

## The Conquest of Origin

**Origin** created worlds.

**EA** shipped games.

EA won.

by Allen Varney

## ALSO:

**EDITOR'S NOTE** 

LETTERS TO THE EDITOR NEWS BITS

## **Setting the Stage**

**How EA shaped the modern gaming industry** 

by Jason Smith

It's Better to Have Loved and Lost...

by JR Sutich



by Mark Wallace

## **EDITOR'S NOTE**

by Julianne Greer

Over the last week, I received several Letters to the Editor regarding the games mentioned in our last issue, particularly Chief Economist. I agree, it sounds like a great game. Alas, it is not real – a figment of Mark Wallace's imagination. Our last issue's theme, and title, was "Why Haven't They Made This?" And the response from our readers shows that perhaps our writers were onto something. Maybe someone should make Chief Economist. I'd be happy to pass developers or publishers along to Mark Wallace for further discussion, should any desire.

Speaking of developers and publishers, we have arrived at the topic of this week's issue. One developer and publisher in particular, The Big One: EA. We have not highlighted an individual company before, so we thought it best to start at the top, the biggest of our growing industry.

Now before everyone gets upset and starts shouting, "Brown-nosing!" or "Not another rant!" give us a chance. We

asked our writers to give us a well-rounded, fresh look at EA and they did not disappoint. Allen Varney spoke with employees of Origin Systems all the way to the top – the very top – and came back with "The Conquest of Origin." Mark Wallace proffers the example of United Artists as a possible parallel for EA's growth over the years in "Unrisky Business." Jason Smith gives us a look at EA back when they were Electronic Arts, idealism and all, in "Setting the Stage." Find these articles and more in this week's issue of The Escapist.

Enjoy!

## LETTERS TO THE EDITOR

To the Editor: I agree with almost all of John Tynes' article, "Feature Creep." However, it's a shame that John Tynes rejects the Revolution out of hand because of its controller because it will be exactly what he is looking for. Nintendo has shown time and time again that it will make fun games with an easy learning curve.

#### -Jeff Liu

**To the Editor:** I'm stunned about the game Chief Economist mentioned in The Escapist 13 ("Capitalism is teh suxx0r!!111!"), but I'm unable to find the game on the net.

This made me realize an issue in The Escapist: most of the time there are no "related links" to the topics you're talking about (ie: there's no link to introversion's website or the uplink website in the uplink article).

I, as being a lazy ass, thus request the following:

- a) A link to the Chief Economist website, as I'm unable to find it.
- b) A small section for each article containing relevant links (ie: link to the game homepage at last)

Huge thanks in advance.

### -Florian Hufsky



To the Editor: I'd say my previous reply was rushed. For one, I am sure I'm subconsciously affected by advertising, that being one of its main benefits in TV and magazines. And perhaps it was sensationalist, and sounded unreasonable. Nevertheless, there is a good reason why the advertising seemed so annoying, and that is the lack of context sensitivity.

The Wall Street Journal is read by many thousands of people, and costs next to nothing, and so a wide range of adverts are appropriate. A physically published gaming magazine might be read by one thousand, and the price ensures only gamers will be affected to any degree, and so gaming adverts are the most sensible choice.

The Escapist is read by relatively few, and the target audience are those who enjoy games without the constant market pressure of the mainstream. Is it really fair then to expose these gaming recluse to the exact corporate standard which may alienate them from Official Playstation Magazine, or any EA game

sporting those oh-so-long string of adverts at startup?

I'd also just like to re-iterate that, despite what Andy from last week may think, advertising does not a good magazine make. In fact, a picture of a pint of beer will likely not affect the content of the article it is shoehorned into in any tangible way. Now if you'll excuse me, I have a sudden craving for a Carlsberg.

### -Doug Inman

To the Editor: In regards to SMAC (and gaming in general) I'm reminded of the malleable triusm, "Simple minds think of people, average minds think of events, great minds think of ideas." Never before in a game has there been such a confluence of Great Ideas - technological and spiritual determinism, the Will to Power, near-pornographic fetishism of Progress; the list goes on and on. When a game erupts onto the scene with the authority of (at least) a century of concepts behind it, it can't fail to enthrall the true science fiction dork.

That gaming opens us to the full spectrum of human expression is to be applauded. Unfortunately the simple interactions seem to be crowding out the great ones.

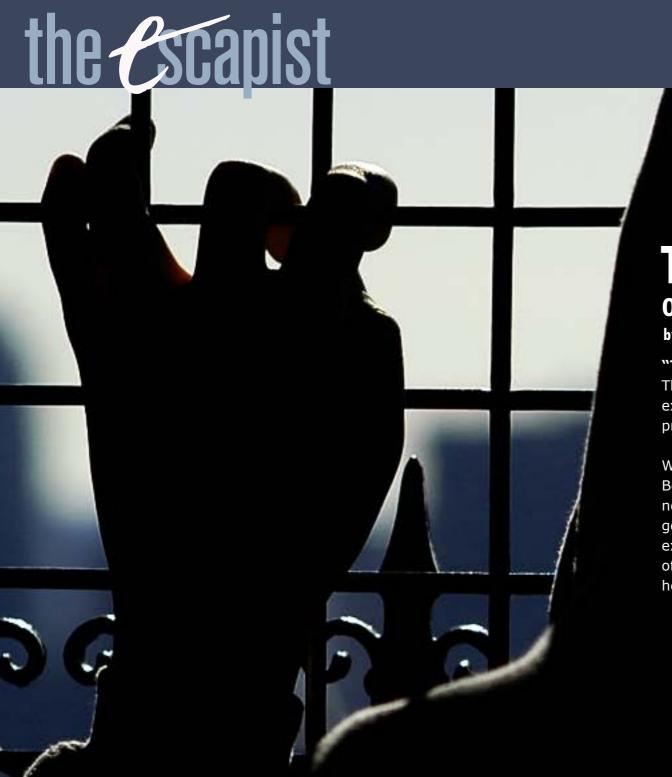
Thanks for the article and the magazine in general. Looking forward to more,

#### -Ben Warr

To the Editor: Today was my second time reading an article from The Escapist (linked from Shacknews.com) and I again I found it very enjoyable. The Escapist provides a mature and thought provoking commentary on gaming that I find lacking from other publications. Particularly the articles on MMOG economies and feature creep have been very good reads. I look forward to reading more in the future.

### -Ryan





## The Conquest Of Origin

Origin created worlds. EA shipped games. EA won.

by Allen Varney

### "Trip Hawkins is the Antichrist."

The scene: a bar at a gaming convention in the late 1980s. The speaker: an executive at the computer game company Origin who today, no doubt, would prefer to remain anonymous.

Why the holy-fire view of William M. Hawkins III, founder of Electronic Arts? Because (as this exec explained) EA meant to win in the computer game business not only by making good games, but by preventing competitors from making good games too - by actively interfering with their ability to do business. As one example, EA had filed a frivolous lawsuit against Origin. Forced into a costly out-of-court settlement, Origin execs asked Trip Hawkins why he had allowed the suit; he responded, "This is just business. This is the way we're going to win."

