

INSIDE GMT

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Welcome to C3i #13!

In last issue's look Inside GMT, we examined and explained the P250 program. Since then, we've received numerous requests to give the same type of nuts and bolts look at where the now almost four-year-old P500 program stands today. Rodger suggested that if I had any extra room, it might be interesting for you guys to get a "sneak peek" into what the list of games that various designers currently have in development looks like— those games that have not yet made the P500 list.

That works for me, so long as you understand that it's possible for any title not yet on the P500 list to never see the light of day (i.e. - please don't inundate us with e-mails asking about the current status of any games not yet on P500. The answer's the same for all of them: "It's in the Design and Development phase. When both the designer and developer tell me it's ready for the P500 list, it becomes a "real" product. Then you can order, and we begin to track and update it's production status). So this sneak peek is just a "look/see," not a promise of production. Having given you that important caveat, here goes....

First, here's a basic explanation of why we use the P500 (Project 500) system:

The Reasoning behind P500

Essentially, P500 is built to foster stability in our cash flow as well as to ensure that we are producing the games that our customers want to buy. As long-time gamers know all too well, inadequate cash flow and "guessing wrong" about the sales of future games have each played a large part in killing or handicapping numerous game companies over the years. The nature of the game production beast is that a game company must invest tens of thousands of dollars to conceptualize, develop, test, print, package and distribute a game. If that game hits the market and receives insufficient acceptance (for whatever reason!), the

company loses. If that happens a few times, cash flow takes big hits, production flow slows down, and eventually, the company dies, then, (if it's a company we like) we all lose that source of new games.

Now if you're a big company with deep pockets, small cash flow hits here and there are not that big of a deal (kinda like having one of your MMGs jam in SL/ASL when you have bunches of machineguns in the fight - not the end of the world). But we're not such a company, so the consequences of "guessing wrong" or taking several cash flow hits on production-related mistakes can be pretty dire, even fatal. For years in the early-mid 90s, we prayed the "guessing game"; and even though we guessed right more times than not, we still ended up spending way too many productive hours worrying about cash flow that could have been much better spent on developing new and better games. Out of our frustration with this situation, we asked a better question, and came up with a solution that was so simple we were amazed we hadn't thought of it before:

What if the company knew ahead of time that there was a committed interest in the game, before they committed all those funds? They could produce exactly the games that their players want!

And that's exactly what Project 500 allows us to do. It also happens to fit really, really well with our desire to communicate with and hear from our customers, as it lets us tailor our game release schedule to get the "most wanted" games turned around quicker (as you saw with *For the People* last summer and again with *Wilderness War* this spring) than those that fewer of our customers commit to. Essentially, you guys get to determine to a large degree what our future production schedule looks like. That's always been my favorite part of P500, as it gives the gamer/ hobbyist a very real way to significantly affect which products a game

company produces.

For details on how P500 works, please visit our website (www.gmtgames.com) and check out the P500 area (If you don't have web access, call or fax our office and we'll send you a copy of "How P500 works"). As I think you'll see, this system allows us to determine, to a much greater degree than ever before, which games we publish or reprint and which designs don't make the big-time. And it takes the financial pressure off of us without risking a cent of your money.

How is P500 Evolving as GMT grows?

Due in no small part to the tremendous support that players have given to our P500 system, we've managed to pull out of the "dire straits" of several years ago and become a much more stable enterprise. We've substantially grown our project teams, our product line, our sales totals, the size of our print runs, and our customer base over the past few years. This growth has brought us better games across a broader spectrum of game types as well as the additional design, development, and art talent in our teams that we need to continue to produce better and better products in the future. As you might imagine, growth has also brought its fair share of challenges, and at least one of those, having to do with our increased print runs, has affected how we use the P500 program.

Because of the terrific support you guys have given us in continuing to buy and play our games, we have significantly increased the size of our print runs recently (it was that, or be out of stock on 2/3 of our game line-ouch!). This is very good for the long term, because our cost per game goes down with larger print runs and we have a larger percentage of in-stock games (in stock for a longer period of time) to appeal to the pretty large number (at least by our standards!) of new customers that have been

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finding us lately (a little over 100 new customers per month, on average). But the impact on short term cash flow has been pretty harsh, because with the higher print runs, 500 orders no longer covers the basic printing costs for a game. It took Tony and I a while to home in on a good approach to facing this challenge (i.e., we had a *rough* fall of 2000), but this is what we've come up with, and, at least judging from the past two games, it seems to be working pretty well.

500 orders is still the level at which a game "makes the P500 cut." Now, however, we don't automatically and immediately send such a game to the printer. Instead, we look at how quickly its numbers are rising, and print the fastest-rising "over 500 games" as they near the 700 order mark (because 700/750 orders is about what it takes now to pay for the printing).

