



Seeing the Big Picture: How Global Midsize Businesses Can Use Cloud ERP To Drive Growth

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KEY HIGHLIGHTS

- *Global businesses face many challenges trying to manage subsidiaries and operations in different parts of the world, including managing new operational and financial risks; dealing with multi-currency issues, tax structures and compliance concerns; and getting a clear, 360° view of the business.*
- *Cloud-based ERP solutions provide real-time visibility into operations and financial performance, but global companies need additional functionality to meet more complex local and corporate requirements.*
- *“Must-haves” include accurate multi-currency exchanges; faster and easier financial consolidation, ease of deployment, use and management; and the ability to tailor the solution.*
- *Growing and midsize businesses can manage multiple subsidiaries, business units and legal entities from a single NetSuite account, helping them close their books faster and more accurately and make better business decisions. At the same time, they can provide complete local control for each division without the need for local IT staff or hardware.*
- *By allowing global companies to concentrate on the “business of the business,” rather than worrying about the mechanics of financial management and operations, companies are achieving positive ROI and payback in less than two years.*

In an ever-flattening world, growing and midsize businesses have more opportunities to expand globally to accelerate growth and increase profitability. But to take advantage of these opportunities, they must be able to manage and streamline financial operations across countries with different currencies, tax laws, and reporting and oversight requirements. Global medium sized businesses must manage financial consolidations at multiple levels—each subsidiary needs to have local operational control, and the parent company must be able to roll up data into consolidated financial reports.

However, growing and midsize businesses typically lack the IT budget and resources required to implement and use traditional enterprise resource planning ERP software designed for large businesses. When businesses “go global,” they need the visibility, reporting functionality, quality and sophistication of large enterprise ERP—but require solutions that are easier and faster to deploy, less resource intensive to maintain and more affordable than solutions built for large companies.

In this paper, we consider the distinct financial and operational challenges that global medium sized businesses face, and examine the value that global, real-time financial consolidation solutions can deliver. We discuss the criteria that they can use to evaluate solutions, and how NetSuite’s OneWorld solution—designed from the ground up as a cloud-based solution geared toward global medium sized business needs and constraints—can provide them with the global visibility, consolidation and reporting functionality they need to streamline operations and gain a competitive edge. Throughout the paper, we reference the experiences of several NetSuite OneWorld customers interviewed for this paper. We conclude with our perspective on how the right tools can give medium sized businesses the agility and visibility they need to achieve their global business objectives.

In the appendix, [***How InkJet Superstore Uses NetSuite OneWorld to Facilitate Fast, Efficient Expansion into New Global Markets***](#), we provide a detailed look at how one of these customers, InkJet Superstore, used NetSuite OneWorld to streamline its entry into new global markets, achieving payback from investment in just under four months, and expects to receive an average annual ROI of 772% over four years.

SECTION 1: GROWING THROUGH GLOBAL EXPANSION: OPPORTUNITIES AND CHALLENGES FOR GROWING AND MIDSIZE BUSINESSES

Just like their large enterprise counterparts, growing and midsize businesses (with 50 to 1,000 employees) seek growth and new opportunities through global expansion for many good reasons, such as:

- Access to new markets and customers to increase revenues
- New suppliers, distribution and manufacturing capabilities to increase efficiencies and reduce costs
- Access to new labor sources and skills

U.S.-based growing businesses produced over 30% of export value in 2008. Today, about 240,000 of these companies operate globally, and many more will follow, as they look for new ways to grow, develop and build their businesses. Over the next year, in fact, the U.S. National Export Initiative aims to help 23,000 businesses start exporting or grow their international sales. Over the next five years, the U.S. government is targeting a 50% increase in the number of businesses that export to more than one market.

New technologies also make it easier for businesses to expand beyond national borders, helping businesses to collaborate with their employees, suppliers, partners and customers in real time, at any location. Cloud computing in particular helps free up time and money that companies use to buy and maintain IT infrastructure and hire local IT resources, so that businesses can invest more in their core business and market differentiation instead of sinking money into a disparate IT infrastructure.

However, cloud computing alone isn't enough to make going global easy. Growing and midsize businesses face many concerns as they enter new markets, and are challenged to successfully manage subsidiaries and operations in different parts of the world (**Figure 1**). Some of the most significant issues they must cope with include managing new operational and financial risks (such as dealing with multi-currency issues, tax structures and compliance concerns), and managing and analyzing financial information data on country, regional and consolidated levels to get a clear, 360° view of the business.

Figure 1: Top Challenges Growing and Midsize Businesses Face When Expanding Global Operations

✓	Local accounting, tax and compliance requirements for each subsidiary and the parent company
✓	Managing currency exchange rates with historical accuracy, as well as localized currency conversions for sales and billing and for consolidations
✓	Lengthy cycle to roll up financial results from subsidiaries, which delays closing the books
✓	Lack of immediate visibility into financials, which delays important decision-making
✓	Lack of confidence in financial data for both individual subsidiaries and for consolidated results due to inaccurate currency conversion
✓	Time-consuming manual processes that are error-prone and inefficient
✓	“Siloed” systems for accounting, ERP, ecommerce, etc. between and within subsidiaries and the corporation which prohibit a clear, 360° view of corporate performance
✓	Difficulty in managing multiple sales and distribution channels
✓	Finding a global ERP solution that is designed and priced for growing and midsize companies
✓	Lack of internal and local IT resources to deploy sophisticated solutions in-house

SECTION 2: THE VALUE OF REAL-TIME GLOBAL FINANCIAL CONSOLIDATION AND MANAGEMENT

Growing globally has very specific implications in terms of business solutions. However, midsize businesses often use financial systems that may have sufficed prior to global expansion, but weren't designed to handle the complexities of operating a business in different parts of the world. As they launch or acquire new overseas subsidiaries, they're likely to find themselves running several disparate solutions. Trying to integrate and make disparate applications talk to each other isn't easy—especially when the individual applications were designed for country or regional requirements and lack the capabilities that corporate requires. And supporting a plethora of cobbled-together applications that weren't right for the job in the first place is costly and time-consuming.

