Realising an Applied Gaming Ecosystem

Research and Innovation Action

Grant agreement no.: 644187

D9.5 – Exploitation Plan (version 1 of 3)

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<td>Due Date</td>
<td>30.07.2016</td>
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<td>Actual Date</td>
<td>30.07.2016</td>
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<td>Document Author/s</td>
<td>INMARK</td>
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<td>Dissemination level</td>
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<tr>
<td>Status</td>
<td>First interim report</td>
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<td>Document approved by</td>
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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 644187
### Document Version Control

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<td>Table of Content, basic structure</td>
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<td>8.07.2016</td>
<td>Complete draft for internal review</td>
<td>RR</td>
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<td>1.0</td>
<td>26.07.2016</td>
<td>Final draft</td>
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### Document Quality Control

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<td>18.08.2016</td>
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TABLE OF CONTENTS

EXECUTIVE SUMMARY ........................................................................................................... 5

1 INTRODUCTION .................................................................................................................. 6
  1.1 Nature and content of the deliverable ................................................................................. 6
  1.2 Approach and methodology .............................................................................................. 7

2 OPPORTUNITIES FOR THE ECOSYSTEM ........................................................................ 8
  2.1 Key trends shaping the competitive landscape ................................................................. 8
  2.2 Challenges for the AG market players .............................................................................. 8
  2.3 Early strategic diagnosis of the RAGE Ecosystem ........................................................... 9

3 STRATEGIC FRAMEWORK OF THE ECOSYSTEM ......................................................... 11
  3.1 Modelling and segmenting the market for the Ecosystem ............................................... 11
  3.2 Market Positioning ........................................................................................................... 13
  3.3 Customer value propositions ........................................................................................... 14

4 SUSTAINABLE DEPLOYMENT OF THE ECOSYSTEM .................................................... 16
  4.1 Governance model .......................................................................................................... 16
  4.2 Organisation running the Ecosystem operation ............................................................... 18
  4.3 IPR management ............................................................................................................ 18
  4.4 Financing the Ecosystem ................................................................................................. 19

ANNEX: FIRST EXPLOITATION PLAN ISG RETREAT ......................................................... 21
GLOSSARY

Business case\(^1\): A business case captures the reasoning as well as the quantifiable and unquantifiable characteristics of a proposed project. The logic of the business case is that, whenever resources such as money or effort are consumed, they should be in support of a specific business need. Business cases are created to help decision-makers ensure that:

- the proposed initiative will have value and relative priority compared to alternative initiatives
- the organisation has the capability to deliver the benefits
- the organisation’s dedicated resources are working on the highest value opportunities
- the performance of initiatives is monitored objectively based on the objectives and expected benefits laid out in the business case

Customer Value Proposition\(^2\): consists of the benefits which a vendor promises a customer will receive in return for the customer’s associated payment (or other value-transfer). It is a clearly defined statement that is designed to convince customers that one particular product or service will add more value or solve a problem better than others in its competitive set

Business model\(^3\): A business model describes the rationale of how an organisation creates, delivers, and captures value (economic, social, cultural, or other forms of value). The essence of a business model is that it defines the manner by which the business enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit: it thus reflects management’s hypothesis about what customers want, how they want it, and how an enterprise can organize to best meet those needs, get paid for doing so, and make a profit\(^4\).

Business Plan: A business plan is a set of documents prepared by a firm's management to summarize its operational and financial objectives for the near future (usually one to three years) and to show how they will be achieved. It serves as a blueprint to guide the firm's policies and strategies, and is continually modified as conditions change and new opportunities and/or threats emerge\(^5\).

Economic sustainability: The use of various strategies for employing existing resources optimally so that a responsible and beneficial balance can be achieved over the longer term. Within a business context, economic sustainability involves using the assorted assets of the company efficiently to allow it to continue functioning profitably over time\(^6\).

\(^1\) http://en.wikipedia.org/wiki/Business_case
\(^2\) http://en.wikipedia.org/wiki/customer_value_proposition
\(^3\) http://en.wikipedia.org/wiki/Business_model
\(^5\) http://www.businessdictionary.com/definition/business-plan.html
EXECUTIVE SUMMARY

The RAGE Exploitation Plan is a living document, to be upgraded along the project lifecycle, supporting RAGE partners in defining how the results of the RAGE RIA will be used both in commercial and non-commercial settings.

The Exploitation Plan covers the entire process from the definition of the business case for the RAGE Ecosystem to the creation of the sustainability conditions for its real-world operation beyond the H2020 project co-funding period.

The Exploitation Plan will be published in three incremental versions, due at months 18, 36 and 42 of the project lifetime. This early stage version 1 of 3 is mainly devoted to:

i. Setting-up the structure and the initial building blocks to be populated and completed in the future editions of the Exploitation Plan and to

ii. providing additional guidance for market intelligence gathering, business modelling definition and validation, outreach and industry engagement and ultimately providing insights for the development, validation and evaluation of RAGE results across the project’s workplan execution. These tasks will in turn render suitable inputs to enhance the two future editions of the Exploitation Plan.

