

TSR Games has the hottest game in the country. Management wonders, "Is it another Hula-Hoop?"

Dungeons and dollars

By Geoffrey Smith

Dungeon Master: "The halfling guarding the door reports hearing slithering noises outside."

Player: "I hear slithering noises!"

Caller: "Let the elf try to open his secret door. Halfling, spike that door of yours shut!"

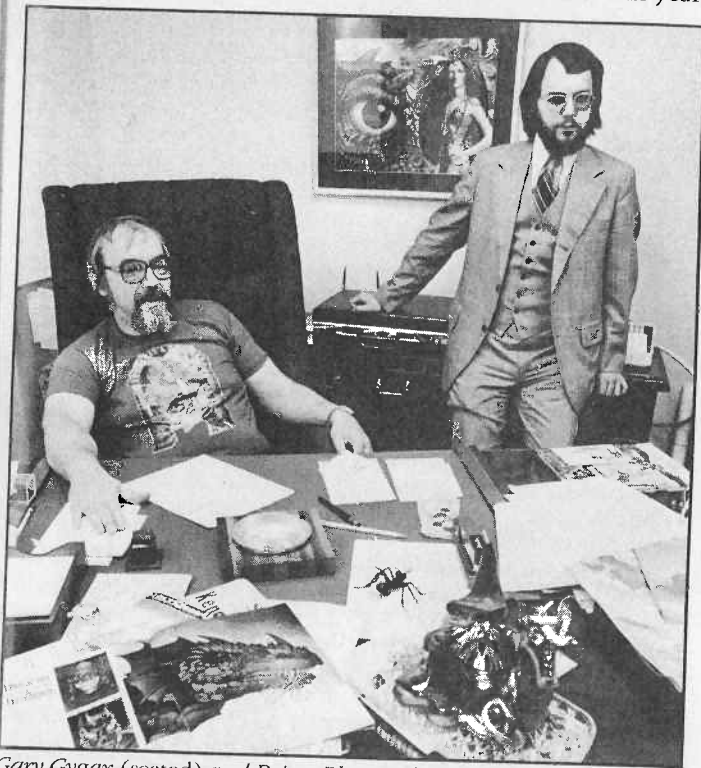
Dungeon Master: "The elf opens the secret door. It's a dark passage, only 3 feet wide, running straight north."

Caller: "See anything?"

Dungeon Master: "He sees a gelatinous cube filling the passage 60 feet ahead."

No, that's not from the movie script of *Lord of the Rings*. That's what it sounds like sitting in on a game of Dungeons & Dragons, the hottest game in the nation right now.

Dungeons & Dragons and its host of imitators in the "fantasy role-playing" field (Tunnels & Trolls, Chivalry & Sorcery, RuneQuest, Arduin Grimoire) will gross \$20 million this year,



Gary Gygax (seated) and Brian Blume of TSR Games
"Nobody's ever had anything this hot. . . ."

according to game industry experts. That's a fair amount of money for a game that requires just dice and a rule book and can consume hours a day for as many as 18 avid players. The creators of D&D, TSR Games of Lake Geneva, Wis., founded on just \$1,000 in 1974, may walk off with one-third of that \$20 million. Next year they expect triple the sales volume if, as seems likely, the game keeps spreading like wildfire in the college age, teenage and subteen set. In addition to a flurry of supplemental "modules" (dungeon settings) coming out under their Merlin trademark, TSR President E. Gary Gygax and Executive Vice President Brian Blume are already at work on an electronic game version with Mattel ("It's really fun!" says Gygax, eyes sparkling). In the wings is the movie version with Twentieth Century-Fox, if all goes well.

A gelatinous cube, by the way, is a comparatively tractable "first level" wandering monster—although you wouldn't think it at first from its resume, which comes with the game:

Move: 60 feet/turn

Treasure Type: variable

Hit Dice: 4

Attacks: 1

Armor Class: 8

Damage: 2-to-8 points

These monsters are shaped like cubes 10 feet or so on a side. They move through rooms and corridors of dungeons at 60 feet a turn, sweeping them clean of all living and dead material. In the process they may pick up indigestible items like gold and gems and carry them within their bodies. Flesh that comes into contact with the cube is anesthetized unless a saving throw against paralysis is made. The touch of the cube causes 2-to-8 points of damage as the creature seeks to devour its victim. The gelatinous cube reacts to fire and normal weapons but not to cold, lightning or most spells.

A mantichore, on the other hand, is often somewhat trickier to handle—being considerably more mobile and armed with projectiles:

Move: 120 feet, fly 180 feet/turn

Treasure Type: D

turn

Alignment: lawful evil

Hit Dice: 6 + 1 hit point

Attacks: 2 claws + 1 bite

Armor Class: 4

Damage: 1-to-6 each

A huge, lion-bodied monstrosity with a human face, dragon wings and a tail full of iron spikes. There are 24 spikes in a mantichore's tail and they can be fired, 6 at a time, like crossbow bolts with a 180-foot range. Their favorite prey is man.

