

BUSINESS GUIDE

IT Executives Express Need For True Cloud ERP

See Why Customers Are Switching From SAP Business One to NetSuite to Drive Growth



ORACLE
NETSUITE



Australia
netsuite.com.au



Grab a seat and enjoy.
Read Time: 9 minutes

IT Executives Express Need For True Cloud ERP

See Why Customers Are Switching From SAP Business One to NetSuite to Drive Growth

Overview

There is perhaps no better advocate for how cloud-based ERP systems can support and help organisations to continue their growth than those who have been through it. In this business guide, we consolidated feedback from senior IT executives on why they switched from SAP Business One to NetSuite's true cloud-based ERP, highlighting the pitfalls of fake cloud and how these challenges impacted their business.

Throughout these interviews, participants commented on a prevailing theme: the marketplace is changing faster than ever before, and competitive pressures continue to mount. To keep pace in this dynamic environment and to lay the foundation for growth, firms are realising that their historical processes and solutions are not adequate. They need to modernise their IT infrastructure to provide the visibility and scalability necessary for growth.

These discussions underscored how true cloud ERP systems enable businesses to respond to market dynamics better than fake cloud solutions through rapid scalability, access for distributed workforces and real-time visibility into the organisation from anywhere. Unlike fake cloud systems, true cloud solutions provide a full view of the customer, which equips employees at all levels with real-time information to support intelligent decision-making. Since cloud infrastructures flex with growth, the IT team is freed from the complex integrations and upgrades that can prevent businesses from outrunning the competition.

Table of Contents

Overview

Page 2

1 Why Organisations Are Moving to Cloud Financials

Page 4

2 True Cloud vs. Fake Cloud

Page 5

3 Benefits of Switching From SAP Business One to NetSuite

Page 7

Conclusion

Page 10

Why Organisations Are Moving To Cloud Financials

Businesses in All Industries Are Under Pressure to Modernise

In every industry, organisations face significant pressures. Competitors are introducing new products, customers are demanding improved service and greater speed, and companies are launching new offerings and expanding to new geographies. Achieving ambitious growth and expansion goals requires operating differently. It requires today's IT infrastructure.

Today, business leaders must deliver outcomes more quickly, with fewer resources. For most organisations, fake cloud solutions or the on-premises systems of the past don't meet the business needs of the present and future. Today's multi-tenant SaaS systems enable companies to have a unified data model that dramatically improves decision-making.

Industry research and analysts suggest that the cloud has become the de facto standard for doing business:

- According to Gartner, SaaS is still the biggest public cloud services market segment, forecasted to reach a total of \$176.6 billion in end-user spending in 2022.
- According to Foundry's 2022 Cloud Computing Research, 69% of organisations have accelerated their cloud migration over the past 12 months.
- According to Grandview Research, cloud adoption estimates a CAGR (compound annual growth rate) of around 19.1% between 2021 and 2028, growing to a \$1,251.09 billion market by 2028. With Small and Medium Enterprise companies (SMEs) being the fastest-growing segment.

Companies with a cloud-first strategy have learned that the cloud's real value comes with being able to delegate the Service Level Agreement (SLA) of an entire solution, from infrastructure to application, instead of components. It is also widely recognised that integrated suites reduce complexity, increase reliability and cost less—now with cloud, the suite includes hardware, security and operations. Most agree that the cloud paradigm has cost and convenience benefits: availability, speed, agility and TCO, enabling faster development processes and providing higher reliability and lower risk. Companies that take an ad hoc approach miss out on many of cloud benefits and experience a variety of pitfalls.

True Cloud vs. Fake Cloud

How to Tell a True Cloud Solution From a Fake One and Why It Matters

Not all hosted software offerings marketed as “cloud” are true cloud solutions. Recognising a lucrative chance to create an additional revenue stream, many on-premises vendors are trying to pull the wool over your eyes by “cloud-washing” their applications.