Bearing in mind the nature and aims of this document, the Exploitation Plan is of outmost importance for:

a) The 10 RAGE Workpackage leaders, who are also the members of the Executive Management Board of the RAGE RIA project, and
b) The team leaders of the 19 RAGE project partners.
1 INTRODUCTION

1.1 Nature and content of the deliverable

The Exploitation Plan is the code name used by H2020 for planning the usage of the project’s results once EC funding is no longer available.

In the case of RAGE, it is a plan for launching and operating a sustainable Applied Gaming (AG) Ecosystem, a social space that connects and supports gaming industry players, customers, scientific knowledge providers, policy makers and other stakeholders in progressing towards growing and consolidating this economic sector of activity.

The Exploitation Plan aims at:

- Guiding the efforts of RAGE partners -and third parties joining as allies- for using RAGE results and coordinating these efforts with the partners’ individual exploitation plans.
- Coordinating commercial and non-commercial exploitation paths and cooperation among RAGE partners across these 2 exploitation avenues
- Setting-up the reference framework for further tactical planning of specific aspects of the exploitation, e.g. IPR management or the definition and set-up of /connection with the legal entity in charge of the Ecosystem governance.
- Ensuring that the governance model and the management processes we implement contribute to the effective operation of the Ecosystem
- Guiding the monitoring of the AG market and the technology landscape in which the Ecosystem will be introduced and developed
- Supporting steering and, if needed, adapting the development process of the Ecosystem to address changes in the landscape and/or in the sustainability conditions.

In its final version the Exploitation Plan will present the components of the strategy for the long term operation of the RAGE Ecosystem, namely:

- The opportunities describing the rationale behind the business case of the Ecosystem
- The so-called Strategic Framework, i.e the three basic strategies to accomplish the Ecosystem’s mission: a) Market Positioning, b) Segmentation and c) Value propositions
- The sustainability conditions, organisation and resources supporting a long lasting operation of the Ecosystem
- The tactical Business Plan of the Ecosystem and its underlying Business Models for the initial stages of operation.

As specified in the RAGE DOA, the Exploitation Plan will be published in three incremental versions, due on months 18 (D9.5), 36 (D9.6) and 42 (D9.3) of the project lifetime. This first edition of the Exploitation Plan is devoted to:

- Setting-up the structure and the basic components for the Exploitation Plan and
- providing checklists, roadmaps guiding further tasks within the next 18 months in diverse workpackages: a) market intelligence gathering through stakeholder consultation and business modelling in WP7, b) outreach and third parties’ engagement in WP9, aimed at building the social aspects of the ecosystem, and also the demand traction potential to build up the sustainability conditions: and c) the real-world insights for RAGE software assets design, piloting, validation and evaluation tasks widely spread across the RAGE RIA workplan, especially in WP2 to WP6 and in WP8.
1.2 Approach and methodology

According to the DOA, the formulation of the RAGE Exploitation Plan follows a staged process until the end of the project. This process is being developed in close coordination with the dissemination and communication strategy in WP9; working in strong collaboration with the WP7 Business modelling team, and using their results. Ultimately, the completion of the Exploitation Plan will be strongly guided by consultation with the AG industry stakeholders and with RAGE industrial partners.

The EC requested to have a first version of the Plan (D9.5) ready for the First Review of the project by M18. This goes on top of the originally planned reports: D9.3 Exploitation Plan, due M42 and its go-to-market roadmap (D9.4 Launch Plan for the Ecosystem) due on M48. For the Second project Review, we must deliver another update of the Plan (D9.6, by M36).

The formulation of this first version of the Exploitation Plan (D9.5) was based on:

- The initial assumptions underlying the RAGE project: i.e. the opportunities and the vision of RAGE as social ecosystem based on a community-enabled business model, as described in the DOA
- Preliminary findings in the early stages of stakeholder consultations, presented in D7.2 and D7.3 and related to key issues such as the competitive landscape, demand potential, competition and sustainability conditions
- Desk research and bibliographic analysis to look at existing experiences and extract good practices that are relevant and could be applied to RAGE exploitation paths
- Refinements and agreed understanding of key issues arising from discussions inside the RAGE Internal Strategy Group (ISG). The ISG gathers the expertise of senior RAGE members especially invited for this project task. Discussion in the ISG was guided by “Key Issues” lists and brief presentations drafted by Inmark with help from ISG members, and circulated prior to each discussion session. After a 2-day ISG retreat (more details in Annex 1), Inmark led the writing of D9.5 draft, which was circulated among ISG members to validate content, prior to QA procedure and formal publication.

The following versions of the Exploitation Plan will incrementally include the results of the further stakeholder consultation foreseen in WP7 and the validation and evaluation of RAGE results across WP6, WP7 and WP8.
2 OPPORTUNITIES FOR THE ECOSYSTEM

Work during RAGE’s first year showed that the main drivers for creating mechanisms to support AG industry are still in place. Therefore, the rationale behind the RAGE initiative remains valid.