Furthermore, EA was all about marketing. For Hawkins the question was never, "How good is this game?" It was always, "How can we sell this?" To high-minded execs at Origin - makers of the *Ultima* and *Wing Commander* series, the high priests of the high end, who valued commitment to an artistic vision - this attitude was sacrilege.

Ultima designer and Origin co-founder Richard "Lord British" Garriott even worked an EA reference into Ultima VII (1992). Two high-profile nonplayer characters, Elizabeth and Abraham, perform seemingly helpful tasks for the player - but E. and A. turn out to be murderers in league with the player's nemesis, the Guardian. The three items that power the Guardian's evil generators are a cube, a sphere and a tetrahedron - the former EA logo.

This reference in *Ultima VII* proved prophetic. In 1991 Hawkins left EA to found the short-lived 3DO Company. The next year, 1992, Origin entered dire financial straits and sold out to EA. Yet Origin never sold its soul; rather, EA spent the next 12 years gradually and painfully devouring it. The sad story

could be a case study for future MBA students.

Why did Origin sell? It was partly due - brace yourself - to the price of floppy disks.

### **Changing the World**

Founded in 1983, Origin was a creature of the dawn. Garriott had already gotten rich in high school, from a game he coded in BASIC in his bedroom and sold in a ziplock bag. Founding Origin with \$70,000 in family money, he and his brother Robert created a culture that prized creative vision and expansive, thoroughly developed game settings. The company later took the slogan "We create worlds."

Origin project director Stephen Beeman recalls, "Origin's cardinal virtue was its commitment to do whatever it took to ship the director's vision. We had a motto for it: 'A game's only late until it ships, but it sucks forever.' If the game's creative vision demanded a megabyte of graphics, and the only way to load that into memory was to write our own operating system -" (the dubious "voodoo memory" scheme Origin created in 1992 for *Ultima VII: The Black Gate*)





"Second Life is an extraordinary alternative world where you can do anything you want...The only limits to the ways characters can interact are the player's imaginations and a Utopian code..."

- London Times 4.16.05



"- well, that's what we did, and damn the risk to the schedule or the consequences to the budget, not to mention the programmers' lives."

In recent years, Electronic Arts has taken heat for its sweatshop working conditions, but marathon crunches were a fact of life at Origin long before the purchase. Project teams endorsed Beeman's doctrine: "Sleep is for the weak."

Producer Warren Spector worked at Origin from 1989 to 1996. "I always felt we were genuinely trying to change the world," he says. "There was a feeling of creating something new, of being on the cutting edge; that was incredibly exciting. That, more than anything else, drove people to do exceptional work."

Employees treated each game as a learning experience. Richard Garriott made it a point of pride to start each new *Ultima* entirely from scratch, with not a line of code carried over from earlier games. Even the map editors and other tools were coded anew.

Beeman says, "We started with the vision of what we wanted the game to be

### **Employees treated each game as a learning experience.**

- a vision generally inspired by our love of film - then busted our asses to figure out a way to pull that off. By contrast, companies like LucasArts or id started with an idea of what it was possible to do, then crafted killer gameplay around that. When our creative vision turned out to be achievable in a reasonable time (as with Wing Commander I and II), we hit home runs. When the creative vision turned out not to be achievable, development dragged on until the next year (or beyond), when improvements to the hardware made it achievable."

The problem was, creating worlds took a lot of disk space.

Seventy Cents Times Eighty Zillion
By 1992, Origin faced a cash shortfall
caused by factors almost entirely outside
its control.

Origin was a publisher, which meant manufacturing boxes and stocking them in the retail channel. In that primeval pre-*Myst* era, computer games shipped not on CD-ROMs but on 3.5-inch, 1.44-

megabyte high-density floppy disks. Origin games, in particular, required lots of disks - often eight to ten disks that cost about 70 cents apiece. Cost of goods became such an issue that while Strike Commander was in development, the team jokingly suggested shipping the game pre-installed on its own 20MB hard drive. (Strike shipped on eight floppies in 1993, but CD-ROMs finally became commonplace in time for a later expanded edition.) Wing Commander was a huge, unanticipated success, and the high cost of manufacturing it consumed all the company's ready cash and more.

In a single year Origin's payroll skyrocketed. Prior to Wing Commander and Ultima VI, Origin games were created by a programmer or two, with some contract art and writing. Wing

Commander had five core team members; Wing Commander II suddenly had 25. Star designer Chris Roberts, among others, drew a substantial salary.

While Origin's cash reserves were tapped harder than ever, the Apple and Commodore 64 platforms collapsed, taking with them many small retailers. Origin not only lost the sales of its Apple and C64 back inventory, but it suddenly had to eat bad debt from failed companies in the channel. Worse, Richard Garriott had chosen to develop new projects first on the Apple platform rather than the technically inferior IBM PC - "a horrific mistake," he now says. Retooling the pipeline would take six months.

Normally in this situation - high shortterm expenses, but higher long-term potential - a company borrows money. But as bad luck would have it, at that time there was no money in Origin's home state, Texas. The savings-and-loan

Wing Commander was a huge, unanticipated success, and the high cost of manufacturing it consumed all the company's ready cash and more.

industry had collapsed following a realestate bubble. With half the state's financial institutions unable to lend money, banks could ignore small businesses in favor of big, safe corporations. Just a year or two later, this crisis passed, but Origin got caught at just the wrong time.

As the Garriotts dipped into their own savings to make payroll, they contemplated options. Richard says, "Ultimately we chose EA because EA's vision for the future, their prediction of platform shifts, and their planning to meet that challenge was right on."

And, too, Trip Hawkins had left EA. "Had Trip still been there, there's no way we would have gone with EA," said an Origin staffer involved in the deal.

### **Starting Out Fine**

Origin's employees on the early years after the purchase:

**Spector:** "For the first couple of years, EA's acquisition of Origin changed the place for the better in nearly every way. EA brought some much needed structure to our product greenlight and development processes. And we certainly

got bigger budgets! We were able to do more and cooler things than we'd been able to do before. In most ways, though, EA gave us a lot of rope - enough to hang ourselves, as it turned out!"

Garriott: "We doubled the size of the company from 200 to 400 that first year. We went from 5-10 projects to 10-20, and staffed those projects almost entirely with inexperienced people. It won't surprise you to learn those projects were not well managed. That was totally Origin's fault. We failed, and we ended up killing half of those products. That's probably what set up the EA mentality that 'Origin is a bunch of [deleted],' pardon my French."

Spector: "Once it became apparent we were getting a little crazy, EA started taking a firmer hand with us, integrating us into the machine in subtle and not so subtle ways, and that's when things started to get a little less pleasant. Every company has its politics but, in my relatively limited experience, EA was an incredibly political place - lots of empire building, folks jockeying for bigger, better jobs, competing for resources, marketing dollars and so on. And there were certainly people at EA who, let's

"In most ways, though, EA gave us a lot of rope - enough to hang ourselves, as it turned out!"

just say, lacked confidence in Origin's development management and - less sensibly, I think - in the Austin development community in general. There were a lot of strange decisions."