So how can you tell a true cloud solution from a fake one? And, more importantly, why should you care?

A true cloud solution is built in the cloud and only in the cloud. Certain characteristics make true cloud solutions unique, as compared to fake cloud.

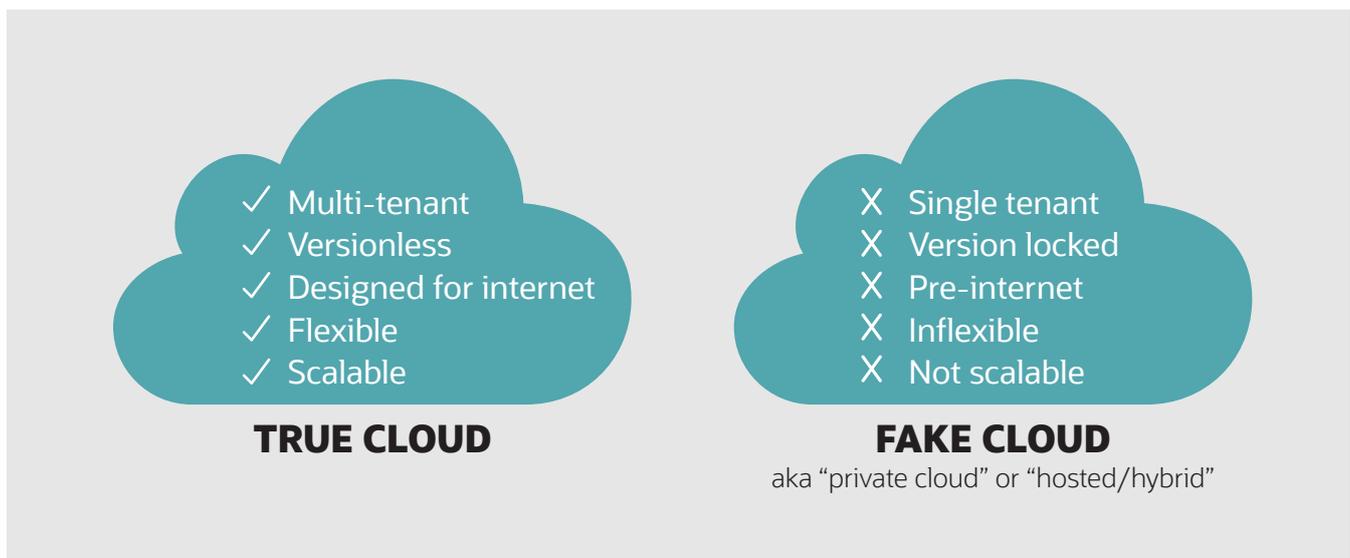
It’s software multi-tenancy that separates fake cloud solutions from true cloud solutions and makes the below benefits possible. In a multi-tenant software

environment, multiple companies are running the same instance of the software and share all the common services. While your business has personalised processes and data security, shared hardware among others running the platform offers economies of scale and incredible cost savings that single-tenant systems cannot.

Companies who unknowingly select a fake cloud architecture inevitably struggle with the following issues because of the single-tenant environment:

Delayed and Painful Product Upgrades

When running hosted/hybrid solutions, you must suffer through the same potentially arduous (and expensive) upgrades every time the software vendor releases a new version.



You are also at that hosting vendor's mercy regarding when they choose to roll out the newest hardware upgrade. Because the vendor will need to upgrade each customer one by one, including transporting past customisations over to the new software, it could take months or even years to get updated and by then, the next version of the product may be around the corner, which is no different from being with an on-premises vendor after all.

Costly, Unstable Integrations and Customisations

Integrating a hosted solution with your other applications causes considerable hassle and expense and can be unstable because the on-premises product was not initially built for hosting and therefore, not intended to be integrated while being hosted. You also will likely have to pay extra to customise the solution to meet your specific needs.

