

PROS AND CONS

OF HOMEGROWN BUSINESS MANAGEMENT SYSTEMS - IS IT WORTH IT?



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ORACLE® + NETSUITE

PROS AND CONS

OF A HOMEGROWN ERP SYSTEM

In-house software may seem like it provides you with everything you need at the time. But the longer you work with it, the more your business will be exposed to its inevitable inefficiencies and drawbacks. In this guide, we will take you through the pros and cons of a homegrown ERP system, hoping to help clarify any common misconceptions. In doing so, we'll also discuss some of the alternatives, and why an integrated business management system is almost always the best option for any business.

PROS OF A HOMEGROWN SYSTEM	CONS OF A HOMEGROWN SYSTEM
- A homegrown system represents a custom solution at a very specific time, but it's also very much of a product of the technology available at that time.	- Not scalable
- May be cheaper to start out with	- May suffer from compliance issues
- Easier to implement at the time	- Lack of MTD Compliance
- In-house development possibilities	- Often means you need to liaise with software developer or IT professionals when changes or adjustments need to be made, unlike cloud software, which is regularly updated.
- Might seem more applicable for smaller businesses not yet ready to scale	- Very dependent on current personnel Training is time-consuming and complicated by a lack of online resources.
- Often can be seen quite simple to get started with before any customisation work.	- Ultimately will cost more money and resource to integrate new systems (e.g. EPOS system or ecommerce tools).
- Seems current at the time	- Frustrating for employees to use when it becomes outdated
	- Lack of business-wide visibility between applications and business systems
	- No real need to keep a large IT staff, as you will have access to in-house expertise from your provider.



BENEFITS

OF AN INTEGRATED BUSINESS SYSTEM

SIMPLIFYING FUTURE INTEGRATION ISSUES

Software integration is one of the biggest challenges for growing businesses, especially for those who experience irregular or rapid growth over a short period of time. Oftentimes, systems are integrated based on a present need, rather than as a result of extensive planning for the future.

This can lead to issues and increased inefficiencies further down the line. An integrated system provides you with functionality in the various granular areas of your business, but also means that it will identify any problems that are inherent to your business.

This integration happens in real-time, allowing you to link up the various components of your business effortlessly. It renders the age-old debate of integration between marketing, sales, finance, and product obsolete, as modules can be added that add to the functionality of your suite. In short, the cohesive whole is greater than the sum of its individual parts.

One singular interface, which reduces training sessions and learning curves for staff, also helps breed familiarity with a system that can last a business lifetime. This makes it a worthwhile investment for any growing company.

INCREASING PRODUCTIVITY

Productivity is sometimes a difficult thing to measure. Are employees working as hard as they can be? What are the difficulties or roadblocks that prevent them from finishing tasks efficiently?

Many of these are out-with your control, but the things you can impact and improve should always be the focus of your efforts. For example, by utilising smart business systems you can save your employees a lot of time and energy when it comes to manual processes and data entry.

THE IMPACT OF AN INTEGRATED BUSINESS SYSTEM

Recent studies have shown that NetSuite helps increase sales productivity amongst users by a whopping 12.5%, which aids future growth. This helps minimise inefficiencies and has frequently resulted in dramatic growth. It also means that less staff needs to be hired to deal with manual processes, which also saves time and resources.

No more arduous calculations to find out commissions or margins, or manually entering order information and transferring the relevant data to other platforms. With an integrated solution, everything operates under one logistical umbrella, from accounting to invoicing and sales. This makes day to day operations easier for your employees. Reconciling information and data has never been easier, meaning your employees can focus their energy on adding value to your business.

REAL-TIME VISIBILITY & ANALYTICS

When you have one centralised system, you ultimately have all the data in one database. As a result, you won't need to collect information from various applications and can check out all your most important metrics at the click of a button. Reporting is a key element of sustained business growth, and doing it regularly is dependent on having the time and resource to put together reports. ▼

By utilising one centralised and integrated business management system, you have access to all the data you could possibly need. These analytics, in turn, provide you with the right perspective on all the various elements of your business, which allows you to make future decisions with confidence.

Picking up trends and viewing the interplay between sales, marketing, product, and all your other departments is therefore a key benefit of an integrated business system.

CUSTOMER SERVICE & RETENTION

In order to function in competitive markets, customer retention is a prerequisite. This starts by offering your customers the best possible customer service by processing requests, inquiries, and questions at a rapid rate.

An ERP system that links up the front and back office of your business allows you to gain granular insights into your customer's behaviour, which in turn will help you develop your marketing and sales strategies. Increased visibility and powerful analytics also allow B2B businesses to identify areas and products which creates avenues for upselling and growth.

