NEW WAYS TO PAY FOR 3D TOOLS

As budgets tighten, software providers are shaking up their pricing policies to serve the industry better, explains *Tom May*

Apart from being 3D software providers, what do The Foundry, Pixar, Side Effects, Adobe, Unity and Unreal have in common? They're all part of a pricing revolution that's radically changing the way we pay for the tools we use.

"The biggest change in pricing models recently has been the introduction of rentals," says Tim Flett, sales

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director for Escape Technology, a London-based reseller of digital software. "Firms such as Autodesk, The Foundry and Adobe have all seen increased demand for this flexible licensing model."

This is making high-end tech more affordable for smaller studios, he adds. "Subscriptions give customers access

A full-featured version of Nuke is now available for free for non-commercial purposes

to the latest versions, maintenance and support. Startups can scale the technology around the work they have coming in and collaborate more easily with external studios."

Another game-changer has been the release of free versions of paid-for software. The Foundry now offers a free non-watermarked version of Nuke, which enables artists to become experienced with these tools in a non-commercial environment. Pixar's done the same with RenderMan. And a full-featured version of Unity 5 is available for free, as long as you make revenue of less than $100,000 (approx. £65,000) or have less than that amount in funding.

Bucking the trend

So what's behind these trends? A big factor is the increasing number of new entrants to 3D, adds Alexis Khouri, VP of strategy and sales at Allegorithmic, which has recently introduced a new pay-monthly option for its tool, Substance Designer.
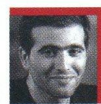
"More and more people are transitioning from 2D to 3D and want to use the best tools available," he explains.

"They often have very tight budgets, or no budget at all. So addressing indies, hobbyists, wannabe game developers is now a priority for any software vendor out there."

But it's not just the small studios who are looking to save cash – so are the major studios, says Richard Lewis, CEO of render management experts PipelineFX.

"VFX studios are requesting licensing that provides software as an operating expense that matches their projects' timelines," he reports. "Our customers generally have perpetual licenses for all of their in-house dedicated render nodes and their desktops. But for short-term peaks they prefer renting both hardware and software. So we've added subscription licensing to respond to that preference."

As technology makes new services possible, so expectations are raised, says Paul Snell, Escape Technology's general manager.
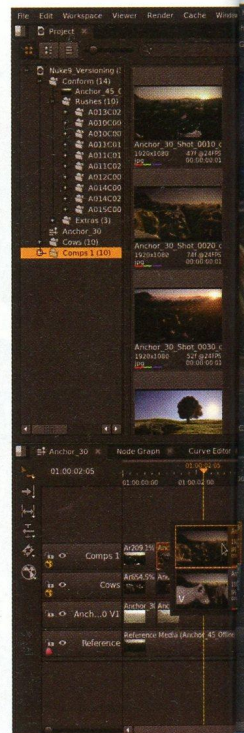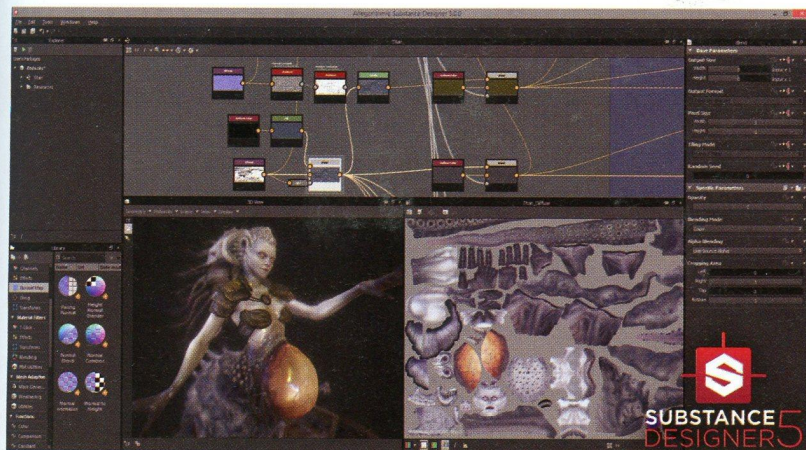
"Virtualisation in the industry and GPU are enabling more cloud-based services to appear," he explains. "In

Allegorithmic recently introduced a new pay-monthly option for their tool, Substance Designer

response to this, licensing models have had to change. Over time consumer expectations have changed as well. We've come to expect everything to be a service. We don't just want the tool; we want support and maintenance included in the package as well."

Benefits of scalability

For many, the logic of renting is inescapable. "Think of it like choosing where to stay in a new town," says Richard Lewis. "If you're only in town a few nights, you get a hotel room. If it's six months or more you rent an apartment. If it's staying several years, you'll want to buy."

It's the same with render capacity, he believes. "You should purchase render management licenses for on-premise render nodes and desktops used for rendering. You should lease or rent servers, connectivity, software and render management licenses for short-term projects of three months to two years.

"And now we have the Cloud available for the very short-term requirements that may occur if a project gets behind or there is an emergency rendering requirement." Of course, for some the best way to save money is to use tools that don't cost a penny, even for commercial use. For example, Unreal Engine 4 is now available to everyone for free, and all future updates will be free too. And then there's the open source tool, Blender, which continues to improve year on year.

"Besides the obvious benefits of being open source, Blender aims to be just as good as any other product," says Ton Roosendaal, chairman of The Blender Foundation. "To make this happen, the various Blender initiatives (the Blender Foundation, the Blender Institute) employ eight to 10 people already, in full-time, paid jobs. In some ways closed programs are quite a lot ahead of Blender – big budgets, big paying clients – but the gap is getting narrower every year."

So could the pricing model of the future, at least one day, be 'everything free for everybody'? Here's hoping…

FYI *For more details of the best free 3D software, visit* **www.bit.ly/198-free**

Nuke is described as being for "anyone who wants to learn, explore and have fun with Nuke", but there are a few restrictions

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"There is a chance that 'free' will become the norm and that it's all going to be about monetising communities and offering great value in return. However, there might also be a backlash similar to what's currently happening in the Free-to-Play games field. Lots of people are now coming back to more traditional models, where you pay an up-front fee once for all, without having the impression they're being milked in the long run."

"Despite the many advantages to rental licensing it's not currently addressing growing concerns around IP protection. You'll find these days that, in an effort to better protect themselves from leaks or hacks, studios and large manufacturers enforce air gap or air wall solutions to the infrastructure within their facilities – better securing their IP in the process. For these companies cloud-based solutions aren't an option so software manufacturers should continue to offer traditional license models that don't require an Internet connection. Largely the future for software will be subscription models or site licenses for the larger studios. Pay per use is also on the horizon, as soon as the billing infrastructure and predictability is in place."

"Customers are always looking for flexible licensing models. In the coming years we will see more consumption-based licensing where you pay as you use it – like electricity. We will also see value-based licensing which charges a customer based on the results produced by the software. Examples could be the number of successfully rendered frames or the total CPU minutes managed per month. Metered licensing is also on the horizon, perhaps as fine-grained as 'by the minute'."