



The DigiPen Institute of Technology
2010 Commencement Address
Michael Gallagher, President and CEO, ESA
Redmond, Washington
May 1, 2010

President Comair;

Dean of Faculty Xin Li;

Distinguished faculty and staff;

Proud family members and friends;

Graduating students:

Good afternoon and thank you for the opportunity to join you in celebrating this important milestone in your lives. To the graduates, I say congratulations for the diligent work, financial sacrifices, and – let's be honest – the frequent game playing that made this day possible. I'm sure your parents are proud. I'm also sure your friends are envious.

There is a time-honored formula for addresses such as these. Those of us who remember our college days only somewhat vaguely tell newly-minted graduates that today marks not an end, but a beginning; a commencement of the rest of your lives. A chance to begin carving your own path; following your hearts; and fulfilling your dreams wherever they lead.

But that formula doesn't completely work for this group on this day. Because you've already done that. You have acted on your faith and your individual passion. You avoided the well-worn path and embraced a new and exciting profession.

And, most important of all, you have emphatically answered your parents' question – "you're going to major in WHAT?" – with a degree that provides a passport for entry into one of the most creative and vibrant industries in both the real and virtual worlds.

In preparing for a commencement address, it is impossible not to ponder the meaning of life. Don't worry, I haven't figured it out yet, so that's one lecture – or should I say one more lecture – you won't be hearing at DigiPen.

But if you hang around the planet long enough and keep your eyes and ears open, you do learn a few things. One of them is that there is no single way to achieve success; no rule book that tells you the formula for being rich or famous or – most important of all – fulfilled.

But there are some proven qualities and characteristics that make success more likely. These cornerstones of success are passion, opportunity, training and hard work.

By coming to an innovative college like DigiPen and by earning your degrees, you have already demonstrated you have what it takes to succeed. But today marks only one milestone in an ongoing process that never ends. They don't call it commencement because your education is ending today. They call it commencement because today begins the lifetime of learning and growing and achieving and discovering that DigiPen has trained you so superbly for.

For me, it is a great pleasure to be back here in the Northwest – in familiar surroundings – to share this day with you. The Seattle area is where I started my career, where I applied myself in my first professional job out of school, and where I followed the success of great world-leading companies Boeing and Weyerhaeuser – and watched the birth and ascension of new world-leading innovators who saw the promise of wireless and the Internet early on – leaders who built companies like Amazon.com, McCaw Cellular, AirTouch, and Voicestream – and, yes, the two titans of the video game industry that neighbor DigiPen: Microsoft and Nintendo. The Northwest is home to great innovators, risk takers, and world-leading technical expertise. DigiPen sits in a hotbed of those cornerstones of success- passion, opportunity, training, and hard work. Your roots in this area will serve you well. The culture and community of the Northwest certainly served me well along my journey.

Given the public's general lack of understanding of the building blocks – and blockbuster nature – of the video game industry, you pursued your educational and career dreams largely on faith and passion alone. For these qualities, I applaud you.

Passion is the fuel that drives us. No matter where the road of opportunity takes you, I encourage you to stay passionate. There are those who truly love what they do and their career, and those who just want to get it done and call it a day. Allow your passion for computer and video games to lead your success in your chosen career. Those who follow their passion have the chance to be known as “genius,” “ahead of their time,” “inspirational,” and “transformative.”

It takes more than theoretical foundation and practical skills to thrive in this industry – it takes passion. While our industry is full of passionate people who are driven to achieve financial, and general business success, we need more individuals, like you -- who are devoted personally and professionally to this industry -- to make the entertainment software experience all it can be.

We need more passionate storytellers who engage audiences by writing compelling narrative and developing deep characters with interesting back stories. Human beings are natural storytellers – it is part of our genetic makeup. As a game designer or new media storyteller, you know that the story is the foundation of a great game. There's narrative storytelling where you sit down and observe, and there's active storytelling where you become a part of the story. Figuring out how to tell it interactively, and in a way that keeps your audience coming back for more, is critical. By elevating the artistry and depth of storytelling, you will continue to challenge the stereotypes of what a gamer is and what a video game should be. Music and movies have used their artistry to define our culture.

Take for example, H.G Well's War of the Worlds first published in 1898, the first telling of a fictional conflict between mankind and aliens. It was a great leap from the novel to the infamous 1938 radio retelling by Orson Welles and then to the 2005 blockbuster film version by Stephen Spielberg. We are on the cusp of the same dynamic in video games. The video game industry first told that tale with a game I spent a fair amount of my teen years fascinated with -- that featured a simple little gun shooting at rows and rows of aliens -- called *Space Invaders*.

