

# How Shaffer Entertainment Went Cashless to Realize Instant Profitability



#### Headquarter Locations:

- Columbus, OH
- Indianapolis, IN

Region: North America

Embed Customer Since 2009

#### Solution Highlights:

- Locations in OH
- Locations in IN
- 350 AIO Card Readers
- 202 SmartTOUCH Readers
- 20 Kiosks - (5) EMONE Kiosks
- 14 POS/Redemption Stations
- Manages 20 Punch Bowl Social Locations, each having 1 EMONE kiosk & 10-25 smartTOUCH readers

#### OVERVIEW

Shaffer Entertainment operates a diverse group of businesses, including bars and taverns, bowling centers, family entertainment centers, movie theaters and restaurants. For more than 30 years, strategic acquisitions have allowed Shaffer Entertainment to expand its footprint across the Midwest with additional locations in Indianapolis and Richmond, Indiana. Recently, Shaffer expanded its footprint even further by providing its services to corporate accounts located throughout the United States

#### CHALLENGE: REMAINING RELEVANT & PROFITABLE WHILE MITIGATING ACCOUNTING ERRORS

Shaffer started out operating jukeboxes, pool tables, and video games, as well as 450 cigarette machines, in bars, movie theaters, and restaurants 15 years ago.

Indoor smoking bans negatively affected the Shaffer's business, leading Shaffer to reevaluate their position and direction in the industry. "A lot of [Shaffer's] best customers also liked to smoke a lot of cigarettes, [so] what we didn't plan on was the loss of other revenue streams from jukeboxes and pool tables," said Andy Shaffer, President of Shaffer Entertainment.

This resulted in Shaffer taking the leap of faith and include family entertainment centers (FECs) among its business holdings. Shaffer started with an indoor water park, Fort Rapids Water Park in Columbus, Ohio. They then expanded, opening Rule 3 in Pickerington, Ohio, an FEC with a bowling center and a 60-piece arcade. After realizing their centers were hosting a lot of parties, and they were floating an accounting security risk by continuing to use coin operated games, Shaffer Entertainment decided to implement the Embed System. Solutions they purchased included: kiosks, range of game card readers, game cards, point of sale (POS) machines, a prize redemption system, and central games management software that connects all games across multiple FECs. They were



integrated by business software that enables clear business visibility, tracking and reporting.

**SOLUTION: SWITCHED FROM COIN SYSTEM TO EMBED'S CASHLESS SYSTEM**

Implementing the Embed System was not without reservation from Shaffer Entertainment's FEC operators. "One of the things the locations were nervous about was that FEC visitors were used to using tickets and tokens and making the switch to cashless would be difficult," Andy Shaffer recalled. Once Shaffer got his locations on board, they promoted the benefits of changing to the Embed system, declaring their locations environmentally friendly by eliminating paper tickets. Shaffer stated, "The promotion minimized potential frustration guests visiting these locations might experience because they thought the go-green promotion was cool, so no one argued against us being environmentally conscious." The benefits of switching from tickets and tokens to the Embed Cashless System were realized immediately. As Shaffer Entertainment learned more about Embed's integrated business system and gained greater trust in the overall Embed Solution, it was a no-brainer to continue to switch its other large arcades from coin operated system to the Embed Cashless System.

**RESULTS: INCREASED PROFITABILITY, SAVED TIME, WITNESSED 70% REDUCTION IN SERVICE CALLS**

With the help of Embed, Shaffer Entertainment spread their wings, employing the Embed system in large FEC's and smaller game rooms. Implementing the system into the smaller footprints enabled Shaffer to increase revenue in many ways, from operational efficiency to increasing revenue and profitability. "Most coin operators don't know how much a service call costs themselves," Shaffer said. By embracing the Embed System and moving away from tickets, tokens and change and coin-accepting machines, Shaffer Entertainment boasted a 70% reduction in service calls. This cut down on its massive expenses and for Shaffer not to mention the labor and time intensive work counting tokens and coins for each game machine at each FEC.

**RESULTS: QUICKLY GREW FEC LOCATIONS DUE TO REDUCED OPERATIONAL COSTS**

The Embed Solution enabled Shaffer Entertainment to widen their geographical footprint. "There is no way [before the Embed system], we'd ever consider branching out to a venue outside of the Midwest, [so this business system] changed our ability to stretch our reach further." Shaffer began to open locations with the Embed System because the upfront costs of the system paid for itself because they were able to eliminate the cost of tokens, ticket expenses and service calls and increase game room revenue. The impact of the Embed Solution transformed the business trajectory of Shaffer Entertainment.

**CONCLUSION**

Since 1988 Shaffer Entertainment has focused on growing its strategic acquisitions and the locations it serves. Through the partnership with Embed, Shaffer Entertainment has been able to help more than 40+ locations offer cashless business for their guests. The Embed System is a powerful solution that meets the requirements of FEC operations of all sizes.