The analyses on the trends shaping the competitive landscape and the specific challenges for the EU based AG industry on the one hand, and the daily interaction with AG players on the other hand, show there are opportunities to be seized by delivering useful services to AG market players, and the timing is about right to boost the AG community.

2.1 Key trends shaping the competitive landscape

The analysis of the context for the future development of the AG industry is framed by a general positive trend. Digital transformation of all aspects of the economy and society as a whole should help foster continuous growth of demand for AG enabled solutions.

As described in D7.1 and D7.2 there are new patterns of knowledge acquisition and this is coupled with rising demand from new industries and from the transformation of traditional services and manufacturing sectors into the digital economy. And facts show that this process is accelerated, challenging organisations and institutions to adapt in less and less time, and making classic education, training and re-skilling practices obsolete.

Moreover, learning and skills acquisition through applied games is a cross-cutting theme that is applicable to many other European priorities, e.g. health and well-being, science with and for society and even non-educational themes that require attractive and effective knowledge sharing such as climate, food, energy, and mobility.

But the landscape for AG industrial development in Europe is not a simple one. In practice, seizure of these opportunities is hampered mainly by a lack of awareness about AG and their effectiveness and the consequent still low acceptance by major demand players.

2.2 Challenges for the AG market players

Helping to improve the weak competitive position of the EU based AG industry represents a clear set of opportunities for the RAGE Ecosystem.

Results of the initial analyses on the business modelling and the AG value chain depicted in Deliverables D7.1 and D7.2 confirm the factors preventing EU based AG developers and vendors from taking full advantage of the overall positive trends highlighted in section 2.1. Among identified industry traits demanding further improvement in integration, coordination and collaboration the following are worth mentioning:

- The level of fragmentation at EU level is so acute that it can be described as a series of small local concentrations of diverse types of companies which can be considered Applied Game vendors. The critical mass required to generate competitiveness in global market has not yet emerged.
• Most of the Applied Games vendors are among the smallest in the size range of SME. Their staff are mainly technical staff and their owners undertake productive, managerial and commercial duties simultaneously. These traits lead to low competitive profiles, weak branding and lack of finance and material resources to address entire market categories/segments within their own “natural” national markets.
• Most Applied Games studios only aim to develop small customer portfolios, e.g. within their own local language, as business development strategy. The vast majority of European-based AG vendors do not operate internationally. Marketing and commercialisation policies seem to be quite weak (if they exist), and are based mainly on “word of mouth” communication. Consequently, there is low effectiveness in disseminating the value proposition of AG across potential customers.

2.3 Early strategic diagnosis of the RAGE Ecosystem

Taking into account the facts and trends summarised in the two previous sections, we have formulated an early-stage strategic diagnosis of the Ecosystem to help us guide its design and deployment processes. For this purpose, we have used the well-established SWOT strategic planning tool. The strengths and weaknesses that the Ecosystem might present if we try to seize the opportunities and fight the threats in AG space are summarised below (Figure 1). These preliminary results will inform both the stakeholders consultation process in WP7 and the outreach and market players engagement efforts in WP9.

<table>
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<tr>
<th>Opportunities for RAGE Ecosystem</th>
<th>Threats for RAGE Ecosystem</th>
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<tr>
<td>Increasing traction potential coming out of the acceleration and wide spreading of Digital Transformation</td>
<td>Disparities in the Industry self-perception of their pain points</td>
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<tr>
<td>Employment is the main political priority of EU and of most Member States</td>
<td>Lack of critical mass for a social space</td>
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<tr>
<td>Creative industries being a European flagship sector</td>
<td>Overall size of the demand potential</td>
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<td>Disconnection of UK Game industry and market for EU industry due to BREXIT</td>
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<th>RAGE Ecosystem Strengths</th>
<th>RAGE Ecosystem Weaknesses</th>
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<td>R&amp;D and pedagogical excellence</td>
<td>Not perceived as an industry driven initiative</td>
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<tr>
<td>Interdisciplinary approach underlying a common agenda</td>
<td>Non-permanent, non-market initiative</td>
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<tr>
<td>Critical mass of resources to launch the Ecosystem</td>
<td>Constraints to generate trust and loyalty among market players</td>
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As preliminary working hypotheses arising from this diagnosis, to be further enriched, validated and presented in the future editions of the Exploitation Plan, we understand that:

✔ The foreseeable balance of opportunities and threats makes the creation of the RAGE Ecosystem a plausible endeavour

✔ This endeavour can be carried out successfully by RAGE partners, by paying special attention and deploying specific efforts to mitigate the potential weaknesses of the Ecosystem by:
  
  o Widening up the scope beyond a narrow definition of the targeted market, going beyond pure AG players towards games, gamification and ultimately addressing the creative industries space
  
  o Properly explaining the map of benefits that the Ecosystem will deliver to the selected market segments, and
  
  o Establish the right alliances with stakeholders who can help overcome the Ecosystem’s weaknesses and strategic constraints.