Denis Loubet, artist: "Before [the purchase], the desire to keep Origin afloat did much to keep politics on the back burner. But afterwards, survival transformed into a competition at the feeding trough. As production groups became more insular, Origin fractured. That was the death of any 'Origin Culture.' It didn't help that each production head was a dictator over his team, yet each had to brown-nose EA for funding."

**Steve Powers**, artist and programmer: "When EA assumed control, much of the joy began to fade from the Origin company culture. It was a running joke through the company that we went from





working for the Rebellion to working for the Empire. Our company had a culture that made work an incredible joy, day in and day out, even though we worked tremendously long hours. And the culture **had** to be appealing, because Origin paid a pittance. I started there at wages that were just above poverty level. EA began to bring salaries up to a competitive level for the region, and people who were equivalent to hobbyists were suddenly in a career. It was no longer a nerdy fraternity; it was business."

**Garriott:** "There are people at EA to this day who I respect either as brilliant or at least well-intentioned. [CEO] Larry Probst was often not supportive of the things I was doing, but I respect Larry because he was always clear, rational and consistent in his lack of support. I felt [Chief Creative Officer] Bing Gordon understood sometimes; I always felt Bing's intent was to help me do my best. Nancy Smith [Executive VP, North American Publishing] empathized and desired success for all at Origin. [But] there were others who got into politics, who very clearly would get into the mode of 'Your success will work against my success. EA caring about you will

mean they care less about me.' The politicians began to look at us as the enemy, and would actively work against us."

#### The Hatchet

After EA bought Origin, authority for the new division fell to the president of EA Worldwide Studios, Don Mattrick.

A Canadian from the Vancouver suburb of Burnaby, Mattrick wasn't just a suit; he could claim seniority over many Origin coders, having programmed (with Jeff Sember) his first published game, Evolution for the Apple II, in 1982 at age 17. Mattrick joined EA in 1991 when EA paid him \$13 million for his company, Distinctive Software, maker of edutainment and sports games such as the *Test Drive* and *HardBall* series. Distinctive became EA Canada, and as its Executive VP and General Manager, Mattrick led it brilliantly from strength to strength until 1997, when EA CEO Lawrence Probst III promoted him to Worldwide.

Once EA started exerting a tighter grip on Origin, Mattrick pushed teams to stay on schedule (an insistence that badly damaged *Ultima VIII*, according to

Garriott). Mattrick killed many projects because they had spun out of control, and cancelled other projects for reasons staffers still consider mysterious. Some staffers believe (though not for attribution) Mattrick undermined Origin because it competed for resources with Distinctive's new incarnation, EA Canada. This view arose particularly because of the way Mattrick managed Origin's late-'90s move into online games.

This move was not his idea. Originally there was no money in the Origin budget for *Ultima Online*. Garriott went directly to Probst to ask for \$150K in seed money to kick off the project. Without Probst's approval, UO would have been delayed, maybe never started at all. Garriott said in a 2004 GameSpy interview, "Ultima Online was kind of a red-headed stepchild during development. Everyone at EA was focused on Ultima IX, which was seen as more of a sure thing. Nobody at EA really understood what *Ultima Online* was all about." But after the beta test drew 50,000 volunteers, EA made a sharp reversal. They insisted Garriott shelve *Ultima IX* and work only on *UO*.

Launched in 1997, *UO's* unheralded success (it peaked at about 250,000 subscribers) kicked off the MMORPG industry and roused EA's interest in online games. Origin presented EA a suite of ideas for followups: a Flash Gordon-style space opera, a martial arts game using collectible electronic cards, online soccer and more. None of the proposals were sequels, spinoffs or licenses.

But EA, which sold sports and licensed games by the millions, was used to releasing sequels every year. The corporate office commissioned *Wing Commander Online*, *Privateer Online* (based on the 1993 space sim), and the licensed *Harry Potter Online*. And, inevitably, *Ultima Online* 2, which the marketing department retitled *Ultima Worlds Online: Origin*.

Staffers argued against doing *UO2*, because it would compete with *UO*. But Mattrick greenlighted it in 1999, cancelled *Wing Commander Online* and assigned its team to *UO2*. A bunch of guys who liked spaceships, reassigned to animate monsters? They guit six months

later, and *UO2* had to start over. The game never really recovered.

In March 2001 Mattrick cancelled *UO2*. Among his reasons: *UO2* would compete with the original *UO*. (EA repeated this story precisely with *Ultima X: Odyssey*, greenlighted 2002, cancelled 2004.)

### **Business Matters**

Privateer Online: cancelled in 2000 to avoid competition with EA's big bet, Earth and Beyond. The core PO team moved to Verant (later Sony Online Entertainment) and created Star Wars Galaxies.

Harry Potter Online, cancelled at Origin 2001, assigned as Hogwarts Online to EA studio New Pencil, cancelled 2005.

Transland (a surrealist game),
Silverheart (an RPG with design
contributions from Michael Moorcock),
Firehorse (Hong Kong John Woo-style full
motion video), mainstream RTS
Technosaur: cancelled, cancelled,
cancelled....







"The business was changing radically, in ways an independent developer/publisher like Origin probably wasn't equipped to handle," says Spector. "We were becoming a blockbuster business, like the movies. When Origin's revenue and profits took a hit and EA gave us a very... aggressive budget number to hit, it was mostly my projects that got killed - I wasn't happy about that. But what were they going to do? Kill Richard Garriott projects? Chris Roberts projects?"

Spector's games (*Ultima VII Part 2:*Serpent Isle, *Ultima Underworld*, System Shock and many more) consistently brought returns a small studio would think quite respectable. But the economics of a billion-dollar corporation are different. For EA it makes more sense to reach for the sky with every single project. The games that die or get cancelled become tax writeoffs, and the rare hit pays for all the rest. The worst case is the mere modest success, a mediocre return on equity without corresponding tax advantages.

Spector says, "Mattrick told me I needed to make games more like Richard and Chris - swing for the fences, go for the megahit, spend a ton to make a ton - instead of consistently turning out smaller games, making some money every year. I thought he was nuts at the time. Took me several more years to admit that, like it or not, he was right and I was wrong."

The forces that propelled Electronic Arts to success and gave it the funds to purchase Origin - the incessant marketing, the quest for blockbusters, even the ferocious executive infighting - also made it difficult to exploit Origin effectively. EA could have preserved Origin as a small design house gestating new ideas. Rather than alienating staffers and discarding the valuable Ultima and Wing Commander brands, EA could have kept Origin alive in body and spirit, just as it could have preserved the other studios it bought: Westwood and Bullfrog and Maxis and...

