

CODE STARTUP FUND SUMMARY OF INFORMATION



StartUp Fund (Range: \$60,000 - \$250,000)

What is the outcome we're looking for from StartUp Funding?

To help experienced, Aotearoa New Zealand-based game developers take their first game to commercial launch, with support from mentors.

Who might you be?

Perhaps you have extensive experience working for a gamedev company and want to paddle your own canoe. Perhaps you have an Indigenous story to tell interactively. Perhaps you have worked with one or two other experienced devs for a while on outside-of-work projects or game jams, and you want to coalesce as a partnership to realise a shared vision with great commercial prospects. Perhaps you have launched, failed and learned from a previous self-funded venture.

We want to help talented people with vision, from a diverse range of backgrounds, start great games companies in Aotearoa New Zealand.

What are we definitely not looking for?

Teams with a killer idea on the back of an envelope – we want to see a running prototype at least. Arts projects with no commercial prospects: these should apply via other funding bodies. Games with no differentiation – we want to see projects that will succeed through originality and innovation. And we need to see evidence the team is in place to carry through on the production plan.

Please read this document in conjunction with the **CODE Funding Terms and Conditions**.

What kinds of projects can I apply for?

- Games intended for global consumer audiences.
- Serious & health-related games.
- Educational games.
- Narrative and non-narrative format games.
- Free-to-play and premium games.
- VR, AR, mobile, tablet, console, installation, PC and multi-platform games.

What kinds of projects and items can I **NOT** apply for?

- Games which are not primarily digital in nature (hybrid digital/physical projects are allowed).
- Gambling games.
- Games of a pornographic nature.
- Games for advertising purposes.
- Commissioned products.
- Games for internal training or corporate services.
- The purchase of Intellectual Property rights.
- The purchase of equipment and hardware, apart from Console Development Kits.
- Esports proposals, or any project not directly involved in the creation of a game / video game production business.

Further details on eligibility of projects are on page 5.

How can I apply?

The first stage of the application requires you to submit a simple Expression of Interest using this EOI Form. We will (1) assess these Expressions of Interest for suitability and eligibility, and (2) contact you if we need any clarifications. Then, we will select the submissions we would like to invite to progress to the Full Application stage.

Those individuals or teams who are selected to proceed to Full Application will be able to access support from CODE staff to complete the application and associated documentation.

How will my application be assessed?

After a pre-submission consultation with one or more of CODE's staff, you will submit your Full Application and associated documentation via a second online Form – we will supply a private link to this.

This application will then be checked again for eligibility and submitted to a panel of experts drawn from a variety of senior roles in the region's video game industry. The assessment panel process is competitive so a high quality of application is encouraged.

CODE assessment panels are always drawn externally and CODE executive staff do not influence the decision process in any way.

What criteria will be used by the assessment panel?

Concept Appeal & General Objectives

- The economic, cultural and creative benefits of the project to Aotearoa New Zealand;
- The track record of the applicant(s) and principal(s). However, note that early career developers can apply as long as they can demonstrate capability for project delivery;
- The innovation, creative ambition, originality and quality of the project;
- The quality and rigour of all supporting materials;
- StartUp grants are to be used for establishing a long-term business heading towards sustainability. CODE is looking for a business that will remain after its first title is launched.

Learning Outcomes

- Although the primary purpose of the grants are to help developers within our programme push forward commercially, it is likely that they will achieve learnings as well from the travel and events;
- The learning outcomes may be as simple as how to maximise one's own opportunities at such an event or as complex as having a special opportunity to engage in some high-end workshops with one of the world's leading experts in a particular field or discipline.

Key Aspects: Creative Merit

- Quality, innovation, creativity and vision of the project (including but not limited to Art & Animation, Game & Narrative Design, Sound Design, Technology, UX, or Programming) evidenced by game design documentation as detailed and/or gameplay demonstration;
- The distinctiveness of the game within its genre and its ability to find an audience.

Audience

- Demonstrated and realistic understanding of the proposed audience of the game and/or market potential of the project;
- Understanding and definition of the proposed pathways to audience;
- Indication of potential end user, target audience, and marketplace interest from bona fide investors (if approached);

Market Validation

- Separate to the Audience understanding, Market Validation is a new criterion to demonstrate the practical steps the developer is taking towards demonstrating the product is viable for sale.
- At a StartUp level, we expect to see evidence of market testing or skimming, some forms of research that there is a market for the game (inc. competitive analysis), as well as some practical demonstrations of what you have produced so far. Include extensive planning on growing an audience to be successful, as well as evidence supplied in the budget that this has been projected for. Please supply evidence of all market validation activities as part of your submitted materials as well as a section in your submission for your forward planning, including a quantitative summary (E.G. Wislists to date, follow count, examples of current engagement levels.)
- This can be any combination of planning for market validation via; social media, publisher or investor pathways (especially letters of interest or paper trails), Discord or Reddit community engagement, playtest events (either live or online) or any other form of proof that the product resonates with game audiences.