Too Much Downtime and Inadequate Security and Support

Given their limited headcount and resources, most VARs and service providers simply cannot achieve the same levels of security, privacy and uptime

as true cloud providers can. A simple way to determine this is to ask them about their uptime performance, contractual uptime guarantees, and security and privacy certifications such as PCI-DSS security compliance.

Need to Overbuy/Overprovision Capacity

If you're uncertain of how much capacity you'll need, you'll probably have to over-buy the number of software licenses to ensure you're not caught short; or, worse yet, you under-provision and can't live up to your SLAs with your customers because you "failed" to plan ahead.

Expensive, Open-Ended Implementations

One of the best true cloud tests is the implementation method. Many fake cloud solutions talk about speed and agility, but after you sign on the dotted line, they come back with a very traditional looking implementation plan—a block of estimated consulting hours and a rough "blueprint" to get you live.



Benefits of Switching from SAP Business One to NetSuite

SAP Business One is a classic example of traditional legacy software that has been reverse engineered for the cloud. Though Business One may be accessed through a browser much like a true cloud solution, its single-tenant nature means that users encounter the challenges above without any of the benefits typically experienced in the cloud.

Because Business One is hosted, customisations made to the solution may not carry forward upon upgrading to the latest versions and features like financial consolidation may require multiple instances of the solution with manual exports/imports. These types of customisations, common in the Business One customer base, are the main cause of runaway expenses in the upgrade process as qualified SAP partners are required to revalidate the customisation on the new versions. There is also no clear migration path to future product lines within SAP, so customers often struggle to understand and plan for how their technology ecosystem will adapt and change as their business grows.

Moreover, SAP Business One is part of a fragmented, complex IT infrastructure that delivers disruption rather than efficiency to many processes. Unlike NetSuite which can manage an entire business, companies running Business One usually deploy other systems to automate support, sales, human resources, ecommerce and other functions.

With different processes running on many different systems, it is difficult or impossible to:

- Obtain a clear picture of bookings, billings and backlogs.
- Decrease spreadsheet-based accounting.
- Scale up to support growth.
- Provide visibility to everyone in the organisation.
- Reconcile different versions of data.
- Integrate front- and back-office processes.
- Have a clear audit trail.
- Understand the business in real time.

Although different product lines are created and enhanced with the best intentions, lack of integration and clear migration paths in the SAP ecosystem often create chaos and hinder growth. Multiple point solutions create a “legacy applications hairball” that is burdened with manual tasks and bottlenecks. Over time, this infrastructure translates into more money, more resources and more integrations. Indeed, SAP users considering making a switch within the existing SAP product environment practically face an entirely new implementation. After investing in technology, organisations should be able to run the business more efficiently and gain the insights needed to make decisions. With fake cloud systems like SAP’s Business One, the result is just the opposite.

True Cloud Platforms Like NetSuite Simplify Business Processes and IT

There are many compelling reasons why companies move from fake cloud applications like SAP Business One to today's cloud-based solutions, such as NetSuite. These include:

- **Reduced IT infrastructure investment and lower total cost of ownership through economies of scale.** Few internal IT teams can afford to maintain excess computing capacity to accommodate variability in demand. Characteristics of true cloud solutions such as resource pooling and elasticity allow applications to scale instantly to meet both short-term and long-term fluctuation in transaction volume, storage requirements or network bandwidth. True cloud solutions like NetSuite maintain the IT infrastructure, ensure that the system is always up and running, maintain system security and roll out product enhancements seamlessly without breaking customer customisations. When your business grows, and you need to add a new production facility, enter a new market or open a new product line, you don't have to worry about building out IT infrastructure or headcount to make it happen. New sites are easily brought up and your business can expand seamlessly and cost effectively. Moreover, true cloud ERP systems offer a predictable pay-as-you-go subscription model that makes cash flow planning much easier.
- **Increased business agility and automatic compliance.** Because true cloud solutions like NetSuite take version upgrade concerns off the table, companies can focus their core competencies on running the business. Those automatic, regularly scheduled enhancements are particularly important as regulations and standards change and evolve. For on-premises customers, that meant downloading a patch, testing it to make sure it works and then testing any integration that might be impacted by

the change. For on-premises or hosted cloud customers locked into even older versions, it's an even bigger headache. NetSuite customers know they have a solution that addresses the latest standards and builds them into the system.

