



Next Starts Now – global growth, SuitePeople for human capital management and SuiteSuccess for rapid industry-specific solutions. Backed by Oracle’s deep pockets, NetSuite is clearly focused on extending its cloud ERP leadership position.

From the fire-enhanced Haka opening, to the expo floor, SuiteWorld 2017 showed that both Oracle and NetSuite mean business, cloud business that is. NetSuite CEO Jim McGeever’s and Oracle CEO Mark Hurd’s keynotes showcased the impact that Oracle’s immense spending will make on propelling NetSuite’s global expansion.

The conference focused on three big themes – **Global expansion; Suite extensions, most notably SuitePeople for Human Capital Management; and the SuiteSuccess framework for implementing rapid, industry-specific solutions.** Most importantly, from a professional services point of view, SuiteWorld showcased a renewed focus on the service industries with significant investments in both of NetSuite’s service industry solutions: SRP – Services Resource Planning (an integrated suite including ERP, CRM and PSA based on the native NetSuite platform) and OpenAir (NetSuite’s standalone Professional Services Automation solution). Conspicuously absent was a focus on “mobile-first”, a key theme of other cloud application leaders.

ORACLE PROPELS NETSUITE GROWTH

The impact of Oracle’s acquisition of NetSuite for \$9.3 billion could be seen throughout the conference. Refreshingly, Oracle seems content to allow NetSuite to continue to operate as an independent entity, clearly one of the crown jewels in Oracle’s cloud strategy. Even better, Oracle is pumping money into expanding the NetSuite workforce and doubling down on technology development.

Mark Hurd summed up Oracle’s NetSuite strategy by tweeting “What is Oracle’s strategy for NetSuite? Simple. More investment. More research and development. New markets. Broaden the suite. SuiteSuccess for rapid industry-specific solutions.”

Oracle is a world-class organization, providing all layers of the enterprise business information infrastructure stack. Even better, after a slow start, Oracle is intently focused on being the fastest growing and most dominant cloud provider. The company’s third-quarter FY2017 total cloud revenues for software-as-a-service (SaaS), platform-as-a-service (PaaS) and infrastructure as a service (IaaS), were approximately \$1.3 billion, up 72%. According to Oracle CEO Mark Hurd “Over the last year, we sold more new SaaS and PaaS than Salesforce.com, and we’re growing more than 3 times faster. If these trends continue, where we are selling more SaaS and PaaS in absolute dollars *AND* growing dramatically faster, it’s just a matter of when we catch and pass Salesforce.com in total cloud revenue.”

No one needs to further explain the importance of the cloud. It's here and there is no stopping it. At NetSuite, growth continues at a breakneck speed. Let's face it, NetSuite’s cloud-based solutions cost less and provide more flexibility and better security than on-premise solutions. Ease-of-use and faster return-on-investment have ensured the supremacy of cloud-based applications. NetSuite now has one of the most comprehensive platforms in the industry from which to enhance and deploy solutions on a global basis. With Oracle backing, NetSuite now has

no limits on where it can go, and how fast it can get there.

GLOBAL EXPANSION

NetSuite expects to double its global presence, expanding from offices in 10 countries to 23 while also doubling global headcount. Expansion plans include more than doubling its data center footprint from five data centers to 11 including Germany, Australia and Singapore; followed by Japan and China. NetSuite will soon have support for more countries, languages, currencies and accounting policies than any other cloud ERP provider.

SUITEPEOPLE

The most exciting new technology unveiled was SuitePeople, an integrated Human Capital Management solution natively built on NetSuite's unified cloud suite. NetSuite gives businesses a single platform to manage mission critical business processes across ERP, Customer Relationship Management (CRM), Professional Services Automation (PSA), omnichannel commerce and now HR.

SuitePeople weaves people data throughout the suite, giving businesses control over their core HR processes. With support for organization design, job and position management, workflows and compliance management, powered by employee master data, NetSuite now provides human capital functionality to manage the people side of the business.

SuitePeople streamlines employee information, accelerating employee onboarding, promotions and compensation changes. Highly skilled employees are at the core of all service-based businesses. With SuitePeople, PSOs can more effectively sell, staff and deliver services with a greater understanding of skills, cost and availability. SuitePeople will come with pre-built reports and dashboards focused on

employee metrics and compliance, kudos to help employees recognize co-workers, HR reports to monitor compliance and a unified data model.

