SUCCESS KIT: MOVING BEYOND QUICKBOOKS

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Introduction

Thank you for your interest in our Success Kit for Moving Beyond QuickBooks. Your business started out with QuickBooks, but is it the right solution to fuel the next stage of your business’s growth? Are you starting to hit the limits of QuickBooks today?

NetSuite has been working with businesses that have reached the limits of QuickBooks for more than 11 years. In the process, we’ve spoken with thousands of small- and medium-sized businesses like yours — and many of them have already moved from QuickBooks to the NetSuite business cloud. We’ve gained insights from small business owners, finance executives, sales managers and IT professionals at companies across a wide range of industries. While the businesses themselves are diverse, the business issues they faced that led to their decision to move beyond QuickBooks are remarkably similar.

By moving from QuickBooks to NetSuite, these businesses no longer had to worry about lost data, performance problems, re-keying information between sales, finance and fulfillment systems, or struggling to get the reports they need to run their business. They’re able to increase the number of orders they can handle without their systems creaking, and they’re able to free up headcount by eliminating expensive manual processes.

For these companies, NetSuite has proven to be the one powerful solution that automatically integrates their sales, accounting, inventory management and webstores. It provides employees with anytime, anywhere access — easily supporting remote workers and locations. Companies no longer have the pain of worrying about managing software in-house. They have real-time visibility into how their business is performing, and they’re better connected with their customers and vendors than ever before.

In this kit, you’ll find the key reasons to move from QuickBooks to NetSuite, and the benefits your business can gain. You’ll read case studies from actual NetSuite customers that made the jump — and the value that NetSuite delivered at their businesses. And you’ll get access to an ROI study from independent research firm Nucleus Research listing the tangible benefits that NetSuite can deliver at your company.

When you’ve read this Success Kit, call 1-877-NETSUITE to find out more.
4 Reasons You Can’t Afford Not to Switch from QuickBooks

1. **QuickBooks is a point solution that doesn’t support your entire company.**

   Because QuickBooks is only focused on accounting, when it comes to fulfilling customer orders, tracking sales opportunities, or managing customer service, you always need separate applications — whether those are homegrown systems, or applications that you integrate yourself.

   You end up relying on other applications to complete an order, with employees wasting time entering information twice, or trying to reconcile customer account and billing information. The result is often billing, customer service snafus or fulfillment errors — all costing your business money, decelerating cash flow and ultimately impacting customer satisfaction.

   **The NetSuiteDifference:** NetSuite supports all your accounting, sales and service, inventory, fulfillment and ecommerce operations in one integrated business management suite. NetSuite eliminates costly integration work to glue business processes and departments together, and you no longer need to waste time manually re-entering information between systems. You gain integrated workflows — from order-to-cash through to procure-to-pay — that accelerate cash flow and ensure stronger vendor relationships.

   In the end, you’re able to respond more quickly to your business environment, customers or vendor needs, further differentiating your business from your competitors’.

   "Thanks to NetSuite, over the past several years we have been growing the company without growing our headcount."

   — Stephen Enfield, CEO, POS Supply Solutions

2. **QuickBooks gives you limited visibility into business performance.**

   With QuickBooks, you’ll never achieve a comprehensive real-time view of your business performance. This is because the data you need to make decisions is often not just in QuickBooks — it’s buried in other applications across your business. As a result, it’s easy to spend too much time collecting, integrating and distributing data in spreadsheets, and even then, you’ll almost certainly still end up making decisions based on outdated information. More importantly, you don’t have reliable information on sales, inventory, order statuses, accounts payable balances or other critical data. Consequently, crucial business decisions are based on incorrect assumptions due to inaccurate and out-of-date information.
The NetSuite Difference: NetSuite provides you with two key advantages. Unlike QuickBooks, NetSuite provides business performance dashboards as standard, all accessible from a web browser so they’re securely available from anywhere. With NetSuite, everyone in your business — sales, finance and service — can get a personalized view into the key metrics and information they need to manage their business function, whether that’s bookings, billings, backlogs, trends over time, or period-on-period performance. And they’ll be able to drill down to the live underlying transactions to make the changes needed drive your business performance. They’ll even be able to access the reports they need from on the road from mobile devices such as an Apple iPhone or a BlackBerry.

The second key advantage is that NetSuite reports on all your business data from a single common data repository. You get a 360-degree view of your customer, which is unachievable when you have customer data sprawl. It means rather than having to make phone calls, ask for spreadsheets or dig into different systems, all customer information is right at your fingertips. Your sales team can make customer calls with all the information they need about the customer — opportunity status, payment history and service levels. Your finance team gets the complete customer satisfaction picture when an invoice is late, and your service team gets visibility into the proximity to critical renewal dates.

3. With QuickBooks, you always have to worry about IT issues and costs.

QuickBooks requires you to manage and update the software yourself, as well as the other systems you maintain to run your business. In addition, you also have to worry about ongoing availability, maintaining backups and constantly worrying about database performance, and even the risk of hitting the maximum 20-user limit of QuickBooks Enterprise. In fact, many QuickBooks users often experience a loss of data, or face unacceptable delays in menus, screens or reports at some point. You also have to spend cycles maintaining costly and error-prone integrations with other business systems.

“Our processes are integrated and automatic, and our analysis, whether it’s formal reports or minute-to-minute drill-downs into our dashboards, is based on dependable, up-to-the-minute information.”

— Scott Kidder, Manager of Finance and Business Development

Gawker Media
The NetSuite Difference: In contrast, NetSuite is a cloud-based solution, which means that NetSuite runs the application for you, and we house your data in our world-class data center. NetSuite eliminates having to worry about backups, security, upgrades, performance and other typical IT issues that slow down your business. To give you peace of mind around security and privacy, NetSuite is even PCI DSS compliant—screened even to hold sensitive customer data, providing your business with a level of security that would cost tens of thousands of dollars to achieve in-house. With NetSuite, you’ll also experience round-the-clock availability that is realistically unachievable with QuickBooks: NetSuite provides a 99.5% Service Level Commitment. (And because NetSuite is delivered through a web browser, you can access the application anytime and from anywhere.) Even better, NetSuite handles upgrades for you, keeping your business up to date with the latest innovations automatically twice per year.

