

Software Companies
Run Better on NetSuite.



Software Industry
KPIs that Matter

Sponsored by



Improved Results from Businesses Like Yours

 Business Visibility	360° Visibility & Actionable Insight	↑ Increased 50% - 80%
	Revenue Recognition Management	↑ Improved 40% - 65%
 Financial Management	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	↑ Increased 20% - 50%
	General Ledger Consolidation Time	↓ Reduction 20% - 35%

KPI improvements are estimates based on discussions with NetSuite customers

Improved Results from Businesses Like Yours

 Sales and Marketing	Order Processing Efficiency	↑ Improved 45% - 75%
	Professional Services Productivity	↑ Improved 40% - 65%
 Professional Services and Customer Support	Invoice Management	↑ Improved 45% - 75%
	Customer Support Capacity	↑ 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	↓ Reduced 35% - 50%

KPI improvements are estimates based on discussions with NetSuite customers

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.

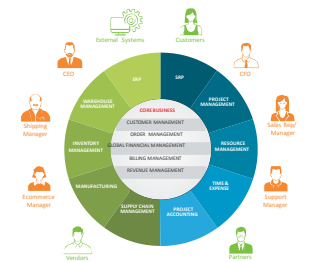
Addressing Software Industry Challenges

Aligning business operations to meet these challenges

<h2>Business Challenges</h2>	<ul style="list-style-type: none"> • 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
<h2>Operational Challenges</h2>	<ul style="list-style-type: none"> • 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
<h2>Technology Challenges</h2>	<ul style="list-style-type: none"> • 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
<h2>Go-to-market Challenges</h2>	<ul style="list-style-type: none"> • Growing Ecosystem: Software vendors must boost collaboration with partners and enable real-time information flow



Average Deal Size Reduction in DSOs



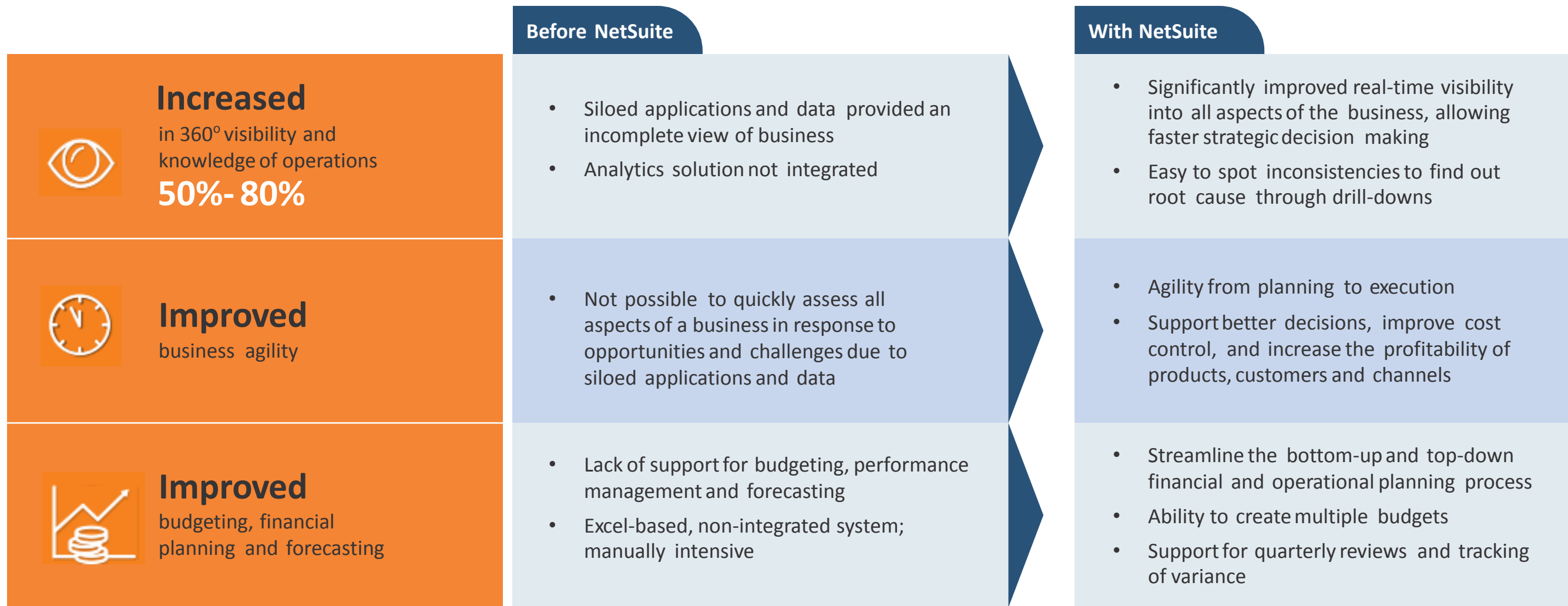
Unlimited Expansion Revenue Growth



Intelligent Order Orchestration

Business Visibility

Business value for company management



KPI improvements are estimates based on discussions with NetSuite customers

Financial Management (1 of 3)

