

# from Information to Business

Canada Business - Nova Scotia's monthly business information bulletin

June 2011

## Business Article

### Playing with the Big Boys It's game on for digital business

by Kayla MacDonald and Cindy Allen

If you've watched YouTube, played a game on your Nintendo DS, or downloaded the latest app for your handheld device lately, then you know how pervasive digital media has become in our entertainment and information worlds.

With parts of Canada dubbed the "Silicon Valley of the North", the country has become a hotbed of technology innovation involving some 14,000 skilled digital media workers, and 260+ digital media companies.

Within the sector, the multibillion-dollar video game industry is experiencing tremendous growth, with Canadian companies poised as global



Photo: John Sherlock

Matthew and Jason Doucette of Xona Games in Yarmouth, Nova Scotia:  
Quality products trump business location in the gaming world.

leaders across the entire gaming value chain – from tools development to casual games and serious games, to mobile game and gameware development.

It's an industry on the move. Literally.

More and more companies are choosing to set up shop outside of the traditional hubs of gaming creativity - Toronto, Vancouver and Montreal. Nova Scotia, for example, is home to internationally-recognized studios such as HB Studios, Longtail Studios, the Red Space, Twisted Oak and Xona Games, with more expected to arrive.

Attractive tax incentives, a highly-skilled workforce, low employee

turnaround and a good quality of life are all cited as draws to the province.

Twin brothers Matthew and Jason Doucette well know the benefits of doing business here and have happily never had to leave home to reach their level of business success.

"Video game development is part of a highly competitive global market," the Xona Games creators explain, but the physical location of a digital business barely matters in a wired world.

The world's top publishers such as Nintendo, Electronic Arts, and Activision, have their pick of games developed around the globe, yet Xona Games, located in small-town Nova

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*“It boils down to the fundamental principle that practice makes perfect”*

Scotia is firmly on the global radar with its award-winning games, and enjoying recognition in notable gaming publications.

How? The Doucettes started their independent business young, and with a unique recipe for success.

“Many people think that my brother and I are gifted or that our expertise is a product of the classroom, but it is our continuous crafting of new games and dedication that has taught us everything we know.”

Matthew also advocates that if you’re interested in the development business, first jump in and give it a try.

“If you don’t enjoy the process and can’t challenge yourself, then maybe the industry isn’t right for you.”

Both Acadia University graduates realize that a university education can only get you so far. “Like most things, it boils down to the fundamental principle that practice makes perfect,” reinforces Jason.

Practice, plus the evolution of new concepts and credos. The brothers compiled their own philosophies into something they call “Game Code” – a list of do’s and don’ts collected from video games they played in their youth. Jason adds that while the Game Code doesn’t necessarily guarantee success, it does guarantee high quality: an element publishers want.

It’s also important to get out there and attend events like the annual Game Developers Conference, the world’s largest professionals-only game industry event, held in San Francisco, California. This year, Matthew and Jason’s small business display was set up near industry giants like Nintendo and Google.

But don’t expect “business *quite* as

usual” at a trade show like this.

The brothers laugh as they highlight the unique cultural differences these events tend to reveal about the digital business world, where media and video game developers are beyond the formality of wearing a suit and tie:

“Some of the biggest industry leaders walk around wearing ripped jeans and an old t-shirt.” In the gaming industry, appearances are irrelevant: A developer’s work speaks for itself, say the brothers, and is an art form that entails creative and quality work.

As digital media evolves and new forms emerge, so do opportunities for developers. Mobile gaming systems and family-friendly video games are just a few niches now spurring industry growth. The Doucette brothers plan on taking full advantage of the expanding industry.

“Games for social media platforms such as Farm Ville on Facebook, and games geared towards women are a few changes that have already taken storm,” says Doucette. “The industry is here to stay and can only be expected to continue to grow.”



Above: A Xona Games display looks completely at home just steps from that of global giant, Nintendo.

