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NETSUITE

WHY GROWING DISTRIBUTORS ARE MAKING THE SWITCH FROM QUICKBOOKS TO NETSUITE





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LEARN WHY GROWING DISTRIBUTORS SWITCH FROM QUICKBOOKS TO NETSUITE'S CLOUD PLATFORM

Massive changes are sweeping the distribution industry. To adapt in this dynamic environment, organizations must be able to quickly respond to changes in market conditions, technology advancements and evolving customer expectations. Though most recognize the need to innovate, distributors have a remarkably difficult time finding business application solutions that can meet their needs in an effective, yet affordable manner.

Very often, distribution companies have been forced to rely upon a hairball of dangerously unreliable spreadsheets and limited point solutions like QuickBooks. The relatively low cost of maintaining those systems masks the cost of inefficiencies in routine tasks like the monthly close or, more importantly, the dissemination of reliable information upon which business decisions can be confidently made in a fast-paced environment.

This did not matter as much when business was relatively simple or where business was being conducted in stable market conditions. But the emergence of the internet as a platform upon which to build entirely new business models and the displacement of the PC and laptop by mobile devices as the computing platform of choice by the next generation of business users has changed the status quo. Today, distribution organizations must consider the potential impact of both existential threats and opportunities as the starting point for rethinking their technology investments.

“We are strong believers in the power of real-time data to make solid business decisions. NetSuite now gives us that single source of truth.”

Mark Fitzgerald, COO, POS Supply Solutions

Fast-growing distributors are especially challenged as the opportunities afforded by a combination of globalization and the rise of the internet have not been matched by their in-house technology systems. Thus, these companies are faced with the difficult questions that come with growth.

For example:

- How do distribution companies take advantage of modern technologies without overloading the organization with cost and complexity?
- Can modern systems free up information producers and processors to become decision advisors to the business as a whole?
- Who can distribution organizations trust to provide a platform for growth that extends beyond the back office?

NetSuite believes that distributors should look to solutions that are developed for cloud as the starting point in making any decision. There are sound reasons for doing so. A cloud-based vendor doesn't just offer software, it offers a service. That is crucially important to understand because it means that cloud providers like NetSuite take responsibility for not only the software it supplies, but the underlying technical infrastructure needed to access the solution. That includes the server hardware and database maintenance and administration, document storage, technical upgrades and the ongoing enhancements customers need. That is an entirely different way of providing a system than what has been traditionally offered where, for all practical purposes, it is the customer's responsibility to upkeep their systems on an infrastructure they must also maintain. A vendor offering Software-as-a-Service is on the hook for all aspects of that service, which in turn means the vendor must continuously earn the trust of its buyers, backed by meaningful service level agreements. It doesn't serve a modern cloud provider's interests to do anything other than assure customer success. That is a win-win in anyone's book, but again, fundamentally different to the old way of acquiring and using software.

QUANTIFIABLE BENEFITS

- **Delay Finance and Operations Hires**

Automation frees up finance and operations' time allowing them to focus on revenue generating strategic projects and analysis and allowing the company to scale while keeping headcount flat.

- **Inventory Visibility and Production Planning**

Use Demand Planning to forecast demand and anticipate when it's time to order to meet that demand. Auto calculate reorder points and stocking levels based on historical precedence. Internally control what goes out to suppliers with Purchase Order approvals. Route appropriate inventory to best orders with Automatic Order Allocations.

- **Reduced Financial Close Time and Manual Data Entry**

Automate and control approvals on transactions from AP Bills to Journal Entries. Speed up period end close due to system controls being in place. Improve accuracy of financials. Reduce month end processing costs and time.

SUITE APPROACH

NetSuite believes in the power of an integrated suite of functionality that spans the whole of the business, linking both the back and front offices together. A suite approach allows the whole company to view operations as a single version of the truth. Furthermore, predefined roles and dashboards that are oriented around a user's day-to-day tasks allow for the most efficient consumption of information throughout the entire organization.

A well implemented cloud-based system should mean that financial activities appear as soon as they are triggered. That, coupled with 'anywhere-anytime' access means that decision makers can quickly act upon both adverse and favorable performance indicators. In that sense, decision making becomes an activity where those tasked with executing on the company's goals and strategy are able to do so with information that is akin to looking through the front windshield of a car, rather than constantly worrying about what is in the rear-view mirror.

The combination of these demonstrable benefits means that a well-executed move to cloud computing results in a much better and predictable cost of operation than is possible in the old world. These and many other benefits separate the world of the old from the new, but customers need to rely upon solid references from other distributors who have already taken the journey to cloud-based computing. There is an increasing number of these companies who have migrated from QuickBooks and have shown demonstrable benefits as a result.

For example, POS Supply Solutions, a distributor of point of sales and transaction supplies who started as a garage business running on Microsoft Excel spreadsheets and later QuickBooks, quickly realized its disconnected systems could not support their business growth. The company needed a platform that could support the entire business—not only financials, but also inventory, customers and commerce.

QUANTIFIABLE BENEFITS

- **Lower Audit Costs**
Ever-changing compliance standards, small accounting teams and heavy spreadsheet use are time-consuming and subject to risk. This can lead to higher audit costs, or longer and more-involved audit processes.
- **Platform for Innovation**
Easily launch new business models and expand internationally with a platform that evaluates all possible ways to scale and increase revenue, and supports multi-currency, multi-entity and different accounting standards.

By moving from QuickBooks to NetSuite, POS Supply gained real-time visibility of inventory across its warehouse and multiple 3PLs, allowing for quick shipment decisions that save time and maximize profits.

As another example, RST Brands, who transformed from a supplier of gift and game room products into a global supplier of furniture and home organization products for ecommerce retailers, found its business complexity impossible to manage with QuickBooks. Managing two extensive web stores, an ever-growing list of products and a complex ecosystem of retail partners, the company set out in search for a single, customizable system encompassing ERP, CRM, procurement and ecommerce. The search led RST Brands to NetSuite.

Since its transition to NetSuite, RST Brands has seen a consistent improvement in website visits and conversion rates, along with improved supply chain management and execution. NetSuite gives RST Brands flexibility in its B2B operations, such as kitting orders across three distribution centers and fulfilling orders directly to consumers on behalf of its retail partners, including Costco, Home Depot, Wayfair.com, Target.com and Amazon.com.

It's examples like these that make the case for distributors to move beyond QuickBooks to reach their true growth potential by investing in the cloud.

NETSUITE DISTRIBUTION CUSTOMERS RESULTS

10% increase in revenue performance.

80% increase in business insights.

5% increase in gross margins.

55% reduction in time to close the books.

30% decrease in inventory costs.

80% reduction in customer back orders.

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