But though this was technically possible, it was not imaginable. Like any huge company, EA is risk-averse. The company has every incentive to play it safe and do a competent job on *Madden 2009* or *Tiger Woods 2017*.

A New York Times article on EA (August 8, 2005), "Relying on Video Game Sequels," observes, "Electronic Arts plans to release 26 new games [in 2005], all but one of them a sequel, including the 16th version of NHL Hockey, the 11th of the racing game Need for Speed and the 13th of the PGA Tour golf game." In the article CEO Probst said sequels appeal to Wall Street investors because they have a steady following among consumers. "He added that the company had a goal of putting out at least one entirely new game every year, and had several major original games in its pipeline." Blogger Bill Harris observed, "A 'goal' of one new game a year? Damn, Larry, don't be so crazy ambitious. Remember Icarus."

Beeman says, "You'd like to think a marriage of EA and Origin would result in a merger of their strengths. But instead of combining EA's execution with Origin's creativity, the end result was more like Origin's execution with EA's creativity. EA limited Origin's selection of projects to sequels or other 'proven' ideas, then let Origin run wild. I think this was pretty much the introduction of that meme into the industry, but clearly we still see it today."

"I still think it was possible to make it work," Garriott says now, "except no one made time to make it work, and there were evil elements in the company."

### **Red Dots**

In 1992 Steve Powers found in a Marketing department trashcan a group photo of the entire company. "It was taken on the steps of the Wild Basin building during the *Ultima VII* ship party," Powers recalls. "I scanned it and used it as my Windows wallpaper for years. One by one, as people left or were fired, I Photoshopped a red dot over them, blotting them out of the scene. Most of the dots tended to come in clusters around Christmas. Just before Christmas 1997, I dotted my own face



and left. For years I kept the image updated while working for other game studios, and it wasn't until fairly recently that the last face got erased."

#### Some notable dots:

Wing Commander designer Chris Roberts left Origin in 1996 to found the game company Digital Anvil. Roberts wrote and directed the 1999 Wing Commander movie (Rotten Tomatoes score: 7%). He released the space game Freelancer in 2003 to modest success, then left Digital Anvil to found Point of No Return Entertainment. So far the name appears apt.

Warren Spector left Origin in 1996 to work for Looking Glass, then run ION Storm Austin. In 2000 he produced the bestselling game, *Deus Ex*. The genesis of *DX* was an Origin project called *Shooter*, which EA cancelled shortly before his departure. "*DX* could have been an EA title!" Spector says.

Artist Denis Loubet left Origin in 1997 and is now a partner in Iron Will Games, which runs the boutique MMOG *Ashen Empires*. One of the designers once described it conceptually as "*Ultima V* for 10,000 players."

In 1998, Don Mattrick opened a \$54 million EA Canada development studio in Burnaby. By 2003 it had 700 employees, and Mattrick made plans to add another building. The studio currently produces sports games such as NBA Live, Triple Play Baseball, NHL Hockey, and FIFA Soccer, the best-selling sports game in the world. "Don Mattrick is a champion of the [British Columbia] high-tech industry," said studio president Sydney Williams in a 2000 interview. Last month, in a move that stunned the industry, Mattrick, the heir apparent to Larry Probst, left Electronic Arts after 23 years with the company "to seek other opportunities." EA gave no reason for his departure.

In 1999, four years after *Ultima VIII*, after colossal labor and at least two complete restarts, Origin released the disappointing *Ultima IX*. No one at the time realized this would be Origin's last new game. Richard Garriott soon left Origin and founded Destination Games (get it?), hiring most of the *Ultima IX* team EA laid off. In 2001, Destination metamorphosed into the American branch of Korean online gaming giant NCSoft. NCSoft Austin has published *City of Heroes* and *Guild Wars*, and is now

struggling through Year Four of a projected three-year development cycle on Garriott's new MMORPG (working title: *Tabula Rasa*).

EA finally shut down Origin in 2004 and relocated *UO* to their California studio. The last employee fired was producer Jeff Hillhouse, Richard Garriott's first hire back in 1983. Hillhouse, like many other key Origin employees, now works with Garriott at NCSoft.

Allen Varney designed the PARANOIA paper-and-dice roleplaying game (2004 edition) and has contributed to computer games from Sony Online, Origin, Interplay, and Looking Glass.



## **Setting the Stage**

### How EA shaped the modern gaming industry

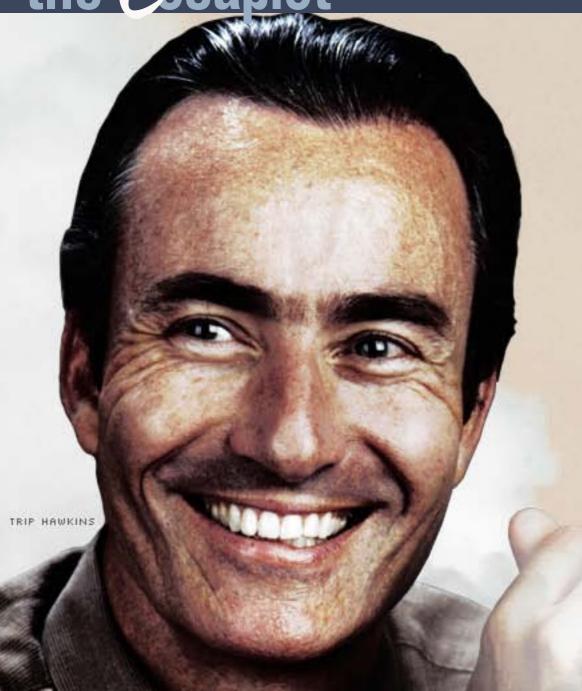
by Jason Smith

In 1982, computer games were still sold in plastic bags.

Trip Hawkins, a newly-minted millionaire after his time at Apple, wanted to change that. He wanted to give developers more credit for their work, and at the time, any credit at all would be more than most. Just as United Artists was designed with a mission to revolutionize the film industry, Electronic Arts had equally grand ambitions. EA derived not only its name, but it's own mission of revolution, this time in games, from United Artists.

Today, most gamers don't remember a time when Electronic Arts (or as they prefer it now, EA) wasn't an industry leader. Over time, the company has, ironically, come to represent all the worst aspects of the gaming industry: endless sequels, licensed





derivatives, poor working conditions, and the closure or dismemberment of many beloved studios. This wasn't always the case.

Trip's mission caught the attention of the greatest game designers of the era, and with a phenomenal stable of games for the Atari 800 and Apple II, they took the gaming public by storm. Early EA releases included M.U.L.E., Archon, Hard Hat Mack, Pinball Construction Set and Dr. J and Larry Bird Go One on One.

In terms of commercial success, *Hard Hat Mack* was a bestseller, *Archon* was a classic bestseller, and *Pinball Construction Set* was a classic bestseller. It was a really remarkable debut set of products.

- Trip Hawkins

### We See Farther

The initial lineup was just the tip of the iceberg. Over the next few years, EA would attract the best talent in the industry, dominating the marketplace. Attracted by the promise of more respect and more credit for their work, Bill Budge, David Maynard, Jon Freeman and Dan Bunten were among the first to sign on.