The results and actionable conclusions of this diagnosis will be revisited, refined and enhanced in the next editions of the Exploitation Plan, integrating for such purpose the outcomes of the pragmatic and open consultation with AG industry players performed by the WP7 team (see Deliverable D7.3 for more details).
3 STRATEGIC FRAMEWORK OF THE ECOSYSTEM

An initial step in formulating a sustainable Exploitation Plan for the RAGE Ecosystem adapted to the opportunities and threats identified in the SWOT analysis, is to establish its strategic framework, also known by practitioners as “Product-Market strategy”. This framework consists of three interrelated decisions on how to perform the mission we have defined for the Ecosystem. These basic strategies are:

a) Market Segmentation, defining which potential groups of users and customers we will concentrate and prioritise the offering of the Ecosystem on,

b) Competitive Positioning, defining how we want customers, competitors and allies to perceive the Ecosystem’s unique way of competing in the targeted market segments and

c) Customer Value Proposition strategy, defining how the Ecosystem will deliver a unique value for its targeted users and customers.

This strategic framework in turn becomes the foundation for establishing the Business Model and Business Plan for the Ecosystem operation, as well as a guidance for their adaptation to future changes in the competitive landscape of the Ecosystem and the AG industry.

At this initial stage of the RAGE project, our current understanding of the mission for the Ecosystem is condensed in the following statement:

Closing European game studios at developing applied games more efficiently and making them better suited for their purposes by delivering: reusable game technology components and knowledge resources and creating a sustainable, open infrastructure and community platform for this.

Along the remaining lifecycle of the project, this statement will be revisited to be validated upon evidence arising from the different interactions with market players and AG community members foreseen in WP 5, WP7, WP8 and WP9 tasks.

3.1 Modelling and segmenting the market for the Ecosystem

The first step in establishing the segmentation strategy is the definition of a simple market model. This model helps us to clarify the players to be involved in the RAGE Ecosystem operations as well as the relevant relationships and focal points or market gaps. The initial model is depicted in Figure 2 below:
In this market model, which is intrinsically a Business-to-Business (B2B) model, we have identified three major types of players according to their role in the AG value chain:

a) The AG vendors, mainly Game Studios, who represent the initial target customers for the Ecosystem. But as the AG frontiers are blurred, this target group should also include leisure games developers developing AG, digital agencies and Publishers who want to integrate their offering e.g. in educational publications

b) The AG Studios’ Suppliers, especially of other components/assets and related services which could be distributed through the Ecosystem, and

c) AG Demand players, downstream customers of the AG Studios, but having the potential to progressively act as AG prosumers 7, by creating their own games using RAGE components. This segment is many times bigger than the AG sector, in terms of players and turnover, as it includes e.g. the Creative industries or educational material producers.

The operations of the Ecosystem will be aiming at closing the two major gaps identified in the market model:

- The Market Gap, representing the challenge to AG vendors to deliver fit-for-purpose, competitive AG solutions to their customers, and
- The Supply Gap, to secure AG studios get competitive components and inputs enabling them to produce competitive games.

As working on both sides of the gaps increases the speed/probability of closing them, the three different groups of business players described in the model are potential targets of one or more services to be included in the RAGE Ecosystem offering.

Besides these key players there is a second tier of stakeholders, mainly of an institutional nature, represented on the one hand by Public Administrations regulating and/or promoting and/or supporting development of the AG industry; and on the other hand, trade associations and other private sector organisations also contributing to AG development (hubs, incubators, etc.). Some of these stakeholders should become Ecosystem operational allies/supporters and/or co-funding partners. To secure this happening, there will be focused efforts in the WP9 engagement tasks.

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To complement the definition of the market segmentation, we must consider the geography of the market. In this regard, the main (priority 1) market segment, is represented by the customers located within the EU Digital Single Market, and a priority 2 segment is represented by those EU neighbouring countries showing a high business potential for AG, e.g. the EEA (European Economic Area) countries and likely UK, once their new non-EU status becomes effective. Other relevant markets such as USA or the BRICs are also of interest, but initially - while priority segments are being developed- only as “opportunity deals” to avoid diluting business development efforts.

This segmentation and its further refinements will be revisited and validated along the consultation and outreach works in WP7 and WP9. Furthermore, the usage of “personas” or stereotyped decision makers and users foreseen in WP7 will help defining a additional micro-segmentation criteria based on the common acquisition and suppliers selection processes. These enhancements will be shown in the 2nd version of the Exploitation Plan.

