

Sage Helps Entertainment Company Control Costs and Improve Performance

Namco Cyberertainment Inc., the largest video arcade operator in the United States, is a subsidiary of Namco Limited of Japan—maker of the popular Pac-Man, Tekken, and Soul Blade games. With more than 500 stores, it had become increasingly difficult for Namco to provide managers with the data they needed to measure and analyze store performance.

“We were using a top-down planning process at the corporate level, but we lacked the resources and access to data that would allow us to develop detailed budgets at the store level,” says Michele Waltz, controller. “In selecting and implementing the right systems and tools, we needed the flexibility and ease of use that would allow us to achieve a more sophisticated planning and budgeting process—without adding more staff.”

“I liked what I saw [in Sage Budgeting and Planning* and Sage Allocations]—particularly the tight integration with the general ledger, and the intuitive, templates in a format similar to Microsoft® Excel®, in which we could preconfigure with our corporate assumptions, data, and customized formulas,” says Waltz.

Do More With Less

Resources to budget at the store level were limited. As a result, district and general managers—with upwards of 60 stores to manage in their region—had difficulties tracking and analyzing store performance. At a corporate level, management lacked insight into which stores were underperforming, or why certain stores were doing well. “In light of our rapid growth and other challenges, there was simply no time to provide our managers with this level of detail on a monthly basis,” says Waltz.

*Sage Budgeting and Planning was named Sage Active Planner when Namco Cyberertainment Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer

Namco Cyberertainment Inc.

Industry

Entertainment

Location

Bensenville, IL

Number of Locations

500+

System

Sage Budgeting and Planning

Sage Allocations

Challenge

Namco Cyberertainment lacked the access to data and resources required to develop detailed budgets for each of its 500+ stores, but needed to do so without adding more staff.

Solution

Sage Budgeting and Planning and Sage Allocations were selected because they integrated with the General Ledger, provided access to data that wasn't previously available in the planning process, and could be customized to meet their needs.

Results

Sage Budgeting and Planning has improved management control and simplified the budgeting process. Sage Allocations has reduced the cost allocations process to a ten-minute cycle—while improving results.

A Customized Budgeting and Planning Solution

Today a set of linked Plan Sheets is created for each store. The Plan Sheets integrate directly with the General Ledger to ensure data accuracy. Preconfigured and easily customizable formulas simplify budget development. Each Plan Sheet is unique and flexible and can accommodate variations from store to store, depending upon what managers need to see, such as openings, closings, remodels, or special promotions. Sage Budgeting and Planning simplifies the process for distributing the right Plan Sheets to the right budget owners and provides a secure method for obtaining their input without compromising the integrity of the underlying budgeting model. Store budgets are then easily consolidated to create a companywide operating plan.

"With Sage Budgeting and Planning, I'm amazed that one person can produce detailed monthly budget reports for more than 500 locations. This is an incredible tool that has not only improved management control, but has simplified our budgeting process," says Waltz.

Easily Allocate Expenses Across the Organization

More recently, Namco Cyberentertainment began using Sage Allocations to measure resource consumption accurately.

"Sage Allocations greatly simplifies how we allocate certain expenses across the organization and helps us save a tremendous amount of time. We're able to allocate group insurance, for example, based on salary percentage per location, or certain overhead and promotional expenses based on revenue percentage per location," comments Waltz. "What I like most is that it saves us a tremendous amount of time—it now takes about ten minutes to perform our cost allocations. This product creates journal entries, eliminates user error, and I can automate allocations consistently across all companies. We don't know of another software package that can do all this."



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About Sage

Sage is a leading global supplier of business management software and services for small and midsized businesses. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs more than 12,600 people and supports more than 6 million customers worldwide. For more information about Sage in North America, please visit the company website at: NA.Sage.com. Follow Sage North America on Facebook, [Facebook.com/SageNorthAmerica](https://www.facebook.com/SageNorthAmerica), and Twitter, [Twitter.com/sagenamerica](https://twitter.com/sagenamerica).

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Controller
Namco Cyberentertainment

Performance-Driven Accountability

Namco Cyberentertainment's new budgeting and planning process is not only more comprehensive, but also simpler and faster, with the entire annual budget cycle reduced to two weeks. New monthly reports provide an unprecedented level of insight and control, resulting in an ability to align the long-term planning process with performance goals.

"It is now possible to provide managers with the ability to measure, plan, and improve, and the result has been huge cost savings," claims Waltz. "In addition, we are now able to create consistent performance goals for the company. As a result, we can tie management compensation and incentives to results. This has greatly increased motivation and accountability among our district and regional managers."