Business value for revenue analysis and management



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

**Improved**
revenue recognition
40% - 65%

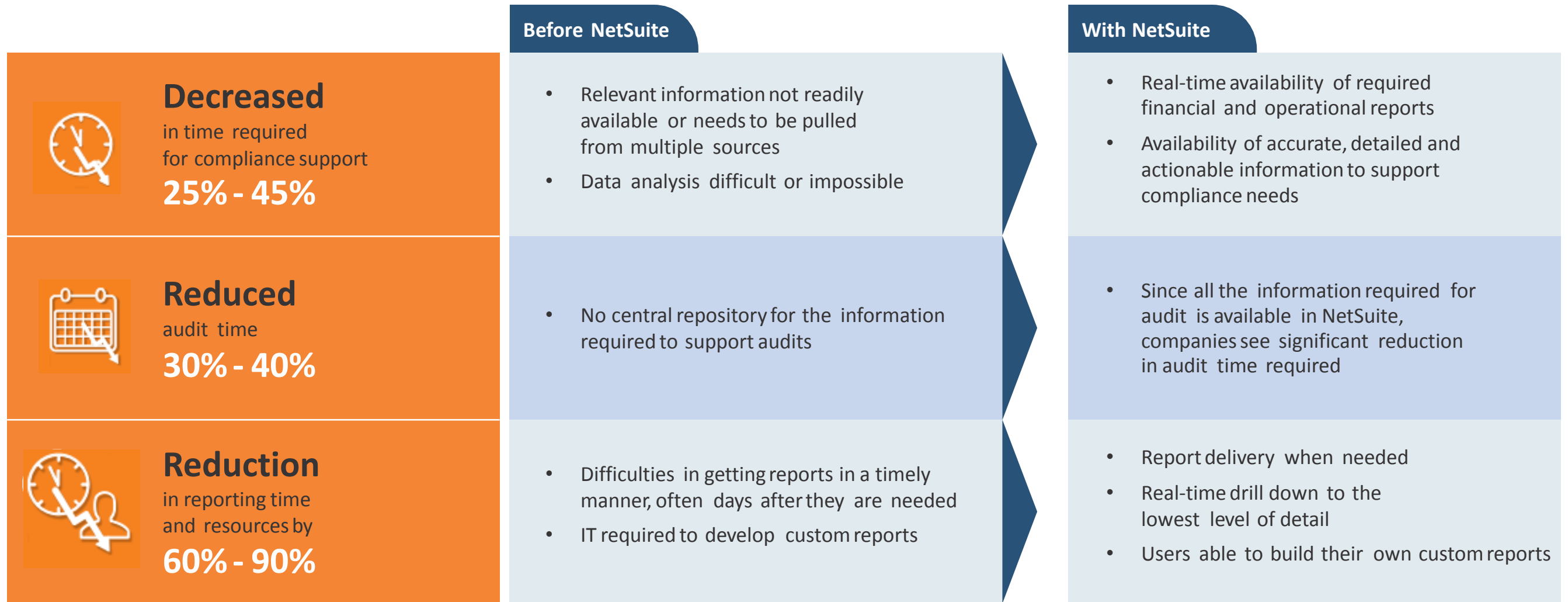
**Increased**
recurring revenue

**Faster**
quote-to-cash
processes

KPI improvements are estimates based on discussions with NetSuite customers

Financial Management (2 of 3)

Business value for financial reporting



KPI improvements are estimates based on discussions with NetSuite customers

Financial Management (3 of 3)

Business value for accounting department

Before NetSuite

With NetSuite



Reduced

time to close the financial books

40% - 70%

- Extensive time spent on reconciliations, especially with multi-division, multi-region and multi-currency
- Accounting teams overwhelmed
- Almost no time for analysis

- Earlier availability of financial results through faster period-end processes and more accurate reconciliations
- More time spent on analysis



