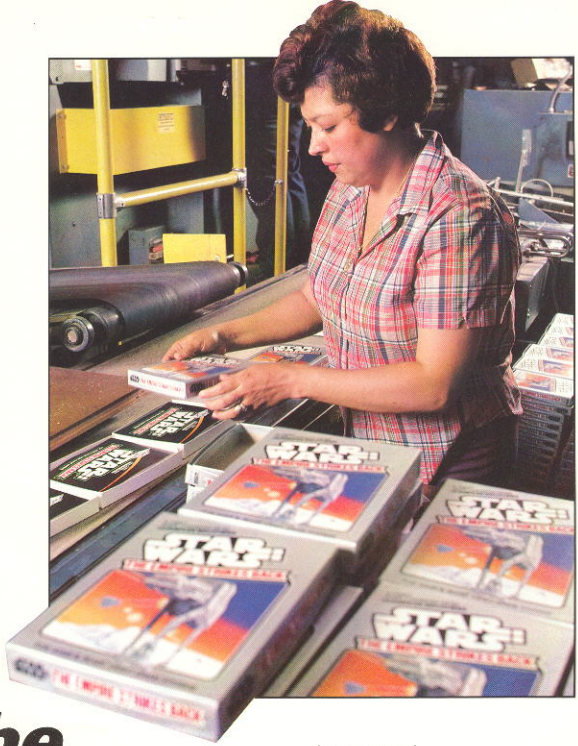


The 'Force'

is with Parker's video games

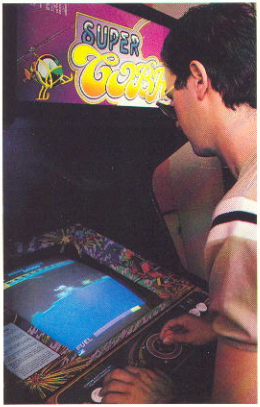
by Karen Leonard

In less than a year, Parker Brothers video games have grown from a conference room commitment to full-blown participation in one of the toy industry's most dynamic categories. The company is forecasting in excess of $150 million in sales for its software by the end of calendar 1983.

"The home video cartridge market can only be described as explosive," says Parker President Ranny Barton. "Even hand-held electronics were mild by comparison. Video is the most important entry that we have ever made into any market segment."

Parker made that entry in record time.

"In the toy business, we're used to fast-paced changes," says Rich Stearns, Parker Vice President, Consumer Electronics. "But in



the case of our entry into video games, we moved more quickly than ever before."

Parker's first two video games, The Empire Strikes Back and Frogger, are in retail stores now. The company's next two entries, Spiderman and Amidar, will be available before Christmas. Parker plans to have 12 video games on the market by June 1983, with a line of 20 games available within two years.

The games now are compatible with Atari and Sears systems. By next year at least some games will be compatible with all major systems.

Behind the scenes

"Our entry into video began in July 1981 at a meeting at the New York Toy Group office," says Stearns. "After four years of incredible success, hand-held electronics had taken a nose dive, and we were asked to give a pitch on our entry into video."

Parker's Applied Technology group had been looking into video game technology on a routine basis, so the company had a head start on video.

"We pitched a timetable that, as I look back, seemed almost impossible to keep," explains Stearns. "We knew that the Star Wars license was the most powerful ever, and that was a good place to start."

Parker is counting heavily on the Star Wars license, and it is proving to be strong in the video game category. The Empire Strikes Back, which along with Frogger was introduced in record time at the February 1982 Toy Fair, is expected to achieve over $30 million in retail sales in its first year. A second cartridge now being developed for release in January 1983 is based on the original film *Star Wars*. The third game in the series will be drawn from *The Revenge of the Jedi*, the next Star Wars sequel. It will be on store shelves when the movie is released next May.

Superior games are goal

Parker made the decision early to concentrate on the games themselves instead of getting into the hardware business. Software is a natural fit for Parker Brothers, a game company for 99 years.

"Video software is like being in the hit record business," says Stearns. "The consumer is looking for a certain game, and he doesn't care whose name is on the label. We have the talent to come up with hits."

Producing superior, proprietary games is Parker's primary strategy in becoming a major factor in the home entertainment industry. The second strategic point is heavy use of licensing of arcade, movie or other themes. Finally, the company will support the products with aggressive advertising.