As inefficiency and pain increase, businesses recognize that they need clear, real-time visibility into operations and performance to profitably capitalize on new opportunities. Armed with better insight, they can make better-informed, more proactive decisions, both day-to-day and for strategic planning. The requirements for real-time, accurate data along with the capabilities to aggregate, slice and dice that data to meet both local and corporate financial planning requirements are driving many growing and midsize businesses to not only turn to cloud computing, which streamlines deployment, use and maintenance across multiple locations, but to also seek a solution that provides multi-national capabilities.

Take the case of [Palo Alto Software](#), which provides business and marketing plan software for small businesses. Headquartered in Eugene, Oregon, with a subsidiary in the U.K., Palo Alto had been running different accounting, inventory, order and customer relationship management (CRM) systems, each configured for relevant local currency, tax rules and reporting requirements.

This solution's patchwork didn't yield the insight that CEO Sabrina Parsons needed to make fast, accurate decisions for the business, and it was costly to maintain. According to Parsons, "Report building required excessive manual intervention, took a long time, was error-prone and resulted in an incomplete picture. I didn't have confidence that currency exchange rates would be correct for any given time, and couldn't get an accurate consolidated view of the performance." She also lacked an efficient way to track, analyze and manage sales and marketing activities across the company.

"I wanted a system that would bring everything together and put the health of the company at my fingertips." — Sabrina Parsons, CEO, Palo Alto Software

Parsons wanted "a system that would bring everything together and put the health of the company at my fingertips," and give both the U.K. and U.S. teams consolidated and local views of key performance indicators (KPIs), dashboards, budgets, sales and year-over-year financial comparisons. She didn't want to add IT infrastructure costs and headcount, so she focused on cloud-based solutions. Parsons looked at options to integrate different ERP and CRM offerings, but decided she "wanted one whole system so I wouldn't have to use development resources for integration." Her research led her to NetSuite OneWorld, which would provide a unified database and user interface across functions, and the multi-subsidiary capabilities required.

"I live and die by the KPIs and comparative sales charts in NetSuite OneWorld." — Sabrina Parsons, CEO, Palo Alto Software

OneWorld gives Parsons and about 25 other users at Palo Alto real-time access to financial data in one place, and the tools they need to conduct planned to actual comparisons, forecasting and other management tasks individually by geography, or rolled into a consolidated view. With assurance that currency exchange rates are correct, Parsons has more confidence when making decisions, saying, "I live and die by the KPIs and comparative sales charts in NetSuite OneWorld."

Ilan Douek, president of [InkJet Superstore](#), which sells InkJet Superstore branded and other brands of printer and imaging supplies, also needed to streamline global financial management. As an online merchant, Douek chose NetSuite's core solution in 2003 for his then-U.S.-only business because it provided a tightly integrated cloud-based ERP and web store.

The solution served Douek well, and in 2008 he decided to open a subsidiary in Canada. Initially, Douek set up a separate instance of NetSuite for his Canadian operation, figuring he would just copy things over. But, realizing he was wasting time on redundant data entry and syncing, Douek quickly moved to OneWorld—not only to help streamline operations in Canada, but to help enter new markets in other regions as well.

Since then, InkJet Superstore has opened a new subsidiary in the U.K., and plans to add another in Germany. With NetSuite OneWorld, says Douek, "All of the accounting, taxes and forms that we need are built in. All we need to do is create a subsidiary and custom start template for that country. Currency conversions are automatic, so we can set up a new operation in about 2 weeks."

"Currency conversions are automatic, so we can set up a new operation in about 2 weeks." — Ilan Douek, President, InkJet Superstore

Douek can sell, file taxes and ship from each location, while getting the real-time visibility he needs to manage the business remotely. He adds, “I also didn’t have to hire 3 or 4 IT people to run an on-premises solution—which is great because I don’t even want to own servers.”

All of the company’s 55 employees use NetSuite, each with his or her own permissions customized to each employee’s role. Douek can also easily provide access to local CPA firms that he works with in each country. By streamlining financial and operational activities, Douek has more time for competitive pricing, supply chain agility and marketing activities—all the things that help InkJet Superstore grow.

Until now, medium sized companies with multiple subsidiaries had to rely on multiple country-specific traditional on-premises ERP systems. Each subsidiary must retain its financial books, manage accounts receivable and payable, employee payroll, pay taxes in the local currency and satisfy the compliance requirements of the country in which it is located, which hinders the easy flow of financial information to corporate. Financial information from each of these subsidiaries must be consolidated to the corporate entity. This task, in the past, was accomplished manually through multiple Excel spreadsheets. The corporate entity usually must wait for updated financial data from the subsidiaries, which slows down the financial consolidation process; there is also questionable accuracy resulting from the merging of these multiple spreadsheets. Each company we talked to faced similar issues, turned to NetSuite OneWorld to help alleviate these issues and achieved real-time instant financial consolidation. NetSuite OneWorld’s single instance ERP solution also enables direct drill-down capabilities to see details at any level of the organizational hierarchy.

