NETSUITE

Faye
Business
Systems
Group
Welcome to the software you've always wanted....

Cloud ERP: Grow Your Business, Not Your IT

Enable Innovation and Growth Fast and at Less Expense

You have been growing your business rapidly with new products, markets, channels, acquisitions, subsidiaries and more. With further growth on the agenda, your IT and business leaders may be exploring the option of extending your existing on-premise ERP system to support new business models and initiatives. But for most companies, a single-instance global ERP system is simply unrealistic due to its high cost and complexity.

So, what's the alternative? The answer is a two-tier ERP model powered by NetSuite. A two-tier ERP system lets you preserve your on-premise ERP investments while equipping global subsidiaries with a more agile, cloud-based ERP/financials system and giving headquarters the real-time visibility it needs. Meanwhile it provides subsidiaries the power of built-in real-time dashboards, reporting and analysis at an affordable price.

With cloud ERP in a two-tier model achievable at a fraction of the cost and implementation time of an on-premise alternative, two-tier ERP is fast becoming the solution of choice for growing multinational organizations.
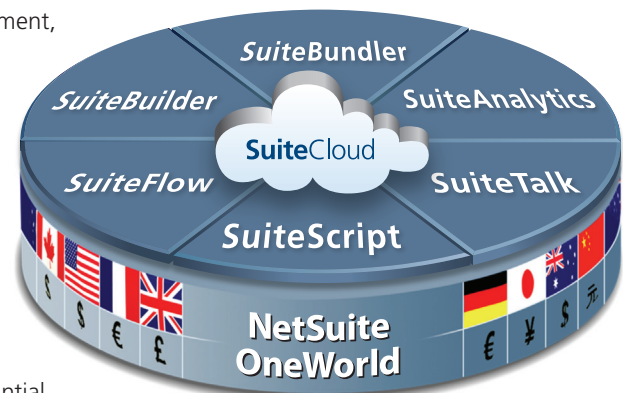
> "CIOs should review their ERP suite strategies in light of newer delivery models (such as software as a service [SaaS]), the need to upgrade applications to more recent versions, and opportunities to rationalize the ERP suite portfolio, and should consider adopting a tiered strategy as an alternative to a single-vendor strategy when a single-vendor strategy is not achievable.[1]"
>
> — Gartner

What is Two-Tier ERP?

Two-tier ERP means running one ERP system for corporate, such as SAP or Oracle, and standardizing subsidiaries and divisions on a functionally-robust cloud solution that is easy for subsidiaries to deploy and customize to their own business needs and local accounting requirements. It ensures that a subsidiary doesn't end up with a burdensome, hard-to-maintain on-premise ERP deployment, or worse yet, on a "fake" cloud (wherein an on-premise ERP vendor simply hosts their software on the web and calls it cloud).

Two-tier ERP is front and center on the CIO agenda. CIOs face the challenge of rationalizing their ERP investments to speed consolidation and drive visibility across divisions and subsidiaries, without enduring the substantial time, expense and rigidity of standardizing them on the costly and inflexible Oracle or SAP instance that's being run at headquarters. The fact is, for the majority of enterprises, single-instance ERP remains no more than an unattainable myth:

- Single-instance ERP is not achievable given prevailing business drivers. Successive mergers and acquisitions and the growth of homegrown applications invariably leads to further fragmentation.

- Global expansion, new business models and new sales channels lead to a wide array of ERP solutions and vendors at the subsidiary level.

- Single-instance ERP strategies are often unable to meet subsidiary go-to-market requirements and local cultural or regulatory needs. Pushback from subsidiaries often means these projects quickly become a quagmire.

- Ongoing upgrades and maintenance to on-premise ERP become a costly burden that many enterprises neglect, leading to version-lock. According to leading analyst firms, two-thirds of on-premise ERP installations are more than two versions old.

[1] Gartner, "A Two-Tier ERP Suite Strategy: Is It Right for You?" July 28, 2010.