SUITESUCCESS

The introduction of SuiteSuccess culminates a multi-year effort to combine the NetSuite unified suite, industry leading best practices, a new customer engagement model, and business optimization methods into a unified, industry cloud solution. SuiteSuccess accelerates industry-specific extensions with the goal of reducing implementation time to less than 100 days.

NetSuite is delivering 12 SuiteSuccess editions for eight industries including:

- △ Advertising, media, publishing
- △ Financial technology
- △ Manufacturing
- △ Nonprofit
- △ Retail
- △ Service-based businesses
- △ Software/internet
- △ Wholesale distribution

SuiteSuccess productizes domain knowledge, best practices, key performance indicators and an agile approach to product adoption. SuiteSuccess is designed to help professional services organizations implement solutions faster, increase organizational efficiency and improve client satisfaction, while maintaining flexibility.

SuiteSuccess is built on four pillars that include:

- △ **Build:** A complete suite including ERP, CRM, PSA, omnichannel commerce, HR, and Business Intelligence (BI) built on the NetSuite cloud platform, continually updated with leading edge capabilities and technologies to support all eight industries.
- △ **Engage:** industry best practices by role with supplementing workflows, KPIs, dashboards, reports and metrics. With these best

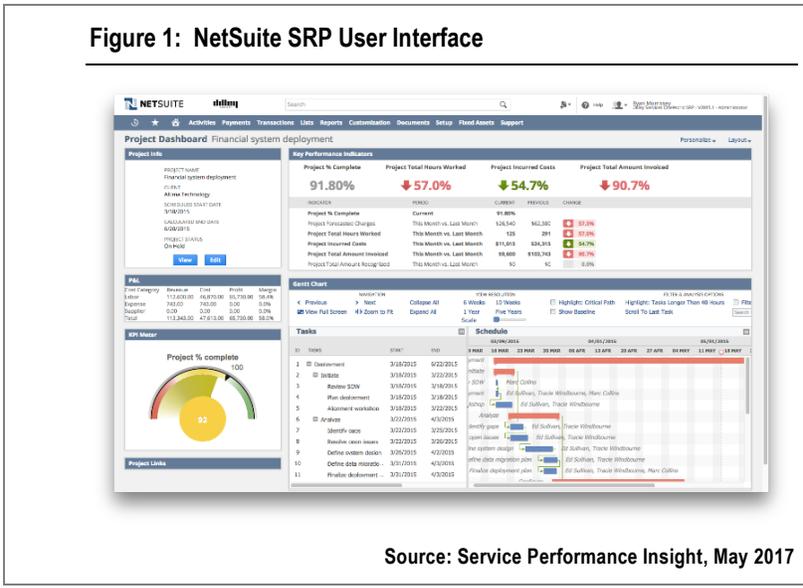
practices, clients no longer have to start with a white sheet of paper, they can accelerate their own adoption of best practices through examples and templates.

- △ **Consume:** a staged approach that enables PSOs to immediately utilize specific capabilities to meet their business needs. As they grow, they can then automatically implement new capabilities. NetSuite designed SuiteSuccess to enable organizations to implement solutions within 100 days, driving faster time to value and better return on investment while ensuring user adoption.
- △ **Optimize:** every customer is on the latest release, ensuring new best practices, key performance indicators and other attributes are continuously enhanced.

NetSuite has already implemented 300 customers under the SuiteSuccess program and the early returns are strong. According to McGeever, of those 300 implementations, there were only four change orders. Additionally, customers go live 60 percent faster, implementation costs are 18 percent lower and average load times are 66 percent faster.

PS INDUSTRY UPDATES

The importance to NetSuite of the services sector was abundantly apparent throughout SuiteWorld 2017 with scores of SRP and OpenAir focused tracks and customer presentations.



Source: Service Performance Insight, May 2017

NETSUITE SERVICE RESOURCE PLANNING (SRP)

NetSuite SRP continues its upward trajectory in the professional services market with new customers in other talent-based markets such as Advertising,

Marketing and Public Relations along with Healthcare and Security consulting. High tech firms are moving to SRP due to the complexities of managing multiple business models with ever-changing billing and revenue recognition policies.