### 3.2 Market Positioning

As the starting point for the planned stakeholder consultations, our current understanding of the market positioning for the RAGE Ecosystem is summarised in the following positioning statement:

*The Ecosystem will act as a virtual meeting point; the Hotspot for Applied Games development. A truly Pan-European social space and marketplace connecting Applied Games studios with end users, and also with technology and knowledge resources suppliers, trade associations, regional media clusters and other institutions supporting build-up of the EU based Applied Games industry.*

This positioning strategy reflects our line of thought of going beyond the image of becoming an assets/components store e.g. “a-la-Unity”, despite the fact that one of the most tangible services it could offer the AG industry is a repository of games components. On the contrary, the RAGE Ecosystem aims to ideally become a major collaborative and integration “launching pad” for Applied Gaming initiatives:

- It will showcase different dimensions to the targeted audiences (marketplace, services provider, collaboration melting pot, bridge between the leisure and the AG industries, etc.) all of them under the strategic umbrella provided by three main positioning traits: a) as neutral as possible, b) technology and knowledge transfer mechanism and c) innovation multiplier.
- Fostering and starring collaboration efforts across intra EU networks of sector and regions; securing a critical mass of stakeholders, providing visibility and “political” gravitas within the context of creative industries on the one hand, and on the regional economies landscape, on the other hand.
- Enabling co-operation and collaboration across sector boundaries and national/cultural/linguistic frontiers, e.g. through consortia of studios for EU wide bids.
- Acting as “glue”: adding, integrating binding mitigating weaknesses, preventing further fractures, while establishing richer, bigger, stronger links between industry, government and
academia, e.g. in the fields of internationalisation promotion and support or student internships.

- Delivering pedagogical excellence e.g. in exchange of technology transfer from leisure to non-leisure games development.
- Supporting not only education but training towards innovation, as keys in the digital transformation of the productive activities and social innovation.
- Supporting not only employability but also enabling new fields of AG usage to change behaviours, e.g. security, traffic, urban development, etc.
- Acting as a knowledge transfer mechanism: fostering and leading technology and know-how to generate multiplier effects out of Research and Innovation projects. This will be better defined once the new set of some 10 Horizon2020 Innovation Actions on gaming start in early 2017.

These attributes should become central competitive concepts to be built up throughout the products and services offering of the Ecosystem; and the resulting value proposition will be publicised through the future communication policy to be implemented by the Ecosystem operator.

Like the other components of the strategic framework, the positioning strategy will be revisited and updated along the remaining workplan tasks. And the updated strategy will be built into the Dissemination and Communication tasks in WP9.

### 3.3 Customer value propositions

An early formulation of the Ecosystem’s tangible value proposition is “delivering reusable technology components, for developing Applied Games more easily, faster and more cost-effectively”.

But, as said before, the set of RAGE value propositions for the diverse target groups will clearly exceed the mere delivery of software components, as they will offer a wide variety of benefits:

- Improve the “fit-for-purpose” value of games
- Reduce studios’ time-to-delivering games to customers
- Enable studios to deliver compelling and pedagogically efficient games
- Enable entrance in new markets by facilitating cross-border/cross-industry collaboration
- Gravitas: contribute to making Games industry a recognised economic activity on its own (e.g. specific category in industrial official statistics)
- Offering of common proposition to existing AG geographical clusters to reinforce cross-sector, cross-border collaboration and to mitigate fragmentation in the industry, as well as helping to mitigate the likely damage to the EU AG market arising from BREXIT
- Employability as a “stepping stone”: The starting focus of the Ecosystem is in improving employability. But it has the flexibility to address other domains with high impact potential such as health, social integration, security, safety or the environment.

These benefits will be delivered through a portfolio of **products, services and community initiatives**, to be tested and validated in the stakeholder consultation, which initially includes:

- Game technology components
- Knowledge resources via online training
- Architecture for interoperable/portable game technologies
- Software asset repository and social media layer
- Asset metadata model
- Asset creation methodology and tools
- Pedagogical advice
- Software licensing approach
- Applied Game value chain analysis and business models
- Non-Market services including Know-How transfer within HEI; channeling industry unmet needs to trigger further research and standardization initiatives; new services to professional communities e.g. via support to Indie developers.

This portfolio offering facilitates bundling of individual software assets/components by developing a harmonised framework, as we understand that scattered and heterogeneous components will not attract AG industry players. Acting as an integrator, the Ecosystem will foster bringing together pedagogical quality, services design methodologies and secure assets updating, enabling sharing and showcasing tools, techniques and developer tools.

Further and continuous development of the Ecosystem offering will allow RAGE partners and allies to address issues which can boost the Ecosystem’s success:

- Non-skilled (in games development) AG vendors need plug ins and standard ready-to-use modules. Overcoming the need of sophisticated development tools shall contribute to expand the offering of competitive AG
- Creating trust by technical QA related services offered to small game developers (e.g. indies) should contribute to improve their weak competitive positioning in the market
- Getting the support from IT global brands as references for RAGE offering, as an additional appeal for uptake
- Transforming software assets produced within a research project into productive components, showcasing their growing level of readiness for their integration into viable and competitive games to be used in productive environments
- Attracting further software assets developed by third parties by building a showcase which can ensure the improvement of assets and component creators’ market visibility. RAGE certified and non-certified game components will help widening the spectrum of the offering, integrating third party components QA as part of the Ecosystem offering.

