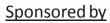


Software Companies Run Better on NetSuite.



Software Industry KPIs that Matter









Improved Results from Businesses Like Yours

Business Visibility	360° Visibility & Actionable Insight	1 Increased 50% - 80%
Financial Management	Revenue Recognition Management	1mproved 40% - 65%
	Time required for Compliance Support	↓ Decreased 25% - 45%
	Audit Support Time	↓ Reduced 30% - 40%
	Reporting Time and Resources	↓ Reduction 60% - 90%
	Time to Close Financial Books	↓ Reduced 40% - 70%
	Accounting Staff Productivity	1 Increased 20% - 50%
	General Ledger Consolidation Time	↓ Reduction 20% - 35%



Improved Results from Businesses Like Yours

Sales and Marketing	Order Processing Efficiency	1 Improved 45% - 75%
Professional Services and Customer Support	Professional Services Productivity	1 Improved 40% - 65%
	Invoice Management	1 Improved 45% - 75%
	Customer Support Capacity	1 Increased 25% - 60%
IT Management	IT Support Resource Costs	Reduction 45% - 70%
	Cost to Purchase and Maintain Servers	Reduction 100%
	Business Continuity/Disaster Recovery Costs	

Cloud-Based Business Solutions Suite Delivers Key Performance Improvements





Real-time business visibility and end-to-end business management

Many firms – including those in the software industry sector – have achieved more efficient and agile business operations by using cloud-based ERP.

Executive Summary

The pace of change in the software business is virtually unmatched, and cutthroat competition is the norm. Companies in this sector need to ensure that their own business operations are as agile and dynamic as the industry in which they compete. Achieving a high level of business functionality and efficiency depends, in part, on identifying, measuring and improving critical business processes, or key performance indicators (KPIs). For software companies, those processes include everything from financial measures such as the time required to close the books to sales productivity, service effectiveness and customer satisfaction metrics.

Many software companies have been able to measure and improve their KPIs after adopting NetSuite's cloud-based business solutions suite. By interviewing and surveying representative NetSuite customers in the software sector, market research firm SL Associates identified which KPIs these companies track, as well as the improvements they've realized by basing their core operations on NetSuite's multifaceted business suite.

Addressing Software Industry Challenges



Aligning business operations to meet these challenges

Business Challenges	 Changing Business Models: Competition and the shift to a services-oriented deployment model has put pressure on profit margins Changing Expectations: Customer satisfaction and retention are high priorities with pay-as-you-go models Changing Regulatory Compliance: Software must conform to industry-specific regulatory requirements
Operational Challenges	 Business Processes: Business solutions are needed for tracking and monitoring progress against goals and for making improvements Customer Service and Support: Software solutions needed by professional services units to help capture customers and effectively manage services profitably; support services units need help to track and resolve issues and keep existing customers satisfied
Technology Challenges	 Version Lock: Rapid product evolution and near-continuous revisions make it difficult to be on the latest version Multi-device Support: Decentralized workforces and the rise of smartphones and tablets are creating a need to support multiple platforms
Go-to-market Challenges	Growing Ecosystem: Software vendors must boost collaboration with partners and enable real-time information flow





Average Deal Size Reduction in DSOs







Unlimited Expansion Growth



Intelligent Order Orchestration

Business Visibility



Business value for company management

Increased



in 360° visibility and knowledge of operations 50%–80%

Improved business agility



Improved

budgeting, financial planning and forecasting

Before NetSuite

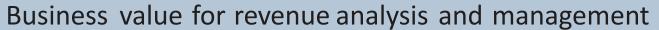
- Siloed applications and data provided an incomplete view of business
- Analytics solution not integrated

- Not possible to quickly assess all aspects of a business in response to opportunities and challenges due to siloed applications and data
- Lack of support for budgeting, performance management and forecasting
- Excel-based, non-integrated system; manually intensive

With NetSuite

- Significantly improved real-time visibility into all aspects of the business, allowing faster strategic decision making
- Easy to spot inconsistencies to find out root cause through drill-downs
- Agility from planning to execution
- Support better decisions, improve cost control, and increase the profitability of products, customers and channels
- Streamline the bottom-up and top-down financial and operational planning process
- Ability to create multiple budgets
- Support for quarterly reviews and tracking of variance

Financial Management (1 of 3)









Improved

revenue recognition 40% - 65%



Increased

recurring revenue



Faster

quote-to-cash processes

Before NetSuite

- Excessive time required to allocate revenues correctly
- Lost revenues due to missed billings
- Error prone Excel spreadsheet-based operations
- Efficiency issues due to lack of automation
- Difficulty in spotting missed contract renewals due to fragmented data
- Customer quote systems not integrated with accounting system
- Difficulties in getting reports in a timely manner