Drivers for Two-Tier ERP

In addition to helping overcome the challenges of a single on-premise instance, a two-tier ERP strategy gives business leaders the agility to respond to changing market conditions and to stay ahead of the competition.

Introduce new products and business models. Are you considering a new billing model such as recurring billing and subscriptions? Do you want to accelerate your entry into a new geography or add new product lines? Do you want to track revenues for a new product or market independently? Is your on-premise ERP system too humongous to "tune" for this new channel? NetSuite provides implementation intact.

Speed consolidation and sharpen corporate visibility. Two-tier ERP doesn't mean less visibility—it means more. NetSuite supports all subsidiaries' charts-of-accounts within a single instance. Consolidated financials can be pushed or pulled into the corporate ERP's financials for final consolidation. The NetSuite cloud provides instant on-demand access to subsidiary and divisional financials.

Standardize subsidiaries. Do you need to standardize applications at multiple subsidiaries because managing financial closing processes across disparate solutions is too time-consuming and impedes growth? Are you unwilling to extend your corporate ERP instance to your subsidiaries because you know it would be a long, drawn-out process? NetSuite lets you standardize all of your subsidiaries and eliminate the headache of dealing with a hairball of multiple solutions.

Build new ecommerce channels. Another powerful application of a two-tier strategy is to natively integrate ecommerce with core operational systems to meet rising customer expectations for a consistent experience across all touch points, from smartphones to call centers, from tablets to point of sale in virtually any country around the globe. Several NetSuite customers like Magellan, Igloo and others have successfully used NetSuite SuiteCommerce to expose their inventory in storefronts in a variety of languages across a multitude of interfaces while relying on the NetSuite OneWorld to power their back-end operations.

Benefits of NetSuite for Your Two-Tier ERP Strategy

Done right, two-tier deployment enables enterprises to standardize ERP rapidly and efficiently. Numerous enterprises such as Jollibee, Land O'Lakes, Olympus, Suntech and others have deployed NetSuite across divisions and subsidiaries versus enduring expensive global on-premise deployments. NetSuite two-tier ERP:

Empowers product and service innovation. Are you developing new product or service offerings? Does your existing ERP not support the required processes? NetSuite supports extensive configuration and customization without forcing you to deploy a separate instance or suffering from version-lock.

Accelerates entry into emerging markets and products. Fast-moving "companies within companies" can't wait. NetSuite's global language, currency and regulatory support paired with speed of deployment make it the ideal platform for emerging and growing businesses. Built-in analytics give you real-time business intelligence across all areas—from accounting and sales to ecommerce and support—to drive true operational insights.

Deploys quickly to meet the needs of mergers and acquisitions, divestitures and joint ventures. NetSuite provides fast, flexible, cost-effective and repeatable capabilities to run the new business while shedding the infrastructure complexities typically inherent in the prior applications, quickly cutting ties and commitments to the prior parent.

Allows easy integration with corporate systems. Enterprises deploying NetSuite can use NetSuite's SuiteCloud Connect solutions for best practices-based integration with Oracle and SAP, or leverage prebuilt adapters from leading integration partners like Informatica, IBM Cast Iron, Dell Boomi and others.

Enables elastic growth. NetSuite's cloud infrastructure enables dynamic growth—there's no need to provision resources in anticipation of demand.

Eliminates the need to put IT boots on the ground. Cloud delivery enables deployment of mature, full-featured ERP without having to hire local IT resources. The whole subsidiary deployment process can be managed from the division or from corporate—cutting costs, speeding deployment and reducing infrastructure.

Enables customer-centric commerce. By leveraging the data from your ERP system, you are able to put together a commerce front end and leverage all the functionality that NetSuite OneWorld provides to deliver a superior customer-centric commerce experience. With this two-tier platform, you can manage everything from lead through quote through cash and even inventory in your back office, while showcasing products and services in a rich and dynamic website powered by NetSuite SuiteCommerce.