“With NetSuite, we’re able to grow in a controlled and scalable way without worrying about our systems or having to add new staff members just to keep up with our volume.”

— Travis Warren, President and Founder, WhippleHill

4. QuickBooks has limited functionality that will limit your business.

QuickBooks limits how you run your operation, so that, very often, you’re adapting your business to the application, rather than vice versa. It’s easy to run out of headroom when you need to handle more customers, vendors, or inventory items than QuickBooks can practically handle. When you need full audit trails, rich business planning and reporting, or automated processes, you’ll find yourself having to add additional systems and patches. In addition, QuickBooks simply can’t provide the stronger financial controls, better SKU management and support for more complex financial processes—such as recurring billing and invoicing—that growing businesses need.

The NetSuite Difference: In contrast, NetSuite was built from the ground up to give small- and medium-sized businesses like the headroom you need to grow your business. NetSuite is used by public companies (three high-profile businesses running on NetSuite went through IPOs in 2009), international corporations, and divisions of multibillion-dollar businesses. Their business challenges range from multiple currencies, local tax management and financial consolidation all the way through to ensuring SOX compliance—challenges you may face as your business continues to grow. NetSuite offers editions of its solution specifically tailored to meet the challenges of your industry, while NetSuite OneWorld is designed to meet the needs of global businesses.

But NetSuite is more than a sales, service and financial application: it also provides order and inventory management, ecommerce, and powerful web capabilities than connect you with your customers and vendors. NetSuite also lets you create 24/7 customer centers to enhance customer interaction and foster long-term loyalty, as well as vendor centers that give your reselling partners views into real-time inventory, enabling them to transact with your company online.

“QuickBooks was fine while we were an R&D shop, but it didn’t offer the controls that were needed at the next level, selling multi-million dollar deals into large banks.”

— Kelly Wagner, Director, Operations and Finance, Nomis Solutions
NetSuite offers the industry’s first and only:
- Built-in, customizable dashboards
- CRM and Accounting/ERP with integrated e-commerce
- SuiteAnalytics business intelligence
- SuiteFlex customization and extension

NetSuite features include:*:
- Customer Relationship Management
  - Sales Force Automation
  - Marketing Automation
  - Customer Support and Service
  - Incentive Management
  - Offline Sales Client
  - Partner Relationship Management
- Financials/ERP
  - General Ledger
  - Accounts Receivable, Accounts Payable
  - Advanced Financials
  - Revenue Recognition
  - Budgeting
  - Multi-currency
  - Order Management and Fulfillment
  - Time and Billing
  - Purchasing
  - Inventory Management
  - Drop Shipment/Special Order
  - Integrated FedEx® Shipping Functionality
  - Integrated UPS OnLine® Shipping Tools
  - Standard, Customizable Reports
- Ecommerce
  - Database Driven Web Site/Web Store
  - Front- and Back-Office Integration
  - eBay Integration
  - Credit Card Processing, PayPal
  - Affiliate Marketing
  - Customer Acquisition
  - Customer, Partner Self-Service
  - Web Site Analytics
- Employee Management and Productivity
  - Role-based Dashboards
  - Group Calendaring and Collaboration
  - Employee Records
  - Expense Reporting, Purchase Requisitions
  - Employee Self-Service

*Some features sold in add-on module

NetSuite is the first solution to deliver on the promise of intelligent, integrated and simpler applications for growing and midsize businesses.

NetSuite is intelligent. The system holds all corporate data in a single database, giving you access to your key performance metrics on a customizable, real-time dashboard. As a result, NetSuite enables you to make better, faster decisions.

NetSuite is integrated. Within a single, powerful application, it combines complete customer-facing CRM and Ecommerce capabilities with back-office Accounting/ERP and self-service portals for partners. As a result, it allows companies to unite fragmented data and automate processes from end to end.

NetSuite is simple. With NetSuite, implementations are both faster and less expensive than traditional business applications. Modularity enables phased implementations according to your company’s need. In addition, click not code and advanced customization supports business as you define it. As a Web-based on-demand solution, NetSuite significantly reduces your total cost of ownership (TCO).

Why NetSuite?

Unify Business Processes across the Enterprise
With a single, integrated platform for CRM, Accounting/ERP and Ecommerce, you can automate key business functions across all departments, including sales, marketing, service, finance, inventory, order fulfillment, purchasing, and employee management. Your employees no longer have to re-enter data in different systems, rectify inconsistent or inaccurate data, or wait for batch updates. Instead, all your employees view and share accurate data in real time, leading to greater collaboration among departments and increased productivity across your business.

Increase Visibility for Better Decision Making
Customizable Dashboards offer real-time access to key performance metrics, supporting intelligent, timely business decisions. In addition, full visibility into unified customer records results in more efficient and highly personalized sales, fulfillment, and service processes.

Extend Processes to Customers, Suppliers, and Partners
Given today’s need to work closely with partners through an extended enterprise, NetSuite offers self-service portals that enhance both B2B and B2C collaboration. In addition, proactive notification of partner-specific events accelerates process cycles and improves responsiveness, ensuring your position as a preferred partner.

Customize and extend NetSuite with SuiteFlex
NetSuite is the world’s most customizable Software-as-a-Service (SaaS) solution. Click not code configuration and modular implementations jumpstart your business on NetSuite. Advanced customization with simpler, industry standard tools allows you to tailor business practices and processes to meet your specific company and industry requirements. Because our customization carries forward seamlessly with upgrades, we actually encourage you to highly customize NetSuite — make it your one-of-a-kind software application.

