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Summit Entertainment

"SYBASE TECHNOLOGY IS SO RELIABLE THAT WE CAN OPERATE THE DATABASE ON A DAY-TO-DAY BASIS WITHOUT HAVING TO HIRE AN ON-SITE DATABASE ADMINISTRATOR."

– BILL CLUNE, CIO, SUMMIT ENTERTAINMENT

CUSTOMER CASE STUDY

INDUSTRY

- Communications/Media

BUSINESS ADVANTAGE

- Managing complex rights and distribution details, Summit Entertainment's iRights application allows the studio to focus on revenue-generating activities, expand its network and capitalize on opportunity without hindrance.

SYBASE TECHNOLOGY

- SQL Anywhere®
- PowerDesigner®
- PowerBuilder®

KEY BENEFITS

- Performs highly complex queries in reduced amount of time
- Removes reliance on client computation
- Tracks the week-to-week performance of its film titles in theaters around the world
- Provides a model for how a film distributor with a small IT staff can manage the complex world of film licenses

Entertainment, LLC is a worldwide theatrical motion picture development, financing, production and distribution studio. The studio handles all aspects of marketing and distribution for both its own internally-developed motion pictures as well as acquired films. Summit Entertainment also represents international sales for both its own properties and third-party products.

STAYING NIMBLE

A key element in the movie business is navigating the complex and different licensing laws and currencies across the world. Complicating matters are the ancillary businesses involved in the film-industry supply chain: studios that produce films; production companies; distribution companies and all the various film outlets, such as movie theatres and cable-TV operators, as well as DVD sales and rental operations.

To manage these demands, Summit Entertainment uses iRights, a software system developed by Gray Matter, LLC. The iRights solution handles international licensing, title availability, license billing, collections, and generates the wide range of reports required to support the activities of the company.

Together, Gray Matter and Summit Entertainment expanded iRights' core functionality and extended it to include cash management, accounts receivable, loan collateral and banking systems designed to handle the enormous volume of complex financial transactions processed by Summit. As the company scaled its business operations, it added international box-office tracking which tracks the week-to-week performance of its film titles in theaters around the world.

The systems also allow Summit Entertainment to stay nimble and adapt to an ever-changing film industry, particularly in television where services such as basic cable, premium movie channels, and super-premium movie channels have created a limitless amount of differentiation for viewers. This creates more revenue-generation opportunities but also makes the Summit iRights solution more complex.

Summit Entertainment's system provides a model for how a film distributor with a small IT staff can manage the complex world of film licenses. Helping Summit Entertainment grow into a dominant independent film production and distribution studio, the iRights system not only makes life easier, it has supported Summit's rise to prominence.

SCALING THROUGH HIGHLY COMPLEX QUERIES

Along with the programming and database expertise of Gray Matter, the Summit Entertainment iRights solution is powered by Sybase technology. Because of the scope of the applications and the database schemas which support them, Summit relies heavily on Sybase SQL Anywhere database to perform highly complex queries and procedures, removing reliance on client computation. Some of the SQL statements are extremely complex, but the functionality of the SQL Anywhere optimizer reduces the amount of time needed to tune SQL statements and adjust syntax.

This reduces development concerns about how the joins are constructed and how the database will perform. Response and speed across large data sets has been solid without any performance problems, and when Summit inputs a new film license, the system has the ability to cross-check it against all the other licensed rights for that title

to make sure there are no legal conflicts. Summit requires this level of intersection-matching within seconds, and iRights and SQL Anywhere allow the company to do this without special tuning. This kind of intersection search speed is unparalleled in film industry.

Underlying the database design and schemas is Sybase PowerDesigner. Used to model, develop and implement new features by enabling new or revised database schemas to be developed and implemented quickly, PowerDesigner is particularly helpful when converting production systems from one database schema version to another by generating the code to keep the data in synch with the database schema changes. PowerDesigner also simplifies implementation of Sybase SQL Anywhere declarative referential integrity, providing stability and consistency in Summit's databases.

Grey Matter also leveraged PowerBuilder to build object-oriented class libraries to facilitate application development and to control unit-of-work management in transactions. Application frameworks built on Object Class Libraries in PowerBuilder allowed rapid prototyping and implementation of new features with a high degree of reliability. The facility to quickly change data structures using PowerDesigner and revise applications quickly with PowerBuilder enabled rapid iteration and evolution of Summit's systems.

PowerBuilder also helps with Summit's complex reporting process by enabling flexible reporting via the PowerBuilder DataWindow and automation of Microsoft Word and Excel. The iRights system dynamically generates customized license agreements and invoices using Word and Excel and almost all reports in the system can be produced in Excel so that they can be annotated and custom-formatted.

This rapid application development process is a critical benefit since the film licensing industry is a complicated distribution system that requires constant changes and updates. During internal development, it was not uncommon to go through 50 data architecture changes from one production release to another, so speed and reliability of change were vital.

SMART MONEY MANAGEMENT

Summit Entertainment relies on iRights to effectively manage its business. This is particularly true when it comes to loan collateral, a crucial element of film creation and financing. Studios need to borrow money in order to finance the production of a film and need to work closely with banks to determine when and how much collateral will be available. This requires detailed information about the sales projections and ongoing licensing activity to be collected and presented to the bank. Then complicated formulae driven from this data determine how much money is available from the lender.