NetSuite SRP has expanded its capabilities in the areas of:

- △ **Improved performance and ease of use when running charges:** Running large numbers of charge transactions can be tedious and time consuming. Improvements in the latest version address many of these problems and improve the entire user experience.
- △ **Time rejection note:** Enforces that timesheet approvals provide details as to why a timesheet entry was rejected and what actions the submitter must take to address the errors.
- △ **Time threshold improvements:** Adds additional rules to enforce limits for timesheet hour entry, reducing errors.
- △ **Enhancements to contract renewals:** Flexible contract creation, create contracts based on status of sales order, flexible start dates for renewals, relieve restrictions imposed by the contract, and flexible maintenance and support pricing.

- △ **Improved billing flexibility with billing rate cards:** Tailor billing rates per customer and project, consolidate views of billing rates and optimize rate cards across customers and projects.

NETSUITE OPENAIR

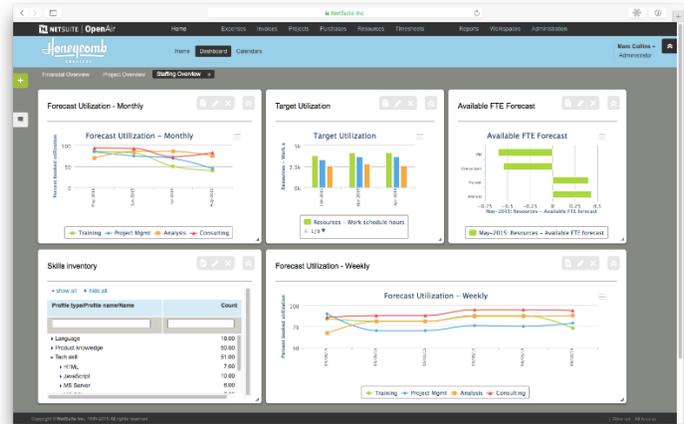
NetSuite disclosed a number of new features that will continue to keep OpenAir as the leading Professional Services Automation (PSA) solution. These additions include an enhanced project status dashboard which generates a standardized, pixel-perfect status report with a single click; enhanced resource comparison to improve resource selection by comparing technical skills, billing rates and availability to make the best choice for projects and customers; better resource profiling; an advanced booking worksheet that facilitates “reserving” the best resources for certain projects; custom forms layout and enhanced skills approval. OpenAir clients appreciate the ability to immediately take advantage of enhancements as a large number of clients are already taking advantage of this new functionality.

IN SUMMARY

NetSuite drives to help small and mid-size companies *act bigger*, with the business solutions typically found in larger enterprises, at a lower total cost of ownership. It also helps large companies *act smaller*, with nimble and flexible solutions that can rapidly adjust to changing market dynamics.

NetSuite continues to be the solution of choice for fast growing, highly dynamic organizations in a variety of industries, especially project and people-driven professional services.

Figure 2: NetSuite OpenAir User Interface



Source: Service Performance Insight, May 2017

NetSuite brought ERP to the cloud, and has no desire to relinquish its leadership position in both integrated suites and best-of-breed PSA functionality. Now with Oracle’s backing, market dominance is clearly within NetSuite’s grasp. We expect to see significant investments in global expansion and new technology. Clearly Oracle expects to make NetSuite the center of its cloud growth strategy with expansion into the mid-market. Don’t expect Oracle to try to replace NetSuite solutions with its own proprietary solutions, it is likely we will see the reverse, with NetSuite replacing expensive legacy Oracle applications.

NetSuite remains a top choice for service-oriented organizations who require an integrated Service Resource Planning suite or want the Cadillac stand-alone Professional Services Automation solution – OpenAir. We are thrilled to see Oracle’s investments in NetSuite and expect the platform to continue to grow and dominate the mid-market and beyond.

Service Performance Insight (SPI Research) is a global research, consulting and training organization dedicated to helping professional service organizations (PSOs) make quantum improvements in productivity and profit. In 2007, SPI developed the PS Maturity Model™ as a strategic planning and management framework. It is now the industry-leading performance improvement tool used by over 15,000 service and project-oriented organizations to chart their course to service excellence.

SPI provides a unique depth of operating experience combined with unsurpassed analytic capability. We not only diagnose areas for improvement but also provide the business value of change. We then work collaboratively with our clients to create new management processes to transform and ignite performance. Visit www.SPIresearch.com for more information on Service Performance Insight, LLC.