Get Superior Value with an Affordable Solution
Built from the ground up for growing and midsize businesses, NetSuite offers affordable pricing, accelerated implementation, and comprehensive support packages that result in unbeatable TCO. Plus, you eliminate the costly and time-consuming integration often associated with using a patchwork of disconnected systems. NetSuite also provides leading-edge professional services and educational programs that ensure efficient implementation and continued, long-term success.
NetSuite has helped us streamline all of our processes, particularly order-to-cash and procure-to-pay.”

— Todd Spartz, Vice President and CFO
Nomis Solutions

The Results:

Nomis Solutions adopted NetSuite OneWorld to unify its front- and back-office processes and keep its house in order for an exciting period of growth and expansion. The company now enjoys greater visibility into accounts receivable and invoicing activity, and has reduced reimbursement and procurement lead times from weeks to just days, all while keeping its international subsidiary fully integrated.

Migrating the company's CRM processes from Salesforce.com to NetSuite delivers a single version of the truth and lower costs. Before unifying under NetSuite, customer records could not easily be followed from the sale through to invoicing, revenue, and collections. “NetSuite's combined ERP and CRM capabilities made integration easier, and certainly results in a lower total cost of ownership,” says Todd Spartz, vice president and CFO of Nomis Solutions.

Spartz joined Nomis just before the adoption of NetSuite. Both were meant to help the company bring its finances under tighter internal control after working with outside consultants while the company was in start-up mode. “The investors wanted a CFO to run the accounting organization and put in the right solution to manage it, and we have been able to achieve all of the objectives I set out for us over the past year,” he says. “NetSuite has helped us streamline all of our processes, particularly order-to-cash and procure-to-pay.”

Efficiencies and greater control are the order of the day at Nomis, now that its processes are under tighter control. “The more time we save on routine tasks and offline spreadsheets, the greater ROI we return to our investors. By deploying NetSuite, we transition valuable resources to where it increases shareholder value,” he says. “In short, the fewer back-office resources we need, the more front office people we can afford.”

The Challenges:

Nomis Solutions is a software developer specializing in pricing and profitability management solutions for the financial services industry. Nomis has recently enjoyed significant
“It has been easy to get our people to adopt the new processes NetSuite delivers, because the benefits were tangible and immediate.”

— Todd Spartz
Vice President and CFO
Nomis Solutions

customer growth as financial institutions embrace new models to bolster their bottom lines. The company quickly found that the systems that supported its back-end operations in startup mode were insufficient to the needs of a vibrant, operating business. “When we went through our first audit, it was clear that our automated controls weren’t where they needed to be,” Spartz says. “QuickBooks was fine while we were an R&D shop, but it didn’t offer the controls that were needed at the next level, selling multi-million dollar deals into large banks.”

The company had no integration between its CRM and ERP processes, leading to duplicated effort and a lack of visibility. “There was literally a big line in the sand where sales had to throw a prospect over the wall once they became a customer, and accounting had to re-create all of the information about that customer,” he says. “The people accessing accounting data didn’t have access to the CRM system.”

The company’s previous use of outside consultants to manage finances often led to delays in reporting, analysis, and reimbursements. “It was very painful to get expense reports approved, and inquiries about invoices and AR activity often had to wait for people to respond to an e-mail.”

The Solution:
Nomis’ senior management made end-to-end integration a priority, which inevitably led the company to NetSuite. “There were a limited number of vendors that provided what we were looking for—an integrated CRM and ERP solution,” Spartz says. “NetSuite was the clear leader.”

Nomis Solutions now has over 80 of its employees using NetSuite OneWorld, which keeps its North American and European operations in perfect sync. “OneWorld’s power is that it forces you to have a global chart of accounts, which is critical for a company to run effectively,” he says. “We are able to consolidate any number of entities instantly, and can acquire or create new subsidiaries and bring them up to speed very quickly.”

Establishing, integrating, and enforcing solid, sustainable business practices has been a cinch for Nomis since making the switch. “It has been easy to get our people to adopt the new processes NetSuite delivers, because the benefits were tangible and immediate.”
At A Glance:

- **Company**: Gawker Media is one of the world’s most innovative and influential blog-publishing companies
- **Location**: New York, NY
- **Industry**: Online media publishing

**Challenges**:
- Difficulty analyzing complex and multi-dimensional advertising contracts in aggregate
- Poor visibility into certain types of financial information led to inefficient billing processes, reduced spending controls
- Lack of consolidated information slowed decision-making processes, and made it impossible to produce on-time, accurate reports

**Software switched from**:
- QuickBooks, Excel

**Results with NetSuite**:
- Dashboards with consolidated business information for 5 subsidiaries give managers real-time controls over financial operations
- Integrated order-to-accounts payable processes maximize cash flow
- Fast, accurate trend analysis helps Gawker maximize advertiser impact and new opportunities
- NetSuite’s recurring revenue recognition tools speed reporting of complex revenue streams
- Integrated accounts payable/receivable processes reduce bookkeeping costs by 20 percent
- Detailed business reports now take just seconds to produce
- Fast implementation helped Gawker get running in fewer than 60 days

“We’d predicted 2009 would be a down year, but ended up with significant year-over-year growth. A good part of that success comes from our ability to refine our advertising sales processes through improved operations efficiency.”

— Scott Kidder
manager of finance and business development
Gawker Media

Results

Paris Hilton, Joan Rivers, Rupert Murdoch — these are just a few of the names you’re likely to see if you visit Gawker.com, home to one of the world’s most successful, and most influential online media publishers. Each day Gawker’s eight blogs cover topics such as gossip, gadgets, video games, and cars, and each month more than 20 million readers check out the site, at least once, but typically many times.

The majority of Gawker Media’s income is derived from advertising, but until this year the company had fairly limited knowledge about its advertisers. The reason: Gawker’s managers, marketers, and IT people were using Excel spreadsheets and QuickBooks applications to gather business information.

Today Gawker uses NetSuite OneWorld and the NetSuite Media Bundle to streamline the business and maximize its financial visibility. Over a dozen executive dashboards give Gawker managers up-to-the-minute views of ad revenues, accounts payables, receivables, employees, contractors, and other information.