The offering portfolio will be a key subject in stakeholder consultation, but also a relevant aspect to be validated in WP5 pilots and WP8 evaluation tasks. Refinements reacting to insights gathered through these tasks will be duly integrated in the next version of the Exploitation Plan.
4 SUSTAINABLE DEPLOYMENT OF THE ECOSYSTEM

This chapter summarises the initial decisions required in setting up the conditions for the sustainable operation of the Ecosystem. These include how the organisation, legal, human, technical, logistics and financial resources should be acquired and maintained to guarantee a long-lasting operation of the Ecosystem. The conditions for sustainability does not only refer to the business value (made visible through business cases) of the Ecosystem. They also comprise the following dimensions:

- **Governance model design**, starting from the Government Body providing legal continuity, strategic guidance and stability to the entire operation; by establishing the proper framework for running the Ecosystem; coordinating non-commercial and commercial exploitation under the same roof; including IPR protection, defining different licensing schemes according to user profiles, etc.
- **Operations and the Ecosystem Operator**: the mix of human and material resources to perform the routinary business workflows needed to deliver the Ecosystem offering to the AG developers community, the AG industry and other customers and stakeholders; Defining what types of activities need to be sustained on a continuous basis: expanding the customer base beyond AG industry developers, e.g. innovators in the education and Creative Industries sectors (ground-breaking teachers, architects, advertising agencies,…) who are not professional AG developers; Establishing new suppliers and institutional support alliances, delivering services and maintaining and updating the technical infrastructure, etc.
- **Financial resourcing mix** to cover the investments for setting up the Ecosystem operations and the running direct costs and overheads.

Along the first half of 2017 we will start validating the proposed design of the Ecosystem operations, taking advantage of the progressive deployment of the pilots to test assets and games, the evaluations planned in WP8 and the WP7 stakeholder consultations. In this scenario, we will get feedback on the offering (assets and other products, services and community development initiatives), but also on the launching of early versions of the Ecosystem acquisition/recruitment/outsourcing processes/workflows and procedures from:

- Third party software assets and their certification
- Members for the RAGE partnership and the future governing body
- External users and customers
- Specialised technical outsourcing providers and
- Allies assuming regional/national representation/“antennas” of the Ecosystem.

These basic definitions and strategies will guide the continuous consultation to stakeholders, and the outreach and engagement of allies and customers. Informed by the results of these interactions, in the next versions of the Exploitation Plan we will present the tactical Business Plan and its underlying Business Models for the initial stage of operations of the Ecosystem.

4.1 Governance model

Legal stability as well as structural and decision making aspects have a major impact on the long-term sustainability of the Ecosystem, given the wide diversity of parties (and interests) needed to become involved in the operation. The governance model describes the legal body that should be established to support the Ecosystem, including its legal status, mission and
roles as well as the ground rules for participation and decision making. The first draft of these is depicted below.

Legal status

Our current understanding is that the most appropriate legal instrument to support the exploitation of the Ecosystem is a not-for-profit organisation (e.g. a Foundation) led by willing RAGE partners and/or key stakeholders in the multisectoral community around the AG economic sector. In this regard, the organisation’s mission is to help games consolidation as a competitive player within the Creative Industries in Europe. This means an ultimate goal of industry development, combining the efforts of industrial, academic and political players.

The initial reason for opting for a not-for-profit organisation is that it is an open starting point aiming to serve the community. This issue will be further investigated along the next 18 months. We envisage the Ecosystem to be led by the AG industry but open to those interested in developing the AG space in Europe. The idea is to avoid vendor-locked components and to allow customer independence with regards to the proposed products and solutions.

Therefore, the plan is to set up the RAGE governing body as an International Not-for-profit organisation, as the most appropriate structure to be adopted. It could be operated under The Netherlands or Belgium law for example, but this will have to be analysed in due time by the founding parties. The legal personality of the organisation shall be fully acquired when the articles of constitution are filed with the court registry. As a non-profit organisation (non-business entity) any surplus revenues coming out of the Ecosystem operations would be used to further achieve its mission, mainly re-investing them to consolidate the Ecosystem. The model could be inspired by the ones that support FIWARE\(^8\), or the BBVA API_Market\(^9\), which are platforms that allow developers to download software in the fields of the Internet of Things and Finance respectively.

Main roles

- Providing legal continuity, strategic guidance and stability to the entire operation, by establishing the organisation in charge of running the Ecosystem, coordinating non-commercial and commercial exploitation under the same roof; including the management of IPR, Service Level Agreements and licensing schemes according to user profiles
- Promoting and maintaining the dialogue with the relevant stakeholders and user communities in order to understand their requirements and specific peculiarities and helping the Ecosystem Operator to define progress in the implementation of the Ecosystem.
- Protection, promotion and supervision of Ecosystem operations through supervising, monitoring and advising the Operator with regard to the development, management and administration of the Ecosystem and its progress: providing expert advice in e.g. the implementation of strategies and services, secure interoperability across the Ecosystem offering, etc.

