

# FRIENDLY LOCAL GAME STORE!



A FIVE-YEAR PATH  
TO A MIDDLE-CLASS  
INCOME.

**GARY L. RAY**

Author of the blog  
*Quest for Fun*

Vivid and honest, Gary's writing puts his readers in the moment and opens their eyes to the competing business pressures he faced every day, from financial to psychological. Absolutely mandatory reading for anyone remotely considering investing in the hobby game industry.

—Michael Bahr, Desert Sky Games (Chandler, AZ)

Gary's advice and insight were instrumental in the development and planning of my game store. I owe a lot of my success to him.

—Bryan Winter, I'm Board! Games & Family Fun (Middleton, WI)

There's no such thing as one-size-fits all in opening a game store. This book is the safest way to do it... If you don't want to read this book, at least buy it. Then when you fail, you have some good paper to start the fire with.

—Travis Severance, Millennium Games (Rochester, NY)

You can do better than opening a game store but if you insist on this path of madness I implore you to read this first.

—Steve Ellis, Rainy Day Games (Portland, OR)

Learn from someone else's mistakes. Gary had to learn from his [own], but has been kind enough to share his lessons so we can make our own!

—Becky Ottery, Eclectic Games (Reading, England)

I have read every one of Gary's blog posts... His blog is the bible of running a game store, and a required reading to anyone thinking of opening their own.

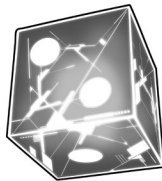
—Travis Parry, The Nerd Store (Greeley, CO)

The Core Rulebook for running a successful game store!

—Eric Mona, Publisher, *Pathfinder* and *Starfinder*

# FRIENDLY LOCAL GAME STORE

*by Gary L. Ray*



**GAMEPLAYWRIGHT**

*This PDF edition of Friendly Local Game Store has been adapted from the print edition for best function and appearance on tablet devices. Pagination differs between editions.*

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To my son Rocco, who gave me the  
inspiration to transform from a gentleman  
farmer to a professional retailer.

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# FOREWORD

*"I was the one who decided to open this game store."* I want you to remember that statement every time you find yourself dealing with anything that is out of your control on this journey. Many store owners, even those with many years of experience in this industry, forget that. Above all else, accepting the role you play in this process is critical to success, despite the reality that you will come up short over and over, again and again. You may also succeed from time to time, but those successes won't be nearly as memorable as the failures.

You've taken a good first step in avoiding many of the failures and embracing a lot of the successes by buying this book. When I started my journey in game retail we didn't have a book. The closest thing was a manual that a store owner had put together in the early '90s that was hard to get your hands on. And substituting game-industry insight with a generic business book or a course on small business won't really cut it when it comes to the things we deal with. Game stores operate very differently than traditional retail stores do. Big businesses have tried to emulate what game store owners do many times, and have failed.

I first read Gary's writing about 16 years ago. Back then we didn't have social media to connect, and we used forums on websites, with logins. I was managing the store that I now own. I saw pictures of his space, the first shipment of boxes he received from his distributor of choice, a suit of armor, and the fixtures he had selected. He went on to talk about the reasons for the products and fixtures he had chosen. It all sounded very logical to me.

The store I was managing was an aging monstrosity in comparison. How envious I was of how clean and crisp Gary's place looked. When I broached the subject of putting money into new flooring and fixtures with my boss, the former owner, their reply was, "There's no way to know that making all those changes will attract new customers." I thought, privately, "There's no way to

measure how many customers we are losing by the day, due to the condition of the place, either.”

Gary came from IT and I came from finance, but our overall views on what stores should look like and how they should be run were in line. I watched him going through the trials and tribulations of ownership and there was a lot of it that I was happy I didn't have to deal with. He had build-out costs, lease negotiations, and zoning board meetings. This was all stuff I hadn't ever considered the need to worry about. At the time, I thought of opening a game store as a two-step process: you grab a good location, buy some games from a publisher, and people will come in droves because the location is better than anyone else's, I know what's fun, and I know I can do my job of showing those superior games to the masses. How wrong I was. Less than 20% of the product that I sell today would I enjoy playing myself. What I find fun isn't what everyone finds fun.