“NetSuite OneWorld’s single instance ERP solution enabled real-time instant financial consolidation with direct drill-down capabilities to see details at any level of organizational hierarchy and subsidiary. By moving to NetSuite OneWorld, the confidence level and speed to close the books has increased tremendously. We have gone from 30 days to 10 days, and the level of confidence has gone from 70% to 95%. It used to take 3 headquarters staff for this job, and we’ve cut that in half.” — Peter Svensson, CFO, The PBN Company

SECTION 3: WHAT TO CONSIDER WHEN EVALUATING GLOBAL ERP OPTIONS

Clearly, many multi-national growing and midsize businesses will come to a similar fork in the road, and realize that they need to step up to a solution that offers more sophisticated, global capabilities. But unlike large companies with ample budget and staff to conduct research, assessments, trials and proof-of-concepts, growing and midsize businesses are apt to take more of a do-it-yourself path. According to [SMB Group’s 2010 Routes to Market Study](#), 78% of medium businesses (100 to 1,000 employees) use Internet search engines as their primary method to research new business solutions; and 63% of these turn to blogs, reviews, ratings and other social media commentary as sources of advice when evaluating a new solution.

Some of the key areas that global midsize businesses want clarification on and answers for as they evaluate solutions include:

- **“Must-have” functionality.** Most global businesses need more accurate multi-currency exchanges, and faster and easier financial consolidation. Does the solution calculate financials in local currencies? What languages does it support? In addition, depending on the type of business you run or the industry you are in, you may have other must-haves, such as InkJet Superstore’s need to integrate financials with its web stores, or Palo Alto’s requirements to have CRM integrated with ERP to help improve sales performance.
- **Real-time data visibility, interaction and reporting.** Having accurate information about budgets, costs, forecasts, supplies, labor and projects—both locally and globally—provides insight to make better day-to-day and strategic decisions. With a centralized database, you enter data once and it is consistent across functions, making data retrieval, querying and reporting much simpler.
- **Integration.** A solution that runs on one unified database connects previously disconnected silos of information, giving everyone “a single version of the truth.” Having key business solutions running on one database also means you spend less time shuffling from one application to another to complete different tasks, helping to facilitate workflows, streamline operations and automate processes.
- **Resources to implement and manage the solution.** The businesses we interviewed for this paper deliberately chose cloud computing over on-premises solutions so they could get up, running and productive more quickly, at a lower cost and with reduced risk. In fact, internal IT resources and VAR, consultant and IT infrastructure costs account for approximately 30% of the TCO costs in cloud solutions compared to around 68% to 70% in on-premises solutions, according to the Hurwitz & Associates report, *The Compelling TCO Case for Cloud Computing in SMB and Mid-Market Enterprises*.
- **Scalability.** Can the solution scale flexibly to quickly meet new or changing demands? In addition to making it easy to add new subsidiaries, can you easily add, change or remove users as requirements shift in individual locations, without disrupting the business? How complicated is it to start with financials, but add other capabilities—such as CRM or a web store—as needed?

“We considered using a popular mid-market on premise ERP solution, and we do have the IT expertise to run it on-premise. But it would have been very distracting to spend time customizing it when NetSuite OneWorld satisfied 99% of our requirements without customization.” — CFO, Global On Demand HR Services Company

“I wanted visibility, convenience and all-in-one solution so we didn’t have to write queries to different places and we could reduce the time spent to create and maintain reports.” — Sabrina Parsons, CEO, Palo Alto Software

“With OneWorld, it’s easy for us to enter a new country...everything we need to expand is built in.” — Ilan Douek, President, InkJet Superstore

- **Ease of access and use.** Is the information you need at your fingertips, when and where you need it, regardless of where you are—whether you're using a smartphone or a PC? It's simpler for users to get up to speed on solutions with visual interfaces, clear and easy navigation, and the same interface throughout. Cloud-based solutions with streamlined mobile interfaces and capabilities help boost productivity on the road. For example, Palo Alto's Parsons frequently checks on company performance using her iPhone—from anywhere, at any time of the day.
- **Communication and collaboration.** In a global company, things can get lost in translation. But by making it easier for people in different locations to get on the same page, with the same information, you can reduce the likelihood of misunderstandings and boost productivity and efficiency. How simple is it to track information changes and updates, and notify people when things need their attention?
- **Ability to modify and add new functionality.** How open is the architecture? Does the solution vendor provide application programming interfaces (APIs) and web services so that it's easy for developers to write add-on solutions? No one vendor can build everything that any customer may need—look for an active third-party developer ecosystem.
- **Global support and service.** What type of presence, resources and knowledge does the vendor have in the regions where your business operates or plans to enter? How does the vendor track, manage and resolve issues at local, regional and country levels?

