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NETSUITE

BUSINESS GUIDE

Unifying Financials and Inventory

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We have all heard the phrase "cash is king." It is the mantra most companies live by. It is also why purchasing an application to manage money is usually the first business software investment companies make.

As a starter, an accounting package is a logical and economical choice. At a high level, it provides the basic functionality any business needs in a financial management system: enabling the management of a company's chart of accounts, along with a systematic method of managing its relationships with vendors and customers through accounts payable and accounts receivable, respectively. Providing this core functionality at a reasonable price point has made the choice of cost-effective accounting systems the system norm across many industries.

However, as innovation happens faster than ever, heightened customer expectations and increased competition mean companies can no longer rely on the business models or business management systems of the past. The reality is that times have changed. The internet has provided a platform upon which to build entirely new business models. Inefficiencies and wasting time on routine tasks are no longer accepted. Real-time visibility and insight can be the difference between thriving and barely surviving.

Business decisions are now driven by key performance data, not historical practices or best guesses.

Though most recognise these changes and the need to innovate to keep pace, companies are reluctant to make a move. Some are daunted by the task of overhauling existing systems. Others are convinced they will not be able to find a solution that can meet their needs in an affordable way, choosing to instead make do. Those decisions can turn out even more costly in the long run.

Here are four signs that a pure accounting system might be failing your business:

- It's too hard to find out what's happening across your organisation in real time.

- Limited visibility into key metrics.

- Limited functionality won't keep pace with modern requirements.

- Inability to scale as you expand to multiple locations.

An Inventory Management Add-On or a Temporary Band-Aid?

For companies in start-up mode or for those who, despite their growth or maturation, choose to make do with an accounting software, the next technology investment after financials is most often inventory management.

An inventory management add-on for an accounting software that claims to provide advanced inventory capabilities through a seamless integration to the accounting system has become common across all product industries. However, users quickly realise that an add-on inventory management solution does not make an ERP system.

Here are four signs an inventory management add-on might be limiting your business:

- Frequent and time-consuming IT support required for system updates and integration.

- Reporting is limited and not in real time.

- Inability to customise the system to your business model.

- No supply chain forecasting or budgeting capabilities.

If your company is struggling with these challenges as a result of its accounting software and inventory management add-on, it may be time to consider an integrated business management suite.

NetSuite: A Suite Approach

NetSuite believes in the power of a unified suite of applications that spans the whole of the business, linking key business processes together on the same platform.

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 organisation.

Having inventory and financial data on the same platform provides companies with a competitive edge, via the ability to plan effectively, execute predictably with customers, and minimise labour costs and errors associated with manual reconciliation.

The Benefits of a Cloud Solution

In addition to our suite approach, NetSuite is a true cloud platform. It is important for companies to understand that a cloud-based vendor doesn't just offer software, but also a service. This means that NetSuite takes 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 initially purchase, and then 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 than the old way of acquiring and using software.

A well-implemented cloud-based system means 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 favourable 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 rearview mirror.

The combination of these demonstrable benefits means that a well-executed move to cloud results in a much better and predictable cost of operation than is possible with on-premises systems.

ORACLE
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Infoapac_WW@oracle.com

Australia	Hong Kong	Japan
Phone: 1800 638 784	Phone: +852 3655 1949	Phone: +81 3 6834 4888
www.netsuite.com.au	www.netsuite.com.hk	www.netsuite.co.jp

New Zealand
Phone: +64 9 977 2100

China
Phone: 400 610 6668
www.netsuite.cn

India
Phone: +9180 4029 8789
Phone: +9180 4029 8809
www.netsuite.com/in

Singapore
Phone: +65 6263 1300
www.netsuite.com.sg

Philippines
Phone: +632 8295 9022

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