Fast forward to 2001 and we are telling that same story but as the first installment of *Halo*. Think about that. It took over 100 years for War of the Worlds to go from a novel to the special effects

wizardry of modern film but the video game industry did it in 23 years. We are doing it faster and in some ways bolder than other entertainment mediums. We need you to keep pushing us forward.

We also need more artistic designers who can draw, animate and bring characters and objects to life. It's not always complexity either – even the simplest premise, like petals swirling in an apartment window in the game *Flower*, can create a breathtakingly beautiful, uplifting experience. It is after all, the artwork that makes computer and video games so compelling. It is this artistry that is helping to bring our industry the respect it has long deserved. Today, game artwork is exhibited at galleries and serving as a new medium for emerging artists around the world.

As the future of games, I challenge you to continue to push the envelope, not just in look or technology but in the story you tell and the worlds you create. Make the game players think and feel in ways they never have before in a game.

Northwest pioneers like Craig McCaw, John Stanton, and Wayne Perry looked to this iconic device and saw the miracle of wireless. They saw beyond the weight and limitations of this device – plus the fact it cannot fit in any pocket or purse – and saw the richness of what wireless brings us today. Their enduring passion illuminated the opportunity to transform telecommunications. They saw the promise of the “cell phones” of the 1980s -- \$3000 for this baby, plus \$2 per minute for airtime. Oh, long distance and roaming on top of that. No Internet. No texting. -- to be the invisible glue that allow us to instantly link to one another and the world's information across the globe.

In 1984, when ATT was broken up, the esteemed consulting firm McKenzie forecast that by 2000 there would be maximum 1 million wireless customers here in the US. But, visionaries like McCaw, Stanton, and Perry saw a bigger opportunity than that: one-hundredfold bigger. They saw past the limitations of analog technology, slow computer chips, weak batteries and regulatory hurdles and drove the industry to reach 100 million customers in the year 2000.

Today, the industry is moving beyond connecting just people with over 250 million customers in the US – and now seamlessly adding always-on Internet connectivity to devices that enrich our lives, like Amazon's Kindle. I am proud to have shared that passion in my years working at AirTouch Communications and Verizon Wireless – just a few miles from here.

For us gathered here today, we need passion to lift our industry as well. Our industry is beset by new and advancing challenges requiring urgent and strong action. Just this week the Supreme Court of the United States agreed to hear a case on a California law that would regulate the sale and content of computer and video games. Your right to be afforded the same free expression as writers, directors and musicians is at stake. We need the future creative leaders of this industry to stand with us as this case proceeds. While the ESA will certainly present a full-throated defense of the industry in front of the Supreme Court, we need you all to be strong advocates for our art and passion, as well.

Recently, some of you may have seen the unenlightened opinions of noted film critic Roger Ebert. Mr. Ebert stated that video games will never be art, as least not in the lifetimes of anyone here. It's up to us to prove him and others like him wrong. It's up to us to showcase our creativity. It's up to us to educate others about our passion. And, it's up to us to ensure that the freedoms we enjoy as creators of this remarkable art remain intact.

The individual passions of our industry's professionals have contributed greatly to where the industry is today. Back in the 1970s when some of your own parents were attending college, individual gamers pecked at keyboards or manipulated a dial to move black and white dots across the screen. In the past three decades, game programming has developed advanced artistic, dramatic and interactive game experiences. Today's games create new worlds with incredibly life-like animation – making our wildest dreams a virtual reality.

Now, I am willing to bet that, around the time when you applied to DigiPen, many people still viewed video games as a niche, anti-social hobby. Think back: how often did you encounter a newspaper article or a segment on a major television network that discussed video games' widespread impact in our daily lives? Probably not often.

Today, I am proud to tell you that you will enter an industry in which the customer base has expanded tremendously, including not only the majority of American homes, but also players of every demographic.

Rather than dig deep into the bag of vague, time-honored motivational clichés, I can speak specifically about the unprecedented opportunities that await you in the computer and video game industry. Consider the following facts:

- 65% of American households now play computer and video games, and 38% of American homes have a video game console;
- According to the Pew Research Center, a full 97% of teens today play computer and video games. Think about that for a second, this will be the first generation where virtually everyone grew up playing computer and video games;
- Overall computer and video game sales totaled \$19.6 billion in 2009, with entertainment software sales comprising \$10.5 billion of that total figure. Computer and video games sales topped \$5.29 billion in December 2009, the industry's highest volume of sales for any single month;
- In June 2009, the Joan Ganz Cooney Center at Sesame Workshop published *Game Changer: Investing in Digital Play to Advance Children's Learning and Health*, a report indicating that the appeal and power of digital games can be harnessed to aid in the education and wellbeing of children; and
- An ESA survey found that 70% of businesses currently use games to train employees on how to do their jobs or do them better.

