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60-year
success
began with
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COVER STORY



Above: Sacoa's flagship location in Mar del Plata during the 1990s

Below: And one of its modern FECs today.

Sacoa's decades-long business has moved from jukebox street operations to cashless world domination, but at its core it has always been a family operation.



Through the generations: Sacoa Entertainment

If it weren't for a jukebox in a small Argentinean coffee shop, Sacoa Entertainment and Sacoa Debit Card System might have been called something like Mochkovsky & Son's Construction, instead.

In 1950's Mar del Plata, Sacoa founder Mauricio Mochkovsky was a construction subcontractor with a small firm. His few employees specialized in electrical, telephone, and heating and air conditioning work.

Mauricio's son and current Sacoa president, Jorge, recalls the fateful moment when the family business pivoted from the construction business to the coin-operated amusement industry.

"By 1957, the situation in the construction industry wasn't good," says Jorge. "One day, while visiting a coffee shop, dad found out an interesting fact."

Two different men chose a popular song by Italian singer Domenico Modugno from the coffee shop's jukebox, but after the previous song was finished, the Modugno song only played once, despite having been chosen and paid for twice.

Jorge says that his father was impressed with the jukebox business model: several customers pay for a ser-

vice, which is only rendered once, but everyone is happy as each thinks it was played because of their selection.

60 YEARS OF SACOA ENTERTAINMENT BEGINS

Mauricio contacted the owner of the jukebox and a few days later acquired a small route of three Wurlitzer jukeboxes operating in coffee shops around the city.

Two years later, Mauricio purchased 15 pinball machines that had been stored in a basement.

"The machines were in very bad shape and had no flippers—just pins to score points when hit by the balls," says Jorge.

After a few days work, the first pinball machine, a 1930's Exhibit Supply Co. Contact, was restored and placed on a revenue share basis in a bar locat-



Top: The beginning of Sacoa: The Mochkovskys in the 1950s; from left: Mauricio, Jorge, Beili, Ricardo, and Alex.

Below: From left: Sebastian, Jorge, and Pol Mochkovsky.

ed at a busy intersection.

"Traffic was very heavy and users openly played for money and the highest winner collected all," says Jorge. "The cash box was very small and the one-peso coins were large, so we had to collect the machine daily. Shortly after, dad realized that in view of the great collections, restoring the rest of the pinballs was a waste of time. Instead, he decided to visit the U.S. and buy better equipment."

During that trip, and several others in the early '60s, Mauricio made long-lasting relationships with many industry legends including Barney and Myron Sugerman, Al Simon, Len Schneller, and Sam Weissman.

The first machine shipment included about 30 pinball machines, 20 bingo games, and a shuffle alley. Mauricio and Jorge began a full-scale route business operating in bars and sports clubs all across the country.

Soon, Mauricio's other two sons, Alex and Ricardo, joined the business.

INDUSTRY MOMENTUM

In 1969, Mochkovsky and sons opened their first Sacoa Family Entertainment Center in Mar del Plata—long before the term, FEC, was used in the U.S.



"Fifty years ago, pinballs and jukeboxes were extremely profitable," says Jorge about the changing landscape of the industry. "The advent of video games in the '70s provided renewed forms of entertainment."

However, the Mochkovskys didn't always have access to these new games. Various periods of import bans forced the family to manufacture their own, which incidentally gave their FEC an edge over the local competition.

Another fateful event helped the Sacoa brand gain momentum. In the late '70s, Jorge and his wife, Marta, attended the Music Operators Association trade show in Chicago (now the Amusement and Music Operators Association)—the same one that Atari introduced Breakout.

Marta ended up playing several Breakout games against Namco founder and the "Father of Pac-Man" Masaya Nakamura.

Top: Flashback to Sacoa's bowling lanes at its 60,000 square-foot flagship FEC in Mar del Plata in the 1970s.

Below: Replacing tokens with a magnetic card system called for a lot of computers in 1993—a lot.



"Communication was non-verbal as Mr. Nakamura did not speak English," says Jorge, "but from that moment on we forged a relationship that was renewed every time we met at the shows in Japan and the U.S.," usually with the translation aid of Hide Nakayima, Namco vice president.

At the 1982 Japan Amusement Machine and Marketing Association Show in Tokyo, Namco introduced its Pole Position game. In a meeting with Nakamura, Jorge said that he wouldn't be able to import the complete game to Argentina because of restrictions. They could just buy the PC boards.

