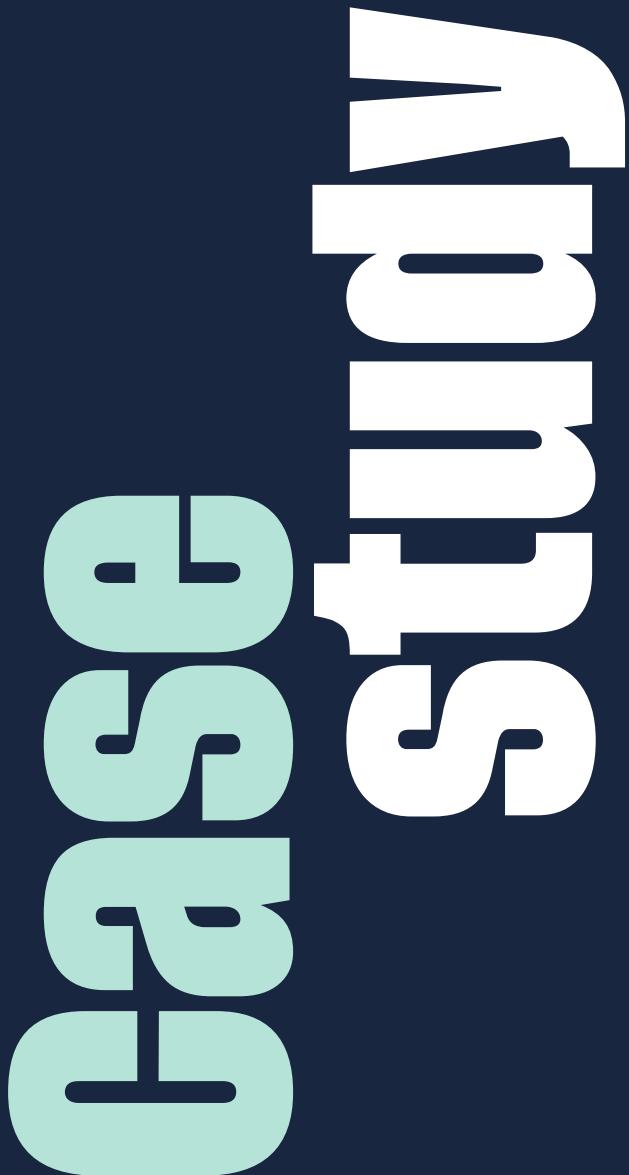


Dext



Insert Coin

How this Canadian accounting firm found the perfect niche in the gaming industry

**Saving 80% of the time
spent on client's data entry**



We've hired more CPAs, and because we've done quite well on the gaming side, they started to refer us to the TV and Film industry. We launched a brand for that, starting with audit services because there's a big need there



Matthew Walach

Co-Founder, Partner
Insert Coin Accounting



About

The global gaming market will generate revenues of \$159.3 billion in 2020, a +9.3% year-on-year increase according to Newzoo's annual report. Lockdown measures have also increased game usage by 41%. Such quick growth isn't only from game sales but also through the creation of more revenue streams, including cloud-based subscription services and in-game advertising.

That's where Insert Coin Accounting found a space to settle. This Toronto-based firm is "a one-stop-shop for all your accounting, tax credit and audit needs," exclusively working with gaming studios across Canada.

Here's more on how this firm is building a brand in a unique market

The Insert Coin Accounting team came to be thanks to co-founders Muddassir Mahmood, and Matthew Walach. These accountants and tech specialists saw a niche opportunity five years ago and haven't looked back.

"This was a pretty specific niche brand that was created just to target that specific industry," said Walach.

The original goal was to serve both gaming and tech companies, but priorities shifted when the founders saw potential in the booming Canadian gaming industry. Canada is the third-largest source of game development in the world, following the U.S. and Japan, according to a study from the Entertainment Software Association of Canada (ESAC).

"We're exclusive to Canada because our CPAs are Canada-based, but the tax credit programs we tackle are all Canadian. So we've got a good share of the gaming market in Canada and gaming in Canada is a substantial per capita market," said Walach.

Two years ago, Hannah Short, their Director of Market Engagement, joined to lead the sales and marketing for Insert Coin.

"We needed a narrative focused on why we're in gaming because the [gaming] community is so together. Gaming creators and users collaborate, and a lot of our clients work with one another. That helps our inbound and outbound strategies. So I shifted my position about two or three months ago to focus more on that. Our brand equity is now firmly in the niche that we are in."



Opportunity

Since then, they've grown to a 75+ strong client base, matching their innovation with modern accounting.

The demands on gaming company accountants are not your standard fare. Game production is not a linear process and being cash strapped can become a problem for gaming companies.

"The way their funding cycles work is on a per-project basis. So they get this fixed amount of money to work with, but game production can last two to three years. It often goes way over budget and over time. Gaming companies need an overview of their cash flow, one of their biggest concerns is the cash flow projection to see what their runway is before they run out of money.

Usually, it's publisher funding, or maybe some government grant that they're using to build that game, so they need to know how much funding is usable, especially

if the game production has delays. Where can they source extra money? Projection is a critical service," says Mahmood. Project-based funding means companies are able to run multiple projects at once, making cash management crucial.

"Many of our game developers are working on two or three games at the same time. And for them, it's important to separate and track all of those costs individually for each game. And that's where software like Xero and Dext help by categorizing receipts into different projects or different groups."



Solution

The addition of Dext to their accounting engine has become a significant selling point for the firm according to Mahmood.

"It has the wow factor. When we demo Dext, pretty much every client has the same reaction - "How is it doing all this so accurately?" With all that automation and saving hours of data entry, Dext is a market leader there. The process for us and our clients is exciting, and we don't have to think about it. Receipts are forwarded or auto fetched. To our clients, this is what they imagined efficient accounting would be like.

We were with [a different data extraction tool] for a long time, and once we made the switch, we've never looked back. The [tool] was the same product it was five years ago; there have been no changes. Meanwhile, Dext is building a whole new interface; they take a good product and make it even better."

Dext's offerings align with the needs of both their business and clients.

"We use Dext here amongst most of the team when it comes to our expenses, and getting those reimbursements back from an employee perspective is excellent. I love using the product every day in that sense.

Our clients like it because when they're making games, they're facing a "crunch." That's the period when their heads are down for 24 hours to get the game out and shipped. Having an automated set of tools to work with helps them stay on track and doesn't take away from their deadlines, whether they're on a publishing contract, or getting money from the government. The data that they have to extract and report on behalf of their expenses is so easy to track within those two accounting systems," explains Short.



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On the brand side, Short and the team utilize the power of their community. To get the word out, they use Discord, a VoIP application and digital distribution platform favoured by gamers.

“We keep up with the game-making speed they’re used to with our accounting processes, and I believe that’s why Insert Coin pops up many times in Discord gaming community conversations about accounting services.”

Standing out as a service provider in this ever-evolving industry means that Insert Coin utilizes time-based pricing, due to the nature of gaming industry production.

“We have adapted our sales process. So we’ve got an interactive slide before we offer up our pricing where we walk through all of the costs of their year, their year-end cost, their incidentals, their bookkeeping, and platform fees. Then we’re able to break that out into a monthly cost and include the opportunity cost of spending from their own time. It’s always without us having to finagle any numbers quite a bit lower than what they’re currently paying. So that combined with the results we produce using a cloud accounting tech stack is key,” notes Walach.

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