



# From Basic Accounting Software to NetSuite Financials

Why Fast-Growing Companies Leave QuickBooks, Xero and Sage and Adopt NetSuite to Accelerate Growth

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Most industries are faced with changes happening at a frantic pace. To adapt in this dynamic environment, organisations must be able to quickly respond to changes in market conditions, market opportunities and evolving customer expectations. Though most recognise the need to innovate, many companies have a remarkably difficult time finding business application solutions that can meet their needs in an effective, yet affordable manner.

Young companies have been forced to rely upon a hairball of dangerously unreliable spreadsheets and limited point solutions like QuickBooks, Xero and Sage. The relatively low cost of maintaining those systems masks the cost of inefficiencies in routine tasks like the monthly close or, more importantly, the dissemination of reliable information upon which business decisions can be confidently made in a fast-paced environment.

Let's take software companies, for example. How can spreadsheets handle complex revenue recognition and fluid pricing models? How can "make do" accounting systems support strategic questions like:

- What was new business Annual Recurring Revenue (ARR)?
- Did we expand ARR through customer upsells?
- How much ARR was lost through downgrades?
- How many customers churned?

Accounting teams frequently face these demands with inadequate tools. In many cases, basic accounting software was a workable and inexpensive tool. But now they impose a number of pains.

- **It's difficult to find out what's really happening across the business in real time.** Most systems are designed for an era when companies could wait until the end of the month to get the data they need. That's not the case today—consolidated views and up-to-the-minute reporting can make the difference between thriving and barely surviving.

- **Team members waste time playing “Hunt for the Spreadsheet”.** Employees rely on spreadsheets to fill the information gap since data lives in so many disparate systems. People end up spending more time hunting for data than actually analysing it and making decisions.
- **Financial consolidation takes ages.** Cross-posting transactional data between systems is time-consuming and the finance team works late every month to consolidate financial reports. Yet as hard as they work, weekly and monthly reports are delayed.
- **Sales forecasting and budgeting processes rely on guesswork, rather than facts.** Since it is difficult to get historic information in the right format in a timely manner to do trend analysis, employees put figures in spreadsheets based on guesswork. Even though the actual data exists somewhere, it’s too hard to find and extract.
- **More accounting is done outside of the financial system than in it.** Standalone financial systems are designed to automate a limited set of core accounting functions. As a result, it limits how companies can run their operations. As businesses grow, companies must adapt their processes to fit the application, rather than having a system that is flexible, scalable and will accommodate growth. It is easy to run out of headroom when companies have more customers, vendors or inventory items than many standalone financial systems can practically handle.
- **It is too difficult to add new sales channels, product lines or revenue streams.** Every time there is a change in the business, staff must work overtime to figure out workarounds to accommodate it. Standalone financial systems do not have built-in support for everyday functions like making simple changes across matrix SKUs, adding new sales tax rates, or handing bill of materials, kits and assemblies for manufacturing inventory. Processes that cry out for automation have to be done manually or from spreadsheets.



## Born to the Cloud

Nobody understands the importance of true cloud better than young companies. There is a world of difference between software designed for the cloud and software designed for the legacy world. NetSuite has never been a desktop product. It has always been a multi-tenant solution. In contrast, the likes of QuickBooks still comes in a desktop version. Even the hosted product lacks the always-upgraded, strong code base of real multi-tenancy.

### Quantifiable Benefits

- **Delay Finance and Operations Hires** – Automation frees up finance and operations' time allowing them to focus on revenue generating strategic projects, analysis and allowing the company to scale while keeping headcount flat.
- **Revenue Recognition and Subscription Models** – Stop the potential for revenue leakage and identify upsell opportunities.
- **Streamline Billing and Invoicing** – Reduce manual data entry and avoid errors with automated billing and invoicing. Collect cash faster and reinvest back into your growing business.
- **Reduced Financial Close Time and Manual Data Entry** – Automate and control approvals on transactions from AP Bills to Journal Entries, speed up period-end close due to system controls being in place, improve accuracy of financials, and reduce month-end processing costs and time.
- **Lower Audit Costs** – Ever-changing compliance standards, small accounting teams and heavy spreadsheet use are time-consuming and subject to risk. This can lead to higher audit costs, or longer and more-involved audit processes.
- **Platform for Innovation** – Easily launch new business models and expand internationally with a platform that evaluates all possible ways to scale and increase revenue, and supports multi-currency, multi-entity and different accounting standards.