This was a rather significant change in the industry. Until this point, game designers were barely credited for their work, if they were even mentioned at all. Atari was particularly notorious in its day, leading to the creation of the first "easter egg": a developer credit in *Adventure*.

More than just credit, developers for early EA products had their names featured prominently on the packaging, and a number of early advertisements and games even featured photographs and interviews with the development team. As a company, early EA was entirely focused on external developers, to the point where they had no internal development teams at all.

That was a very conscious decision on Trip's part to keep a clear separation. EA modeled itself after a record label. The artists were external and on contract, and the internal employees were there to support the artists. Trip never wanted to create a situation where the external artists felt like they were competing for resources with the internal development.

- Jeff Johannigman

### **Expert Involvement**

Even in 1982, the trend toward licensing had already begun, with games based on *Tron* and *Star Wars*, among others, already in existence. But the first time individual sports stars became involved with a video game was EA's *Dr. J and Larry Bird Go One on One*, and it proved to be a landmark development for the company. Not only was it an incredible commercial success at a time when computer games weren't doing exceedingly well, but it paved the way for future titles.

Interestingly enough, and unlike most modern games, the namesakes of these titles were actually heavily involved in the game development process. In the process of developing *One-on-One*, both Julius "Dr. J" Erving and Larry Bird gave pointers to designer Eric Hammond on how to better capture the feel of basketball. Future EA games would expand on this model, with *Chuck Yeager's Advanced Flight Trainer*, *Earl Weaver Baseball* and the now-perennial *John Madden Football*.

These types of titles were another way that EA could reward developers of the day. As a successful company, EA could negotiate deals like these for their contractors that a purely independent studio couldn't. It was collective bargaining at its finest. For the individual developers, meeting with the expert could be a greater reward than the financial ones.

Yeah, especially in the early days, we had those kind of figures involved in the design process. Back when we did Yeager's advance flight simulator, Ned Lerner was meeting with Chuck Yeager on a fairly regular basis. Ned would sit down with General Yeager, show him the program in development, and let him handle the joystick. General Yeager would tell Ned, "Yeah, this doesn't quite feel right, I think you ought to be doing it this way." And on *Earl Weaver Baseball*, much of the thrill for producer Don Daglow, was in collaborating with Earl Weaver on the design.

- Jeff Johannigman

### **Revolutionizing Sales**

EA games weren't released in plastic bags. Taking another cue from the music industry, Trip commissioned "album cover" packaging for their products, with custom artwork for each title. The results ended up as unique flat boxes, with





detailed, high quality art, developer credits and game descriptions. This helped the early EA titles stand out among the rest, at least until the rest of the industry followed suit.

I kept track and counted 22 competitors that went to the same printer and used the same album format that we pioneered. However we later had to drop it because with increasingly crowded shelf space the albums got turned sideways ('spined out') and were too thin to see the brands. At that point we began thickening the albums into boxes.

### - Trip Hawkins

At the same time, EA began to revolutionize the sales and distribution system for games. Up to this point, any company selling software would have their product placed into retail by a general software distributor, who would take a rather significant cut of the sales amount. When Larry Probst arrived at EA in 1984, as VP of Sales, he rapidly grew the sales force and cut out nearly all the distributors, giving EA much higher margins than its contemporaries.

This sales force would have an incredible impact on the industry. Maintaining a distribution channel of this size required more titles than EA was capable of publishing at the time. Their solution was to partner with other developers and publishers to fill in the gaps, as a gamesfocused distributor themselves. Distribution would be the foundation of EA's initial relationships with Origin Systems, Westwood and Maxis, among others.

#### **Aftershocks**

If one were to say that early EA was idealistic, they wouldn't be far from the mark. Certainly, it was a business first and foremost, but like many startups, EA was founded with a mission to change the industry. But with such incredible success, the rapid expansion that comes along with going public, company culture changes. Only as EA's culture changed, it pulled the rest of the industry along in its wake.

The first thing that began to change, even in the early '80s, was the developer promotion. Though it never quite regressed back to the early days of Atari - to this day developers still have credits in the game manuals - the active

## While Hawkins was a developer with a talent for business and marketing, Probst was a salesman with a history at product-oriented companies.

promotion of individual developers has generally faded away. Certain developers, the Sid Meiers and Will Wrights of the world, are still promoted individually, but franchises and brands have long since become the primary focus.

In 1987, EA also began shifting their publishing focus to include internal development. The first such title was Skate or Die, but when contracted developers didn't rebel, more projects were begun. Later, projects that were once contract work would be done internally instead, the most notable being John Madden Football. This trend was exacerbated in the '90s as EA purchased a number of its former partners, converting them into internal development studios. Today, most EA releases are from these internal studios, and the number of publishers that are not also developers has dropped to nearly none.

In 1991, Trip Hawkins stepped down from his position as CEO, and Larry Probst took the reins of the company. This change of command subtly adjusted the focus of the company: While Hawkins was a developer with a talent for business and marketing, Probst was a salesman with a history at productoriented companies. The renewed expansionism EA showed in the '90s is just once indicator of the change.

Look at what happened with Steve Jobs and Apple, look at what happened to a dozen other similar successful start-up companies. The person who has the real founding vision and the drive and the ambition to get a small little company off the ground, from zero to several hundred employees, has a particular mindset, a particular drive, particular ambition, a particular ego, and a particular desire to be in control of certain aspects of the business. Once a company gets to a certain size and goes public, those traits make it difficult to grow to the next level. A

larger company needs somebody who is more operationally effective, and less of an entrepreneurial revolutionary. I think Larry Probst is one hundred percent business and sales.

### - Jeff Johannigman

### **The Human Story**

Will EA change, shifting back towards the ideals at which it started? Probably not without a very strong push in the right direction. But the industry is different now, as is the focus on it, and things may change despite them. In late 2004, working conditions at EA were graphically described in an essay EA: The Human Story by an anonymous blogger under the handle ea\_spouse. These sentiments, and their possible outcome, have been echoed by other developers in the industry, including ones once working with EA.

EA will consist of an "officer corp" of project managers and executives and a

But the industry is different now, as is the focus on it, and things may change despite them. whole bunch of cannon fodder, young kids who are eager to make their break into the game industry. They bring 'em in, they work 'em to death and then they bring in someone else. Turnover rate is not important. The organizational structure allows them to function very well with a very high turnover rate.

#### - Chris Crawford

Spurned by the ea\_spouse's words, or perhaps the similarly inspired (and recently settled) class-action lawsuit, or even the focus of industry groups like the IGDA, a leaked internal memo promised changes. Could EA lead the industry back to greener pastures? I suppose it depends on whether any of that old idealism still survives.

I'd certainly like to see it though.

Jason Smith functions as chief technowhatsit for The Escapist, and still remembers his introduction to EA games back on his Commodore 64. He would like to thank Jeff Johannigman, Stephanie Barrett, and Chris Crawford for their time in the writing of this article.