Licensing worldwide

Securing the licensing agreements proved to be one of the most challenging aspects of Parker's entry into video.

"You have to realize that most of the people we called on for licensing agreements had already been contacted by Atari or Mattel, the industry leaders," says Stearns. "We had to convince them to consider us instead of our competitors."

The licensing process took Stearns and Ranny Barton to Japan, where they worked with Moto Kobayashi, General Mills President, Far Eastern Operations.

Parker's efforts resulted in a list of strong licensing agreements. In addition to the games already on the market, Parker has signed contracts for the arcade game adaptations of Reactor, Super Cobra, Tutankhan and Sky Skipper. The company also has an agreement with the James Bond licensor and is considering a little girl's game featuring Strawberry Shortcake.

(continued)

Berta Bueno, opposite page, works on the video pack-out line at Parker's Salem, Mass., plant. Here the cartridges are labeled and packaged in cartons that are printed and produced at the plant. The plastic cartridge form is molded and the microprocessor chip inserted at Parker in Taunton, Mass.

Software Engineer Michael Brodie, at left, must know every playing detail of an arcade game before transferring it to video.

Below, Rich Stearns, left, and Bill Bracy, Director of Marketing, New Ventures, continually analyze the electonic home entertainment market. Two areas being investigated thoroughly are home computers and electronic distribution systems.

Stearns admits that Parker entered the video market about one year late. "This year there were 22 companies showing video at the annual Consumer Electronics Show in Chicago," he says. "Last year only four exhibited.

"We're anticipating a glut that will be driving the inferior producers out as the piece of pie gets smaller," he adds. "But we don't think video games are any more a fad than the television set, and we're committed to being a leading video marketer."

Stearns is confident about the company's early entries into video. "We have some excellent licenses," he explains. "Star Wars and Frogger will be among the top 10 or 20 games out of 150 in the market this year. Both games sold well to the trade, and so far, the retail sales statistics look good."

Software engineers program fantasies

Some video fanatics huddle for hours over games, fantasizing about transforming their skills at the controls into full-time vocations.

That fantasy is reality for the software engineers at Parker Brothers. These highly skilled specialists are responsible for programming the tiny, video cartridge computers that adapt popular licenses into Parker's video games. The job, however, goes far beyond achieving astronomical scores on the games in Parker's "arcade."

Adapting an arcade game to video is a little like urging a Model T to perform like a sports car. Arcade games have about 10 times the hardware of video game systems.

The programmer's job is to make the video game as much like the arcade version as possible. It's a tough technical challenge.

"Most people seem to think that computer programmers sit and do routine math all day," says Dave Lamkins, Project Manager for the software engineers. "Actually, programming is a creative process. And creativity is paramount for software engineers."

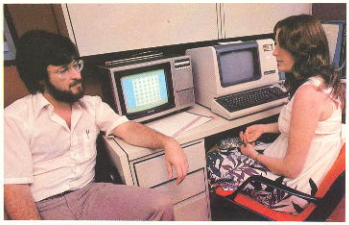
The engineers at Parker come from a variety of backgrounds. Some have formal training; others just a natural talent for software programming. Two characteristics are constant—previous experience with microprocessors and an interest in video games.

"What is really important is the ability to solve problems in a logical fashion," says Lamkins. "We spend a lot of time with paper and pencil design, staring at the walls and thinking about the problem. We constantly make trade-offs between the arcade game and the ability of the video system."

The process of developing a video game begins with an idea, which might come from an engineer, a marketing person, an arcade game or a movie license.

The software engineers and marketing people look at the elements of the game. They identify the object of play, the age group of the players (most players are adolescent boys, ages 10 to 15), the appearance of the game and the game's goals.

Then the game is turned over to the software engineer, who spends from two to four months developing the program.



Dave Lamkins and Laura Nikolich are two of about a dozen software engineers at Parker Brothers.

First, the engineer looks at algorithms or procedures for the game. He creates the players, their interaction with adversaries and the methods of their success or demise.

The software engineer goes through the programming process instruction by instruction, making changes along the way. The colors might be changed at one point, or the play might be made more challenging. The use of an emulator allows the engineers to test the game on a special unit while programming.

Once the designing, coding and emulation are completed, a fully operational game is released for testing. While the computer chips sold in cartridges at retail are manufactured in mass quantities by an outside manufacturer, Parker has the equipment necessary to make a small number of cartridges for testing.