These analytics, along with integrated end-to-end business processes, help Gawker maximize cash flow while minimizing bookkeeping time, and custom-tailor advertising opportunities to improve revenues.

“We’d predicted 2009 would be a down year,” says Scott Kidder, manager of finance and business development. “But we ended up with significant year-over-year growth. A good part of that success comes from our ability to refine our advertising sales processes through improved operations efficiency.”

Challenges

Today’s publishing industry is undergoing a major transition to online content. In the past few years blogs have begun to attract substantial advertising revenues from established
Mainstream companies across all industries. Gawker is an example, with companies such as Toyota, Puma, and Pepsi purchasing space alongside blog content.

But attracting advertisers poses two major challenges, in analysis of its advertising contracts and in billings and financial operations.

First, Gawker’s ability to look at its client base as a whole was limited. There was no easy way to look at advertisers by category (such as automotive) or region of the country — information that would be helpful in deciding how to allocate limited sales resources.

“We had plenty of information; it was all over the place,” says Kidder. “It was in spreadsheets, QuickBooks reports, emails. But it wasn’t integrated, so any consolidated reporting was a manual and tedious process involving lots of copying and pasting. It could take many hours for a large report, and we couldn’t vouch for a high degree of accuracy.”

The second challenge concerned Gawker’s financial reporting and revenue recognition. An advertising contract may cover three months or more, so Gawker only allocates a proportion of the total contract as revenue for each of those months. This adds a level of complexity to Gawker’s billings and accounts payable processes.

Solution

Gawker brought in the marketing automation and general accounting and bank management components of NetSuite’s OneWorld solution and its Media Bundle. This software includes robust tools for analyzing and managing recurring revenue recognition, the challenge for recognizing per month ad revenues.

Also, the NetSuite software enabled Gawker to integrate its financial operations, from order entry to billings. The integration has helped Gawker streamline a number of processes, according to Kidder. One example is expense payments for contractors.

“We work with many independent contractors, including writers,” he says. “They used to have to send in paper expense reports, and then our staff had to input them manually into Excel spreadsheets. Now they enter expenses over the internet, via a laptop or handheld. They are automatically sent to their site’s Editor-in-Chief for review, approved with one click, and automatically sent to accounts payable. We’re saving a ton of time, and we’re better able to monitor the costs, and the profitability, of individual sites.”

In general, NetSuite has enabled Gawker to improve its processes.

“Our processes now use information from the central NetSuite repository,” says Kidder. “We know that if the information in NetSuite is accurate and up to date, then it will be accurate and fresh throughout the company, and across all applications.

“That’s what we’ve got now. Our processes are integrated and automatic, and our analysis, whether it’s formal reports or minute-to-minute drill downs into our dashboards, is based on dependable, up-to-the-minute information.”

“Our processes are integrated and automatic, and our analysis, whether it’s formal reports or minute-to-minute drill downs into our dashboards, is based on dependable, up-to-the-minute information.” — Scott Kidder

manager of finance and business development

Gawker Media
NetSuite Success Kit

“I can really appreciate that with NetSuite, we don’t have to go through a lot of separate, repetitive processes to conduct business.”

— Eleanor Keare, President
Circle of Friends

The Results:
Circle of Friends implemented NetSuite to bring order and unity to its back-end processes and customer-facing efforts. Using NetSuite for everything from bill payment to inventory tracking to online retail, the company has successfully brought its key business processes under one roof.

For the first time in the company’s ten year history, systems and process flow are integrated. “Because of NetSuite, we no longer have to go through a lot of separate, repetitive processes to conduct business,” notes Eleanor Keare, President of Circle of Friends. By having a Web store linked with NetSuite’s Customer Center and inventory module, customers now know exactly what is in stock and ready to ship, rather than having to place an order and wait for manual confirmation. The greater customer/company connection has brought value to Circle of Friends in non-sale situations as well. “The fact that someone can sign up for a newsletter, fill out a questionnaire, and have that information all be part of their customer record is absolutely terrific,” says Eleanor.

Circle of Friends has been able to use NetSuite transparently in its mixed IT environment, where both Macintosh and Windows-based PCs run three different internet browsers. The company did not have to change how its employees used their computers in order to make use of the NetSuite customer and order management systems, and has gained substantial productivity advantages with the new approach.

“For the first time, our telecommuters, our traveling sales people, and our employees who prefer Macs have all the same advantages and capabilities as people on PCs in the home office. When you also consider that a Mac or remote worker can do so much more under NetSuite than our core workers could do under previous systems, it’s really amazing,” notes Eleanor. “In fact, if you added up everything, from the customer acquisition side through the FedEx shipping integration, we have been able to take about one and a half full-time equivalents, who used to shepherd orders through all the various
disparate systems we used, and now refocus their efforts on more important things to help
grow our business.”

— Eleanor Keare
President
Circle of Friends

The Challenges:
Circle of Friends sells personal care products for children in North America and Australia.
When husband and wife management team Eleanor Keare (President) and Brian Keare (CFO) took over ownership of the company, its enterprise systems left something to be
desired. “Even after more than a half a million dollar implementation of PeopleSoft, the
previous parent company couldn’t generate the financial or operational reports we needed
to run our business. The system was slow, impossibly complicated, and almost tanked the
business,” Brian Keare says. Moreover, the website, which worked well by itself, was not
properly integrated with the PeopleSoft system, leading to a great deal of data and order
re-entry to complete sales.

Ready to ditch PeopleSoft, the new owners quickly decided against reverting to the
previous QuickBooks plus GoldMine way of operating the business. “We had spent a lot
of time integrating those two as best we could, but none of the integration attempts were
ever remotely satisfactory,” says Eleanor. Playing catch-up with disconnected processes had
cost Circle of Friends important hours every day — a precious resource with just twelve
employees operating an international business.

