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# Leading Edge

Ubisoft is shaping the future of the video games industry with a diversified and collaborative approach.

Images by Scott Ehler

In the competitive entertainment industry, Ubisoft is positioning itself to become a guiding force in the market through diversifying its brands and platforms and exploring the latest technologies and innovations.

*The CEO Magazine* spoke to Edward Fong, Managing Director of Ubisoft, about the company's rapidly expanding place in the industry, its focus on forward-thinking development, and what's in store for both Ubisoft and the industry.

**The CEO Magazine: You've been at Ubisoft for 11 years, six of those as managing director. What shifts have you seen in the entertainment industry over that time?**

**Edward:** There have been many shifts. Industry shifts have been driven by technology, and we've recently seen new consoles being released from Microsoft and Sony. The proliferation of mobile devices like smartphones and tablets has been significant.

There's been a real growth in the number of people playing games. Whether that be a casual game on your phone or a high-definition, surround-sound experience on your home flat-screen television, more and more people are

engaging with games. That's probably been one of the biggest trends. Our market has grown, and, as a content developer, Ubisoft has been challenged with trying to come up with the appropriate content for each of those different audiences.

We've got some great brands in the business now, each of them catering to different ends of the market. At the top end, we've got brands like *Assassin's Creed*, which is a highly immersive and huge action-adventure game. Comparatively, we also offer *Just Dance*, which is a great family dance game.

As a content developer, the challenge for us is to remain relevant to all these new audiences that we're now in touch with. We also need to keep up with technology. Certainly, from a development perspective, that's a real challenge for us. We've got more than 8,000 people in development in our studios across the world to ensure we stay at the leading edge of technology and innovation.

**How did you enter those new demographics and markets and meet your new consumers' needs?**

We consider ourselves innovators, so we'll often take a gamble on

"It's about listening to the marketplace and understanding your customer. We have to ensure that we're creating games for our customers rather than for ourselves."

- Edward Fong

what we think is going to be right, whether that's on a new platform or new content. If you think back to the early days of mobile when you'd have mono-toned, 2D Java-based games, we didn't enter into that market. We waited until the time was right to enter.

Sometimes it's a bit of trial and error, but more often than not what we rely on first and foremost is our brands. We normally have an established brand, like *Assassin's Creed*, and we'll present that on a new platform. If more and more people adopt that technology, then that shows us there's a market there. It's about listening to the marketplace and understanding your customer. We have to ensure that we're creating games for our customers rather than for ourselves.

**In such a competitive market, how do you challenge your competitors?**

At a global level, we challenge them through the innovation and development that we put into our games by growing our established brands and creating groundbreaking new IPs like *Watch Dogs*. These days, games are getting more and more expensive to make, and we're seeing that it's becoming increasingly difficult to have big blockbusters in the market. >



We are very much following the trends that we're seeing in the motion-picture space where the huge blockbusters do very well, and then there's a bit of a gap, and then there's the more independent or art house-style films. There's that same polarisation in the games market as well. At the top or leading end, it's getting more and more difficult and expensive to make games. We're now challenging movies for high production budgets. In saying that, the sales from those big franchises actually exceed what a lot of film companies are getting.

The challenge for us at a competitive level is how we make that business model work and how we can continually fund our research and development and innovation. Ubisoft has certainly positioned itself as a leading-edge

innovator of quality entertainment, hence we're looking at not only the new consoles, but we've also recently established a motion-picture division of our business.

We're currently in production of an *Assassin's Creed* film, and we've got a couple of other projects up our sleeves that we're working on with the large Hollywood studios. We worked with Nickelodeon to make a cartoon series based on our *Rabbids* brand. It's about extending the brand experience for the consumer, whether that be through other multimedia experiences, comic books, fictional novels, or even figurines. There's certainly been a branching out and a diversification of our business.

**It seems that the synergy between video games and film is the way of the future, doesn't it?**

The line is certainly blurring. There was a time not too long ago when people tried to make movies

out of games licences, and it wouldn't really work because it wouldn't resonate and retain that brand philosophy behind what the customer wanted.

We worked with James Cameron on the *Avatar* video game that was released with the film. That was a really good example of us working closely and collaborating with the movie production house. We were in production for a couple of years before the movie launch. We were sharing assets; a lot of things that we came up with which we wanted to include in our game actually ended up in the movie because James Cameron loved what he saw and thought it would be appropriate for inclusion in his film.

**How do you work with suppliers and strategic partners to develop innovative products?**

I think it's just a matter of challenging each other's thinking. When we're dealing with our local

suppliers, whether it's our retail partners, distribution warehouse, or our media agency, we're always encouraging them to challenge us. We have a finite number of people within our business, and there's only so much we can know. When we work with our third-party suppliers, we want them to be adding to what we already know and challenging our thinking.

What I really love about Ubisoft, especially in our Australian operations, is that we have a real focus on self-improvement and a 'do better' attitude. We're constantly challenging each other to be the best in the market. We do a lot of benchmarking in our business, and I'm pleased to say that more often than not we are seen as a real benchmark company from an industry point of view.

**"As a major industry player, it's our responsibility to make sure we contribute."**

- Edward Fong

**What prompted you to become chairman of the Interactive Games and Entertainment Association?**

I think it's important as a major player in the industry. Ubisoft is the number-three video-game publisher in the world, so I think it's essential for leaders in our business to have a say in where the industry goes.

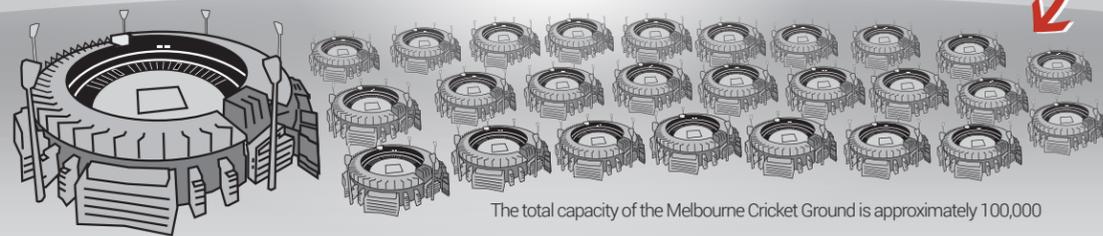
Our industry is exposed and susceptible to a range of issues and influences, from government and legislative issues to consumer trends, to the debate around online filtering, and the controversy surrounding violence in games. They can all potentially affect our business. I think it's up to the individual business owners and major stakeholders to really take a guiding role towards the industry. As a major industry player, it's our responsibility to make sure we contribute. •



*"As the biggest voice in gaming, IGN have enjoyed a deep strategic partnership with Ubisoft for many years, developing integrated plans across online, events and editorial. With an impeccable catalogue of iconic titles, Ubisoft's industry leading position is secure." - James Whitehead, General Manager, Ziff Davis Australia*

*"As Ubisoft's preferred replicator, arvato enjoy the partnership approach and opportunity to serve a leading international organisation. Through detailed collaboration and planning with the Ubisoft team, we are able to help them deliver exciting and memorable games to their customers." - John Shervy, Director, arvato*

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\*Nielsen Online Ratings - September 2013



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