

Animaccord Adopts Mediabox-RM Financial Module and Reports Its Most Profitable Year on Record

The company collected \$100,000 in outstanding CMF in the first year and lowered bad debt from 10% to 4%.



AN OVERVIEW

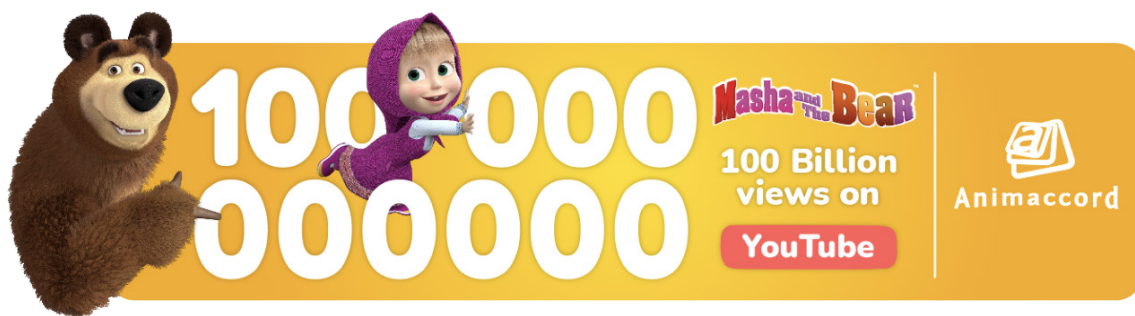
Animaccord is an award-winning Russian entertainment company best known for its core property Masha and the Bear. Beloved the world over, the “Masha and the Bear” television series has been on the market for more than 10 years, and the brand’s record-breaking YouTube success boasts more than 100 billion views on that platform. (That’s as if every human being on the planet watched the show 12 times!)

Animaccord has built a strong distribution network to grow its properties. Along with YouTube, their distribution channels include media networks like Netflix, ByteDance, Apps/Games, Merchandise, Promo and Life Show.

They also offer distribution services to 3rd party brands like Cleo and Cuquin, Super Dino, Mika’s Diary, and others.

For media distribution and for providing licensed products to its global fan base, Animaccord works with more than ten agencies and sells IP rights to 400 licensee customers, worldwide.

In 2015, Animaccord began utilizing Mediabox software to manage their digital style guide assets (Mediabox-DAM) and product approval workflows (Mediabox-PA). In 2018, they added the contract management module (Mediabox-RM) to their software suite.



ABOUT ANIMACCORD

Established in 2008, Animaccord is an award-winning entertainment company which develops, produces, and distributes animated brands globally with a team of 200 professionals, and regional offices in USA, Russia, China, Poland and Cyprus. Thanks to its strong media presence, record-breaking YouTube performance, and a focused SoMe effort, Animaccord has brought its flagship series “Masha and the Bear” to over 150 countries. Our retail partners, licensees, and a network of international agents further empower Animaccord’s IPs via consumer products and promotions.

THE CHALLENGE

By 2019, Mediabox had helped streamline much of Animaccord's licensing business, but royalty and revenue management was still being done manually in Excel sheets. With 1,500 contracts and addendums to manage, internal processes were failing to keep up with the company's growing customer base and revenues.

At the time, Animaccord had a dedicated Excel file for each customer. For the team of three controllers, managing 300+ Excel files efficiently had become impossible. Processing the quarterly royalty reports took the team an additional quarter to complete, causing significant cash flow delays. Bad debt had crept up to about 10% of annual revenue.