Go-To-Market

- A go-to-market plan demonstrating the potential of the project, including: target market, proposed platforms, any planned PR or user acquisition;
- Demonstrable market attachment such as letters of intent or interest in publishing or from partners is advantageous. In some cases (especially where the customer is a business or organisation such as a district health board or school) this may be a specific requirement. If so, we will make that clear at the time of Full Application.

Diversity and Inclusion

- If elements of the product, story and/or team reflect gender equality and diversity of experience, is this handled in a respectful manner, including appropriate consultation with represented groups? (Includes sexuality, gender diversity, disability, ethnicity etc.);
- Does the game demonstrate respect for Māori or Pasifika culture and heritage, including recognition of cultural and intellectual property rights, maintenance of integrity and respect for beliefs. Does the project have lead developers from the appropriate cultural background? Is there evidence of relevant and expert indigenous partnerships and consultation?
- Does the project address accessibility, for example: configurable controls, variable difficulty levels, alternative sound settings, high visibility graphics, accessible menus and text displays, colour contrast and brightness (see <http://gameaccessibilityguidelines.com>).

Finance, Budget and Schedules

- Is the project viable in terms of whether it has distinctive appeal and a well-founded assessment of audience reach?
- Is the game being built of a commensurate scale which would enable the specific team to have a realistic chance of securing production funding?
- Do the key creatives have the capability to deliver the prototype to the required standard to attract further funding?
- Is the scope of the game realistic and achievable?
- Is the budget realistic for the scope of the game?
- Is the production schedule credible within the scope and milestones clearly articulated?

All applications must include:

- A completed Application Form
- A detailed Project Proposal that uses our supplied templates, including:
 - Your Application Document that includes the Project's content and clearly demonstrates that the project is ready for either prototyping or further production.
 - A Developer's Statement outlining the objectives and creative vision of the Project.
 - A Functionality and/or Interactivity Overview, including details of how the gameplay unfolds across the specified platform/s and the user experience.
 - Any relevant scripts.
 - An Art section, including treatment, concept art, any screenshots etc.
 - A Production Schedule, with appropriate milestones and/or delivery dates.
 - Wireframes and/or prototyping if available.

All applications must include (contd.):

- Marketing overview, including:
 - Release plan.
 - Details of the target audience.
 - Strategies for obtaining intended audience reach.
- Strategies for obtaining audience reach, plus evidence of any and all market validation activities.
- A full budget to completion of the prototype or release that also includes the Aotearoa New Zealand expenditure, via the Production Spreadsheet, including any sweat-equity (“in kind” commitment).
- One-page CVs of the Key Creatives, demonstrating career highlights.

StartUp mid-point market validation audit

StartUp grants are now subject to a midpoint audit based on market validation. It is CODE’s expectation that teams will be actively courting player bases and warm audiences to their game product.

At 60% of the total project budget having been paid out, CODE staff will request a full report based on the audience engagement to date. Evidence must be supplied of validation activities including forward planning and actuals of the following:

- Wishlist building (Steam): Most teams applying for CODE are seeking a combination of PC and console-based publishing and the first and most obvious metric.
- Wishlists (other platforms): Many platforms, including mobile, have wishlist mechanisms now. This can be from any combination of other platforms, but would need to be significant numbers in the thousands to be considered.
- Online communities: This can be any combination of; Discord Servers, social media engagement (E.G. Instagram, Tiktok etc.), demonstrable sub-Reddit engagement or any other quantifiable online engagements where audience are able to engage with content from the game or team.
- Playtesting: How many playtests have occurred and in what form. These can be a combination of physical playtest events to seek qualitative feedback and online or large events for quantitative feedback. The team may engage with external providers to grow their reach for playtesting. All activity must be demonstrable. Good metrics can include average playtime and replay rate, level completion and dropoff rate.
- Newsletters: How many subscriptions to the game or team newsletter and any visible engagement in return.
- Events: What is the traction, beyond raw consumer engagement at large events. If the goal is consumer/media engagement/influencers, the team needs to record articles, streams, podcasts, YouTube videos etc. All of this can feed into other validation metrics.
- Publisher/Investor/Platform interest: Demonstrable interest from publishers, investors or platforms (past signing up to be an eligible PlayStation “partner” etc.). The team has been out engaging publishers, and this can include high quality feedback as well, if not simply a signed agreement, term sheet or letter of intent. All of this needs to be demonstrable via email chain. Do not CODE staff to have observed a once off meeting at an event.
- Steam Events/Curated Events/Festival Engagement: Describe any events/festivals you are targeting outside of Steam Next Fest. If you have been accepted into any that your game has been accepted for, describe their impact. Explain your strategy and how it relates to your major Marketing announcements.

