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Case Study



UNIVERSAL MUSIC GROUP

Now it all adds up for Universal Music Group

UMG accelerates the processing of digital revenues, physical sales and license income, facilitating faster payment to artists.



Highlights

 **500 million** new sales lines per month

 Sales file ingestion at a rate of **12 million lines per hour**

“With Vistex Solutions, UMG consolidated its global revenue processing onto a single platform, enabling more flexible and efficient processing of sales and associated royalties to UMG’s artists.”

Cindy Oliver

EVP of Global Revenue and Royalty Optimization, Universal Music Group



Overview

Universal Music Group is the world leader in music-based entertainment, with a presence in more than 60 territories. Committed to artistry, innovation and entrepreneurship, UMG fosters the development of services, platforms and business models in order to broaden artistic and commercial opportunities for artists and create new experiences for fans.

UMG implemented a high-speed, high-throughput, scalable platform capable of meeting the company's

current and anticipated future data volumes. Replacing a variety of legacy systems, the new solution is highly flexible and configurable, allowing UMG to adapt to an ever-changing marketplace and enabling the company to quickly and efficiently adapt to new business models.

With immense volumes of data to ingest, Vistex and UMG created a platform that is scalable to achieve higher throughputs and meet UMG's sales volume growth in the years to come.



Solution

SAP margin optimization solutions by Vistex, together with SAP HANA's in-memory database, proved to be the optimal, scalable and highly configurable platform for high-volume, high-complexity business processes. Vistex implemented a Global Clearing House (GCH) for UMG that addresses all aspects of digital sales reporting, including ingestion, validation, enrichment and transformation of sales data, allocations, reversals, revenue posting and aggregation at month-end close.

The GCH also supports the management of intercompany participation data based on rights & repertoire metadata for the company's broad catalog, as well as the intercompany royalty settlement for all global revenue streams, from physical and digital sales to neighboring rights and license income. UMG additionally manages its European Central License agreement for mechanical copyrights on the GCH platform provided by Vistex.



Results

Leveraging SAP margin optimization solutions by Vistex, UMG's GCH platform processes 500 million new sales lines per month, and has transformed intercompany accounting, reducing the overall processing timeline by months. The Vistex solution allows the company to process sales files at a rate of 12 million lines per hour including ingestion, validation, transformation, revenue calculations and other business rules executed on every line.

With artist and copyright royalties processed more efficiently, UMG's artists, labels and other rightsholders have greater frequency of insights and reporting.



Headquarters: Santa Monica, CA

Industry: Music

Products: Recorded music, music publishing, distribution services, brand management, marketing and licensing

Revenue: €7.16bn (\$8.04 billion) in 2019

Employees: 8,865 employees (2019)

Solutions implemented:

SAP margin optimization solutions by Vistex

- SAP Incentive Administration by Vistex
- SAP Data Maintenance by Vistex, resources option

Let's Connect

About Universal Music Group

Founded in 1934, Universal Music Group (UMG) is the world's largest music corporation, deemed by *Fast Company* magazine in 2019 as the "most innovative music company," as well as one of the "top 50 most innovative companies in the world."