- **Reduced spreadsheet-based accounting and better real-time financial and operational visibility.** Because using SAP Business One often requires the use of multiple unintegrated systems, separate islands of data result. To bridge the gaps, employees often use "spreadsheet-based accounting." An integrated, true cloud-based suite eliminates the need for this type of workaround and allows data to be easily reconciled across the organisation. Moreover, consolidating multi-subsidary and multinational financials with SAP is time-consuming and expensive, often requiring additional software. Organisations must either conduct the exercise across a multitude of spreadsheets, or invest in separate SAP accounts for every subsidiary and international division and in additional external reporting tools. True cloud solutions like NetSuite provide unprecedented "close to disclose" capabilities that accelerate close time, maximise transparency and ensure compliance, all in one system.

NetSuite was built for the internet, meaning it never existed in an on-premises environment. Money spent on our application goes directly to innovation, rather than maintaining the status quo or catching up to the cloud game. Our commitment to the cloud allows us to unify our customers' business processes, departments and divisions to accelerate growth and efficiency. Additional NetSuite benefits include:

- **Self-service and mobility.** The workforce today is much different from 10 years ago. NetSuite provides real-time access to information anywhere and anytime, including access to data and dashboards in a self-service way from mobile devices.

- **Global deployment.** NetSuite enables global organisations to manage multiple subsidiaries, business units and legal entities. It seamlessly handles different currencies, taxation rules and reporting requirements from a single platform.
- **SuiteSuccess.** NetSuite's true cloud roots enable us to take a consultative approach to sales, implementation and support to ensure continuity across your lifecycle as a customer.

We have taken a deep look into our tens of thousands of cloud customers and pulled out the leading practices of those successful companies. Next, we package those up into pre-built user roles that deploy quickly to your team (often in 100 days or less). The result is that you have KPIs and dashboards with actual data in them at go live, not blank screens.



Conclusion

Building and maintaining a successful company in today's business environment requires latest tools and technology. No longer can organisations meet the growing demands of consumers and competition by relying on legacy on-premises systems or fake cloud solutions that are expensive, inefficient and not scalable.

With a true cloud solution, businesses are transformed through increased agility, better integration of front- and back-office processes, improved visibility and consolidation, and lower total cost of ownership. Unlike SAP Business One users, NetSuite clients get a true cloud solution that provides an integrated suite for our growing global customer base of more than 31,000 customers.

In addition to the inherent benefits of a cloud solution, NetSuite's SuiteSuccess model helps our customers deploy the platform faster and leverage leading business process practices to both create and realise value within their organisation much sooner than legacy approaches.

SuiteSuccess is engineered to solve unique industry challenges that historically have limited a company's ability to grow, scale and adapt to change. Most traditional ERP vendors like SAP have tried to solve the industry solution problem with templates, rapid implementation methodologies and custom code.

NetSuite, however, took a holistic approach to the problem and productised domain knowledge, leading practices, KPIs and an agile approach to product adoption. This allows for faster time to value, increased business efficiency, flexibility and ultimately, greater success for our customers.



ORACLE
NETSUITE

Australia
Phone: 1800 638 784
www.netsuite.com.au

New Zealand
Phone: +64 9 977 2100



OneKloudX Melbourne
20/644 Chapel Street
South Yarra Vic 3141
Phone: 1800 155 683
www.onekloudx.com.au



Infoapac_WW@oracle.com



info@onekloudx.com.au

Copyright © 2022, Oracle and/or its affiliates. This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission. Oracle, Java, and MySQL are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.