0.33	202.40	4892.46	1.21	1.45	0.80	0.51	6.26	200.48	1.15	2.38	0.20	2.19	0.78	1207.77	0.55	169.07	1.26	0.48	7.81	14.76
0.64	566.25	1444.47	1.24	0.20	0.70	0.45	405.70	0.17	2.15	0.20	0.21	0.47	100.45	0.40	309.55	2.15	0.40	0.20	13.28	
0.04	575.21	1497.12	0.87	2.08	0.82	1.47	0.46	1004.24	2.46	0.40	0.41	0.27	0.08	502.70	0.70	840.00	1.40	0.46	1.12	10.41
0.06	45.81	1611.10	0.77	0.36	0.26	0.47	0.11	893.24	0.36	1.47	0.51	4.06	0.40	1106.70	0.30	100.26	1.52	0.40	0.20	0.45
0.09	489.27	1214.22	2.71	0.70	0.47	0.82	0.62	1729.78	2.15	0.13	0.06	1.27	0.80	1191.45	0.40	100.52	0.20	0.72	4.68	6.40
0.71	192.20	4000.10	0.80	0.20	0.20	0.40	1000.00	2.01	0.00	0.00	0.00	0.00	0.00	1000.00	0.00	100.00	0.00	0.00	0.00	0.00
0.46	6.42	101.84	0.28	0.28	0.74	0.40	116.40	2.00	2.07	0.00	0.04	0.76	476.10	0.30	177.30	0.24	0.10	0.20	0.20	0.20
0.86	262.41	1795.03	0.77	0.35	0.25	0.45	0.46	995.49	1.79	2.81	0.51	0.20	0.44	1941.12	0.34	940.00	0.20	0.36	3.64	4.14
0.02	189.41	442.00	1.10	2.04	0.41	0.14	15.42	2081.72	2.00	0.17	0.45	0.40	0.40	1493.86	0.41	889.82	2.13	0.48	7.44	0.40
0.20	92.47	1702.20	0.71	1.08	0.46	0.36	10.70	1003.00	0.36	0.44	0.44	0.40	0.40	1000.00	1.10	1.00	0.40	0.40	0.40	0.40
0.12	176.10	400.07	0.21	0.46	0.40	0.20	0.11	176.64	0.20	0.44	1.10	0.07	966.19	0.11	102.84	0.20	0.37	0.40	0.40	0.40
0.06	151.07	4431.10	0.36	0.10	0.44	1.01	0.46	181.78	0.36	0.44	0.12	0.75	0.88	875.84	0.14	100.08	0.20	0.47	0.41	0.41
0.50	150.70	1448.61	0.71	0.07	0.14	0.40	14.10	1003.00	0.71	0.27	0.33	0.37	489.70	0.20	131.10	0.40	0.36	0.20	0.20	0.20
0.47	101.48	489.76	1.08	1.42	0.38	0.20	0.83	999.01	1.08	1.47	0.21	0.26	0.38	1008.84	0.43	100.13	0.70	0.20	0.10	0.10
0.25	475.70	2113.24	0.72	0.10	0.14	0.40	1.71	1448.21	0.68	0.78	0.30	0.33	0.37	375.70	0.20	303.34	0.40	0.36	0.20	0.20
0.02	101.74	2001.00	0.70	0.40	0.30	0.40	1.70	2000.00	0.70	1.42	0.10	0.10	0.40	70.00	0.40	800.40	1.12	0.70	1.00	0.40
0.44	1033.24	4444.09	0.14	0.20	0.21	1.70	0.10	1184.89	0.15	0.20	0.28	0.40	888.11	0.30	1201.72	0.41	0.40	0.20	0.20	0.20
0.44	1033.24	4444.09	0.14	0.20	0.21	0.40	0.30	1734.89	0.37	1.25	0.05	0.20	0.02	0.40	0.20	444.88	1.62	0.36	0.40	0.40
0.01	401.42	4100.64	0.23	1.06	0.02	0.30	0.10	1040.67	0.44	1.23	0.10	0.17	100.00	0.07	242.44	0.20	0.40	0.20	0.20	0.20
0.00	1004.40	1017.07	1.14	0.20	0.20	0.40	0.40	999.70	0.36	0.76	0.40	0.20	261.20	0.30	1414.11	0.70	0.17	0.40	0.40	0.40
0.42	1072.16	4261.62	0.12	1.44	0.26	1.00	0.70	2203.11	0.45	2.01	0.20	1.26	0.40	1072.86	0.40	461.35	0.40	0.37	0.20	0.20
0.46	1065.12	2222.11	0.20	0.40	0.44	1.00	1.70	1002.87	0.52	0.21	0.21	0.40	205.70	0.17	814.44	0.27	0.10	0.14	0.40	0.40
0.41	1254.40	2020.07	0.20	0.21	0.76	0.40	2.00	200.72	0.78	1.27	0.27	0.12	0.10	106.16	0.20	400.80	1.40	0.07	0.40	0.40
0.44	1011.02	2623.25	1.82	0.50	0.54	0.20	12.56	818.19	1.09	3.70	0.48	0.44	0.74	1030.17	0.54	830.75	2.45	0.31	2.73	0.40
0.44	1017.44	1444.01	0.40	0.40	0.40	0.40	12.00	1000.00	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
0.47	25.25	1499.48	0.48	0.30	0.16	0.57	11.26	1060.01	1.04	0.40	0.78	0.47	0.71	1354.75	0.51	408.46	0.62	0.21	7.18	11.40
0.10	806.16	4611.40	2.62	0.20	0.23	0.20	1.42	2044.06	1.49	0.42	0.21	7.42	0.32	1208.05	0.40	203.00	0.16	0.44	0.40	0.40
0.74	1099.34	3200.37	0.14	0.40	0.31	0.40	0.40	2443.10	0.44	1.14	0.20	2.20	0.30	1024.07	0.30	89.00	0.10	0.30	7.44	0.37
0.37	1407.40	2176.40	0.41	0.47	0.40	1.40	0.40	1001.70	0.14	0.40	0.40	0.40	0.40	811.49	0.47	1144.00	0.30	0.40	0.40	0.40
0.20	1000.20	1000.00	0.44	0.40	0.40	0.40	0.40	1000.00	1.02	0.40	0.40	0.40	0.40	1100.12	0.47	210.00	0.40	0.41	0.12	0.20
0.40	1007.40	1007.40	0.21	0.41	0.44	0.40	0.10	1007.40	0.20	0.10	0.40	0.40	0.40	1000.00	0.41	1144.01	0.30	0.14	0.40	0.40
0.44	1000.00	8442.40	1.07	1.40	0.78	0.40	0.40	1000.00	0.40	0.40	0.40	0.40	0.40	841.47	0.40	1001.10	0.40	0.38	3.18	7.20
0.12	1001.20	1001.20	0.30	0.40	0.76	0.40	0.10	1000.00	0.32	0.20	0.34	0.70	0.30	212.00	0.12	1444.00	0.47	0.30	0.40	0.40
0.12	1011.01	1000.15	0.47	0.30	0.31	0.30	7.41	141.40	0.30	0.40	0.40	0.40	0.40	1000.70	0.40	1414.00	1.00	0.40	0.40	0.40