INTELLIGENT WORKFLOWS

Data needs to be processed throughout your organisation, and that can be done through custom workflows. These can allow you to manage the flow of information from one department to the next, which aids with visibility and integration. As a result, sales information and customer data can inform marketing campaigns in intelligent ways without having to take up a lot of extra time or energy.

THE POWER OF UPDATES

Frequent updates is a big benefit of integrated cloud business solutions. Not only do providers keep a stringent eye on any compliance issues, especially those that will affect their clients, but they will make any necessary adjustments and updates along the way. As a result, you don't have to fear that your business system will become obsolete, as it is already part of a suite of products that has undergone many useful and productive updates.

A PRACTICAL EXAMPLE



Deliveroo implemented **NetSuite OneWorld** in just six weeks, which allowed them to add several new subsidiaries rapidly, scaling their operations in a matter of months. With **NetSuite's** refined reporting structure, they managed to monitor the progress of these ventures, which helped to measure ROI and assess the costs of future endeavours.

AVOIDING BUSINESS THREATS & INEFFICIENCIES

HOW VULNERABLE IS YOUR BUSINESS SYSTEM?

If you're dependent on an external consultant or developer, then you may be exposing your business to unknown vulnerabilities. What if that agency goes bankrupt? What if that person no longer offers updates on your system? Worst of all, what if the people responsible for operating your custom system leave, and with that goes their knowledge?

All these issues have serious ramifications on the usability of your business systems. And it's not just a hypothetical threat; it's the reason most business actually hit their plateau and stop growing.

Leveraging ownership over your business system is one thing; but future-proofing it is a very different matter. Don't get caught in the irrational feeling that a custom system is – by its very nature – more personal to your business than another one.

Anyone will tell you that business threats should always be identified and eradicated, and it's no different when it comes to ERP systems. Just because it's a custom system that works for you now, doesn't mean it's the dream system you should use forever.

THE IMPORTANCE OF SCALABILITY

One of the key benefits of a cloud platform is scalability, or the ability to adapt your solution quickly and in a cost effective way. NetSuite supports over 40,000 organisations with over 500 million application requests per day with 9+ terabytes of data added every day. As a result, NetSuite has been designed so that its systems can accommodate surges and spikes in usage, and to scale upward smoothly to address increased data volumes and transactions.



HOW EASY IS IT FOR A BUSINESS SYSTEM TO BECOME INEFFICIENT?

Let's explore a hypothetical scenario in which many companies currently find themselves in. It's easy to discuss the difficulties of a homegrown system, but nothing illustrates how quickly it can get out of hand than with an actual scenario. After all, what may initially feel like a smart workaround or shortcut can rapidly develop into a patchwork of temporary fixes in a bid to push back the inevitable long-term plan.

For example, a company may start out with a relatively simple accounting solution, like QuickBooks, which helps them stay on top of their compliance issues and monitor their finances. However, as the company grows, it is forced to introduce inventory or product management systems, or customer support frameworks, all of which must be implemented separately. This often also gets coupled with an ecommerce system, along with the relevant CRM and management systems.

This has the potential to develop into a dense and interconnected web of spreadsheets, applications, and software, all of which fulfil different purposes and functions without communicating with one another. This prohibits you from taking quickfire business decisions, as your business system is inherently inflexible and suffers from a lack of integration.

One integrated system could replace all of these and add value with easy reporting and the transfer of information between various departments.

HOW TAILOR-MADE IS YOUR SYSTEM?

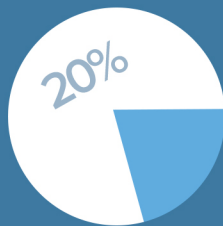
Let's face it, most people gravitate to a 'custom system' because it feels more unique to their situation. But how tailor-made is such a system in reality and why do we place so much emphasis on that quality?

NetSuite, for example, allows you to add on any of the desired modules as you see fit. Whether it be an integrated finance solution or something more comprehensive, NetSuite is pretty much as custom and tailor-made as systems come. The system itself is so robust and applicable that it works for a myriad of different applications.

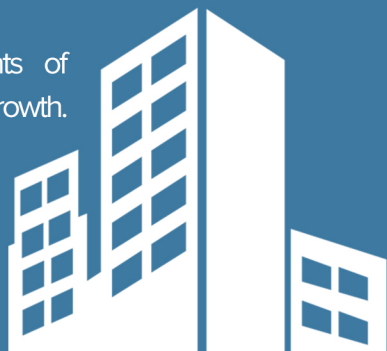
Wouldn't you rather implement a system that has a proven track record of success on a multitude of different platforms and sectors than a system that was subjectively designed by one person or organisation? Indeed, by choosing an integrated and established ERP provider, you are choosing a system based on replicability and reputation, rather than the more subjective opinion of a certain IT specialist or developer.