## It's Better to Have Loved and Lost...

by JR Sutich

The first sports videogame I owned was published by Electronic Arts. It had no "Madden" in the title. It did not showcase the acronym of a sports league on the cover. It had no online roster update feature, for the roster contained only two players. This game broke the sport down to its most basic of competitive elements, a game of one on one. *One on One: Dr. J vs. Larry Bird* quickly became the most-played game on my Atari 800XL.

I **loved** this game. My friends **loved** this game. They would ride three miles to my house just to play it. And play it we did, for hours. We mowed lawns to replace worn out joysticks. Eventually, my friends got their own versions and we didn't get together as often, but the talk in study hall was always about who had made the janitor sweep up the shattered backboard the most. It was this game that started my love/hate relationship with EA; this game was where we first met.

After capturing my heart, EA allowed me to compose a song to sing in it, with the release of the *Music Construction Set*. I spent most of my time trying to recreate songs by Huey Lewis or Men at

Work, and the more time that passes, the better I remember my renditions sounding. But, that's what nostalgia is, memory combined with love to produce a feeling of comfort.

Later that year, EA took me on a journey to the New World, to find fortune and fame, and to subjugate the native inhabitants. I don't think that I managed to find all Seven Cities of Gold, but it wasn't for lack of searching. But then, in May of 1985, The Expedition was Lost at Sea! I had discovered the female of the species. I lost touch with EA over the next few months, seeing as how we didn't really have that much in common anymore. Seems it was more interested in fantasy chess games and solving murders on blimps, and I had my thoughts on what Hard Hat Mack really meant.

I bumped into EA again in 1986 at a friend's house, where he showed me *Starflight*, and my life was forever changed. EA had managed to convince me to buy new hardware so that I would be able to play a game. I spent \$3200 on an IBM 8088. My quest for answers to the mysteries of the Crystal Planet and the Ancients was a contributing factor in

my leaving college after only a semester. Turns out, my tuition fund was short by about \$3200. My love had become obsession. How could I have been such a fool? EA, once again, proved that it was the only one for me, and any doubt was erased with the release of *Starflight 2*.

Unfortunately, the world had other plans for us, and I received orders to report for duty on the TCS Tiger's Claw. With the release of Origin's Wing Commander, EA found its first true challenge for my attention, and I didn't see jealousy for what it was until it was too late. EA wanted so desperately to be the object of my desire, that it was willing to take those things I now loved and make them its own. At the time, I didn't complain, as I was still able to fly against the Kilrathi. Looking back, I see this as the moment where our relationship started to go sour.

Little things that I would have been willing to overlook before were becoming bigger and bigger issues for us. Some days I still think about the last big break-up we had. EA wanted to move to Trammel, and I wanted to stay in Felucca.

Sadly, I had to let EA go. We just weren't the same beings who met on a nameless half-court, some 17 years earlier. We still saw each other from time to time. But more often than not, any plans to be together would be suddenly cancelled by EA, with usually little or no warning. We had made arrangements to meet again in Britannia, but those never came to pass. I started visiting EA everyday, climbing into the cockpit of a 100-ton Battlemech to make the journey, but sadly it took away my 'Mech. I started to become distrustful. I didn't allow myself to expect EA to follow though with anything, to save myself the disappointment.

I guess I could have done things differently, been a better customer maybe. Perhaps I could have learned to accept EA for who it was, and adapted to its changes. I just wish that it could have been more understanding of my needs, and my wants. I wish it would someday remember how to be that which attracted me in the first place. I will always cherish those early memories we had together, how EA brought my friends and me closer together, and taught me valuable lessons about life, love and loss. Electronic Arts was the first name in the

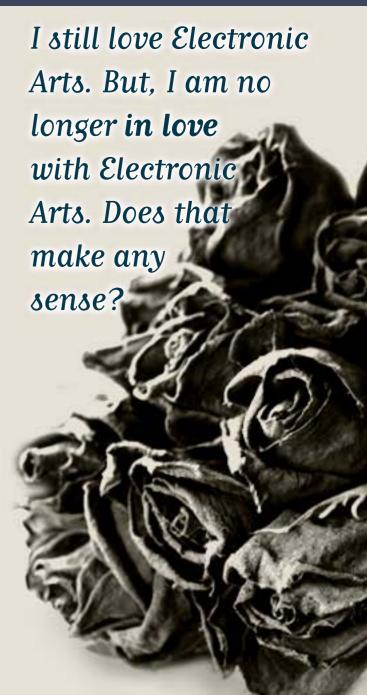
gaming industry I learned to respect, love, hate, somehow feeling all of those at once. EA helped make me a gamer; EA played a role in shaping me into who I am now.

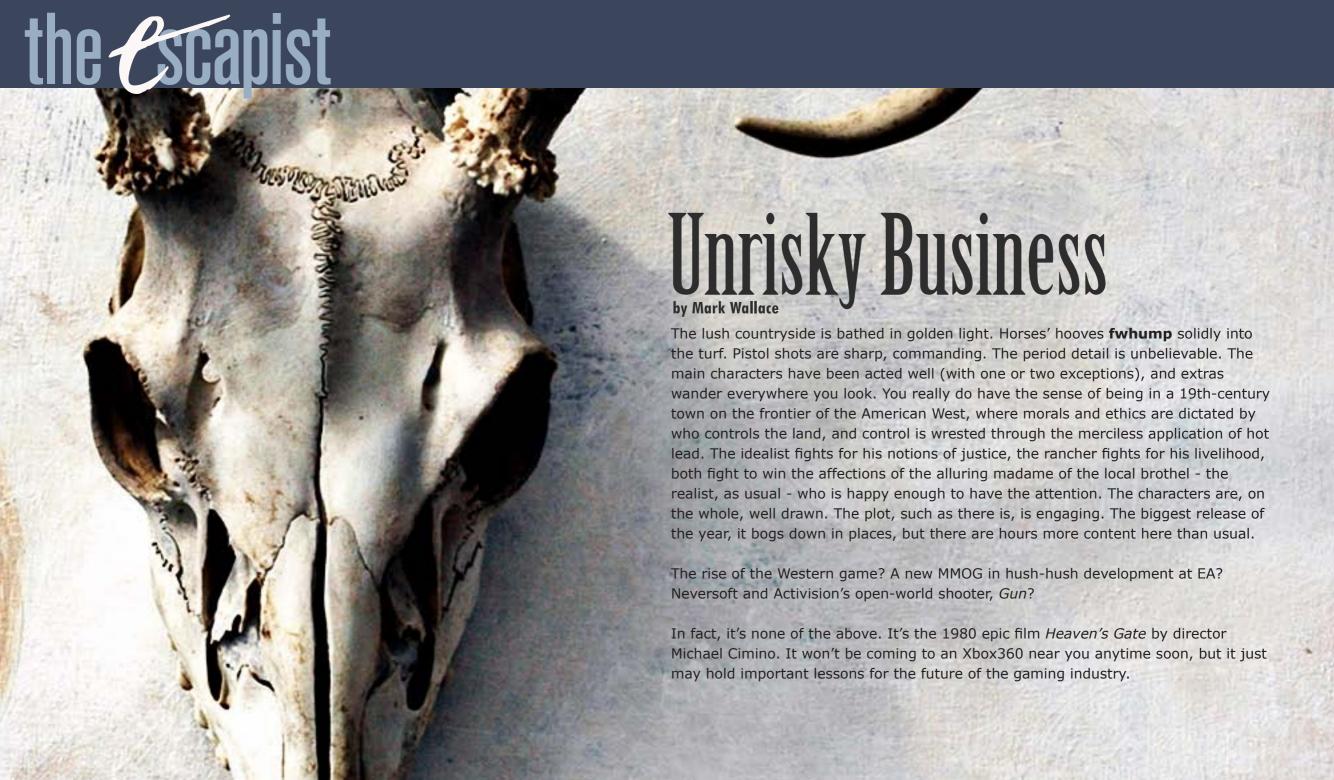
How do I feel about Electronic Arts today? To understand my answer, you would have to think back to your first love. Not your first crush or your first kiss, but the first time you ever wanted to be with someone forever, and to have that person never change. Now imagine that almost 25 years have passed, and you are two totally different people. You still care about that person, and you still value her for her contributions to your life over the years.