## Suite Approach

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.

With a well-implemented cloud-based system, financial activities appear as soon as they are triggered. That, coupled with 'anywhere-anytime' access, means the 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 rear-view mirror.



## A Tool for Success

That is why the fastest growing software companies use NetSuite.

- 88% of Bessemer’s “Next Cloud Unicorns” use NetSuite
- 65% of the last 100 Tech IPOs
- 56 of the JMP 100 Private Software Companies
- 22 Wall Street Journal “Billion Dollar” Start-ups





## Landbay Maintains Strong Buy-to-Let Mortgage Growth and Performance, Fuelled by NetSuite Data

### Supporting lean operations

After six years of originating circa £600 million of BTL mortgages, Landbay's growth continues. It is planning to lend between £1.5-2bn per year in a market that is expected to grow by £50bn over the next five years and also maintain its industry-leading performance with low mortgage arrears and Covid-19 related mortgage holidays. Internally, Landbay requires systems that support its lean operations: Four finance FTE support 100 FTE company-wide, as well as 5,000 brokers and 2,200 live mortgages and many thousands of monthly cashflows.

### A high-volume business

Committed to cloud-based technology since its inception, Landbay initially implemented Xero. The company's growing transaction volume and data reliance, however, meant that it soon was "pushing the systems boundaries and needed to be able to integrate our finance tools with our wider data architecture," said COO Julian Cork.

### Customer Story: Landbay

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"We run a lean operation, and it's important that all departments are accountable to eliminate waste and be efficient. NetSuite provides us with the data and efficiency we require to ensure we don't hit roadblocks in our growth." Julian Cork, COO, Landbay

## NetSuite Software Customers Results

In a recent study by SL Associates, software companies reported stunning improvements in key performance metrics after switching to NetSuite's cloud-based solution.

Experience a **50% to 80%** increase in self-reported actionable insights.

Increase order processing efficiency anywhere from **45% to 75%**.

See finance staff productivity increase between **20% and 50%**.

Reduce finance close time between **40% and 70%**.

Reduce compliance support time between **25% and 45%**.

Decrease their IT support resources between **45% and 70%**.





## Best Practices for Transitioning Away From Basic Accounting Software

As small businesses grow, it is clear that alternatives to QuickBooks, Xero and Sage are needed, but the path forward isn't always well defined. Here are several best practices that can smooth the path to a better solution:

- **Consider a suite.** Rather than perpetuating the “applications hairball” when replacing independent accounting software, many companies decide to adopt an integrated product suite. A suite platform eliminates the need to piece together different solutions. An integrated suite makes managing data much easier. Dual data entry is eliminated, since all information is stored in a single, centralised data repository. A suite solution enables companies to start with the basics and add complexity over time.
- **Take time to understand the business needs and key business requirements.** Before selecting a solution to replace basic accounting software, be sure the organisation understands its business and key business processes. Growing companies often believe they are saving money by not spending the time needed to understand and capture the business requirements. Unfortunately, this can lead to building the wrong solution.



- **Hire a partner to help with data migration.** Regardless of what platform a company adopts, it can be helpful to find a suitable partner who can help migrate data and perform checks and balances before the system goes live. This approach will ensure that the transition to a new system is consistent with business processes and objectives.

## Conclusion

If your growing enterprise is experiencing any of the pains discussed where the likes of QuickBooks, Xero and Sage may be limiting your business growth, it may be time to consider the cloud-based products and services that NetSuite offers. Moving your company to NetSuite's integrated suite of cloud-based solutions allows for more efficient and effective business operations—essential for growing an organisation and enabling employees to react to client and organisational needs in real time.



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