When it boils down to it, a great ERP system is a great ERP system. And while your business or product may be unique, the logistics that accommodate your success don't have to be. In fact, they probably share more characteristics with other successful businesses. The added bonus of an integrated system is that they are regularly updated, follow all necessary compliance protocols, and can expand their functionality by adding additional modules whenever required.

20% of all businesses fail in their first year. Once their businesses are up and running, owners are often struggling to plan for the long term.



NetSuite meets the requirements of companies at every stage of their growth. It's the number 1 choice to run financial and ecommerce applications in the cloud.



The biggest growth barrier to UK businesses is the UK tax system, with 44% of SMEs citing it as their main concern. NetSuite is compliant with any of HMRC's laws and is continually upgrading to meet certain legislative standards (like Making Tax Digital).

Homegrown software can only be used for a certain time frame until there are new tax regulations that they cannot keep up with. NetSuite deals with most of the compliance issues for you, as it is one of the most comprehensive and widely used business systems in the world.

THE TOP 15 SIGNS

YOU'VE OUTGROWN YOUR HOMEGROWN SOFTWARE

1. YOUR **GROWTH IS STAGNATING** AND YOU'RE NOT SURE WHY.

2. **YOU LACK** INSIGHTS INTO YOUR BUSINESS OPERATIONS.
THE RIGHT

3. YOU ARE FINDING IT DIFFICULT TO **ACCOMMODATE CHANGES** WITH YOUR CURRENT INFRASTRUCTURE.

4. **YOU ARE STRUGGLING**
TO LINK UP THE VARIOUS DEPARTMENTS OF YOUR BUSINESS.

5. **REGULAR AND RELEVANT REPORTING** IS AN ISSUE, AS YOU MUST PULL DIFFERENT ELEMENTS FROM VARIOUS APPLICATIONS.

6. **KNOWLEDGE OF YOUR BUSINESS**
MANAGEMENT SYSTEM LIES WITH JUST A FEW INDIVIDUALS, RATHER THAN WITH YOUR ENTIRE ORGANISATION.

7. YOU ARE STRUGGLING TO STAY COMPLIANT WITH THE LATEST REGULATIONS AND LEGISLATION.

8. **YOU ARE FAILING TO PROVIDE**
THE BEST CUSTOMER SERVICE TO YOUR CLIENTS

9. YOUR CASHFLOW MANAGEMENT IS POOR.



10. YOUR EMPLOYEES ARE GROWING FRUSTRATED WITH THE INEFFICIENCIES AND MANUAL PROCESSES WITHIN YOUR BUSINESS.

11. **YOUR SOFTWARE** NO LONGER FULFILS YOUR CURRENT BUSINESS REQUIREMENTS.

12. YOU ARE STILL RELYING ON MANUAL DATA ENTRY.



13. **YOU RELY ON VARIOUS SYSTEMS** AND APPLICATIONS WHICH AREN'T COMPATIBLE WITH ONE ANOTHER.

14. YOUR CURRENT BUSINESS SYSTEM IS STRUGGLING TO DEAL WITH DATA VOLUMES AND IT IS TAKING TOO LONG TO PROCESS INFORMATION.

15. SOFTWARE UPDATES
ARE TOO EXPENSIVE AND LABOUR INTENSIVE.



YOU'VE OUTGROWN
HOMEGROWN SOFTWARE



HOW HAS NETSUITE,

WORLD'S MOST POPULAR INTEGRATED BUSINESS SYSTEM,
HELPED SOME OF OUR CLIENTS?

Calnex was going through a period of high growth and needed a system that could cope with all their business processes. Thanks to **NetSuite**, **Calnex** has accommodated significant growth, sparking a 30% surge in transaction volumes and 11% revenue growth immediately after their implementation. Working with **NetSuite** has allowed **Calnex** to have inventory control and a scalable platform for global finances, which are two elements often cited as major roadblocks when using a homegrown system.

The Calnex logo features a red swoosh above the word "Calnex" in a bold, red, sans-serif font.

Increased their accuracy by 100% after implementing **NetSuite** with 50% reduction in paper consumption. However, they also managed to reduce manual processes by 80%, which has allowed them to increase face to face contact with service users.

Previously using Sage, Aspen felt that it was only really equipped to deal with low volumes of transactions and as a result replaced it with NetSuite. Now Aspen has better visibility of what is happening in the business and has gained more insight into profitability. Also, they can release items back into stock for customers who need it faster.

The Aspen logo features a white cloud icon above the word "aspen" in a lowercase, white, sans-serif font, with "blue sky solutions" in a smaller font below it.

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EXPERTS**
FOR OVER A DECADE
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