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HOW I BUILT IT | John Vechey

## Bejeweled Aims to Keep Sparkle

By SARAH E. NEEDLEMAN

PopCap Games Inc. started out simply enough. In 2000, friends John Vechey, Brian Fiete and Jason Kapalka created Diamond Mine, a videogame in which players could win points by matching up lines of sparkling gems. The trio began licensing the game to websites where consumers could play for free, but soon realized it would be “game over” if they didn’t change their business model. So they began charging users \$20 a pop to download a full-screen version and save their scores, a novel concept at the time. Now known as Bejeweled, the game sells at a rate of one copy every 4.3 seconds. The Seattle company has added 55 other games, opened offices in seven countries, posted more than \$100 million in annual revenue—and an initial public offering may soon be in the works.

Edited interview excerpts with Mr. Vechey, 32 years old, follow.

**WSJ:** Bejeweled developed a fan base due to those early licensing deals. How did they come about?

**Mr. Vechey:** Our first deal was with [Microsoft Corp.]. I met the head of Microsoft’s gaming division on a flight back from a game-developers conference in 1999. I just happened to sit next to this guy and we had a good chat. When we started PopCap, I emailed him and said we’d like to sell Bejeweled for \$35,000. Microsoft said no, but they agreed to license it from us for \$1,500 a month. It seemed like bad luck at the time, but in retrospect it was good luck. If we had sold Bejeweled, we wouldn’t own the rights to it in

the future and there would be no PopCap today as we know it.

**WSJ:** You soon discovered that licensing wasn’t very effective. How come?

**Mr. Vechey:** You’d need a lot of successful games and somebody to pay you a regular licensing fee.

**WSJ:** So you decided to try selling copies of Bejeweled that users could play offline. Why was this such a risky move?

**Mr. Vechey:** The idea of taking consumers off a website, taking eyeballs away from advertising, was really foreign at the time. There was no one selling a downloadable version of a game that was already online for free. It was highly experimental. Brian wanted to keep track of how we were doing so he created an application that would make a ‘ka-ching’ sound every time someone bought a copy of Bejeweled. After week three, it was so annoying we had to turn it off.

**WSJ:** Your next move was to make more games and grow the business. What was your strategy?

**Mr. Vechey:** It was all about finding people with good energy who could do a lot of different things. One of our game artists also did Web design and one of our producers was also good at developing partner relations. But it was never about rushing the next new game to market. For us, it’s always been about releasing only great games and great new versions of existing franchises.

**WSJ:** You left PopCap in 2003 for almost a year to start a new career in film. Why?

**Mr. Vechey:** I was the CEO of a

company and didn’t have any management training. I was in over my head. Basically, I took the emotionally immature approach. I came back later on a temporary basis [when the company needed help finding a top executive.] By this point, everybody was selling downloadable games and distributors were starting to squeeze suppliers. We realized that being only a game developer was going to be precarious. We didn’t control our own destiny because we were so partner-dependent. We needed more girth to grow so we ended up looking for a CEO and found Dave [Roberts]. Some of our employees had worked for Dave before at a stock-photography company. Dave sold that company in 2000 and was looking for another start-up. After he came on board, I left PopCap again but six months later Dave talked me into coming back.

**WSJ:** The company raised venture capital for the first time in 2009. How come?

**Mr. Vechey:** We’ve always grown from our own profits and have been a pretty conservative company. But we raised \$22.5 million to have money in the bank so if we wanted to be more aggressive, we could and be safe. We haven’t spent it yet.

**WSJ:** Popcap has acquired six game companies over the years. What was the rationale behind those moves?

**Mr. Vechey:** They were about the people and the teams. For example, we recently acquired ZipZapPlay, a social-game developer in San Francisco. We really believe in the team’s ability to innovate.



John Vechey co-founded PopCap Games, makers of Bejeweled.

**WSJ:** Today, consumers can play videogames on mobile phones, consoles, even airplane seatbacks. How is PopCap taking advantage?

**Mr. Vechey:** Our focus isn’t on any one platform in particular. It’s just on the games, so we can be adaptive. Facebook and the iPhone have both been great for us. They really helped us get new customers. The world is still full of people who don’t realize they like games.

**WSJ:** What are PopCap’s plans for an IPO?

**Mr. Vechey:** We’re thinking we should be ready by the end of this year to go public. The market’s dying for an opportunity to invest in the mobile-social-casual gaming world. But if we think it will hurt the company creatively or culturally, we won’t do it.