## Profile of an entrepreneur

**Who:** Jason and Matthew Doucette  
**Company:** Xona Studios, video game design

**Location:** Yarmouth, Nova Scotia  
**Established:** 2008

**Current Game Platforms:** Xbox LIVE Indie Games and Windows Phone 7

**Future Goals:** Xbox LIVE Arcade, PlayStation Network, Windows PC, Nintendo Wii and iPhone

**Watch:** Matthew’s *Are you smarter than a CEO?* Interview: [http://www.youtube.com/watch?v=ChF8o28\\_c1o](http://www.youtube.com/watch?v=ChF8o28_c1o)

## Ask the Staff

### How can I get a publishing deal for my video game?

By Molly Fall

There are no hard and fast rules to success in pitching your game and negotiating a deal with a publisher, but there are a few things you should be aware of that can help you increase your chances..

#### **The chances of getting a publishing deal on a design document alone are slim to none**

– In addition to a good design you'll need a playable demo, a good team with a proven track record, and a clear written plan for items such as budgeting, marketing, treatment, and scheduling.

**Publishers are not gamers** – The demo you send should have walk-through instructions and a way to jump from one part to the next without having to beat each level. A guided tour or anything else that doesn't require having to play the game can make it easier for the publisher to decide why it should be published.

**To most people a “camper” is something to take a trip in** – Don't assume that publishers are familiar with gaming jargon or lingo. It is best to avoid any form of slang, even if you are sure they will understand, because this will keep your submission professional and credible.

**All publishers are not the same** – Pitching to as many publishers as possible will increase the chances of your game being picked up. To save time, do a little research in what games they have already published and what their future publishing interests include. Some

publishers keep to one platform, genre or budget size, while others tend to dabble more in the unfamiliar.

**The publisher is not your enemy** – You might find yourself thinking that a publisher is a difficult entity that you must deal with in order to accomplish something. But, don't forget that a developer/publisher relationship is a win/win situation and the end result benefits both. Approach publishers in the spirit of cooperation and respect, and if everything works, you'll end up with a game on the shelves.

## Feature Blogs

### Mobile websites — do you need one?

As internet access shifts from the desktop to the handset, a mobile website can be an effective way to share information and engage your customers.

To learn more about promoting your business online, visit our section on [Online Marketing](#). You may also be interested in our [Pros and Cons of Social Media page](#), which offers information on incorporating social media into your marketing strategy.

<http://www.canadabusiness.ca/eng/blog/entry/6379/>

## Hot Picks

*The following publications are available through the Canada Business - Nova Scotia resource library. Some may also be available from our [network of resource centres](#), located throughout the province. Please contact us to find the copy nearest you.*

### *Secrets of the Game Business, Second Edition*

Francois Dominic Laramée

Need a book that unveils the inner workings of the flashy but serious game development and publishing industry? If you are thinking about creating a game development company, want your existing company to prosper for a long time, or just want to understand how and why the business evolved to its current dynamics, then this is right book for you. This book provides an insightful look into the current state of the industry and future challenges facing developers.

### *Get rich with apps! Your Guide to Reaching More Customers and Making Money Now*

Jesse Feiler

It is safe to say that you will probably use iPhone apps either as a developer, a marketer, a business owner, or an end user. The cost of this software development has changed the way forward-thinking people approach the idea of software development. With such low costs, it is possible to develop an app or have them developed for even the smallest business. Get Rich with Apps will show you how to look at apps in a new way and learn what works, and what does not.

### *YouTube: Online Video Marketing for any business for Business*

Michael Miller

YouTube is a fun and popular site, constantly ranking in the top five of all sites on the Web with more than 130 million visitors per month. YouTube for Business is part marketing text, part computer book; that is because you need both marketing and technical skill to take best advantage

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## Sector Profile – Digital Media

### Associations and Organizations

Canada's Advanced Research and Innovation Network (CANARIE)  
<http://www.canarie.ca/>

Innovacorp  
<http://innovacorp.ca/about-us>

Digital Nova Scotia  
<http://digitalnovascotia.com/>

Nova Scotia Business Inc  
<http://www.novascotiabusiness.com/en/home/default.aspx>

Canada Youth Business Foundation  
<http://www.cybf.ca/>

National Research Council Canada  
<http://www.nrc-cnrc.gc.ca/eng/business/index.html>

### Government Programs and Resources

*This list is just a sampling of the many programs and resources available to businesses in the sector. Consult our website or knowledgeable staff for more information.*

#### Canada Media Fund

If you are a Canadian television or digital media producer, you could get financial assistance to produce television shows and interactive digital media, like digital games.

