220, 2009) and Blitz (150, 2009) which represent one end of the spectrum with small niche Developers like Zoonami (11, 2009) and Geomerics (16, 2009) at the other.

The industry is unusual in that there is roughly a five year cycle to exploit games console technologies before the implementation of the next generation of tech is launched – this happened with the change from PS2 to PS3; Xbox to Xbox 360; new workflows, new challenges, new ideas were needed from the industry to exploit the changeover. There is an assumption this will happen again.

Regional workforce spread

The Computer Games workforce is distributed more evenly across all nations and English regions than the wider creative media industries, where 45% are based in London. Among the Computer Games workforce just one tenth (11%) is based in London. The South East (19%), West Midlands (18%) and North East (12%) are home to the highest proportion of the workforce. The Computer Games industry has a relatively low percentage of freelancers; just 8% are freelance compared to 29% across the wider creative media industries.

Headline sector facts

- Redundancies and economic challenges. Work is project based and therefore there is risk regarding securing further work
- Competition in digital marketplace
- A large proportion of employees and freelancers across the computer games sector are educated to a high level: 68% of the workforce is made up of graduates
- Challenges in exploiting market opportunities across multi-platforms
- Cross over with other Skillset sub sectors – animation, publishing, interactive media, film, TV
- Historically there has been industry dissatisfaction with the quality of graduates from what is perceived as a surfeit of generalist courses. In response Skillset is engaged with an accreditation scheme for undergraduate and postgraduate courses
- The industry has been energetic in campaigning for tax breaks/credits that would allow it to compete on a level playing field with Canada, which is currently exerting a brain drain on the UK industry
- Relatively new growth markets like Mobile and Casual Gaming, MMOs (Massive Multi-User Online games) demand new business models and skills

Skills gaps and shortages identified by industry

Within Computer Games technical qualifications are not very common, held by 8% of the workforce compared with just under a fifth (18%) in the creative media workforce overall.

Employers most value a combination of technical and soft skills. Technical skills include C++ programming, online skills (servers and architecture), art and animation, whilst soft skills include team working, communication, project management and sales and marketing expertise. Games companies will often recruit from non-Games courses – pure computer science or art based courses.

Beyond the technical skills needed for a specific role, games companies have also described their interest in employees with the following key abilities:

- Ideas, ideas, ideas!
- Ability to draw well (Art roles)
- 3D skills (modeling, texturing, lighting, rigging)
- Creative Skills
- Communication and team skills
- Problem-solving abilities
- A flexible approach to life and tenacity
- The ability to sell your skills to potential employers

- An awareness of the applications of, and the possible applications, of technology
- The willingness to go the 'extra ten miles' if necessary, devoting yourself to the production and its deadlines
- There is speculation that the 'Serious Games' market (e-learning, interactive education tools) will take off globally and that the UK Games industry (based around entertainment) won't be able to exploit it
- It is said that the structure of the Games industry and the business model that shapes it is not conducive to long-term HR development (Digital Native Report 2008)
- A common complaint is that new entrants/graduates often have little understanding of deadlines, working under pressure, and have poor written/communication skills

Just 1% of Computer Games employers take on apprentices, with a further quarter (25%) who would consider doing so (compared to 9% and 28% respectively amongst all creative media employers). Work placement students are at a great advantage in the jobs market later.

Management, leadership and business skills identified by creative media industries: *many are covered by business critical units available to SMEs or by Leadership and Management Programmes, and potentially fundable through Train to Gain.*

- Strategic business skills around planning and developing opportunities in a multi-platform digital marketplace
- Copyright and intellectual property rights understanding and management
- Team building, leading and supervision, coaching – existing workforce and trainees
- Marketing and sales
- Financial planning and investment and development of new business models
- Managing customers and quality
- Negotiation, influencing and deal structuring
- Organisation, people, relationship and project management
- Interpersonal and communication skills
- There is a notable skills gap in senior positions of managing technical teams. Many artists and programmers are promoted upwards to these positions because there is no other promotion pathway, and often they do not have management skills

Qualifications/training opportunities and providers

- **Apprenticeships**
 - <http://www.skillset.org/qualifications/apprenticeships/>
 - Skillset Computer Games Testing Apprenticeship (piloted in the SE with NC Soft and City College, Brighton; now available nationally): http://www.skillset.org/uk/southeast/education/article_4243_1.asp
 - Skillset Creative and Digital Media Apprenticeship (in development)
 - Skillset Higher Level Apprenticeship with Post Production pathway – in development

- **Skillset industry accredited degree courses in Games**
 - MSc in Games Programming, The University of Hull
- **Skillset Media Academies:** approved HEIs with strengths in TV and Interactive Media industry related provision
<http://www.skillset.org/training/san/sma>
- Other **Skillset approved providers**, including Regional Screen Agencies:
 - VET
 - Performing Arts Labs Ltd (PAL)
 - FT2 (Film & Television Freelance Training Ltd)
 - The Video College
 - Film Design International
 - Screen West Midlands
 - Screen East
 - Northern Film and Media
 - SW Screen
 - Screen Yorkshire
 - Northwest Vision and Media
- **Trade and Professional Associations and Guilds**
 - TIGA: The Independent Games Developers Trade Association. Offers events, services and other benefits for independent companies
 - ELSPA: The Entertainment and Leisure Software Publishers Association. Represents the interests of its members and addresses issues affecting the industry as a whole. Publishes the Britsoft directory – a guide to the UK leisure software
 - Game Republic: An Independent Trade Alliance for video game development in the Yorkshire & Humber region
 - Game Horizon is about the business of games – building the competitiveness and value of North East games development
 - Games Alliance: Superseding the M62 Games Network, the regions previous digital entertainment organisation, the Game Alliance is an independent, industry-led alliance of game developers and other related companies
 - Games Eden: The East of England's Games Business Network. Runs seminars and offers subsidized TIGA membership
 - Vendor software qualifications e.g. Apple, Adobe prevalent across the sub sector

Sector resources available to brokers

About the Games Industry

<http://www.skillset.org/games/industry/>

Skillset Games Sector Profile

http://skillset.org/games/industry/article_6918_1.asp

Skillset Games Useful links page

http://skillset.org/games/links/article_4410_1.asp