“Another benefit of the cloud computing model and how flexible the system is—I’ve been pretty much all over the world closing books, the Ukraine, Sweden, you name it. As long as I have Internet access, I can get it done.” — Peter Svensson, CFO, The PBN Company, a multi-national PR services firm

“We needed to be able to tie our ERP system into third-party logistics solutions and shipping partners...being able to do this type of integration easily was essential to us.” — Ilan Douek, President, InkJet Superstore

SECTION 4: NETSUITE'S ONEWORLD SOLUTION—DESIGNED FOR BUSINESSES WITH MULTI-NATIONAL REQUIREMENTS

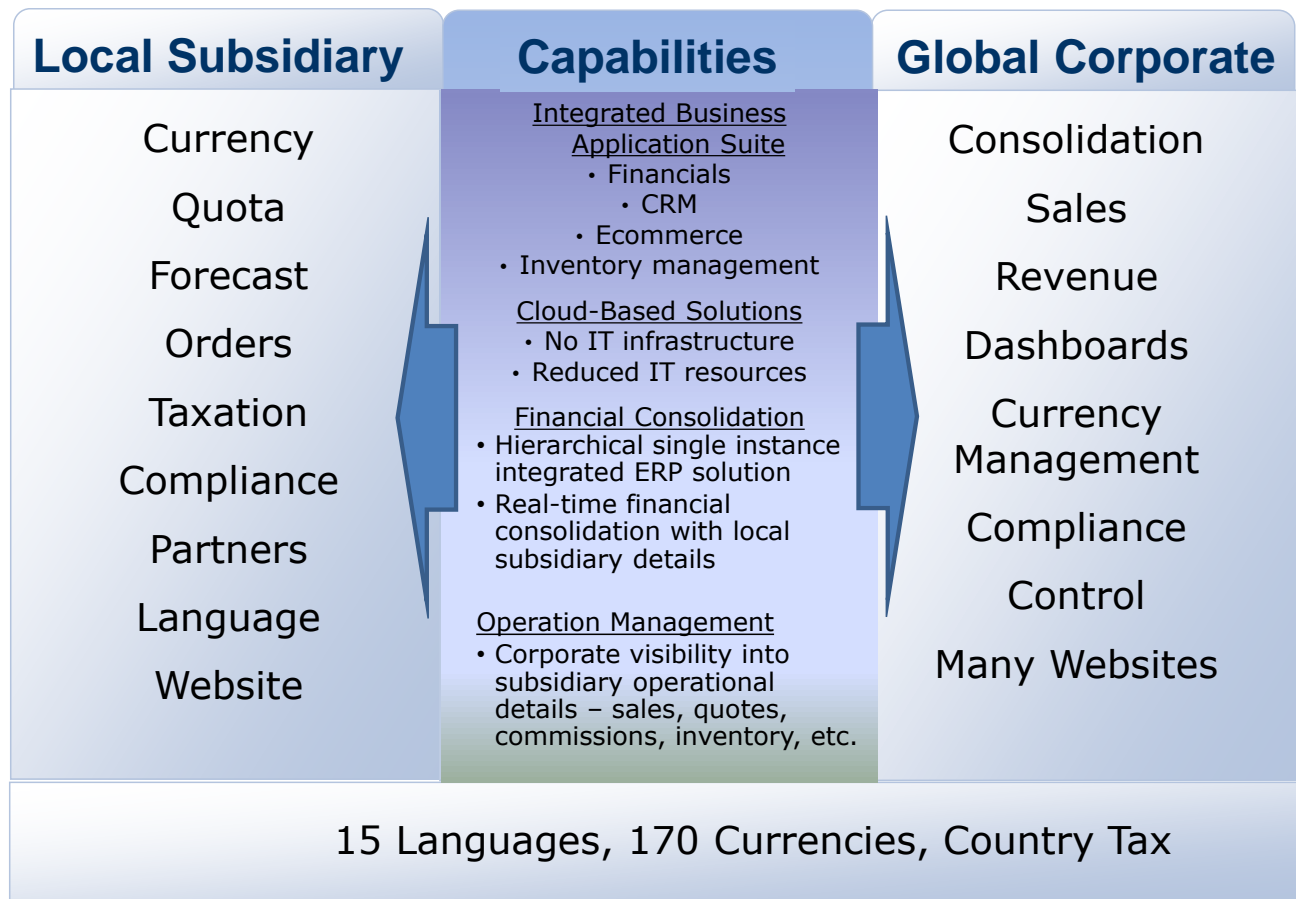
Over the last several years, NetSuite has grown to become the number one cloud ERP and financials software suite vendor, providing financials, CRM, inventory and ecommerce capabilities—helping more than 6,600 companies move from a tangled web of disparate solutions to a unified, integrated solution. NetSuite built its solution from the ground up to capitalize on the advantages of cloud computing, an integrated suite approach and open architecture, yielding several key benefits, including:

- **Real-time visibility and dashboards** for users across the organization, tailored to user roles and functions
- **Reduced start-up and maintenance costs** versus comparable on-premises business solution deployments

- **Anytime, anywhere access** to information, from traditional desktops to mobile devices, with the same user interface across different functions
- **Business process customization and verticalization** via the SuiteCloud platform, a toolkit that lets customers, partners and developers customize NetSuite; build new functionality, workflows and processes as needed; and connect to legacy and third-party applications and content providers

NetSuite OneWorld provides global companies with all of the benefits of NetSuite plus all of the additional capabilities that midsize international businesses with multiple subsidiaries need to effectively manage their *business* (**Figure 2**).