In order to support performance of these roles, we foresee:

- A network of “regional” (or “national”) representatives acting as “antennas” of the Ecosystem closer to the action in the well-identified geographical clusters to be able to react to the peculiarities of these diverse geographical hubs

\(^8\)http://catalogue.fiware.org/enablers/marketplace-sap-ri
\(^9\)https://www.bbvaapimarket.com/web/api_market/
• Specialised committees (e.g. IPR, standards, certification,..) to support strategic decisions and their implementation by the Operator

• A strong collaboration with existing initiatives e.g. the EGDF and national developers associations, to complement, expand and ultimately strengthen links among efforts in the scientific/academic fields with initiatives closer to the industry and to the European territories, e.g. joint events, cross-participation in governing bodies or lobbying, and ultimately to the demand of technological transfer to the games (leisure and not leisure) and gamification industries, to boost their innovation potential.

Organisational governance

The Organisation will then be managed by its members via a general assembly to secure proper representation and an Executive Board to secure quick-business type-decision making. The RAGE government body members would constitute the General Assembly. Institutions, organisations, and also individuals could be members. Any participating entity would be represented by individuals belonging to the organisation, to be determined according to the capabilities, needs, and choice of the organisation to participate in the RAGE governing body.

4.2 Organisation running the Ecosystem operation

As a market players´meeting point, the Ecosystem will need to be managed as a competitive player and, eventually, as a source of revenue for its Operator. The kind of decisions and their implementation demand a commercially driven and flexible approach, e.g. an outsourced operator, acting under the strategic supervision of the RAGE governing body. Main activities of this Operator will be focused on:

• Growing the business value of the Ecosystem by marketing its products and services offering, but also by a proper acquisition and management of customers and suppliers

• Running and maintaining the technical infrastructure and securing Technical sustainability: the long-term provision of technical support and consultancy to facilitate the commercial and non-commercial exploitation of the RAGE offering

During the first stage of operations, the Operator team should cover key roles in the areas of business/market development, product (offering) management, administrative management and technical support and development. This team will work in close cooperation with the Organisation support committees and regional antennas described in section 4.2, and of course in efficient coordination with the RAGE governing body’s Executive Board.

4.3 IPR management

A transparent and efficient management of the Intellectual Properties represents a key success factor to attract and retain players for growing the Ecosystem operations. In this context, licensing-related issues become a central issue. Our current understanding of this issue is summarised as follows:

• Assets licensing: open source license-type. It should be possible to combine RAGE assets with third party assets into aggregated assets or libraries without such third party assets being ‘contaminated’ by the RAGE OS license
• It should be possible for partners to bring in existing assets (‘background’ or ‘prior art’) into the project without such background becoming ‘contaminated’ by the RAGE OS license or the source code becoming public upon publication under the RAGE project.

• It should be possible to change the license type after the completion of the project when required by the post-RAGE business model.

Licensing options: A number of permissive OS licenses (non-copyleft or ‘viral’) do however seem to meet the above requirements. When comparing available OS licenses\(^\text{10}\), the ones listed below allow exclusion of source code; linking to code with a different license; change of license at a later stage; and commercial use. So far, the governing body of the RAGE RIA has selected the Apache 2.0 license as the preferred software license for the RAGE software assets.

On top of these initial definitions, IPR management criteria, procedures and decision making mechanisms will be analyzed, decided upon and implemented ASAP to be integrated in the validation tasks across the final phases of the project.

### 4.4 Financing the Ecosystem

Financial sustainability will be progressively consolidated by a mix of financial sources:

• Revenues via fees for actually delivered products and services
• Revenues via membership fees
• Revenues via advertising derived from exploiting the big data of the Ecosystem social/community/membership activities
• Sponsoring coming from industry to secure collaboration in AG industry market development
• Grant and public sector support to project/action lines based initiatives.

Specific efforts will be devoted to defining/choosing revenue flows we can generate in relation with our game assets. In this sense, specific business models around open source software\(^\text{11}\) we will further investigate include:

• Forking the assets and granting these a proprietary license. The original assets versions however will remain available under their initial (Apache License 2.0) license.
• Selling required proprietary parts of the resulting software product (in our case e.g. charging customers for the game content, the scenario, etc. instead of for the use of the underlying software components)
• Selling required proprietary parts of the resulting software product (in our case the games created on the basis of the assets)
• Delayed open sourcing: debug faulty assets, fork these, and release them to paying customers. On the next release these debugged assets are then licensed back to OS.

Further progress in defining the financial sustainability conditions include:

• Defining services which are chargeable to customers and their correlated WTP (Willingness to Pay) levels. Segmentation of chargeable services

\(^{10}\) See [Comparison of free and open-source software licenses](http://en.wikipedia.org/wiki/Comparison_of_free_and_open-source_software_licenses), 01-02-2015

\(^{11}\) See [Business models for open-source software](http://en.wikipedia.org/wiki/Business_models_for_open-source_software)
- Pricing policies for services and for membership
- Plausibility analysis on advertising revenues potential and their associated costs
- Developing the payment method for assets usage
- Investigation of sponsoring targets and specific business models and agreements
- Identification of potential public sector support opportunities (industrial policy, regional policy, job creation schemes,....)
ANNEX: FIRST EXPLOITATION PLAN ISG RETREAT