Most film-distribution management companies do this through spreadsheets and manual checks. But iRights fully automates the process: as a deal is made that affects a film sold under a loan, the deal is then reflected within the loan collateral as the payment comes in and is considered against the rules established by the bank. The payment might mean the film producers can now give 50 or 100 percent of the payment as part of the loan collateral so that money can be withdrawn and work on the film can continue.

Says Mimi Tseng, EVP Finance and Operations, "With successful films such as the Twilight series, we are seeing a large volume of licensing activity with the backend benefit of overages (royalties) that go beyond original expected up front license fees. We worked with Gray Matter to address this by building an expansive front-end banking system that tracks all money coming into, and moving through, myriad bank accounts necessary for our licensing and financing structures, as well as those of the producers we represent as a sales agent. Proper identification of money received can be a challenge with the large volume of banking transactions and often little information conveyed in bank wire reference fields. Our treasury staff can easily search the database from this front-end banking system from multiple search points to quickly identify where money is coming from, what license it is connected to, and which title it is associated with. Gray Matter has built a system so that we spend less time determining where money is coming from and can quickly focus on proper application as the data is pushed through our financial system and out to our end users."

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The iRights system reports also help assess international box-office results, DVD rentals and cable movie purchases and allow Summit to coordinate with local licensees on decisions related to advertising and distribution. For movies in theaters, distributors need real-time information on opening weekend results to determine if more advertising is needed and whether to expand distribution to more theatres. The information is needed quickly so the decisions to deliver advertising messages can be made soon enough to have an impact on consumer behavior during the following week. The moment the information is in the system, it is distributed so that marketing managers can immediately respond.

The daily cash reporting feature of iRights is another key benefit. This module logs all bank receipts so that as payments are received and bank transactions are recorded, the information is quickly distributed throughout the company to help with the day-to-day management of operations.

Ultimately, iRights also allows Summit to be more nimble and effective with minimal staff while managing international licenses, and it makes it easier for to give key performance indicator (KPI) information to film creators that show how well Summit is marketing and distributing their products. This then allows studios to identify better ways to produce and market films. Summit also gives movie producers reports on how well their movies are doing internationally from a viewership as well as from a cash-flow standpoint to more effectively manage the business of film producing.

Claire Cordary, Vice President Sales Administration explains, "From a Sales perspective, iRights from Gray Matter LLC has brought us into the 21st Century in such a convenient manner that even the novice is able to generate meaningful reports. Traditional databases go through a collection process using historical data that might be days old, a week old or even a month old because of the amount of effort required to collect and reprocess the data, but with iRights powered by the SQL Anywhere database, we have greatly benefited from the extraordinarily fast and accurate results. Furthermore, our empowered end-users are able to change deals, save them, and re-run the relevant availability report immediately. This prevents the next user that runs the report from working with outdated information. This has proven especially beneficial during our peak sales seasons and for our overseas staff who no longer are reliant on us for updates."

SUPPORTING A GROWING BUSINESS

Summit Entertainment's iRights system supports the business as it continues to grow. While many systems require end users to finish their functions manually, the iRights development process has always stressed the full automation of the tasks. In some cases, there may be opportunities that competitors choose not to pursue because of the complexity, such as a requirement to manage a film license across multiple continents. Summit, however, has been able to leverage the iRights modules to handle all complex license cases, while staying compliant with industry-imposed license rules.

Another aspect in which iRights gives Summit Entertainment a competitive edge is in determining film rights availability. Many systems give rough estimates, but iRights drills down into the complexities of multiple ownerships and complicated rules such as tracking of dependent events.

The speed of iRights allows Summit Entertainment to be exceptional; it can make decisions faster than other film distributors. Whether users enter data or run reports, iRights features customized screens so they see only the data they need to see during each process. The system has not experienced any downtime, and the flexibility of iRights means that only those data fields that each form needs for a specific license are shown. One license may need to be managed across multiple countries while another license may need to be managed across just one. Either way, iRights shows users only the pertinent information rather than including every piece of data associated with the license, slowing the process.

Grey Matter recently expanded the iRights accounts receivable module to support up to three currencies for one contract. This is important to film distributors when overages (royalties) need to be paid across multiple countries after receipts exceed what was guaranteed in the original contract. In one particular case, Danish Krone needed to be exchanged for Euros and then converted into U.S. dollars for the final accounting. This is now handled seamlessly within the iRights system.

The iRights ability to handle three currencies for one contract is unique in packaged systems for the film licensing industry and is an example of the system's flexibility, allowing Summit to handle every nuance of the industry. The three-currency requirement might occur in only five percent of all contracts that Summit processes, but underscores Summit's commitment to servicing all of its customers at the same high level. iRights can actually calculate currency exchange rates up to 16 digits, which is sometimes necessary when handling currencies, such as the Vietnamese Dong, for which contracts can run into the billions. For situations like this, iRights has scripts that modify the database on the fly.

Developing a global-scale system with limited IT resources, Summit Entertainment's iRights solution leverages smart technology choices, rapid development tools and a scalable architecture. Allowing this studio to eclipse its competition and provide stellar service to its customers.

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