



With \$6.5 billion in revenue and 5,000 stores in 16 countries, GameStop is the world's largest video game products retailer. Its unparalleled distribution and customer-focused business model affords GameStop a comfortable lead in this entertainment market.

When the company decided to pursue acquisition of a chief rival, it turned to Hitachi Consulting to help implement "Best Practice" Business Intelligence and Performance Management services.



Case Study: **GameStop**

Business Intelligence and Performance Management

Business Challenge

When GameStop, a leading video game products retailer, wanted to pursue the aggressive goal of acquiring chief rival EB Games, a company of equal size and with a substantial international presence, they knew they needed to address several key business issues critical to supporting the acquisition, including:

- The need for consolidated financial reporting and analysis of the combined companies. (merger due-diligence required a "merged" chart of accounts to support future expectations and financial analysis)
- Processes for post-merger consolidated financial reporting and close activities
- Standardized and automated budgeting and forecasting processes to support the reflection of sales goals and strategic initiatives
- The ability to support rapid access of daily combined sales results by executives

If GameStop succeeded in acquiring EB Games, it would boost their reach and gain them access to new geographical markets.

The Solution

GameStop selected Hitachi Consulting to help them address some of the most important acquisition concerns, including issue prioritization, best practice business processes, and technology implementation related to key processes and issues. Hitachi Consulting continued an ongoing consultative relationship with GameStop and during a three year period, conducted three separate, short-term engagements. Hitachi Consulting advised GameStop and provided technical and business expertise to develop and implement a variety of solutions, including:

- A flexible application structure to support the Finance department's mapping of general ledger accounts. This structure supported input of "planned" and "what if" numbers into the application, and creation of individual and combined company "pro-formas" based on expected performance.
- A planning process that supported parameter-based comp store revenue, store expense, allocations and by-person support staff planning for the entire corporation. This allowed GameStop leadership to set top-down goals by store category as well as have the goals allocated based on store age and performance parameters.
- Automated daily sales metrics and reporting for GameStop product categories which can be used daily by management to monitor impact of sales programs versus plan.

C Case Study: GameStop

Business Intelligence and Performance Management

Business Benefits

GameStop's goal of successfully acquiring and integrating a large competitor was supported by the ability to report historical and planned financial performance for each company, as well as the combined company in the same general ledger account and product structure. This supported GameStop leadership's due-diligence and business planning efforts that, in turn, set market expectations related to the acquisition. These plans were stored and later referred to when the companies were successfully merged. The same general ledger account and product reporting approach was used as an ongoing reporting tool when the two companies began operating as a combined unit.

After the combined reporting improvement initiative, GameStop and Hitachi Consulting focused on the second initiative—implementing budgeting and forecasting processes and application. The resulting system provided GameStop with an automated top-down sales and expense goal-setting process based on executive goals, and pre-set age and performance groupings for the 5,000 stores. In addition, support group and field management staff planning was standardized and automated.

The resulting decrease in time spent manipulating and validating data and the improved process has afforded GameStop's management team time to focus on more strategic activities.

Lastly, the daily sales reporting process supports the rapid consolidation and reporting of daily comp store goals and sales, and provides rapid insight into the impact of business decisions. These reports provide product grouping and by-store reporting.



About Hitachi Consulting Corporation

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, with operations in the United States, Europe and Asia, Hitachi Consulting is a recognized leader in delivering proven business and IT strategies and solutions to Global 2000 companies across many industries. With a balanced view of strategy, people, process and technology, we work with companies to understand their unique business needs, and to develop and implement practical business strategies and technology solutions. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting's client base includes 25 percent of the Global 100 as well as many leading mid-market companies. We offer a client-focused, collaborative approach and transfer knowledge throughout each engagement.

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