I still love Electronic Arts. But, I am no longer **in love** with Electronic Arts. Does that make any sense?

If not, let me tell you about the time I left Sony Online Entertainment standing at the altar.

JR Sutich is a Contributing Editor for The Escapist magazine and is rumored to have been banned from an online game during its initial design stage.







# ...as much as we'd prefer it were otherwise, it's money that determines whether the games we play are mind-blowing pieces of interactive art...

Heaven's Gate is a gorgeous film. It's a bit too long and a bit too self-indulgent (it clocked in at three and a half hours when originally released), but the lessons it holds have little to do with art, storyline or gameplay. The lessons it holds have to do with money, where it comes from and how to get it. And as much as we'd prefer it were otherwise, it's money that determines whether the games we play are mind-blowing pieces of interactive art or mind-numbing sequels in yet another licensed franchise.

Where money in the games industry is concerned, of course, there's no better place to find it than at Electronic Arts, Inc., the industry's behemoth. EA took in almost \$3 billion in revenue in its 2004 fiscal year, and is looking to grab about 10 percent more than that in 2005, about what eBay takes every year. While it stumbles now and then (as it is doing, slightly, now), EA has gone from a ballyhooed upstart when Trip Hawkins

founded it in 1982 to the biggest, richest company on the face of the planet devoted exclusively to bringing people semiconductor-based fun.

But its size doesn't necessarily mean EA is the best. Riches are not the mother of invention. Gamers are often surprised when riches and invention walk hand in hand, and don't often expect it from a cash-heavy company like EA. Except by those loyal Madden NFL fans, EA gets slapped around and spat on for being the evil empire of game development on a daily basis. You name the name, EA has been called it. Profit-hungry. Power-mad. Uncaring, uncreative and uncouth, not to mention unethical and even underhanded.

The company definitely has its faults, where its products are concerned (as well as in other areas, as ea\_spouse can tell you). Licenses are not the sole ingredient of good games. Just because

you have Batman, James Bond, Harry Potter, Marvel Comics, the Lord of the Rings, The Godfather and pretty much every major sports franchise on the face of the planet - from the NHL to the NFL, NCAA football and basketball, golf stars, NASCAR, FIFA soccer, the NBA and even a non-sport sport like Arena Football - doesn't mean your games are engaging and fun.

It doesn't mean that all of them are yawners, of course. Madden NFL 2005 is one of the best-loved sports games around. From its humble beginnings with games like Archon and Pinball Construction Set, EA has since shepherded great games like Battlefield 1942 and Battlefield 2, Need for Speed and the most popular computer game of all time, The Sims (even if the company at first supported it only reluctantly). It

## You name the name, EA has been called it.

has also kept the MMOG *Ultima Online* going long past the point most people expected, and has occasionally taken on

slightly unusual projects like *Black* & White and *TimeSplitters*. Not all of these have been smashing successes, but most were fun and even, inventive.

But the fact remains that while EA may, from time to time, produce the sleeper gem like Black & White, its apparent goal is to hit on the secret alchemical formula, the unfailing recipe that will enable it to turn brain-sweat and database tears into gold every time. Blockbuster after blockbuster, bringing EA yet more scads of cash, enabling the company to either fund a few more of those innovative little games or just look the other way entirely, thumb the Hit Stick and flatten the competition.

It's a lot like a big movie studio, in that sense. Or anyway, a big movie studio of 25 years ago - around the time *Heaven's Gate* was released.

I hear someone groaning in the back of the lecture hall. Fear not. I'm not about to tell you games are as important as movies and should be accorded the same due (though that's true, at this point, more or less). Games get compared to movies all the time - they're as popular as movies, we're told, they're as

engaging as movies (or more, in many cases), they may or may not represent the next step in narrative entertainment, and some feel they offer better value for the buck. But what's often glossed over in these comparisons, however accurate or inaccurate they may be, are the parallels between the industries themselves, not at the level of design and development, which is usually what interests gamers (and where there are indeed striking similarities), but at the level of money and decision-making power.

The two industries haven't evolved exactly in parallel, but it's worth looking at what's happened in Hollywood to get a sense of where EA fits into what's happening in gaming. Because the truth is, we may not have as much to fear from EA as we think.

Unlike the gaming industry, the movies were controlled by cigar-chomping moguls from the beginning. Warsaw native Schmuel Gelbfisz got his start in the garment business in New York before going on - as Samuel Goldwyn - to found the company that would later become Metro-Goldwyn-Mayer, aka MGM. Early on, someone got the idea that movies

were glamorous. People wanted to be a part of the industry not just because they loved movies, but because some of the glamor of the movies rubbed off on anyone who was involved.

The moguls held on for decades, producing movies, good and bad. Some, like Irving Thalberg, were movie men from the beginning. Others, like Goldwyn and Harry Cohn, who was a pool shark and streetcar conductor before founding Columbia Pictures, got their start in very different businesses.

The end of the movie moguls is commonly dated to 1963, with the Elizabeth Taylor and Richard Burton epic, *Cleopatra*. Beginning with a \$2 million budget, the production eventually ended nearly \$50 million later, and three years behind schedule.

Cleopatra ended the age of epics, but it was only a matter of time before they were back. Before that could happen, though, the 1970s saw the rise of deep, personal, character-driven movies that were emphatically the embodiment of a director's vision, rather than a producer's desire for dance numbers and expensive costumes. The Best Picture Oscar



Once you have as much money as EA, you protect your cash by not taking any risks.