Increased

in accounting staff productivity

20% - 50%

- Inefficiencies as a result of manual processes
- Use of spreadsheet based accounting

- Increased efficiency through integrated reconciliations and reporting
- Reducing need for large accounting staff
- Better management of contracts



Reduction

in time for general ledger consolidation

20% - 35%

- Difficulties in consolidation of data from multiple entities
- Difficulty in consolidation of accounts in different geographic regions with multiple currencies

- Real-time consolidation of data from multiple entities, regions and currencies
- Support for real-time consolidation of financial information in multiple currencies
- Helps reduce time to close books

KPI improvements are estimates based on discussions with NetSuite customers

Sales and Marketing

Business value for integrated sales and marketing



Before NetSuite

With NetSuite



Increased

capacity of customer cross-sell and upsell

- Sales-relevant information not readily available

- Real-time visibility into key customer metrics and purchase history



Improved

sales pipeline and productivity

- Limited sales tracking and management support

- 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



Improved

order process efficiency

45% - 75%

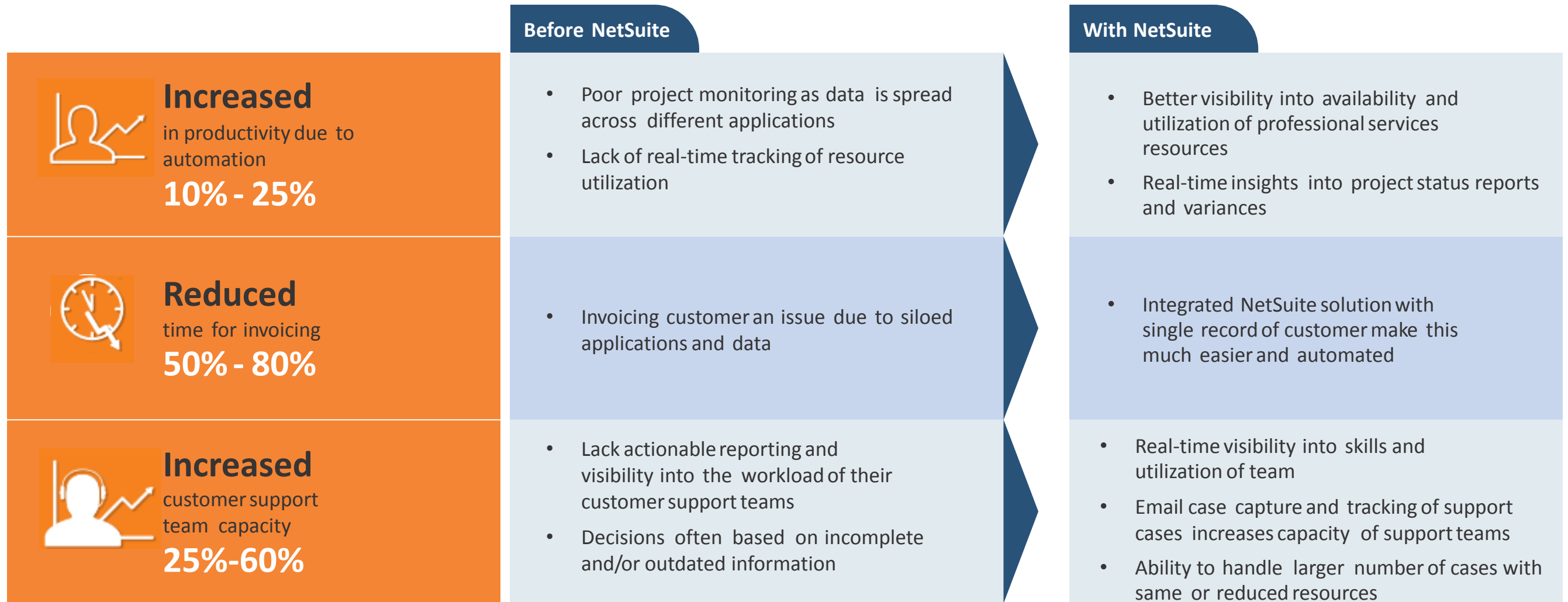
- Lack of integrated solution and data lead to inefficiencies

- Integrated customer information, inventory and order processes reduces errors

KPI improvements are estimates based on discussions with NetSuite customers

Professional Services and Customer Support

Business value for services and support



KPI improvements are estimates based on discussions with NetSuite customers

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

KPI improvements are estimates based on discussions with NetSuite customers