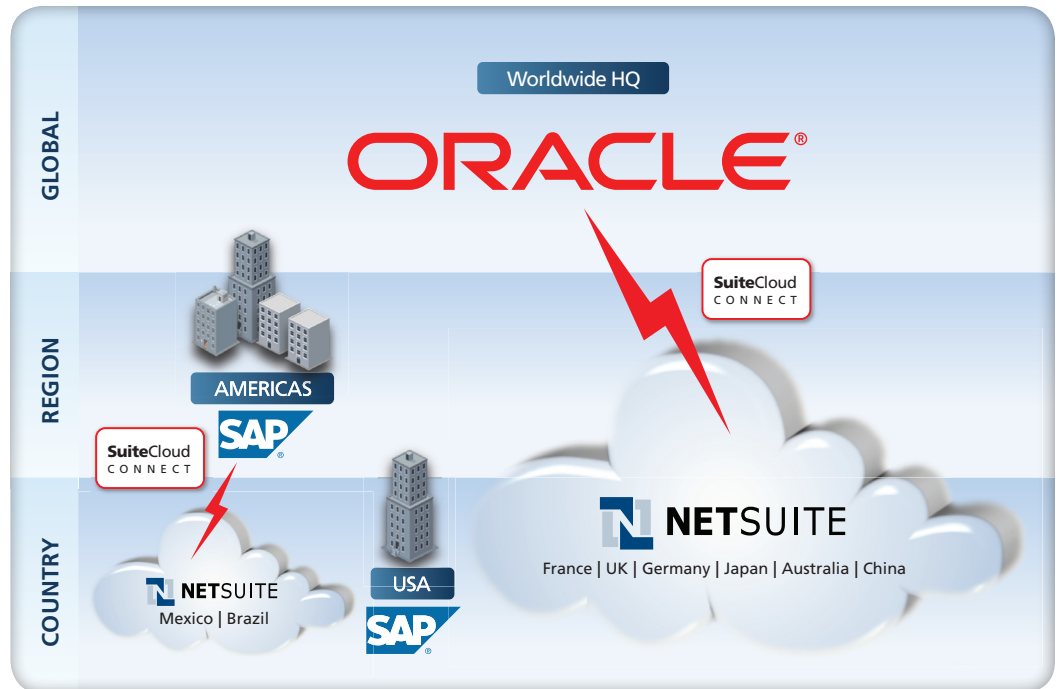## NetSuite OneWorld and SuiteCloud Connect

The key to two-tier ERP in multi-subsidiary, multi-division or multi-national deployments is NetSuite OneWorld, the first and only cloud solution to deliver real-time global business management and financial consolidation, with local customization and full integration capabilities with SAP or Oracle.

Featuring built-in support for 190+ currencies, 19 languages and out-of-the-box tax reporting covering more than 50 nations, NetSuite OneWorld enables efficient financial consolidation at both global and local levels while powering front- and back-office operations on a worldwide scale. The real-world success of NetSuite customers like Qualcomm and the Institute of Electrical and Electronics Engineers (IEEE), Olympus, and Land O'Lakes, testifies to the fact that two-tier ERP is not some future-state vision—with NetSuite it's a practical and proven solution that is driving quantifiable business benefits today.

SuiteCloud Connect is another important component for a two-tier ERP strategy. SuiteCloud Connect provides packaged integration with prebuilt support for Oracle and SAP, while enterprise integration tools from Informatica, Dell Boomi, IBM Cast Iron and others ensure NetSuite can seamlessly exchange transactions and master data with existing corporate investments.

NETSUITE

Two-tier ERP: Powered by NetSuite OneWorld and SuiteCloud Connect

Flexible ERP That Keeps Pace with Your Business

Today's enterprises need customization for their individual operating units without the burden of version-lock. NetSuite's SuiteCloud platform supports complete application customization, including workflow management, scripting, analytics, web services, lifecycle management and more.

With SuiteCloud, NetSuite allows each subsidiary to meet specific geographic, organizational and industry needs, such as local business-specific workflows or specific business models and reporting requirements, while ensuring each business gets automated upgrades no matter the extent of customization.