StartUp mid-point market validation audit (contd.)

- Team Collaborations: Any collaborations you've done with other development teams/studios in relation to social media cross-posting, asset swaps, or bundle opportunities etc.
- Expert Evaluation: A catch-all category of other validation metrics under supervision from industry experts.
- Crowdfunding: Evidence of a successful crowdfunding campaign.
- Any other catch-all activities demonstrating warm audience engagement.

If there has not been adequate demonstration in any combination of the above methods of validation, then CODE reserves the right to offroad the grantee at this point as their risk profile will have gone beyond what CODE can fund without a complete reassessment of the team's marketing strategy. In common with all CODE funding decisions, this will be completed via independent assessment outside of CODE's Content Management Team. CODE reserves the right to delay further payments or off-road projects that are unlikely to meet our tolerance for commercial risk at this point.

Persons and entities

- CODE Funding Programmes are presently explicitly limited to Aotearoa New Zealand-based ventures.
- The Principal applicant and majority of the team must be over 18 and in Aotearoa New Zealand.
- If Applicants are successful in securing CODE funding, they will need to set up a registered company if it does not already exist.
- CODE's focus is on economic development of video game developers in Aotearoa New Zealand, and a common-sense check will apply.
- Project teams are explicitly encouraged to address issues of diversity and representation in our local game development industry.
- CODE Funding Programmes are generally not available to students. No team or entity consisting entirely of undergraduate students may apply for funding, including solo projects. Students may participate in projects with the permission of their educational establishment and CODE itself.

Location of workers or origin of contracted services

- It is a CODE expectation that 80% of the grant monies will be spent in Aotearoa New Zealand.
- Labour and services may be contracted outside of Aotearoa New Zealand, on the proviso that this does not take the overall grant expenditure outside NZ over the 20% limit. If labour is sourced outside the area, preference will be shown to NZ sourced support over international services.
- However, we realise with the distributed nature of teams in the current environment and multidisciplinary nature of the video game industry, limited flexibility may occasionally be necessary. Negotiation on this point will take place at the sole discretion of CODE.
- It is a CODE expectation that our grant money is used to establish a company in Aotearoa New Zealand, that will maintain a presence there for the lifespan of the company.

Projects

- Funding is for digital, interactive game projects with commercial outcomes in mind.
- Developers of serious or educational games are encouraged to apply. However, applications for such projects must demonstrate potential for commercialisation in order to be considered for funding.
- Projects must be primarily digital in nature. Certain hybrid projects may be considered if digital interactivity forms the core of the product's essential nature in an innovative way.
- Applications are expected to consider accessibility for all audiences. Consider using <http://gameaccessibilityguidelines.com> for guidance.
- Projects are permitted to be submitted for a maximum of two rounds. If the project has been unsuccessful after a second submission, it will require a radical redesign and strategic change before being eligible for another submission. This in no way prohibits a developer from making a third submission with a completely different project.

Spending

As a general rule, CODE Funding Programme funds can be spent on the majority of expenditure related to a project including:

- Production costs: Payment to staff working on the project, whether full-time, part-time or contracted, with the proviso noted above about the location of these workers.
- Additional mentorship or expert production consultancy, this being over and above the wraparound mentorship that may be provided by CODE at its discretion. This need not be locally sourced, though should be if possible.
- Subscription-based software licenses required for the development of the project over the lifetime of the funding.
- Marketing costs, from strategy to execution - this might include strategic advice, marketing agency fees, social media costs, community management, media outreach, advertising and so on.
- Legal, accounting and other necessary professional fees: any costs associated with professional services necessary to the running of the business and protecting its intellectual property. This does not include premises costs such as cleaning or reception services.
- It is expected that all successful applications will require minimum levels of insurance coverage to proceed to funding contract.
- Business development costs: assistance with the construction of pitch decks, publisher meetings and business development strategies in general.
- Quality Assurance costs, including either testing in-house or contracting of a third-party firm. This may become part of the 20% allowable spend outside of Dunedin.

Prohibited spending

- Capital equipment: computers, permanent software licenses, furniture and so on.
- Overheads: rent, utilities, cleaning, shared facilities.
- Any non-project-related costs.