We faced the situation where internal processes failed to keep up with growing customer base and revenues.

THE SOLUTION


In March 2019, Animaccord brought Alexey Alexeev on board as their new Finance Manager. One of Alexey's first tasks was to set up the Financials section of Mediabox-RM, so Animaccord could begin accepting royalty reports and issuing invoices through the system, as soon as possible. Initial focus was placed on adding key accounts (the 20% of customers that accounted for 80% of the revenue), and then adding the rest.

This stage of the process included setting up payment types according to PL lines, from gross revenue to net revenue. For geographical division, they utilized the system's Contract Tags to classify contracts into six regions: WW, EMEA, APAC, CIS, South America, and North America.


The team's biggest effort was required for "truing up" the 300+ customer

account balances coming into the system. Contract True-Up is a necessary step when adding executed contracts that already have payment histories to Mediabox-RM, to adjust for advances, guarantees and royalties already paid by the licensee. Truing up the contracts ensures that when future sales/royalty reports are uploaded to Mediabox-RM, the system will correctly calculate MGs recouped, etc.

Next, Alexey introduced the licensees to their new process for uploading sales reports. Mediabox user manuals and video tutorials were helpful, plus Alexey prepared training materials in PDF format to provide to licensees. The Animaccord team offered online trainings for Russia and Commonwealth of Independent States (CIS) customers, and the Mediabox Support team conducted trainings for customers in the Americas and EMEA regions.



Mediabox cloud application has a very friendly user interface, therefore many customers understood the new reporting process from the user manuals.