Figure 2: NetSuite OneWorld for Global Business Management



Source: SMB Group, 201

NetSuite OneWorld enables companies to manage multiple subsidiaries, business units and legal entities from a single NetSuite account, helping companies close their books faster and more accurately by providing the following capabilities, which are also detailed further in **Figure 3**:

- **Consolidated financial reporting** through support of hierarchical accounting from the subsidiaries to the corporate headquarters, accommodating all currency conversions and the differing taxation rules. Traditionally, midsize companies with disparate financial systems have depended on Excel worksheets, often having to wait for data from their subsidiaries, which added to the delays inherent in manual accounting processes.
- **Local management of taxes and compliance** that gives each subsidiary the ability to retain its books, pay its employees, manage accounts receivable and payable, and pay taxes in the currency of the region in which it is located.
- **Accurate, automated currency conversion** for real-time roll-up of costs, revenues, commissions, etc. across subsidiaries, with automated currency refreshes calculated as rates change for more than 170 currencies. The solution automatically calculates the Cumulative Translation Adjustment (CTA) resulting from using different consolidation rates for different types of transactions.
- **Multi-currency and multi-language support** for all financial functions, including accounts receivable, accounts payable, payroll, billing, etc., and for financial steps in the sales process, such as quota management, forecasting and commissions. OneWorld currently supports 12 languages.
- **Built-in business intelligence** with real-time dashboards that display multiple levels of consolidated reporting and KPIs. Users can also create their own KPIs to meet the needs of both local and corporate stakeholders.
- **Tools to manage multi-national customer relationships and sales channels**, including direct sales teams and distribution partners. Individual sales reps can manage orders and forecasts in their own local currencies, and managers can roll up this information at country, regional and corporate levels.
- **Risk mitigation** through a transparent, automated financial consolidation process that supports defensible, auditable procedures.

Figure 3: NetSuite Financial Consolidation Capabilities and Benefits

Capability	Benefit
Consolidated Financial Reporting	Achieved real-time instant financial consolidation at the corporate level while providing country-specific financial reporting, previously accomplished manually through multiple Excel spreadsheets over several days
Local Management of Sales Tax	Enables calculation and payment of taxes in the currency of the region where it is located based on local tax laws
Support for Local Accounting Standards	Provides support for country-specific financial and regulatory compliance needs
Automated Currency Rate Refreshes for 170 Currencies	Maintains both the local currency conversion rate and rates used to determine roll-up into corporate currency to provide faster, more accurate currency translation of subsidiary costs, revenues, payroll, commissions, etc.
Flexible Chart of Accounts	Creates a single chart of accounts across subsidiaries or companies; can provide separate charts of accounts for each subsidiary; enables posting between subsidiaries through intercompany journals
Automates Cumulative Translation Adjustment	Automatically calculates the Cumulative Translation Adjustment that results from using different consolidation rates, and month-end or historical rates for balance sheet transactions
Multi-currency and Multi-language Support for All Financial Activities	Includes global management of accounts receivable, accounts payable, payroll, billing, invoicing, etc., as well as all the financial aspects of the sales process, including quota management, forecasting, quotes and orders, order management, commissions and sales themselves
Risk Mitigation	Enables risk mitigation through a transparent, automated financial consolidation process with defensible, auditable procedures

As NetSuite has grown, it has expanded support to more regional locations, enabling global tracking and routing for any problems that customers may have so that issues can be resolved at local, regional or global levels as required.