The Solution:
Circle of Friends adopted NetSuite to solve its front- and back-end technology problems
and found the on-demand solution met its unique needs as a growing manufacturer and
distributor. NetSuite’s Advanced Inventory module offered kits and assemblies, in addition
to inventory items and item groups that help coordinate the product acquisition and
wholesaling business, straight through to shipping. “We started with FedEx integration
the day after NetSuite released it to its customers, and it has really worked well for us,”
Eleanor says.

NetSuite’s financial management and reporting modules make it easy for the Keares to
monitor the progress of the business and customer development. Circle of Friends has
consolidated a number of its customer outreach programs under the NetSuite functionality,
including fully tracked outbound e-mail marketing campaigns. Brian notes, “Not only does
NetSuite summarize the effectiveness of our marketing campaigns, but you can even go
into a customer record and see if they read your e-mails.”

Now enjoying the benefits of a smooth-running operation, nobody at Circle of Friends is
looking back. “When I joined Circle of Friends three years ago, I lived through QuickBooks
Enterprise, GoldMine, and then the PeopleSoft implementation which was imposed from
above,” Eleanor says. “I can’t tell you how glad I am to have all of that behind us. With
NetSuite, we finally have a solid, integrated foundation that enables us to successfully
grow our business.”
NetSuite for iPhone is going to be the tipping point that gets us to commit more to the iPhone platform.”

— Travis Warren, President and Founder WhippleHill Communications

Results

WhippleHill Communications eliminated inefficient and inaccessible software and dramatically improved inter-departmental visibility by adopting NetSuite to run its entire business operations. “Before, I couldn’t even run my own reports,” says Travis Warren, president and founder of WhippleHill. “NetSuite’s support for KPIs and dashboards is a big benefit for us.”

The company’s 85 users each have a defined role and set of privileges on the NetSuite solution, ensuring that every employee has access to the right information and processes while still allowing leaders to observe and report all business activity. “NetSuite’s ability to compartmentalize and control information while still making it easy to roll up to a single screen is remarkable,” he says. “And the iPhone access takes it a step further, so that I can run my business without having to be in front of a computer. It’s incredibly powerful.”

NetSuite’s comprehensive customer support and project management capabilities have given WhippleHill the ability to take a truly holistic view of the input of its customers and the activities of its support and product development teams. “The ability to integrate support issues and cases has been huge for us, because previously those were tracked in separate systems,” he says. “Now, our support and product development teams are on the same page and it is much easier for us to address underlying causes.” WhippleHill has also been able to save time and expedite the support process by using NetSuite to get three times as many support cases submitted electronically. Not only is it more efficient for the company, but the NetSuite customer portal also makes the support process more transparent for customers, with status updates and notifications readily available for their review.

NetSuite has played a key part in allowing WhippleHill to add only those employees it absolutely needs even as revenues grow 20 percent year-over-year. “We’re able to grow in a controlled and scalable way without worrying about our systems or having to add new staff members just to keep up with our volume,” he says.
Challenges
WhippleHill provides a complete Web presence to private schools throughout North America, delivering everything from student event calendars to grades and attendance. But as the company grew, its business operations were not nearly as comprehensive and unified as its product. “We were running on about five different systems, and that led to a real inability to connect records between two systems,” Warren says. “We had no 360-degree view of our customers and activities, and I was constantly starved for information.”

Some of WhippleHill’s applications were extremely difficult to access remotely, while others had glaring gaps in functionality. “We were early adopters of Microsoft CRM, and I have never been so frustrated,” he says. “Simple sorting capabilities weren’t available to us for years, and we weren’t able to use Firefox or Safari to access our data.”

Solution
WhippleHill has run its business on NetSuite since 2006. Instead of a host of stand-alone applications, every business process, from sales to service to billing and accounting, is managed through a single, on-demand application available anywhere and at any time. That includes being out of the office, as the mobile interfaces for NetSuite have caught the attention of Warren and the other executives. “NetSuite for iPhone is going to be the tipping point that gets us to commit more to the iPhone platform,” he says.

Because WhippleHill is a subscription-based business, NetSuite’s revenue recognition capabilities have provided a dramatic improvement in compliant accrual of customer revenue. “The NetSuite approach is much better than the massive spreadsheet we had to use before, which inevitably introduced an error somewhere that screwed up our accruals,” he says.

NetSuite’s integrated processes and comprehensive data rollup has made it easier for Warren to stay informed and in-touch with every aspect of his business. “From one screen, I can see how many support tickets are open and how many new opportunities have come in, and that helps me manage more effectively,” he says. “If I see that we’ve opened twice as many support cases as usual today, when I bump into our support leader I am in a better position to talk to them about the issues affecting our business.”

WhippleHill has gained what it was looking for — a single source solution to manage all of its operations. “NetSuite is much more than an accounting system to us. We run our entire business on it.”

“The ability to integrate support issues and cases has been huge for us, because previously those were tracked in separate systems. Now, our support and product development teams are on the same page and it is much easier for us to address underlying causes.”

— Travis Warren
President and Founder
WhippleHill Communications
NetSuite Success Kit

X Winery
www.xwinery.com

“NetSuite enables us to keep all of our information in one place and have easy access to it no matter where we are. It really lets us create a virtual business — and run it more efficiently.”

— Reed Renaudin, CEO, X Winery

The Results:
Using NetSuite, X Winery was able to get a Web store up and running while its competitors struggled to get online. The Web store not only gave X winery a competitive advantage but allowed it to grow its direct-to-consumer sales, which carry twice the profit margins as sales that go through wine distributors. “Our online direct orders went from less than 1 percent of our business to 10 percent since we’ve used NetSuite,” says Reed Renaudin, the CEO of X Winery.

By integrating X Winery’s financial, CRM, and order processing capabilities, and providing access to the system from any location, NetSuite allows the company to work more efficiently. “We can do more without having to add staff, which reduces our overall expenses,” says Renaudin, who estimates that NetSuite saves X Winery at least $50,000 a year in staff salaries, and another $24,000 by streamlining operations.