#### Equity Investment - New Media

You could receive funding to produce and launch your interactive new media product.

#### InNOVAcorp High Performance Incubation

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### Nova Scotia: Digital Snapshot

*by Ashley Cameron*

Did you know that Canada is ranked the third top country in the world for video game development and is home to some of the best known brands in the video game industry? Nova Scotia alone houses a number of leading companies such as HB Studios, Huminah Huminah Interactive, Longtail Studios, Silverback Productions, The Red Space and of course Xona Games, many of which are featured in *Develop Magazine's November 2010 Issue*.

HB Studios, located in Lunenburg with a second space in Halifax, is the largest gaming corporation in the province with over 130 employees. It is known internationally for producing popular EA Sports games such as the FIFA World Cup series and Tiger Woods PGA Tour 10.

According to Digital Nova Scotia, Nova Scotia's digital industries alliance, Nova Scotia's thriving technology industry even has the potential to boost the provincial economy in the same way oil and gas did for Alberta.

As Jason Powell, President and Chairman of the alliance states in an interview with Nova Scotia Life: "Digital economy encapsulates more than IT. It encompasses the emerging \$3.5 trillion annual piece of the economy that includes new media and video games. As a province, we participate in a bit over \$1 billion of this enormous part of the economy, so there's room to grow."

With its attractive and competitive digital media tax credit, low employee turnover rates and industry support, Nova Scotia is poised to advance to a whole new level of digital media business growth.

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*47% of Canadian households have at least one video game console such as an Xbox 360, Wii or PlayStation*

*Acadia University in Wolfville, Nova Scotia, offers a four-year Bachelor of Computer Science Specialization in Game Development. Programs and courses are also available through the Nova Scotia Community College and Dalhousie University*

*Some 20 percent of the top-selling games in North America are developed in Canadian studios*

*Canadian digital media companies are setting new standards in courseware design, entertainment, consulting and flight simulation*

*For years, almost every film nominated for an Academy Award in special effects was produced with Canadian-developed technology*

**Sources:** Invest in Canada Bureau, Nova Scotia Business Inc., Nova Scotia Life, Entertainment Software Association of Canada, Gaming Business Review, Develop Magazine and Digital Nova Scotia.



Left: Gameplay shot from **Score Rush** ([scorerush.com](http://scorerush.com)) - a 4-player shoot 'em up game from Xona

## From Information to Business

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From Information to Business

ISSN 1718-7494

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Develop your innovative idea and grow your emerging technology business with incubation and mentoring.

#### Capital Investment Incentive

Receive funding to help offset the cost of buying technologically-advanced machinery, clean technology, equipment, software and hardware.

#### Export Prospector Program

Benefit from the core advantages of a trade mission designed specifically for your business.

#### Business Development Program

Access funds to start, expand or improve your business in Atlantic Canada.

#### Digital Media Tax Credit

Your digital media business may be eligible for a refundable tax credit of up to 50% on the cost of developing interactive products.

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of YouTube. The book is organized into four parts: Marketing Your Business Online with YouTube, Producing Your YouTube Videos, Managing Your YouTube Videos, Promotion and Monetization.

#### Basic Marketing 02: Online Marketing

Brian Sheehan

In keeping with advances in technology, and rapid consumer adoption of new media, the possibilities for digital marketing are changing rapidly. Online marketing is unquestionably the most dynamic and fast-moving field in marketing today. This book highlights big marketing ideas and case studies that exemplify forward thinking.

#### Cyber Law Canada:

##### The computer user's legal guide

Jeremy Schelling

The Internet is more than just a passing phenomenon, and laws regulating it and other on-line communications will have a significant impact on our daily lives and businesses. As an internet user, you need to have an understanding of the basic principles of cyber law: not only how to legally use the Internet but also how to protect yourself from unlawful users.

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## Upcoming Events

### Canada Small Business Financing Program webinar

June 16 at 2 pm

<http://www.ic.gc.ca/webinars>

### Japan Engagement Seminar

Halifax, June 17

<http://www.international.gc.ca/canadexport/articles/110527b2.aspx>

Please see our [online calendar](#), or visit us on facebook for more business events