When Gary moved locations in 2007 he started writing a free-form blog about the changes that were happening at his store. It was a way to keep customers informed of the progress that was being made so they could feel comfortable that better days were ahead. Gary's blog, *Quest for Fun*, is still the first place that I send aspiring owners for information. There is a ton of knowledge in those posts. All of it is experiential knowledge, which gives you the benefit of someone else's mistakes and successes.

It was right around the time Gary moved locations that I met my eventual business partner, Rob. Rob was opening a LAN center. There was another one in town, and it was in the plaza next door to Rob's place. The other LAN center was in shambles, had old computers, and the quality of the space left much to be desired. Rob's space was much nicer. Top-of-the-line computers, a VIP room with big-screen TVs instead of monitors. Everything a computer gamer would ever want.

Rob's dedication to quality was really appealing. We got to know each other a bit and then, over the course of less than a year, worked together to purchase the game store I was managing and combine both businesses into one space. Next month, as I write this, we will have owned this business for eight years. Our gross sales are now five times what they were when we purchased the place, which puts us in the top 5% of brick-and-mortar retailers in the country. Today, the computers are gone, replaced with other products. Being able to adapt to changing environments has been critical to making sure our business stays relevant to the consumer.

I met Gary in person for the first time at a distributor's open house in Madison, Wisconsin. We had both been invited to speak to other retailers about



different aspects of our stores. He was speaking about inventory management and I was talking about using space in your store to host successful events. It was great to put a face to the name whose thoughts I had been reading since my early times of wanting to own a store.

This book will walk you through a safe and thorough process for getting into the business of selling games for a living. Although I have said in the past that all game stores are different (because they are), the guts of them all are also the same, if you are running your store like a professional. Which you should.

I am positive that you can get up and running and do it differently than what's suggested in here. But setting aside this hard-won knowledge is likely to take a lot more work, or place the success of your businesses at risk.

As you plan to enter this business, I want to give you a first piece of advice: in this industry, there are no exit strategies. People are not lining up to buy successful game stores, let alone failing ones. So be in it for yourself, and plan for a success with your game store that's also a success for you.

You are about to enter a world where being pummeled on all sides is normal. You'll get poor online reviews from anonymous customers. Publishers will regularly make business decisions that won't always line up with your interests. Maintaining a positive outlook when online giants are the new retail norm is tough when you are trying to sell things the old-fashioned way, at MSRP, through your front door.

If those factors aren't enough to make you reassess your decision to own your own business in an industry that you love, read on. Take it all in, keeping in mind that every time you cut a corner you risk it all.

Hopefully you'll look back, after reading this book and surviving a few years of being in the game-store gladiator pit, at some successes. Or, you might look back searching for the point where everything went wrong. Either way, I hope you'll remember one thing, for good or ill: *"I was the one who decided to open this game store."*

— Travis Severance, Millennium Games  
Rochester, New York, 2018

# INTRODUCTION

It's a trap!

—Admiral Ackbar

You don't need this book to start a game store. You need shockingly little to start a game store, it turns out. Stores open all the time with a handful of folding tables and a binder of *Magic* cards. There are parents who think opening a game store would be a great experience for their young offspring, so they fund a hole-in-the-wall store in a sketchy part of town with a month-to-month lease.

The game trade has a lot of problems, but a high barrier to entry is not one of them. Anyone can start a game store without much money or experience, or even literacy. There are few books on starting a game store and there is no market for consultants for starting a game store. That's because anyone can do it and gamers — who comprise the vast majority of game store owners — don't like people telling them how to play. So don't let me hold you back.

You could certainly start a hole-in-the-wall store, but I have to ask, why would you want to? Just because you *can* do something doesn't mean you *should*. That low barrier to entry in starting a game store is actually a trap. Without proper planning, proper financing, and a clear vision of what you want to personally accomplish, the danger is not that you'll fail at starting a game store. You would be lucky to fail. The real danger, the trap that will freeze your potential in carbonite, is that you'll somehow succeed.

This exact thing happened to me with my first business. I was the co-founder of a magazine called *CyberSangha*, a publication about Buddhism and computers that spontaneously sprang from the BBS era, before the web was popular. After two years of publication, including getting nationwide distribution in Barnes & Noble and Borders, I finally got around to speaking with an industry

veteran who understood the numbers. Because my partner and I had no business plan and weren't properly capitalized from the beginning, we had failed to invest enough initially to establish a strong circulation.