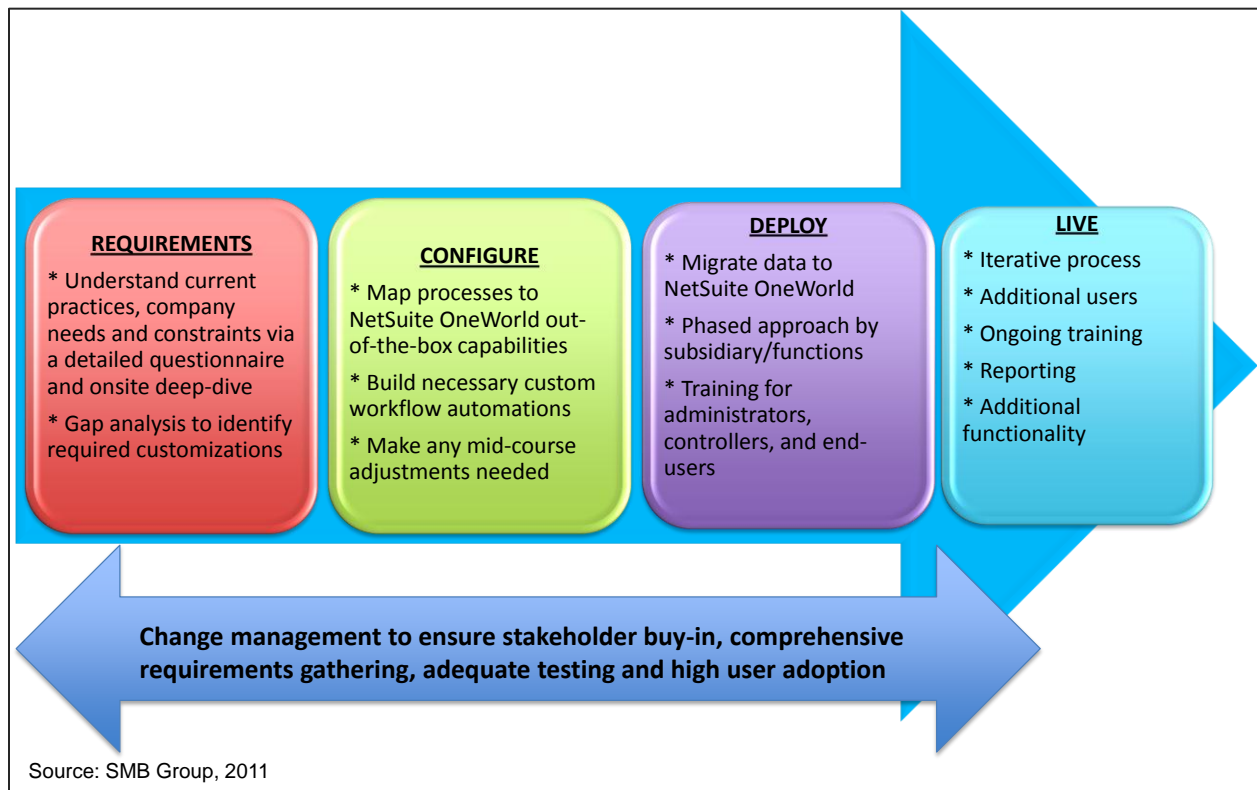
SECTION 5: MAKING THE MOVE TO NETSUITE ONEWORLD

Businesses moving to NetSuite OneWorld have different implementation needs, depending on the complexity of their business, the number of subsidiaries they have, the solutions they have been using and the in-house resources they have access to. Some businesses have been using NetSuite's core solution, are familiar with it and can add OneWorld functionality with relatively minimal assistance. At the other extreme, a company with several subsidiaries moving from a hodge-podge of systems may require more hands-on consulting, migration and training.

For these reasons, NetSuite engages with every customer *prior* to the sale to scope out the project, ensure understanding of the solution's capabilities and discuss the implementation methodology and timeframes. Once the contract is in place, NetSuite or a NetSuite partner works with the customer to implement the solution using a phased implementation approach, as shown in **Figure 4**, to proactively troubleshoot potential issues and ensure a smooth transition. Depending on individual requirements, NetSuite OneWorld customers can be up and running in as little as a few weeks.

"We had an aggressive go-live date and used a NetSuite partner, Explore Consulting, for implementation. The solution met about 99% of our firm's requirements out-of-the-box, requiring just a small amount of customization. We were live in 4-5 weeks, including setting up two subsidiaries and adding new financial processes such as revenue recognition." — CFO, Global On Demand HR Services Company

Figure 4: NetSuite OneWorld Implementation Process



NetSuite and its partners take a “shared consulting” approach, working very closely with the customer throughout the process. Effective change management is critical to success—so starting on day one, NetSuite and its partners work to ensure stakeholder buy-in, comprehensive requirements gathering, adequate testing and strong user adoption. NetSuite provides customers with a portal to access documentation, such as templates for user adoption, training plans and checklists, and how-tos for organizing user groups. NetSuite also has a best practices repository for customers, which offers best practice guidance on about 50 topics, such as how to move payables or inventory to NetSuite OneWorld, and best practices for dealing with multiple currencies, to help smooth deployment.

Determining what data should be migrated and what can be archived in a legacy system is another important issue that NetSuite addresses with customers early on. Most customers bring in active data and summary level trial balances by month to provide historical detail for product comparisons, and can import it with NetSuite’s .csv import wizard and some mapping.

This upfront effort and a solid methodology pay off with a shortened production cycle. NetSuite has been able to eliminate the need for a pilot. Comprehensive requirements gathering and testing with super-users help iron out any kinks early on, speeding time to productivity when the solution goes live. For instance:

- **[Palo Alto Software](#)** engaged NetSuite partner Celigo for implementation. Palo Alto took a phased approach to allow time to handle issues or changes that might crop up, and provide staff with the basics they’d need to start using Net Suite OneWorld once it went live. All told, Palo Alto was up and running with NetSuite OneWorld in six months.
- **[The PBN Company](#)**, an international PR services firm, has been using the core NetSuite solution since 2003. When PBN went from a standalone, private entity to being acquired by WPP Group in 2007, it had to manage the parent company in the U.S. and three subsidiaries in Russia, Ukraine and Kazakhstan. NetSuite and The PBN Company’s financial team partnered to get NetSuite OneWorld up and running in four months. Notes CFO Peter Svensson, “NetSuite OneWorld is very user-friendly and intuitive—the typical new employee gets up to speed in less than 30 days. And we find new ways to use more NetSuite OneWorld functionality over time.”
- **[InkJet Superstore](#)**, which added OneWorld to its core NetSuite deployment when it opened its Canada subsidiary, “did a quick .csv import, and then spent about a week to bring in templates and layout our Canada web store in NetSuite ecommerce. It should take us just a couple of weeks to add and open our new store in Germany,” according to Ilan Douek, InkJet’s president.

“OneWorld is very user-friendly and intuitive—the typical new employee gets up to speed in less than 30 days. And we find new ways to use more NetSuite OneWorld functionality over time.” — Peter Svensson, CFO, The PBN Company

SECTION 6: MEASURING SUCCESS

By allowing midsize companies to concentrate on the “business of the business,” rather than worrying about the mechanics of financial management and operations, customers are finding significant return on investment (ROI) across a range of areas (**Figure 5**). Based on our interviews with NetSuite OneWorld customers, we estimate companies are achieving positive ROI and payback in one to two years.