Customized reporting and immediate access to sales and customer data has also paid off in ways that are harder to quantify, but just as significant. “With NetSuite, we’re analyzing feedback from our distributors and adjusting prices, packaging, and products on a monthly basis, while our competitors do it yearly,” says Renaudin. “That lets us not only keep up with our competition, but get ahead of them.”

The Challenge:
Wine can take a while to produce, but wineries can take even longer to embrace technology. That’s where X Winery, founded in October 2000, saw an opportunity. “In our industry, there’s a lot of resistance to technology,” says Renaudin. “By exploiting the virtual aspects of the business, we could react faster than our competition, and stay ahead of the curve as to what the customer wants and needs.”

At A Glance:

• Company: X Winery
• Location: Napa Valley, CA
• Industry: Wholesale/Distribution; Electronic Commerce
• Challenges: Create a virtual winery, moving as many sales, financial, and CRM functions online as possible
• Software switched from: QuickBooks
• Other software considered: Microsoft Great Plains; Peachtree
• Results with NetSuite:
  - High-margin direct sales grow from under 1 percent of all sales to 10 percent in less than a year
  - Savings of approximately $74,000 a year in salary and overhead costs

X Winery
www.xwinery.com
The only problem was that X Winery's infrastructure wasn’t quite up to the task. Even after it started selling wine in September 2002, it had no online store, and its back-end system, QuickBooks, was limited. “Starting a new brand requires a lot of face time with people, as the wine industry is very competitive,” says Renaudin. “That means we travel a lot and need remote access to our system, so we can work from anywhere.” But QuickBooks’ online access was disappointing, Renaudin says: “The features were too streamlined and getting multiple users on it at the same time was a real issue. We were a growing business, and QuickBooks just couldn’t keep up with us.”

Renaudin looked at Microsoft Great Plains and Peachtree. Neither did the trick. “Great Plains was too expensive and too complex,” he says. “Peachtree didn’t have the features we needed.” Then X Winery looked at NetSuite. “We liked the customization NetSuite allowed, but its real trump card was the way it enabled remote access,” says Renaudin. “That was the biggest factor behind our decision to go with NetSuite. We can keep all of our information in one place and have easy access to it no matter where we were.” With just five employees, that capability was vital, says Renaudin: “NetSuite really lets us create a virtual business—and run it more efficiently.”

The Solution:
Yet soon after X Winery launched on NetSuite in mid-2003, it realized that remote access was just one of the ways NetSuite could boost the winery’s efficiency. X Winery had no online store and less than 1 percent of all sales were direct to consumers. That was unfortunate, as direct sales meant higher margins. “Part of the problem of being a winery is that you’re trapped with a three-tier distribution channel,” says Renaudin. “We could double our margins by selling direct to consumers.”

NetSuite enabled X Winery to build a Web store that integrated with NetSuite’s financial and order-processing features. By the end of 2004, direct-to-consumer orders had grown to 10 percent of all sales. “A lot of wineries struggle to build online stores, trying to use legacy systems that don’t integrate with e-commerce,” says Renaudin. “NetSuite offered us an easy way to get the store running and integrate it into our business. Better yet, NetSuite enabled us to get online fast. It was a big advantage to be up before our competitors.”

Soon X Winery was taking advantage of NetSuite’s CRM features, as well. “Being able to keep, in one place, all transactions, notes, emails, calls, and contact information for the companies we’re selling to, and having access to it from any location, was a tremendous help to us,” says Renaudin. NetSuite’s dashboards and its extensive, customizable reporting features, he adds, let the company hone in on sales data and better plan its marketing efforts. “NetSuite gives us immediate feedback on how we’re doing, and lets us respond quicker than our competition,” says Renaudin. “It’s the real reason we’ve survived, and prospered, in a hugely competitive industry.”
ROI EVALUATION REPORT
NETSUITE
THE BOTTOM LINE

Nucleus found customers of on-demand business application provider NetSuite significantly automated processes, boosted sales, increased productivity, reduced or avoided headcount, and retired costly legacy systems. All customers increased data visibility through NetSuite’s integration and reporting capabilities. Deployed properly, NetSuite can deliver a positive ROI in fewer than 9 months.

NetSuite offers an integrated set of accounting/ERP, e-commerce, technology, and CRM applications to small and medium businesses. At 10 years of age, the company has customers in a wide number of fields, from software to manufacturing to retail. NetSuite’s ERP and other applications include:

- Core financials, general ledger, accounts receivable/accounts payable
- Budgeting
- Order management and fulfillment
- Inventory management
- Employee management and productivity
- CRM, including SFA, marketing and customer support and service
- E-commerce
- Employee productivity and self-service
- Analytics

One of the key advantages to NetSuite is that instead of forcing customers to integrate these disparate applications together, they come as one united package. Other on-demand providers, such as Salesforce.com, generally only provide single applications, such as CRM or time and expense or financials reconciliation. They fail to solve the perennial IT problem of integration and are unable to offer users a single source of truth.

On the other hand, with NetSuite, customer or employee data is maintained in a central database and can be shared throughout the system without requiring extensive connecting applications or middleware. This integration helps improve company efficiency and allows management to make better and more informed decisions faster than would be otherwise possible.

This report analyzes the key benefits NetSuite customers achieved and is based on Nucleus’s in depth analysis of small to midsize customers. The customers included public companies and spanned a number of industries, including IT consulting, software, manufacturing, and distribution. These customers discussed the benefits they received, lessons learned, and key cost areas. They also shared the challenges they faced and the best practices used to get the most from NetSuite.

ON-DEMAND BENEFITS

Companies considering NetSuite versus an on-premise ERP application will find a different initial and ongoing cost structure. NetSuite rents its applications by the month, as opposed to selling them up front and collecting maintenance revenue thereafter. It also hosts and maintains them in its own data center, relieving customers of the costs of hardware, middleware, development, and power.
Reduced license, implementation, and operational costs
Because of low ongoing and initial costs, NetSuite has a lower total cost of ownership than most traditional ERP applications. Many customers that considered on-premise ERP applications such as Microsoft Dynamics, Oracle E-Business Suite, or SAP found that using an on-demand application such as NetSuite enabled them to avoid the significant initial license and associated implementation costs. Customer estimates of deployment length ranged from 30 days to 8 months.