As these statistics reveal, while historically rooted in entertainment, video games are increasingly being incorporated into more serious venues. Today's games impart knowledge, develop life skills and reinforce positive habits in people of all ages.

Video games, for example, have helped to teach valuable lessons in environmental conservation. Last year, the University of Virginia unveiled its *Chesapeake Bay Game*, where players assume the responsibilities of local fishermen, farmers, developers, and policymakers. As they make decisions based on these roles, such as how much fertilizer to use on their crops, the game uses scientific data to simulate that action's impact on the Bay.

Bullying has become a major news topic in recent months, and a new video game aims to address issues associated with school violence. *Cool School: Where Peace Rules* teaches elementary school students how to resolve conflicts in a peaceful manner.

Support for technology-infused education has even received support from the highest levels of government. Late last year, President Obama announced the computer and video game industry's involvement in a new White House educational initiative aimed to motivate and inspire more students to be like you, to excel in science, technology, engineering and math. And in March of this year, First Lady Michelle Obama endorsed the U.S. Department of Agriculture's Apps for Healthy Kids Challenge, a competition, which is calling on students like you to create innovative, fun and engaging games that encourage children and teens to eat healthier and be more active. This competition serves as yet another testament to the increasingly important role that our industry is playing in society.

As you begin your careers, you will be able to build upon emerging technological advancements and develop products that are more interactive and engaging than ever before. One particular new and exciting realm of game innovation that you will undoubtedly explore – and I understand has deep roots here at DigiPen -- is the world of 3-D.

Given your passion for interactive design, I am sure an overwhelming number of you saw 2009's sci-fi epic "Avatar," and that many of you opted to experience the film behind a pair of 3-D frames. Similarly, games are taking advantage of the same stereoscopic 3-D effects as Avatar and being played through a 3-D-enabled monitor. 3-D has long been a part of the video game industry. In fact most AAA game titles use 3-D elements in their design and development, but its full effects have yet to be harnessed. Today we stand at the beginning of mass market 3-D entertainment, and you will be there to push the bounds of this new interactive experience.

You also are joining an industry that has rapidly harnessed the power of broadband to connect gamers across the globe. Think about it. In 2001, when Microsoft launched the Xbox one of its revolutionary features were ports for connectivity "beyond the box." In 2003 Microsoft featured 5 games – five that could take advantage of the connectivity feature. In 2004, that number was 50. Last year at our industry's trade show virtually every game featured by every company was designed for the broadband experience.

Consider this: according to Business Week, in the six months since *Call of Duty: Modern Warfare 2* was launched, Xbox Live gamers have logged over 1.7 billion hours playing the game online. That's over 200,000 years. On one game. In 6 months...

Today's DigiPen graduates are joining an industry with a gift for harnessing technology to transform the entertainment experience.

You will also be entering the industry at a time when a majority of players will turn their attention towards motion sensing technology. Imagine a world without video game controllers. In reality, this isn't too far out of sight and is beginning right here thanks to Nintendo's Wii, PlayStation's Move and Microsoft's Project Natal. This is only the beginning of many instrumental innovations that will forever change the way video games are played.

Even within the last few years, we've witnessed exciting changes that have made video game experiences more engaging, fun and interactive. Games and music have come together to form an entirely new genre of video game. "Music games," as games like *Rock Band* and *Guitar Hero* are known, have been absolute blockbusters and have revolutionized both the video game and

music industries. Best of all, they have made our own dreams of being a rock star somewhat of a reality.

It takes smart, innovative minds to succeed in this industry. But it also takes strong theoretical knowledge and a deep understanding of the complex inner workings of various technologies. Even the brightest minds cannot learn this on our own – it must be taught.

But you've recognized this. After all, you seated before me soon will receive diplomas from The DigiPen Institute of Technology. Let me take a moment and talk about what a ground-breaking program you're graduating from. I applaud and commend DigiPen for the work they're doing and the talented, highly-motivated individuals they help produce. It should make you proud that I can stand here today and tell you that the reputation of this school and its renowned ability to produce excellence will follow you throughout your career.

You studied game design, real-time interactive simulation, production animation, computer engineering, or computer science. While your educational track at one time may have caused your parents heartburn or sleepless nights, you followed your passion and took the road less traveled to find opportunities for yourself. You now have the training needed to apply what you've learned and achieve your dreams by contributing to an industry that continues to grow even during the worst financial crisis since the Great Depression. How many graduates across the country today can make that claim?