Nakamura agreed to supply two sets of PC boards, which were taken right out of the games on the show floor and Jorge hand-carried the parts back home. Their flagship location had Pole Position a year earlier than any competitor.

Leading manufacturers from all over the world, such as Atari, Namco, Sega, Williams and others, soon gave Sacoa distribution representation in Argentina, helping the brand take off.

Eventually, Sacoa shifted its focus from street arcades to FECs in malls and movie theaters with arcades—in essence, a move to attractions that cannot be found at home.

PASSING OF THE TORCH

Today, Sacoa is a household name in Argentina with Jorge at the helm and his own sons, Sebastian and Pol, now making their marks on the company's evolution. It currently operates more than 20 FECs in shopping malls, cinema complexes, and high-traffic sea-side resorts.

The facilities are strong on redemption and offer indoor rides including bumper cars, ferris wheels, virtual reality simulators, small roller coasters, and more. The average facility size is 12,000 square feet with the largest FEC measuring 40,000 square feet.

Sacoa also operates a 200,000 square-foot outdoor amusement park in Quito, Ecuador, named Vulcano



Park. It features 30 rides, a central midway building with a food court, an arcade, and a special events room.

Vulqano Park opened its doors in summer of 2005 as the first permanent amusement park in the larger Teleferico De Quito tourist area.

"This was a great experience for us," says Pol, who was CEO of the project. "We designed the concept, selected the rides and games, and set up the whole amusement park with the valuable knowledge of our engineers, technicians, and managers. This experience set the milestone for Sacoa's consulting services in operations now offered worldwide."

Sebastian also remembers a proud memory from his early career start in entertainment management.

"At about 10 years old I remember taking bags of 100 tokens from the administration, supposedly to play," he says.

But instead of playing the games, Sebastian would sell the tokens to other customers, keeping the cash, of course.

"To avoid being robbed, I would have employees stay by my side as bodyguards."

One of those bodyguards started as a cashier, but is now the current general manager of operations of the company.



Top: The Sacoa team from all over the world at a recent IAAPA Expo.

Middle: Showing'em the ropes: Sebastian with his children, Victoria and Ezequiel, joined with Sacoa's Brain Duke and Mike Pace at a recent Amusement Expo.

Left: Jorge and his wife, Marta, help set up during an IAAPA Expo.



Above left: Even after jukeboxes, operating FECs, and installing its Playcard System all over the world, Sacoa still finds time to operate the 200,000 square-foot Valqano Park in Ecuador.

Above right: One of its many installations from all over the globe, Sacoa installed its playcard system at The New York New York Hotel & Casino in Las Vegas in 2014.

Left: Four generations of Mochkovskys, from left: Jorge, Mauricio, Sebastian, and baby Ezequiel.

25 YEARS OF THE SACOA PLAYCARD SYSTEM BEGINS

In the late '80s and early '90s, in line with a particular expansion period in their home country's economy, the family business began growing to nation-wide proportions, reaching 50 locations.

Jorge realized they needed better ways of controlling business, keeping track of revenue, rotating games, modifying prices, and avoiding theft. This led to the formation of the Sacoa PlayCard System, a sister company to the Sacoa Entertainment that operates FECs. The system's hardware and software were developed and manufactured in-house to optimize the company's operations of its own arcades, FECs, and amusement parks.

By 1993, the first Sacoa Entertainment computerized magnetic debit card system went online, replacing traditional tokens at its facilities.

"The date we made history was March 1993 when we installed the Playcard System in one of our centers to evaluate customers' reactions and to make sure it was working properly," says Sebastian. "It worked better than we dared dream."

Collections went up 30 percent.

"We were so excited and anxious to install the system as soon as possible at all our centers around the country that we completed the job in less than a year," Sebastian says.



Sure enough, revenues rose at each venue that installed the new system, but that wasn't the best part. Locations with heavy competition saw a 100 percent rise in revenue.

"I'm talking about an area of about six or seven blocks with eight or nine amusement centers," Sebastian says.

FROM IN-HOUSE TO THE WORLD

Seeing its success in its own centers, Sacoa installed the system in its first external customer, an FEC in Brazil, and soon began exporting to other countries.

In 1995, Dave & Buster's, one of the most well-known FECs in the U.S., bought the card system for one location, planning to test it for six months. After just three weeks they wanted the system installed in all its stores. It was installed in the next eight stores in just

three months.