These cartridges are given to software engineers, marketing people and other Parker personnel who do informal testing. A formal play test is also held with school-children.

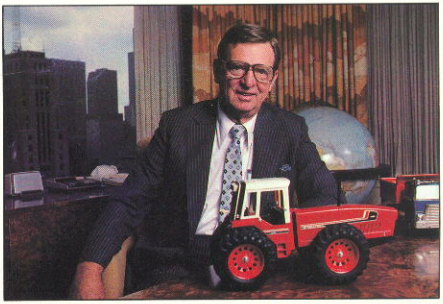
From four to six months after the development of the game idea, a code freeze is initiated. No changes are made while the game is played for a final week or two.

After that final testing a printout of the program is shipped to the chip manufacturer.

Unlike most business computer programs, there is no maintenance with video. Once a program is complete, a software engineer will never work on it again. Until, that is, he chooses to try to beat his own game when the video cartridge hits the market.

Menk to put his brand on Harvester

by Terry Thompson



He looks every bit the tall, rugged rancher that he is, but Lou Menk these days is roaming just about the toughest range in corporate America.

A General Mills director, Menk in May of this year interrupted his retirement and life under the broad skies of his 7,000-acre Montana ranch to become Chairman and Chief Executive Officer of International Harvester. Chicago-based Harvester, the nation's leading manufacturer of medium and heavy-duty trucks and the second biggest agricultural equipment manufacturer, has been beset by severe financial problems. Most of the problems were brought on by the recession and lack of market demand.

Having retired as Chairman of Burlington Northern railroad in 1981, Menk accepted the challenge of heading Harvester in this crucial period because, he says, "I've been a member of the board of Harvester for many years, it's a great company, and I want to make a contribution."

One of his major jobs will be to help find his successor. "I don't look at this assignment as a long-term one," Menk says. "Still, I'm determined to do what I can. Harvester has extremely motivated, talented and articulate people. And, surprisingly, there's a very high level of *esprit de corps*, remarkable when you consider what these people have been through.

"What I can bring to this situation is 45 years of business experience. And I hope I bring personal credibility. If there was ever a time for straight talk it's now," he says.

As serious as the Harvester predicament is, Menk points out that parallel situations abound in the country today. The nation's agricultural economy is in the worst shape since the Depression, he says, and high interest rates are extremely burdensome to manufacturers of heavy equipment products. Still, Menk sees some hopeful signs.

"The decline in the rate of inflation is positive," he says, "and we must follow up by getting the federal budget in order. If we can cut government spending and trim the bureaucracy, there's a good chance we can restore faith in the economy. Without consumer confidence, we'll see little improvement in the rate of capital spending and in other areas that mean so much to the economy. On balance I think the President's program is sound. We have to cut government spending, even though some of those cuts are painful."

But these are a layman's points of view. Menk explains, without stopping to similarly qualify remarks on the nation's railroads, an industry he became familiar with after joining Union Pacific in 1937 as a messenger. He was eventually to head four major railroads in this country.

Menk received in 1978 the Horatio Alger award from the American Schools and Colleges Association.

"I got the award and other things in life because I had good fortune, a modicum of ambition and a wife who would put up with my schedule," he says. "I also think it's important to enjoy your work and be willing to take on those tough assignments that nobody else wants."

He was a major contributor to the strengthening of American railroads, which he says, "are in their best condition since World War II."

Menk, in addition to being a key participant in the railroad industry, has been an active, influential member of the General Mills Board of Directors since 1967. He started on the board about the time the diversification program was taking hold, and he's observed a series of orderly transitions at the top.

"Each chairman has given something special to General Mills," he says. "And I'm continually impressed by the way the company's leadership recruits and trains young people for significant responsibility."

The weeks now are long and difficult ones for Lou Menk, ex-retiree. He and his wife have a Chicago apartment they occupy Monday through Friday, then it's off to Montana where he raises cows and sells the calves.

"The ranch is full of ponderosa pine, beautiful meadows and rim rock," he says. "Right at the moment, I can't resign myself to just golf or gin rummy. It's good to have this interest besides work. I suppose I enjoy acting like a cowboy."

Lou Menk may still be in for a rough ride, but his gaze is straight, and he's sitting firmly in the saddle.

"What I can bring to this situation is 45 years of business experience. And I hope I bring personal credibility."