Customers that considered on-premise ERP estimated that an on-premise deployment would have cost up to ten times as much for initial licenses and implementation consulting.

Most customers pay an annual subscription of from $10,000 to $100,000 for NetSuite, depending on the number of users.

For most companies moving from traditional server-based enterprise applications, the annual cost of NetSuite licenses is less than the annual cost of IT personnel to support the old systems.

Reduced IT maintenance costs
Because NetSuite hosts its own applications and offers its own support, companies can avoid having full-time IT staff for technical support. Companies took advantage of the low IT overhead associated with NetSuite in different ways:

- In one case, a customer moved from Microsoft Dynamics GP to NetSuite and was able to eliminate a $55,000 IT staff position and $20,000 in annual license maintenance, and retired three servers that cost $1500 annually to upgrade. NetSuite averages $5,000 annually in licenses at this company. Users are also now able to get direct access to key data without relying on the IT staff. "The IT staffer was holding the company hostage," one executive said, "He was the only person who handled the information. We're in control of our destiny now."

- Other customers also were able to retire their legacy time and expense, e-commerce, and other applications, as well as supporting hardware, by moving to NetSuite’s on-demand application.

BENEFITS OF AN INTEGRATED SUITE
In addition to the benefits of an on-demand application, many customers also found that NetSuite’s integrated approach to financials, budgeting, CRM, e-commerce, and other functionality reduced manual data re-entry and increased data visibility.

Reduced or avoided headcount
NetSuite automates processes that enable companies to eliminate or re-deploy staff or avoid new hires. For example, one customer required a full-time person who did nothing but print out labels for merchandise as salespeople entered orders. The integration between NetSuite’s CRM and inventory management applications eliminated the need for the position, saving the company $25,000 a year.
Companies deploying NetSuite can likely avoid hires as they grow or redeploy administrative staff to other tasks.

One 25-person company using NetSuite automated order processing and avoided doubling its staff. "NetSuite let us grow," said the customer. "The only additional people I have added are pickers and packers of inventory."

**Single-vendor relationship**
Many companies found deploying one application with integrated functionality meant less time and effort spent negotiating contracts, requesting support, and resolving problems with multiple vendors. As one customer said, "We were on three or four systems prior to moving to NetSuite. We didn’t want to manage six or seven relationships with vendors: one for ticketing, one for financials, and one for quoting and order management. We wanted, in essence, one throat to choke."

**Increased integration, data visibility, and productivity**
With NetSuite, companies can keep all data (including employee, product, customer, and partner records) in a single repository without creating or installing expensive or complex integration hooks. End users also have a single source of up-to-date and accurate truth. Out of the box, the back end and front office applications are able to talk to each other. All companies reported improved better visibility and data access. One customer who had several systems in place prior to NetSuite said, "Before, we didn’t know what we didn’t know. Everything was disjointed, there was no connectivity between the applications, and there was no real time instant communication. There was batch processing with significant delays."

Increased visibility is a significant benefit for NetSuite customers, resulting in better reporting and increased staff productivity.

Visibility can be even more important if organizations have more than one physical location. Customers with multiple offices found the ability for all branches to access the same information was a significant benefit. Key returns from improved visibility included better management decision making and increased staff productivity:

- "Productivity is one of the biggest gains we’ve netted," said one customer. "Now someone can see the progress and status of an order from the time it’s an opportunity in the system. Before it was all word of mouth so there was no way to capture information."

- "The benefits of NetSuite are larger in the intangible side than the tangible," said one customer. "Having visibility really enables management to make better decisions. It enables us to really understand where the key drivers of value are and what will make a customer go with us."

- "We had too many manual processes and disconnects in system information to forecast," said another customer who had been running QuickBooks and Salesforce.com. "NetSuite seemed to have pulled everything together. We had it all right there."

- One customer was able to create a custom report in 10 minutes that previously would have taken a full day for a database administrator to create.
Another customer found it can reuse existing reports, and instead of taking a half hour, a report can be generated in five minutes. “We can tell our cash balance on a real time basis,” said an executive. “We can have account payables in real time. The time savings in having key business metrics available in real time is invaluable.”

**IMPROVED CUSTOMER AND PARTNER MANAGEMENT**

NetSuite comes with a complete customer relationship management suite, which supports sales force automation, marketing, and incentive management. It also handles customer support and service and partner relationship management:

- One user noted that its customers and partners could log into the system and track orders through the entire sales process.
- Another NetSuite user saved each member of the sales force an hour a day because the system automatically re-contacted customers to see if they needed their products replenished, instead of making the salespeople do it.
- Another user said, “We still have to spend time on the customer, but [with NetSuite] it’s more organized time. Also, from the back-end point of view, it’s nice to have everything in one system so that we can log in and see all the notes and the history. We’re able to retrieve customer data more quickly.”

Sales people were able to use NetSuite to automate previously manual activities as well as reduce the amount of time they spent looking up customer information. The increase in sales force productivity varied depending on how automated previous processes were and how effectively sales people adopted the technology.

The typical company deploying NetSuite increased sales productivity by 12.5 percent, and companies can expect to improve productivity by up to 20 percent.

Key potential benefits from deploying NetSuite for CRM include:

- Increased profits
- More cross selling and up selling
- Higher customer satisfaction
- Higher customer retention
- Faster customer problem resolution
- Better sales forecasting and pipeline analysis.

**IMPROVED OPERATIONS MANAGEMENT**

Integrating key business processes and functions such as accounts, orders, inventory, customers, and operating expenses helps decision makers to more quickly identify opportunities for improvement or cost reduction. NetSuite customers take advantage of its core functionality to improve operations, resulting in reduced administrative costs, improved financial management, and improved inventory management.