There's not much incentive for EA to innovate.

winners of the decade, every one of them, are among the best pictures ever made (in this reviewer's opinion):

Patton, The French Connection, The Godfather, The Sting, The Godfather Part II, One Flew Over the Cuckoo's Nest, Rocky, Annie Hall, The Deer Hunter, and Kramer vs. Kramer. Even the losers were great: M\*A\*S\*H, A Clockwork Orange, Deliverance, Chinatown, Jaws, Taxi Driver, Star Wars, Dog Day Afternoon and many more.

It was *The Deer Hunter* that turned out to be the problem. It was *The Deer Hunter* - directed by Michael Cimino - that convinced United Artists, and Cimino himself, that the new age of the epic was at hand. All you had to do was give a great director unbridled control over their films - as the producers of earlier years had had over theirs - and you could spin celluloid into gold.

But like *Cleopatra*, *Heaven's Gate* turned out to be a bloated and expensive failure. It bankrupted United Artists and effectively ended Cimino's career.

It also ended the era of the filmmaker's film. *Heaven's Gate* was the final over-extension of '70s auteur culture, and

ushered in the blockbuster mentality of the 1980s and '90s. To protect themselves from directors, the studios wanted big-ticket productions again, easy stories, bright special effects. Was Rain Man really the best picture of 1988? Actually, it might have been. Die Hard was released that year. The Terminator had already come out, and Terminator 2 was well on its way. By 1997, the best picture was Titanic, and the decade wound up with Jar Jar Binks annoying moviegoers the world over. I'm a big fan of Die Hard, but for character and storyline the '70s directors' pictures are where it's at. In the '80s and '90s, the money was making decisions again, chasing more money, at the expense of you guessed it - innovation and inventiveness.

You see where I'm going with this. It's not such a new thesis: Once you have money, you want to protect it. Once you have as much money as EA, you protect your cash by not taking any risks. There's not much incentive for EA to innovate. They could probably churn out sports franchises for the rest of Larry Probst's days and do just fine.

the *c*scapist Whether the mini-mogul made his money back or not didn't really matter; the movies were cool again, and his cash bought him entree to that world.

That doesn't mean that good games are dead, though. With the movies, a funny thing happened on the way to the blockbuster, and if gamers are lucky and America is ready for it, the same thing could happen with games.

What happened was the birth of independent film. In the shadow of Hollywood's blockbuster mentality, independent producers started throwing money at young directors, giving rise to a new round of thoughtful, nonblockbuster films put together with little more than a script, a camera and a couple of actors and people to work as production assistants. Filmmakers like Todd Solondz, Wes Anderson, and Kevin Smith were guys you could meet on the street in New York and chat with over drinks with friends (if you had the right friends). You got the sense they weren't chasing fame primarily, they were chasing their art - though no one chases art without the thought of renown being close behind.

The people who were dead set on the glamour were the money men. There have always been independent Hollywood producers, but the 90s saw the rebirth of the non-Hollywood

producer, of the **schmatte** king looking for a little burnish through what was suddenly the hottest entertainment medium of the day. If you were talented, charming, ambitious and willing to socialize as though your career depended on it (which it did), you could often convince one of the many bored businessmen, flush from the boom, to invest a million or two in your little jewel of a movie. Whether the mini-mogul made his money back or not didn't really matter; the movies were cool again, and his cash bought him entree to that world.

If gamers are lucky, the same thing will happen for games. The talent is already there. There are plenty of interesting games out there now, plenty of innovation, plenty of inventive designers. You won't find most of them at your local GameStop, though, because big developers and publishers can't afford to take the risk. They're too busy protecting their money by hunting up the next blockbuster game.

What gaming needs is more brave money. It needs cash that's willing to go outside the system and fund developers who are independent in the sense that



## ...the game that makes gaming as cool as the movies were 10 years ago is probably going to come from a company like EA...

the '90s indie filmmakers were: small groups of talented individuals working together on the cheap to create their version of art. That talent exists, and I'd wager that money isn't far behind.

But first, gaming needs to become cool and I'm sorry to say that it just isn't yet. Gaming is cool if you're a gamer, sure. But to most Americans, even to many who own a console, gaming is still a curious, new thing. It doesn't yet have the cachet of the movies. Tourists don't descend on Austin to visit the gaming Walk of Stars. Even famous novelists get more play than famous game designers. Marvin Mogul may be aware that games do as much business as Hollywood movies do box office sales, but he doesn't realize that for no more than it cost him to fund an independent film, and often for much less, he could fund a new game that stands to make him just as much money.

Even if he did realize that, what he can't yet get out of gaming is glamour. But in about five minutes, that's going to change. It might be the huge success of Spore, it might be the dismal failure of The Godfather. It might be some game EA hasn't yet sunk its teeth into, or one that comes from somewhere else entirely (World of Warcraft, anyone?). But it's going to happen, and the game that makes gaming as cool as the movies were 10 years ago is probably going to come from a company like EA, a company with the money and the reach to market the hell out of a product, to get it in front of everyone in the country - not just gamers - to draw people's attention to games as just another fixture of the entertainment universe.

Whether the game itself succeeds or fails is almost unimportant. What counts is that it will open a new door for the developers and designers who have to content themselves with making browser-based games and freeware

today. They'll still get their start making small games, but now they'll be able to get them in front of the public. And gradually, being an indie gamedev will come to mean something very cool, not just to gamers, but to everyone.

We're still a few short steps away from that time, though, so wish EA luck. Whether it's a Cleopatra, a Heaven's Gate or a Jaws (one of the first modern blockbuster successes), one day soon, a big game is going to make a big splash and end the age of the gaming mogul. And once again, the guy with the best game will win.

Mark Wallace is a journalist and editor residing in Brooklyn, New York, and at Walkering.com. He has written on gaming and other subjects for The New York Times, The New Yorker, Details and many other publications.





## **NEWS BITS**

#### **EA Settles on Artist Overtime Suit**

EA settled out of court on an overtime lawsuit October 5, awarding members of the class action a total of \$15.6 million. The terms of the settlement changed the status of entry-level artists to an hourly position, rather than salaried. They will no longer be eligible for stock options or bonuses.

There hasn't been any word on the similar suit filed by software engineers earlier this year.

### Madden PSP Owners Challenge Everything, Including EA

The PSP version of *Madden 06* has more than a few kinks to work out. Not only will the game lock up at times, but the kick meter randomly disappears during plays. Franchise is also on the fritz, and EA's official workaround hasn't lived up to expectations.

A disgruntled fan has created a site called Recall Madden in an attempt to provide an information source for other owners of the game. The site contains links to EA's responses to problems thus far, and also has phone numbers disgruntled players can call for assistance.

### **Schwarzenegger Signs Gaming Bill**

Arnold Schwarzenegger signed into law a bill that called for legislating the sale of violent and sexually explicit games to minors on Friday. It was unclear as to whether or not Schwarzenegger would veto the bill, as much of the gaming industry is based in California, but he ultimately sided with the wishes of the state Senate.

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