Figure 5: Key ROI Benefits Achieved with NetSuite OneWorld

✓	Achieve better, more accurate and more timely decision-making due to real-time access and customizable views of financial data locally and at the corporate level, and “a single version of the truth”
✓	Decrease the time required for financial consolidation and reporting
✓	Gain higher confidence in the accuracy of financial results and more streamlined compliance
✓	Improve accounting and operational staff productivity
✓	Improve operational and sales results through higher solution availability vs. on-premises solutions
✓	Have remote access to manage operations from anywhere, at any time (possibly mitigating or reducing the need for physical offices and staff in some locations)
✓	Eliminate additional IT infrastructure costs for servers, storage, software, etc.
✓	Eliminate the need to add IT headcount to install and manage IT infrastructure and application software

For example, InkJet Superstore estimates that it will achieve an average annual ROI of 772% in year 4. According to InkJet’s Douek, “The benefits are off the charts...we received a payback on our investment in NetSuite OneWorld in less than 4 months. It’s helped us to quickly build a significant e-commerce presence in Canada and U.K.—with Germany slated to come online soon.” Douek also continuously taps Net Suite OneWorld capabilities to automate more of his manual business processes, and recently created an integration to automate InkJet’s returns process—replacing a labor-intensive manual process that had previously tied up too much time. Adds Douek, “The real beauty is that we have the freedom to stay focused on marketing, pricing and new items. We don’t have to lose sleep over web servers going down or having technical issues.”

“The benefits are off the charts...we received a payback on our investment in NetSuite OneWorld in less than 4 months.” — Ilan Douek, President, InkJet Superstore

Sabrina Parsons of Palo Alto Software has also gained measurable impact from NetSuite OneWorld. The company grew almost 10% and avoided layoffs from October 2009 through October 2010, in the middle of the economic downturn. Her ability to get instant, reliable intelligence and streamlined budget-tracking capabilities from NetSuite OneWorld has helped the company stay agile and well-positioned for growth. “We reduced IT headcount by 1 fulltime person, and could assign that person to a different role because of NetSuite...we have just a half-time IT headcount as our NetSuite admin. I’d estimate that we’ve been able to boost management productivity by at least 25 percent, and as CEO, having visibility into all the numbers and insight into everything going-on gives me peace of mind.”

Meanwhile, PBN CFO Peter Svensson comments that, “Step One—just using the core NetSuite solution gave us an almost instant return-on-investment.” By moving to NetSuite OneWorld, the confidence level and speed to close the books have increased tremendously. “We have gone from 30 days to 10 days, and the level of confidence has gone from 70% to 95%. It used to take 3 headquarters staff for this job, and we’ve cut that in half.”

“We reduced IT headcount by 1 fulltime person, and could assign that person to a different role...and as CEO, having visibility into all the numbers and insight into everything going-on gives me peace of mind.” — Sabrina Parsons, CEO, Palo Alto Software

“It used to take 3 headquarters staff for this job [to close the books], and we’ve cut that in half.” — Peter Svensson, CFO, The PBN Company

Figure 6: Customer Metrics and Perspective on NetSuite OneWorld Benefits

Customer	Metrics and Perspective
Palo Alto Software	<ul style="list-style-type: none"> • 10-15% improvement in sales due to significantly higher uptime for NetSuite OneWorld compared to previous on-premises ERP system. • Up-to-the-minute access to orders frees up more time for strategic planning and ability to make faster pricing and bundling configurations • Reduce IT headcount by 1 full-time person, who was re-assigned to another role; NetSuite OneWorld requires only .5 IT headcount • Boosted management productivity by 25% because of real-time visibility into numbers • Peace of mind
InkJet Superstore	<ul style="list-style-type: none"> • CEO productivity increased 25% due to reduced time needed to create and view consolidate financial results for 3 subsidiaries • Need to open physical office in two subsidiaries was eliminated • Significantly reduced staff requirements for accounting, shipping, customer service and purchasing functions • Mitigated the need to hire 3 to 4 IT people which an on premises solution would have required • Provided ability to sell, file taxes and ship from each location, while running the business remotely
The PBN Company	<ul style="list-style-type: none"> • Provided “an almost instant return on investment” • Time to close the books decreased from 30 days to 10 days • Confidence level in the data rose from 70% to 95% • Staff required to close the books decreased from 3 people to 1.5

SECTION 7: SUMMARY AND SMB GROUP PERSPECTIVE

Global medium sized businesses need an ERP solution that gives them improved financial visibility, consolidation and management capabilities today, and offers flexibility and innovation for the future—at an affordable price and in a digestible manner.

Companies that have deployed NetSuite OneWorld can manage subsidiaries around the globe with a single application that provides consistent, accurate and real-time information to meet the needs of all levels in the enterprise—creating a huge competitive advantage against less nimble and informed

rivals. Because NetSuite runs in the cloud, decision-makers have access to data, no matter where it resides, from anywhere at any time—without building IT infrastructure in the field or at headquarters. Instead, they can reallocate personnel and budget that would have been sunk into IT to developing new products or services, or expanding marketing and sales initiatives.