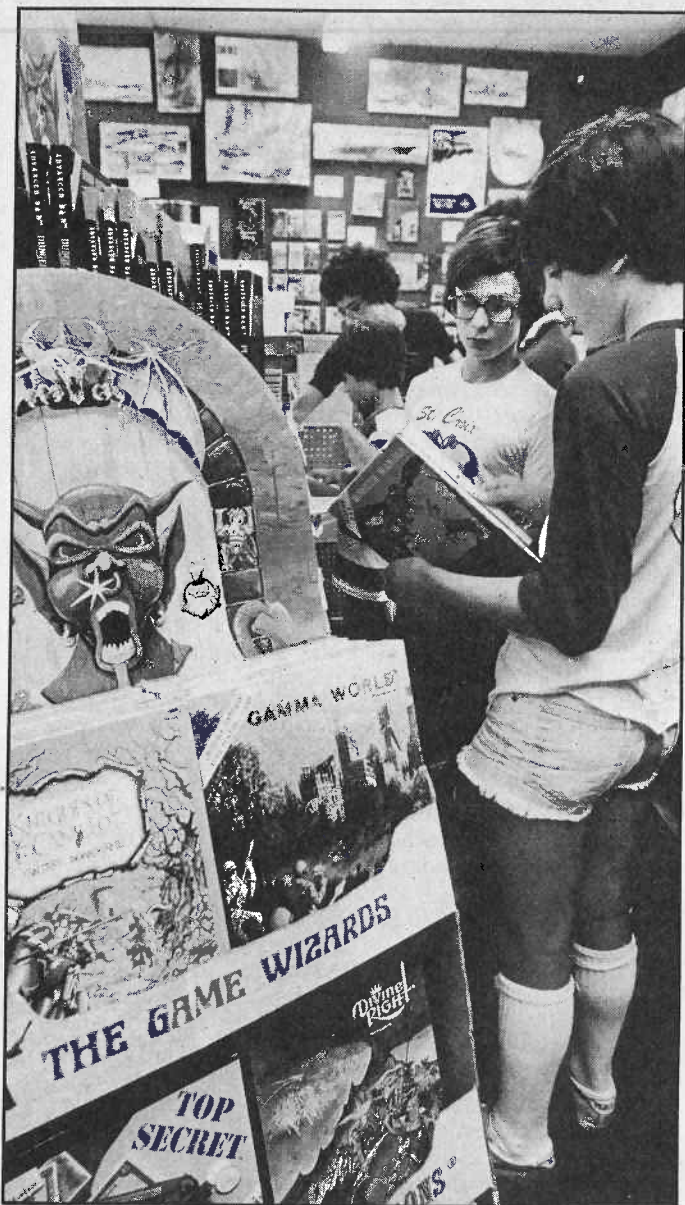
But even a mantichore has to take a backseat to a dragon, of which there are 4 different species (12 at the advanced level): white, black, red and brass—brass being the worst. Red dragons breathe fire over a 90-foot range in an expanding 2-foot-to-30-foot cone, for example, whereas brass dragons spew sleep and fear all over the place. Being intelligent creatures, however, dragons can be negotiated with on occasion. And, of course, the risk/reward ratio is affected by their age. Older dragons (100-to-200 years and up) obviously have more treasure, as well as more bite.

Complicated? That's not the half of it.

Players become fighting men, elves, dwarves, magic users, clerics, halflings or thieves depending on the weighting of six basic abilities (strength, intelligence, wisdom, constitution, dexterity and charisma) as determined by three six-sided dice. High dexterity, for example, makes a good thief even if the character has the intelligence of a young earthworm. Magic users have to be exceptionally bright, but may not be able to lift a battle-ax.

Another dice roll determines "hit points," the amount of physical punishment a character can endure without dying. Hit points can be restored, if the blow is not fatal, by clerical healing spells, potions and rest. Armor, of various gradations listed in an "armor class" table, helps, too. So does successful "experience" in monster-killing.

Roll the dice again and you get a look at a character's pocketbook. After all, he's got to buy equipment, ranging from, say, a halberd (7 gold pieces) or a flask of wine (1 gold piece) to



Shopping for modules at TSR's "Dungeon" in Lake Geneva
"This seeping horror resembles wet stone. . . ."

horse armor (150 gold pieces).

Then you've got to master five behavior patterns that give "character alignment"—lawful good, chaotic or unpredictable good, lawful evil, chaotic evil or just plain neutral.