Date and venue: June 8 & 9 2016, Brussels
Participants: ISG members
1. Kam Star
2. Jeremy Cooke
3. Paul Hollins
4. Jens Plesk
5. Matthias Hemmje
6. Wim Westera
7. Thierry Platon
8. Andrea Molinari
9. Baltasar Fernández-Manjón
10. Rubén Riestra

Briefing document to support discussion flow

Session 1: Introduction to the D9.5 Retreat (0.5 hours)
Focus: Methodological issues and Nature of the D9.5 First Version of the RAGE Exploitation Plan
a) D9.5 updates/refines the exploitation outline described in the DOA
   • Updates Initial Vision of planned usage of RAGE results after EU funding ends.
   • Elaborates on Key decisions about strategic dimensions of the joint exploitation
   • Generates coherent plausible/credible storytelling guiding/supporting:
     i. Stakeholders consultations (WP7)
     ii. Value Propositions validation
     iii. Communities build up & outreach (WP9)

b) D9.5 Provides insights/hypotheses to be further validated in the WP7 stakeholder consultation

c) D9.5 highlights specific results to be secured across the Project workplan

Session 2: Ecosystem Governance design (2.5 hours)

a) Sustainable Exploitation: the big picture
   • Sustainability dimensions: Business Value, Technical, Operational, Financial
   • What types of activities need to be sustained on continuous basis (expanding customer and supplier bases and alliances, delivering services, technical infrastructure, etc.)
   • Non-commercial and Commercial exploitation under the same roof
   • Interactions between RAGE and the individual partners’ exploitation plans

b) Trust creation
   • Strong differences among Studios (Customers: SMEs/Start-ups,…), Asset developers (Suppliers: Micro-SME/individual) Other stakeholders (Allies: Institutions/Scientific Associations/Governmental bodies,…)
   • Can RAGE generate trust? EU project: Majority of non-market players; Lack of experience in industrial services//Not a core business
   • Who can create trust? Success stories of community driven industry build-up. Lessons?
   • Ecosystem positioning: How should be perceived by Customers/ Allies/ competitors?
     o Components Store? /Marketplace?
     o Industry Support Centre (VCOE) ? Does it works for microSMEs?
     o Disruptive Innovation multiplier? Trusted partner for Start-ups?
     o Bridge between Leisure and non-leisure game?

c) Competitor and allies’ analysis
   • Who’s trying to solve the same type of problem/seize the same opportunities?
     o Unity: entertainment game Specialist?
     o SourceForge: General SW store?
     o GALA / Serious Game Society? neutral broker? Value added Broker?
     o MS Project Oxford. APIs
   • Is there a de facto standard? Pros and Cons/Strengths and weaknesses/Benchmarking
   • Could/should/would any of them be our allies?
d) The “social space” dimension of the Ecosystem
   • Communities: source of sustainability and trust creation?
   • Value proposition to communities. Which communities?

e) Plausible Ecosystem Governance models
   • Reference models. Success stories. Known failures
   • Candidate(s) for legal entity governing body: Friendly to industry (start-ups?); Neutrality (UK/P/G → NL?);
     Non Profit (cost recovering); Membership vs. Services
   • RAGE partners exit strategies.

Session 3: The RAGE offering (2.5 hours)
a) The windows of opportunity
   • Who needs RAGE?
   • Who will be willing to use RAGE,
   • How will they use RAGE?
   • Who is willing to pay?
   • Why will they replace their components by RAGE components

b) Segmentation & Value Propositions
   • To Studios and to the rest of targeted segments
   • Third Party asset producers (recruit them)
   • AG final demand (educate to foster traction)
   • AG stakeholders (Ecosystem allies)
   • RAGE haters (to neutralise/destroy/convert)

c) Products and Services Offering
   • Assets and “knowledge resources”, Technology transfer, Online training portal, Pedagogical advice
   • Components product range profile:
     - Any rock star?
     - Bread & butter
     - Sniper / 4x4 All terrain? / Multipurpose
     - Category Killer
     - High Volume /low margin vs. Ferraris?
   • Specialized in Employability? How flexible our Components are/ could be?
   • Third party’s services and components: Expanding the assets store. Criteria and acquisition mechanisms
   • Non-Market Exploitation:
     o Know Transfer within HEI
     o Knowledge transfer to others (?)
     o Further Research Lines
     o New methodologies and Standardization
     o New Services to Research Communities
   • Mapping offering to commercial/non-commercial trade
   • The Multi sided Issue/Multisided platform models/Network Effect?

Session 4: Business Plan drafting (2.5 hours)
a) Organisation running the Ecosystem operations
   • Nature: Inside the Governing Board/Outsourced, independent, ...
   • Running and maintaining the technical infrastructure
   • Acquisition, delivery of services (+products)
   • Acquisition and management of customers and suppliers (“sales”)
   • Administration / management / HR

b) Sizing the Ecosystem operations
   • team, equipment, other productive resources
   • Initial investment chapters
   • Operational costs chapters.

c) Financing the Ecosystem
   • Mixing Revenue for provided services with non-refundable subsidies and sponsoring.
   • Sources of grants and desired types of sponsors (government, universities, industry, global players)
   • Community generated revenues;