Being experienced operators and having their own locations to test new system features helped Sacoa forge a sense of trust and comfort with operators contemplating the adoption of the Sacoa PlayCard System.

"We had a high quality product backed by a prestigious company with an exemplary track record," says Sebastian. "We showed prospective customers real-life cases that demonstrated how quickly they could recover their initial investment and also pointed out some of the operational possibilities open to them, completely impossible to achieve without one."

The Sacoa PlayCard System is now celebrating 25 years of business with over 1,500 installations in more than 60 countries.

For more information, visit (www.sacoa.com) and (www.sacoacard.com). ▲

The evolution of the Sacoa PlayCard System

The Sacoa PlayCard System evolved from a game and card manager to an integrated solution that can be used universally throughout a location for all its services.

"The first version of the Playcard System allowed us basic features like individual game price setting, automated digital revenue reports, and cashier sales control, which was our initial goal," says Pol. "But shortly after, we realized the power of the 'marketing system' and we were the first to create new fantastic features, which are mostly standard in the card system industry today.

One of those now standard features, electronic tickets instead of paper tickets, was not a big hit when it was developed in 1994.

"The market was not ready for such advanced development at the time," Pol says.

As the market turned more and more demanding, and new requirements surfaced from operators all over the world, Sacoa began introducing new features, such as self-service



kiosks that allowed customers to purchase, recharge, and analyze playcards on their own; a roaming feature, which allowed customers to roam their card balance from one company's location to another; the multi-attendant and multi-session redemption counter software; and the multi-warehouse Redemption Inventory Management System.

But one milestone stands out for Pol.

"If asked to pick one, I would say the development of our wireless game network was a true milestone in the definition of our company profile as a supplier."

The implementation of a wireless game network, operated through Access Points, distributed throughout the store eliminates the hassle of running wiring to or from the games or turnstiles and allows operators to change the game layout as easily as moving furniture around.

Another benchmark for the Playcard System was the EZ System, the first all-in-one solution in the market for unattended or smaller game rooms. Launched in 2006, it is a self-contained, self-installed cashless payment system that comes ready to use with all equipment inside the kiosk, including everything needed to manage a fully wireless and ticketless game room.

"Internet, tablets, and smart phones have had a great impact on the market offering direct payment solutions and growing demand for online applications," says Sebastian.

In response, Sacoa developed its Online Party Booking module, which allows guests to comfortably book parties online; the CRM module, which allows customers to register their playcards to access special promotions and an enhanced guest experience; and its online sales application, which enables guests to instantly recharge credits on their playcards right from their mobile phones.

"There is also a very interesting trend towards RFID and tap-to-credit technology due to the reduction of its production cost," Sebastian says. "For which we offer our bestselling Color-Shot HDT RF reader, a multi-function card reader combining dual head magnetic stripes and RFID technology with the largest screen available in the industry."

Sacoa also offers two applications that can be run on regular Android tablets: The mReader is a user-friendly mobile version of the Sacoa Access Controller and is capable of accepting any type of credit for access to attractions; and the mPOS is

a mobile version of the Sacoa POS with NFC capability that can sell F&B, retail merchandise, and even the playcards, and accept most forms of payment.

"Our new mPOS software has been getting a lot of interest from customers because of the mobility and flexibility it offers," says Pol. "With a simple tablet, you can download the software and have a mobile POS for a fraction of the cost of a standard POS terminal.

"The mReader on the other hand, has had great demand in the amusement park sector because of the tailored solutions it offers, such as the identity verification passport, which can display the card owner's picture on-screen to ensure use by the authorized guest only."

From Mauricio and Jorge's vision, Sacoa Entertainment and Sacoa Debit Card System have evolved from a small street operation to a three-generation family business with 650 employees and offices worldwide. Yet, the same future-oriented spirit remains, always looking to explore the new possibilities available with the latest technologies introduced.

"We created a path followed by our competitors and intend to continue in that direction, being at the vanguard while delivering quality products backed by a can-do ethic and legacy of exemplary service after the sale," says Sebastian. ▲

Evolution of Sacoa Card Readers

1992



1997



2000



2003



2007



2008



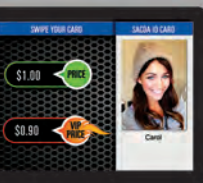
2010



2012



2016



Soon...

