

# Video game developers encounter funding woes

December 27 2017, by Marco Santana, Orlando Sentinel

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Hezekiah Olopade has just received a lesson in building video games.

Now that his virtual reality-based escape room has been built, however, the 26-year-old University of Central Florida student must find a way to pay for its development if he wants to push forward with his team of five. That means trying to get investors to play the game.

"It's a different world when you're in there," said Olopade, a student in UCF's Florida Interactive Entertainment Academy program.

There have been few homegrown financial victories in Central Florida's [video game industry](#) in recent years, despite the region being home to two of the most prestigious schools in the U.S.

UCF and Full Sail University both regularly land on The Princeton Review's annual list of top video game schools in the country and constantly churn out graduates, whose specialties include game design, art direction and programming.

Central Florida-based investment group Florida Angel Nexus has invested close to \$2 million into HypSports, an app-based business that is less like traditional video games and is more like a fantasy sports game.

The company, which started its development in 2016, was created by a former Electronic Arts executive.

Video game companies, like other small businesses, must prove to investors that their games will have staying power, tech [investor](#) Benjamin Patz said.

"The main question is whether it's going to be successful," said Patz, managing director of the Florida Angel Nexus. "You can't really see how a game can scale or its business model, other than a hype cycle associated with the release of the game. In general, other tech companies can inject multiple products to solve different problems."

As Olopade prepared to show off his virtual reality-based escape room at an event that brought students face-to-face with investors this month, he said he could see himself leading a video game studio in the future, preferably in Orlando.

He said meeting investors at FIEA, where the school's latest group of graduates was showing off final projects, helped him learn a few lessons about the business side of gaming.

"It gave me an early knowledge of what they were looking for," he said as players strapped into an HTC Vive VR headset to play his game.

Investors often have little background in video games. While traditional tech companies can sell their business based upon problems they want to solve, giving potential investors a way to apply it to their own lives, games don't necessarily solve problems and compete in a very large industry.

That's why it's crucial to put the game in front of the investor, said Nick Pettit, who published his first game on the Sony PlayStation Network this year.

"It's an investment so they assume some amount of risk," he said. "If

they have a point of reference they can go from, it's certainly going to help your pitch."

The developer still must create a game that is both playable and that can demonstrate it can make money, Pettit said.

"Ideas are cheap. Execution is hard," Pettit said. "If they can present a working prototype that can prove the concept, it will dramatically improve their chances. If you have something quirky or funny or unique, an investor might see that and say, 'This is great.' "

That's how Olopade hoped to rope investors at the UCF event. He plans to develop the game further with his team and, eventually, release it on various platforms.

Richard Fox, a member of Florida Angel Nexus, was impressed by Olopade's escape room because brick-and-mortar rooms have limits, including the fact that once a customer goes through it they know the solution.

Virtual escape rooms wouldn't have that problem because the experience can change, he said.

"This could be a way to increase participation," he said.

Although he has yet to invest in [video game](#) technology, Fox said the investment [game](#) has him constantly looking at new trends, including virtual and augmented reality.

"It continually changes," he said. "If you are acting on last year's idea, you are in trouble."

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Citation: Video game developers encounter funding woes (2017, December 27) retrieved 23 June 2024 from <https://phys.org/news/2017-12-video-game-encounter-funding-woes.html>

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