**Reduced administrative costs**

Payroll is the largest expense for most organizations. Because NetSuite has integrated employee management, payroll, and time and expense, and billing functions, employers can centrally manage and reconcile project costs, employee records, and payroll. Key potential benefits include:
- Reduced payroll error
- Improved time and expense tracking
- Improved budgeting
- Reduced general and administrative expenses

**Improved accounting**
NetSuite’s accounting functionality provides multi-currency budgeting, revenue recognition, and reporting capabilities, providing users with a single integrated source of financial information. Several customers noted this is crucial to see the financial health of the company, as it permits better decision making and allocation of capital.

Customers migrating from un-integrated legacy and custom accounting systems and moving to one central accounting system with NetSuite can expect to accelerate financial close times by 20 percent. Some customers accelerated time to close by up to 50 percent.

Many customers also found they could reduce finance staff hours or avoid additional hires. One customer noted that it saved $120,000 a year in avoiding hiring two more people for their finance department. “To the finance team, it’s like a breath of fresh air,” said another user. “They close 10 to 15 days sooner than they used to. They love the system.”

**Better inventory management**
The system comes with an inventory management application that monitors stock, keeps the right mix in place, and automates replenishment. One customer used the application to do better demand prediction and increased inventory turns by 50 percent. This also freed up cash that was formerly tied up in non-performing inventory.

Key returns from better inventory management include:
- Change in working capital
- Reduced shrinkage
- Improved purchasing

**IMPROVED E-COMMERCE MANAGEMENT**
NetSuite also offers an e-commerce platform with a fully functional Web store and cataloging system. As with its other applications, NetSuite’s e-commerce platform allows customers to build and maintain a Web store for relatively less than if they had to do it in-house. Additionally, NetSuite offers the ability to customize a Web store to give it a distinctive look and feel unique to the individual customer. Key features of the platform include:
- eBay, FedEx, and UPS integration
- Drop shipment and special order capabilities
- Affiliate marketing
- Integrated credit card processing
Customers increasingly expect high availability, reliability, and security from Web retailers — which is often beyond the IT budget of small and medium-sized businesses. Using NetSuite’s e-commerce platform can increase sales and speed up transactions, and customers moving from telephone-only sales saw significant increases in sales — one customer found that adding the Web store increased its sales overall by eight percent.

NetSuite’s integration means a transaction online is automatically entered into its accounting, CRM, and order fulfillment applications. The system helps speed up processes that were formerly manually based and slow. If a new item is added to the store catalog or a price on an existing item changed, it can be done easily and instantly without needing developer assistance.

One company fully automated the returns process that originally took four hours a day to handle. NetSuite receives a return notification, and automatically prints out a FedEx return label to send to the customer. It then sends an e-mail to the customer to notify them that the label is on its way and a credit has been refunded.

Key potential returns from using NetSuite for e-commerce include:
- Increased profits
- Reduced credit handling costs
- Reduced order management costs
- Reduced shipping costs

**KEY COST AREAS**
The key initial cost areas for NetSuite were pre-implementation consulting, personnel to support the implementation, and training and ramp-up time for users. Initial implementation cost and time varied depending on the number of application areas being deployed and the complexity of the deployment.

Ongoing costs included subscription fees and, in some cases, internal personnel time to support the application.

**DEPLOYMENT STRATEGIES**
As with all enterprise applications, successful NetSuite customers got the most benefits by following best practices, including:
- Carefully assessing the impact of their deployment. Although NetSuite is easy to install compared to traditional ERP, it still requires training and configuration to meet an individual company’s needs. Success with a go live will require proper homework. As much depends on the customer who is deploying it and how realistic an assessment they’ve made of their needs and capabilities as it does on NetSuite. Customers must also evaluate closely just what the specific tools are in NetSuite and map them to their processes.
- Assigning adequate internal resources. Customers need to have at least one administrator working just about full time on NetSuite for weeks if not months prior to go live. Several of the larger users interviewed had hired internal staffers to handle NetSuite, not necessarily for coding, but to configure screens and dashboards and “make people’s lives easier.”
Taking adequate time to vet consultants. NetSuite provides its own implementation services, as well as a network of partners. Whether customers are using NetSuite or partner services, they will be most successful if their team has experience with similar implementations.

Think through customizations. As with any ERP application, it is best to closely consider customizations and configurations. NetSuite offers a set of tools that allow for point and click configuration processes. So, users can do simple add-ons or workarounds on top of NetSuite with a partner or by using a developer. Customizations are carried forward seamlessly between upgrades. Users can also lobby NetSuite to add a special vertical feature.

Pay attention to training and adoption. As with all business applications, users will need to be properly trained to get the most from the investment. Do a realistic assessment of the end users’ technical capabilities and their willingness to use the application before you plan your training and rollout. Users will have to accept the application and get used to the various new tools, such as the dashboards, to make NetSuite work.

CONCLUSION
The on-demand approach to ERP clearly delivers significant benefits, particularly for small and medium-sized organizations that may not want to invest the time and expense in a traditional on-premise ERP system. NetSuite’s added benefit is the integration of key business processes that even traditional ERP typically lacks, like CRM, e-commerce, order management, and human resources management. For most customers, the biggest advantage is having one integrated system that delivers financial, sales pipeline, and overall operational visibility.
None of...NetSuite’s rivals have packaged together the full complement of back office, front office and e-commerce capabilities into an integrated, software-as-services offering.

Laurie McCabe
Vice President
AMI Partners

NetSuite breaks the limitations of traditional CRM systems by integrating complete back-office and front-office systems in a simple application. For the first time, mid-market companies can go from lead to sale to shipment to service without ever having to integrate data from disparate systems.

Denis Pombriant
Managing Principal
Beagle Research Group

[With NetSuite] a customer begins to realize ROI immediately... with no hardware to procure, no up-front license fee, and no complex set-ups.

Jayson Maynard
Research Analyst
Credit Suisse

We were spending 3% of our revenue on SAP. By switching to NetSuite, we reduced that cost to 0.1% of revenue.

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