We were two years in with what was essentially a binder of *Magic* cards and some folding tables. Oh sure, we could have continued publishing, but nobody would ever be a full-time employee of that business. The business foundations were fundamentally flawed. That's the danger of an improperly planned business. You can do it, but done wrong, it's more a burden than a boon, sticking you with a wicked sunk opportunity cost when you could have been doing something else, or better yet, doing that same thing but properly.

This book takes the position that if you want to start a game store, or any small business, you should plan to do it right. Most endeavors in life have a clear-cut success or failure to indicate whether you've made it or not. Running a game store doesn't necessarily give you that important feedback.

Doing it right means establishing your personal goals first and then building the business around those goals. The lucky ones who haven't properly planned will fail early. To truly screw up your life, your small business will linger on, almost but not quite making it. That's a terrible position to be in, let me tell you. A successful store will not only stay in operation, it will meet your personal financial goals. If you want to take a vow of poverty, join a religious order. If you want to run a small business, start with your financial goals.

We'll discuss a clear concept of success. Specifically, we want you to make a comfortable middle-class income. But we'll also talk about a clear idea of failure, with an exit strategy. It's important to develop an exit strategy, your personal definition of failure. Your friends and loved ones will be more willing to support you and your small business goals if they know you won't be going down with the ship, taking them with you. Draw a line in the sand in the beginning and don't cross it. Will you use credit cards? Will you lose the house? Know your limits.

One of the key ideas behind this book is that you'll start a business with grown-up financing, rather than on a shoestring budget. Anyone can start this business on a shoestring budget, as I mentioned. That's not how you succeed in this field. This approach assumes you have access to capital, which we'll discuss later.

Some veterans will scoff at this "big money" approach. There are successful game industry veterans who will tell you they started their store with some folding tables and a binder of *Magic* cards. That they did it on a shoestring budget.

Those people have great stories. They should write books too. However, they are outliers.

There is very little luck in small business, so these outliers clearly worked hard, learned the trade well (many before they opened), reinvested continuously, and made something of their stores after a number of years. Over coffee, they might tell you how they wish they had done it differently, how they wasted years of their lives fumbling around, but I don't want to take away from their success. However, you can't plan to be an outlier. My hope is that you'll succeed in a more straightforward fashion, hopefully saving you a lot of time, pain, and awkward coffee conversation later.

This book includes many of my own stories about how I started and ran my store over the last 14 years, including the last 11 years I've also spent blogging about the industry. These stories include mistakes, some personal sacrifice, and some unusual, sometimes singular factors in my survival and success. My store, Black Diamond Games, has been around for 14 years and now does a million dollars a year in sales.

My store is probably in the top 10% of stores nationwide by revenue. I say probably because there are no reliable statistics in this trade, no data widely available, just what one learns from one's peers. A million dollars might sound like a lot. However, as I write this, I've got \$682 in the bank and an \$8,000 rent payment due in five days. I don't know how we'll pay it, but we'll find a way. "We'll find a way" should be our motto.

# Build the Store Your Community Deserves.

Tabletop gaming is on the rise. If you love games like *Catan*, *Magic: The Gathering*, or *Dungeons & Dragons*; like the sound of being your own boss; and are willing to dive deep into what it takes to build a successful business, then this is a book for you.

In these pages, you'll learn what you need to know to build a store that doesn't just sell games, but creates a community where games are beloved:

- A detailed look at your store's startup costs, and why starting off undercapitalized is worse than not starting at all.
- An exploration of your store's unique value proposition, and why Amazon will eat your lunch if you don't have one.
- A sober examination of why you should think twice about hybrid stores with cafés, coffee shops, or bars.
- Inventory management 101: your open-to-buy budget, turn rate fundamentals, sales per square foot, and more.
- Running in-store events, hiring and managing employees, and navigating social media.
- But most importantly, how your game store can provide you with a reliable, middle-class income.

Among this down-to-earth advice, Gary Ray shares the stories of his years running Black Diamond Games. From the moment he realized he was going to leave his IT job, to the third-year move necessary for the store to keep growing, to the time he forced his lender to renegotiate his mortgage. Even if you don't want to open a game store, you'll appreciate these stories about what it takes.

Do you believe in the power of the friendly local game store? This is the book for you!