For the "Dungeon Master," who alone sees a complete map of the dungeon layout and who orchestrates most of the variables in this fantasy world, there are slews of tables setting forth the odds of such things as combat and the price of goods. Does he want to introduce a little monstrous excitement on the third subterranean level of his dungeon? He rolls the dice. If it comes up seven, it's a doppelganger. If it's an eight, it's the ever-popular Grey Ooze ("this seeping horror resembles wet stone. . .").

Then there are tables for magic spells (which don't always work), thieves' abilities and ranges at which various hurled weapons are effective. At the advanced level the list is seemingly endless.

For all its complexity, D&D encourages all manner of experimentation. Alex Smith, president of the Quogue (N.Y.) Gaming Society, which is devoted mainly to the proliferation of D&D, has personally created nine or ten "dungeons" including such notables as the Caves of Chaos, the Tomb of Valula and Shrine of the Sahooagan (a noxious water beast). He concedes

that learning D&D wasn't exactly easy. "It took a long time, maybe three weeks," says Alex, who is 12½. "There's a lot of math to it, like the armor class system. But it was fun." This is the more surprising since his parents attest that Alex has never been what you'd call a zealous student. It's just that studying D&D was fun. In fact, if you ask him what sets Dungeons and Dragons far above the also-rans in his estimation, his answer is surprising: "D&D has much more detail."

"Much of that detail went in there because the players wanted it," agrees Gary Gygax of TSR. "Read the herbs and spices chart in the *Dungeon Masters Guide* sometime. That was one of the hardest things to do. I read all the herbalist journals, everything I could get my hands on. You see, every player at some point, particularly if he's a Wizard, decides he's going to start manufacturing his own potions and making his own magic items. This used to make the Dungeon Masters angry because there was no guideline for that. So we had to do something to make it easier for the DM."

Put simply, Gary Gygax has created a completely new type of game. It is a game played entirely in the mind as 2 to 18 players pit their imaginations against one another, each juggling countless variables, weaving his own myth of fortune and survival that takes days, weeks, even years to play. (Games like Blackmoor in the Twin Cities or Mistigar in Los Angeles have been going on for well over a year now.) Characters evolve with experience and quickly learn the value of teamwork. A sword-swinging tyro almost never wins a D&D game if he tries to go it alone. Says Gygax: "This is really the first commercial attempt to provide a game where the players can really use their imaginations and ingenuity freely. If you run into a dragon sitting on a pile of treasure, you can attack it and attempt to slay it. You can try to negotiate with it. You can use trickery. You can run away if you don't think you can handle it, and maybe come back another time. . . ." Or you can get unlucky and be burned to a crisp by its breath.

As a commercial venture, Dungeons & Dragons was equally inspired. It started out as a half-serious labor of love. Gary Gygax was a bored insurance underwriter and inveterate games player. His particular passion was writing war games for toy soldiers, called Miniatures Rules in the trade, just as H.G. Wells had done. One day Gygax dreamed up, and wrote down, a sort of war game not confined to historical reality at all but rather a mythic fantasy game that would draw on his extensive reading of such tomes as *Arms and Armor* and the *Welsh Wars of Edward I* and much fantasy fiction. He called it Dungeons & Dragons. But there were no takers. Two game companies, including Avalon Hill, king of the war games, turned it down as it was too complicated and open-ended.

That might well have been the end of D&D. But then Gygax lost his insurance job. That shocked him into asking himself what he really wanted to do with his life. The answer was the impossible: earn a living from creating games. Convinced that D&D was fun, he and a friend chipped in a grand total of \$1,000 and called themselves, rather austerely, Tactical Studies Rules. To keep food on the table Gygax opened up a shoe repair shop in his basement. "As a boy I loved to go to the shoe repair shops and see all the machinery," he explains. About a year later a tool-and-die journeyman from Chicago named Brian Blume joined the partnership. Blume was also an inveterate gamesman. "Everyone had another full-time job," says Blume, "because if you've got to try to make a living out of a business with no capital, you just stand an excellent chance of driving it into the ground."

Trading on his extensive contacts in the hobby field, Gygax soon was able to generate enough sales in the colleges to incorporate in 1975 so that he and Blume could work there full time. He has since applied the role-playing, probability-balancing game concept to espionage (Top Secret), science fiction

(Gamma World) and the Wild West (Boot Hill).

A mischievous grin spreads across Gygax' bearded, Merlinesque face at the mention of Boot Hill. "In Brian's last Wild West campaign he got angry and quit in disgust because his character was a gunslinger and all of the rest of us were playing an economic game. I had a stagecoach line and was looking toward building a railroad. Everybody was working. Nobody would gunfight with Brian."

"Well, I just didn't have time enough to pursue it," says Blume a trifle testily.