Also, beginning in the summer of 2001, we'll be quicker to nix a game that languishes in the 300-500 order range, if its orders show little sign of significant increases over a period of months.

The important thing for us in making these modifications to how we work with P500 is to keep production flowing smoothly. As you can see from what P500 has done for our production ability over the past couple of years, the system has done and is doing what we all hoped and intended for it to do. With a couple of small tweaks, we look forward to bringing you many, many more *cool games* on a schedule of production that is determined in no small part by our community of gamers.

Before I conclude this section, I want to personally thank each of you who has participated in the P500 program. You have helped us immensely by your participation, your trust, and your helpful suggestions when we've run into a snag. I believe that it's true now to a greater degree than ever before that GMT is in some ways a cooperative venture between producers and customers, for the benefit of each of us and the hobby as a whole. And as a long-time hobbyist and a lover of games, I think that's pretty cool! I hope that you feel that way, too. (If not, please feel free to write or

e-mail me with your suggestions as to how we can improve — Thanks.)

in the Pipeline

Here's a quick look at what's on the plate of several of our designers (This list represents about 25% of our designers, and the ones below aren't chosen to "favor" any of them. Due to space constraints, we'll pick several designers each issue — and given his list of upcoming titles, we'll probably have to devote a whole issue to Richard Berg's games- check with us online if you want to get an update on this- Richard's on consimworld daily and more than happy to let you know what he's working on). I'll list their projects in roughly (as this could change) the order that I think they'll be ready for the P500 list.

• **David Fox:** David's second game for us (his first was *Austerlitz 1805*) will be hitting the P500 list this spring. *Thirty Years War* is a card-drive, PoG-style strategic game covering the political and military struggles of this conflict. From what I've seen so far, this one is going to get some serious play time on my game table, and my guess is it won't stay on the P500 list for long before it's produced, so hopefully we'll all see it this year. David is also working on a follow up to his *Austerlitz* game, which takes the series to some smaller battles in 1790's Italy.

• **Mark Herman:** Mark is working on two new games in the WtP/FtP/PoG system, one of which is still a secret topic (sorry- it'll probably be ready for P500 by late summer, though) and the other is a strategic Vietnam game. Mark and I have talked for several years about how fitting the WtP system is to Vietnam, and I'm *really* looking forward to seeing a quick-playing, card-driven game on this topic. Also on Mark's plate are the *big* strategic ACW game that he's doing with Richard Berg, and a third card- driven game that takes the system back to ancient times.

• **Reiner Knizia:** By the time you read this, the fourth GMT/Knizia card game, *Formula Motor Racing*, will be on game store shelves. This is a great game to play with your kids (Rodger's son and all three of my kids love it!), as it's a quick-play with

lots of replay value. Our next game with Reiner will be one of our first two mounted map games, titled *Rome*. This one includes 3-games in one box (a chariot race, a Punic War game, and a power politics game), all of which are short, playable games suitable for wargamers or nonwargamers. This whole line of games has been a big hit for us to date, so it should come as no surprise to know that I'll be meeting with Reiner shortly to work on the *next generation* of GMT/Knizia releases.

• **Ted Raicer:** Ted's *Clash of Giants* (two games in one box — the battles of the Marne and Tannenberg) just broke the 500 barrier on P500, so we should be seeing it in production by this summer. We also just recently accepted Ted's *Reds* game, originally scheduled to appear in *Command* magazine (and many thanks to Ty Bomba for the generosity he showed in allowing Ted to offer the game to us). *Reds*, a one map, hard-hitting look at the Russian Civil War, featuring some truly unique units, will hit the P500 list later this spring. Ted's also finishing up the design on his World War II PoG-like opus, *Barbarossa to Berlin*, which will cover the entire war in Europe from 1941-45 in a card-driven format. *Paths of Glory* players, rejoice! After those games are completed, Ted tells me he wants to take the *Paths of Glory* system to an operational level, with a game focusing on the operations of the Army of Northern Virginia.

• **Dan Verssen:** Dan has no fewer than *seven (!)* projects in late stages of design for us! First off, Dan and I are putting the final touches on our *Strike Eagle Leader* game, which we hope will revitalize the Air Leader series of games and let us do more (including a revamped *Hornet Leader II*) games in the future. Dan's also doing redesign and final development of the next two Down in Flames games after *Zero!* — *Corsairs and Hellcats* and *Fokker!* He's also designing two quick-playing DiF intro games for release in our *family game* box line. Finally, he and an intrepid band of *really* experienced science fiction producers, developers, and artists and putting together a very cool science fiction world and a series of fast action card games to go with it.