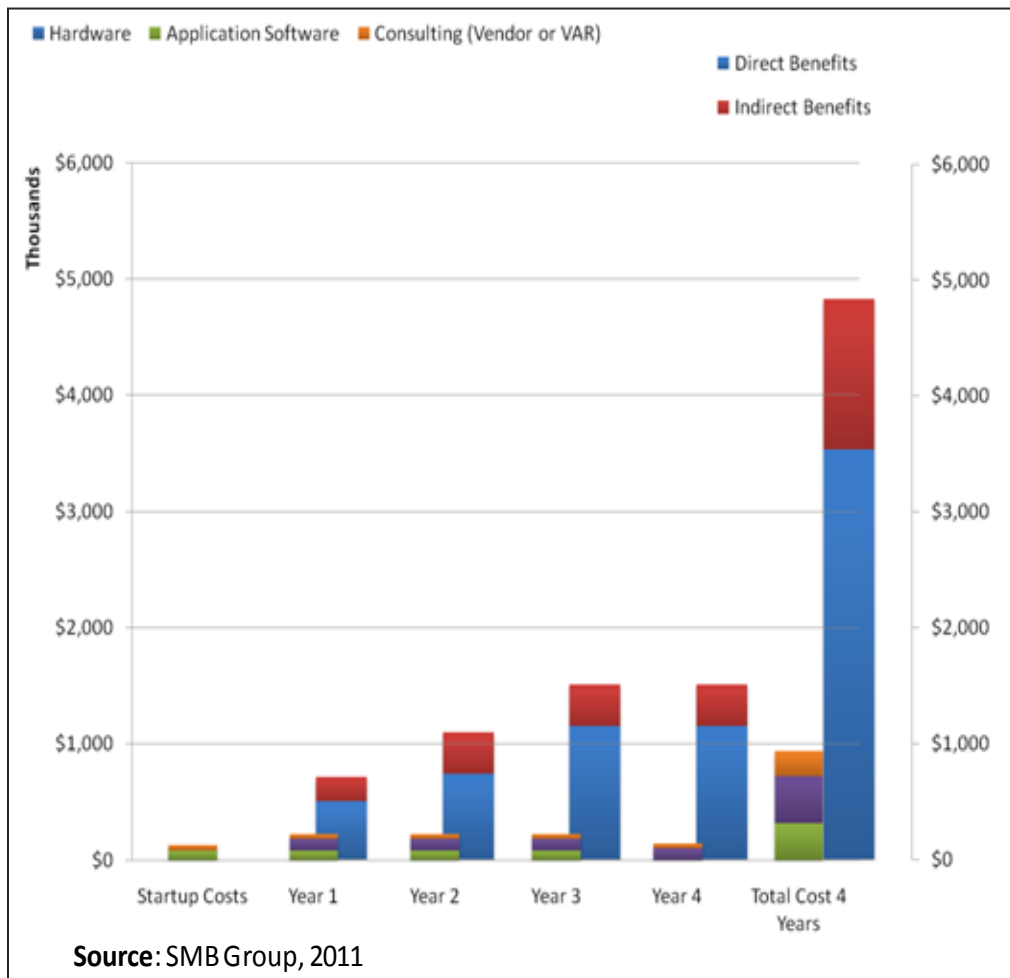
Most important, NetSuite OneWorld provides customers with a strong return on investment. While costs are always important, it's imperative that the solution help businesses create value and capitalize on growth opportunities. NetSuite OneWorld has hit this mark, delivering a highly capable, cost-effective and flexible ERP solution for global medium sized businesses that want to bring the value of business insight and agility to their companies.

APPENDIX

HOW INKJET SUPERSTORE USES NETSUITE ONEWORLD TO FACILITATE FAST, EFFICIENT EXPANSION INTO NEW GLOBAL MARKETS

- *InkJet Superstore achieved a payback on its investment in NetSuite OneWorld in less than four months, and estimates that it will realize an average annual ROI of 772% on this investment over four years.*
- *The company consolidated all the global subsidiaries into one database providing instant real-time visibility, enabling improvements in business and operational efficiencies—all subsidiary accounts on one platform and accessible via a single dashboard.*
- *It improved employee productivity and significantly cut costs by automating many manual business processes for a long-term, significant positive effect on ROI.*

Figure 6: InkJet Superstore Annual Cost and Benefit Summary for NetSuite OneWorld



In 2008, InkJet Superstore began selling in Canada—and it encountered the challenges often faced by growing and midsize businesses when expanding global operations. The most significant ones were:

- **Inefficiency and redundancy.** When InkJet Superstore launched its subsidiary in Canada, it purchased a separate subscription of NetSuite to run in tandem with the U.S. system. To create a second, non-integrated instance of NetSuite in Canada, InkJet Superstore had to copy over items, catalogs and other information from the U.S. to the Canadian system in order to sync both accounts.
- **Lack of visibility at local, regional and corporate levels.** With NetSuite solutions “siloes” by location, InkJet Superstore was unable to get the clear, 360° view of corporate performance that it needed. Having separate instances of NetSuite at each location required different log-ins to access information for each subsidiary, and the company was spending too much time consolidating business and financial reports.

InkJet Superstore turned to NetSuite OneWorld to address these challenges successfully. It has pushed the limits of its OneWorld implementation and successfully grown its business by expanding into Canada and the U.K. It is now looking at expanding into additional countries around the globe, enabled by the sophistication of NetSuite OneWorld’s capabilities.



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The SMB Group focuses exclusively on researching and analyzing the highly fragmented “SMB market”—which is comprised of many smaller, more discrete markets. Within the SMB market, SMB Group areas of focus include: Emerging Technologies, Cloud Computing, Managed Services, Business and Marketing Applications, Collaboration and Social Media Solutions, IT Infrastructure Management and Services and Green IT. Read our [2011 Top Ten SMB Predictions](#) for our views on game-changers in these and other areas of the SMB market.