It didn't take long before Gygax and Blume began to see weak spots in the sales appeal of Dungeons & Dragons. One was the sheer amount of time it took just to prepare for a game—say four to five hours, much of it spent creating a "dungeon." Another drawback was that many potential players, lacking Gygax' rich inner fantasy life, needed to have their imaginations stimulated. The results were such D&D follow-ons as *The Dungeon Masters Guide*, the *Players Handbook*, a lavishly illustrated *Monster Manual* and *Gods, Demigods & Heroes*, plus ready-made fantasy dungeon settings called "modules" with such names as Vault of the Drow and Glacial Rift of the Frost Giant Jarl. There were also some unnecessary but appealing player's aides. An enthusiast who buys one of each, say, has parted with well over \$60, on top of \$10 for the least expensive edition of the game.

Is Dungeons & Dragons the Hula-Hoop of the Eighties? Already the median age of new buyers has dropped from college age only two years ago to Alex's 10-to-14 bracket. Does that mean saturation has set in? Gygax and Blume think not. D&D, they say, will last 50 years or more. Maybe so, but TSR is working feverishly to strike while the iron is hot. In addition to the D&D modules and manuals, there is a vastly simpler board game in the works for much younger

players. Then there is the electronic game and the hoped-for movie. ("A properly done movie should be a training film for the game," says young Blume earnestly.)

Translators have been hired to promote overseas sales. A direct-marketing staff is being hired. Television advertising is in prospect. A 15-person product development department is hard at work adapting the D&D role-playing game concept to educational supplements in such areas as remedial reading and mathematics. And TSR is contemplating integrating backwards into printing.

"If we acquire printing facilities we may have to see about some bank financing," says Blume. "Up to now we've basically been pay-as-you-go."

But the volatile toy and hobby business doesn't top the popularity charts with conservative bankers, does it?

"You can say that again!" snorts Gygax.

Would they consider going public?

"Not if we can avoid it," Blume replies. "Look, if we leave everything exactly as it is and don't try for all kinds of expansion activity, we're fine. We can handle this rate of growth with our earnings."

But TSR is trying all kinds of expansion. Isn't that the classic blunder in the toy industry?

"Yes, I think companies in the game industry that fail are ones that try to expand too fast," says Blume.

"Well, no, there are some that fail because they have a bad product or because they fail to realize their potential," Gygax interjects.

It's a decisive moment at TSR. Dark corridors stretch off in the distance in several directions. Brian Blume looks over at Gary Gygax almost as if he were rolling the dice in his hand. "Nobody's ever had anything this hot . . .," he says, peering in vain down those corridors. ■

Not long ago Wayne Harbin didn't have time to do much with Marathon Manufacturing's tank-car division. Then Marathon gave him the time by kicking them both out.

Tale of two castoffs

By Phyllis Berman

IT WAS, IN EFFECT, a vote of no confidence: Marathon Manufacturing Co.'s board was deadlocked seven years ago, 6-to-6, over whether to keep CEO Wayne Harbin, whose fixed-price contracts on semisubmersible drilling rigs would land the \$252 million conglomerate with a \$19 million loss in fiscal 1973 when costs skyrocketed. Harbin, near 50, resigned, well aware that he had sown the seeds of his own downfall when he acquired Houston's Mischer Construction Co., putting an adversary on the board

who eventually forced his ouster.

To be nearly 50 and out of a job for the first time wasn't pleasant. But to Harbin's credit, he spent no time sulking. He avoided the dropout route of becoming a consultant and proposed instead to buy a Marathon castoff: an operation that assembled tank cars for sale and lease to petrochemical and chemical companies.

Today that has grown to be Richmond Tank Car Co., which made \$6.4 million on \$109 million sales last year and is likely to do a good deal better than that in 1980—an estimated \$19 million profit on \$220 million sales. But getting his

hands on Richmond took some doing.

"Marathon's board gave me 30 days to raise the \$9 million purchase price—\$8 million for the assets and \$1 million for working capital," says Harbin. He got Houston's Bank of the Southwest to put in \$3 million in five-year revolving notes—provided Harbin raised twice that much in subordinated debt or equity capital. "Then I asked American General Corp. for another \$3 million on a 15-year loan," he goes on. "They agreed if I made \$1 million of that convertible to common."

Armed with the bank credit and the long-term money, Harbin went hat in hand looking for nine old friends to put in \$300,000 each—just as he had. "I simply told them I was putting up money on the same basis I was asking them—hard cash," he says. "They knew I had enough Scotch blood in me that if I were putting up my own money I thought we had a chance." He soon found nine friends to come in, each of their \$300,000 investments is worth something like \$8.6 million now.

Why Richmond? Because, says Harbin, he thought tank-car sales and leasing could be profitable and fairly easy to run. Then why didn't it succeed at Marathon? He shrugs: "Marathon was having other problems, and that's what I was concentrating my energy on.

"We've done very little innovation," he goes on. "You know, tank cars go all