THE OUTCOME

In the second quarter of 2019, Animaccord customers started receiving invoices from Mediabox. By the 3rd quarter, most customers had learned how to upload royalty reports to the system by themselves.


With account balances now in the system, Animaccord could target outstanding invoices and focus on reducing bad debt. In November and December, Alexey's team collected more than \$100,000 USD in overdue CMF (common marketing funds). 2019 became Animaccord's most profitable year.

Invoices for CIS customers were still being generated outside the system because of statutory requirements. So MyMediabox implemented a customizable invoice templates tool, which allowed Animaccord to create


invoice templates following CIS provisions. Beginning in 2021, 100% of Animaccord invoices came from Mediabox.

Mediabox-RM includes the option to attach documents with invoices and make them available for licensees. Animaccord attaches bank statements and all supporting documents, which facilitates cross-functional work and benefits internal and external auditing. Accountants instantly get revenue transactions and invoices from Mediabox.

In 2021, Alexey's team issued 1,200 invoices and approved 960 royalty reports, an achievement only possible because of the automation and licensee self-services provided by Mediabox-RM, and the professional team of controllers at Animaccord.



Mediabox has become a cloud workspace where most communication with customers takes place. Licensees have their own RM profiles. They can see their contract terms, royalties reported, and open and closed invoices. This transparency reduces the need for emails and phone calls.



THE BENEFITS



Key Benefits of Mediabox-RM



Contracts: Manage the full contract lifecycle and automate the workflow with customizable Contract Wizards and CRM tools. Structure straight and multi-tiered royalties and overrides. Set up advances and minimum guarantees that can be tied to dates, sales or units. Define deductions, exchange rates, groupings of rights, control over PA projects, and more. Automated collision detection prevents oversold rights.



Rights/Availabilities: Full control and visibility over available and sold rights by property, category, territory, distribution channel and language. Drill down to multiple sub-levels for granular rights. Show exclusive versus non-exclusive rights sold within a given timeframe and click through to the actual contracts.



Products: Complete inventory of ALL approved SKUs in one, centralized online location. Each product is connected to its contract, and licensees can provide product details including images, alternate SKU numbers, wholesale price, SRP and more.



Royalty Tracking: Licensees and Agents access the secure Royalty Portal to upload sales data. The application calculates advances recouped, MGs met, agent commissions and net royalty payments due, with automatic error reporting to flag discrepancies.



Financials: Approve, reject, or override pending transactions from contractual advances, minimum guarantees, and licensees' sales reports. Convert billable amounts to invoices including royalties due, agent commissions and ad hoc payments, then export the invoices or allow licensees to download them. Track payment statuses, with full visibility over system-calculated MG balances earned, outstanding and recouped.



Reporting: Build exportable, custom reports to reflect your company's unique data reporting requirements. Use filters you can save to narrow down results now and in the future.

THE IMPACT

Animaccord's efforts in 2019 to fully utilize the Mediabox-RM financial module paid off big in 2020 when the Covid-19 pandemic began. Licensing teams abruptly shifted to working remotely, but Animaccord was prepared. Mediabox is always available in the cloud and the process doesn't change, regardless of whether you work from the office or from home.

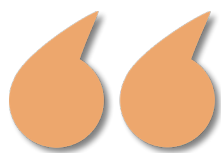
Despite global markets dropping during the pandemic, Animaccord's team did a lot to compensate for the revenue gap by leveraging Mediabox. As a result, 2020 revenue did not decrease, and actually matched 2019's record year. Bad debt dropped down to 4%.

And 2021 was another record year.



Monthly cash flow forecasting becomes simple and precise as it is based on open invoices due in the next month from Mediabox.

SOME FINAL WORDS



That's been our successful journey with Mediabox. Thank you very much to the Mediabox support team for providing professional guidance at every implementation stage and to software architects and developers for thoughtful and flexible design that covers all core processes in licensing business and delivers a great user experience.



Alexey Alexeev
Finance Manager, Animaccord



MyMediabox is THE Industry Leader in IP Licensing Software

125+ leading licensors and 9,000 licensees use MyMediabox platforms, making it the most widely tested licensing software in the world.

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