You should be very proud of yourselves and the decision you made to get your career training here. Just two months ago, your soon-to-be alma mater received high praise from one of the nation's most prestigious college-prep services. *The Princeton Review* ranked DigiPen as one of the leading game design program's in North America. This was the first ever ranking for this category which speaks to the growing interest in game development and design. Even more impressive is the fact that the program has only been in existence for two years. That is a remarkable accomplishment.

As a result of choosing DigiPen, many of you have made a mark for yourselves before today – before your official entry into the industry. In February of this year, you and your peers made quite an impression at the Indie Game Challenge. As aspiring game developers, you showcased your skills and pitched your game ideas to top industry publishers. While DigiPen's sophomore team was crowned the grand prize winner for their 2-D puzzle platformer game and took home the \$100,000 prize, your graduating class represented four out of the 12 finalists.

Not only has DigiPen been a valuable engine in training you -- the next generation of industry professionals – the university has played an important role in transforming the Seattle area into one of the nation's leading game development regions. Since DigiPen's move to Washington State in 1996, the number of electronic game-related companies grew from less than 10 to over 150, according to Enterprise Seattle's 2007 study. And many of the school's own alumni have contributed significantly to the region's growth.

As the Class of 2010, you represent the last cohort of students to graduate from DigiPen having spent your whole academic journey on the current campus. You provide a great bookend to the school's incredible 12-year journey here in Redmond. DigiPen's move to a new, larger campus underscores the university's growing importance and impact.

As the university moves to its new campus this summer, and as classes begin this fall, you certainly will not be forgotten. And that will be particularly true for some of you who will choose

to pursue a second degree to take advantage of the new campus' state-of-the-art auditoriums, classrooms, studios, and electronic labs

As I mentioned, I started my career here in the Northwest – over 20 years ago. The days of the Nintendo N.E.S. The days before Redmond Town Center, when the Mariners labored in the Kingdome, and Microsoft's ambitions were contained on the East side of 520. I had the good fortune to start my professional path at the Northwest's leading law firm, Perkins Coie.

Perkins Coie was borne from the grit and determination of those who first brought industry to the Northwest. They built a culture based upon outstanding client service, leaving no stone unturned, upholding the highest ethical standards and commitment to community. Much as you will carry your degree from DigiPen University with pride, I value my status as an alumnus of Perkins Coie and the training they provided me.

For those of you that are done with training – at least at this point in time – and are now ready to turn your dreams into reality, I won't be the first to tell you that the road you're about to embark on won't be all fun and games. Let me warn you that you have a lot of long days, nights and weeks ahead of you. The hard work doesn't stop now that you have graduated from DigiPen. You will need to rely on your strong work ethic, dedication and commitment in order to fulfill your dreams.

Increased interest in the computer and video game industry means now -- more than ever -- graduates must be adequately prepared and willing to work hard to succeed in this competitive marketplace. As the video game industry's next wave of technical and artistic talent, you may understandably view this transformation as a mixed blessing. On the one hand, you now have access to a diverse array of job opportunities, the likes of which the industry has never before seen. Computer and video game companies directly and indirectly employ approximately 80,000 people in 31 states. Direct employees earn an average salary of \$92,300, generating \$2.2 billion in total national compensation.

At the same time, millions of people now place in your hands their lofty hopes for future video game titles and technologies, and that means the expectations bar has been set very high for you. In addition to consumers' insatiable appetite for pioneering entertainment, governments, corporations, advocacy groups, schools, and health care facilities all now look to you to develop virtual methods for addressing the critical issues that they confront each day.

Our experiences during the last decade suggest that you will still need to constantly find new ways to expand the boundaries around game content, devise new applications for games, and address the gaming needs and preferences of people from around the world. In your case, however, you will need to apply past lessons to emerging trends such as interconnected game play, downloadable content and mobile gaming.

As you begin your career in the computer and video game industry, we need your help to ensure that our industry's value is seen by all. We need you to find new ways to use games, not only for entertainment, but also to benefit our society. We also need your help to grow the industry, to protect it from threats to the First Amendment rights of gamers, and to preserve our intellectual property rights. That time is now.

I know the pressure is high and the challenges seem insurmountable, but with a continued reliance on those cornerstones of success- passion, opportunity, training and hard work, anything is possible. We are counting on you to drive the industry to new heights in the years ahead.

The DigiPen Institute of Technology deserves praise for recognizing the increasingly prominent role that video games play in our society, and your bright future in that process. With the industry's recent transformation as a guide, the opportunity now falls to you, Class of 2010, to continue to stay dedicated, work hard and test the limits of what video games can make possible.

Your passion is undeniable – your training incomparable. Now it is up to you to work hard to seize the many opportunities before you and turn your dreams into reality.

Dreams need doing.

Dream on.... Game on.... Game on -- Class of 2010.

Thank you, and welcome to a great industry.