With NetSuite

- Significant increase in accuracy of revenue recognition
- Identify missed opportunities
- Convert active contracts into revenue
- Enables audits and review of variances and risks
- Identify and remedy gaps
- Better management of contracts
- Integrated customer facing and back-end accounting systems makes the process fast and accurate
- More efficient processes

Financial Management (2 of 3)



Business value for financial reporting



Decreased

in time required for compliance support 25% - 45%

Reduced audit time

30% - 40%

Reduction

in reporting time and resources by

60% - 90%

Before NetSuite

- Relevant information not readily available or needs to be pulled from multiple sources
- Data analysis difficult or impossible

No central repository for the information required to support audits

- Difficulties in getting reports in a timely manner, often days after they are needed
- IT required to develop custom reports

With NetSuite

- Real-time availability of required financial and operational reports
- Availability of accurate, detailed and actionable information to support compliance needs
- Since all the information required for audit is available in NetSuite, companies see significant reduction in audit time required
- · Report delivery when needed
- Real-time drill down to the lowest level of detail
- Users able to build their own custom reports

 ${\sf KPI} \, improvements \, are \, \, estimates \, based \, \, on \, discussions \, with \, \, {\sf NetSuite} \, customers \,$

Financial Management (3 of 3)

Business value for accounting department





Reduced

time to close the financial books 40% - 70%



Increased

in accounting staff productivity 20% - 50%



Reduction

in time for general ledger consolidation

20% - 35%

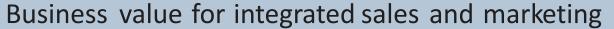
Before NetSuite

- Extensive time spent on reconciliations, especially with multi-division, multi-region and multi-currency
- Accounting teams overwhelmed
- Almost no time for analysis
- Inefficiencies as a result of manual processes
- Use of spreadsheet based accounting
- Difficulties in consolidation of data from multiple entities
- Difficulty in consolidation of accounts in different geographic regions with multiple currencies

With NetSuite

- Earlier availability of financial results through faster period-end processes and more accurate reconciliations
- More time spent on analysis
- Increased efficiency through integrated reconciliations and reporting
- Reducing need for large accounting staff
- Better management of contracts
- Real-time consolidation of data from multiple entities, regions and currencies
- Support for real-time consolidation of financial information in multiple currencies
- Helps reduces time to close books

Sales and Marketing









Increased

capacity of customer cross-sell and upsell

Before NetSuite

Sales-relevant information not readily available



Improved

sales pipeline and productivity

Limited sales tracking and management support

<u>é</u>

Improved

order process efficiency

45% - 75%

 Lack of integrated solution and data lead to inefficiencies

With NetSuite

- Real-time visibility into key customer metrics and purchase history
- Better manage and categorize leads by opportunity
- Easily track sales pipeline
- Increase in sales pipeline by tracking leads and opportunities with CRM
- Monitor effectiveness of individual sales reps
- Integrated customer information, inventory and order processes reduces errors

Professional Services and Customer Support



Business value for services and support



Increased

in productivity due to automation

10% - 25%



Reduced

time for invoicing

50% - 80%



Increased

customer support team capacity

25%-60%

Before NetSuite

- Poor project monitoring as data is spread across different applications
- Lack of real-time tracking of resource utilization

- Invoicing customeran issue due to siloed applications and data
- Lack actionable reporting and visibility into the workload of their customer support teams
- Decisions often based on incomplete and/or outdated information

With NetSuite

- Better visibility into availability and utilization of professional services resources
- Real-time insights into project status reports and variances
- Integrated NetSuite solution with single record of customer make this much easier and automated
- Real-time visibility into skills and utilization of team
- Email case capture and tracking of support cases increases capacity of support teams
- Ability to handle larger number of cases with same or reduced resources

IT Management and Resources

Business value for company operations





Reduction

in number of IT support people, IT cost savings of 45% - 70%



Eliminated

the need and cost to purchase and maintain servers 100%



Reduction

in need for business continuity / disaster recovery solution

35% - 55%

Before NetSuite

- IT resources needed to implement and maintain ERP solutions
- IT resources needed to install and maintain IT hardware
- Capital expenditure required to acquire and maintain servers for on-premises ERP application
- IT resources and infrastructure needed to support business continuity/ disaster recovery
- Implementation is complex and costly

With NetSuite

- Cloud-based solutions minimize the need for internal IT staff to support ERP application
- Faster to implement and productive use of ERP solution

- No need for IT capital expenses as NetSuite is a cloud delivered solution
- Business continuity/disaster recovery are a significant benefit of the NetSuite SaaS solution
- NetSuite has redundant data centers to support this at no additional cost to customers