



# NETSUITE VALUE ASSESSMENT

Free Capacity and Budgets to Support Innovation and Growth

Adopting a business management solution is one of the most important decisions an organization can make because the system touches almost every important business process. NetSuite recognizes this and has created the NetSuite Value Assessment to help organizations quantify the business impact of adopting the NetSuite business management platform. We have developed a proven methodology to uncover the areas in businesses that could benefit from technology and articulate the value relative to the cost of ownership.

## Key Benefits

- Additional Return on Investment (ROI) from:
  - Rationalizing and simplifying your IT portfolio.
  - Greater focus on strategic activities.
  - Driving best practices across the organization.
  - Business strategy alignment with IT systems.

## Why Perform Value Assessment?

A value assessment is an industry standard approach to valuing strategic projects, a typical requirement for capital request approvals. It provides an excellent way to gain consensus on what drives value in an organization, helping to develop a business case, a strategic IT roadmap and get a buy-in from key stakeholders.

Many NetSuite customers seek direction and guidance for their initiatives and need help determining the most efficient and effective strategy to get there. Our goal is to assist businesses in prioritizing their NetSuite initiatives and to help them develop clear methods for analyzing solutions and their potential value, along with measuring financial impact. The NetSuite Value Assessment helps establish and ensure alignment of the solution's business and IT expectations in the overall business strategy.

## NetSuite Value Assessment

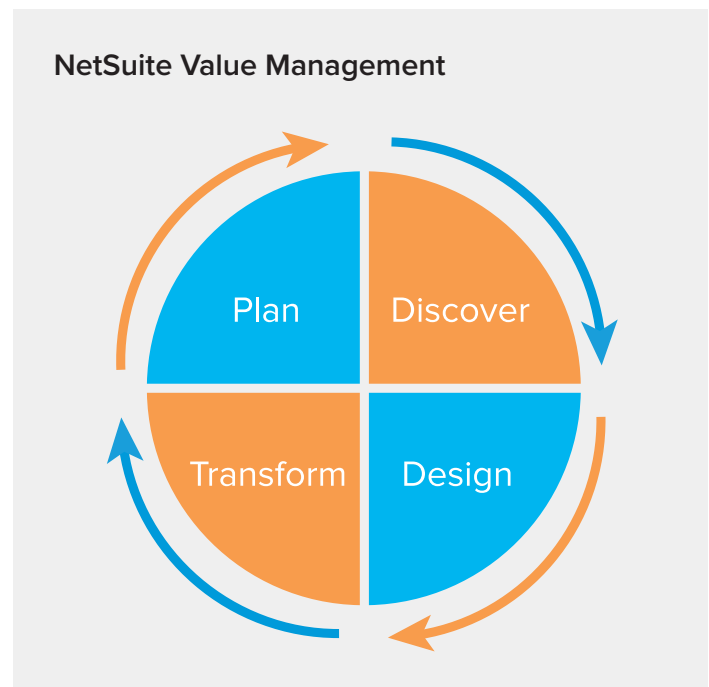
The goal of the NetSuite Value Assessment, a pre-sales offering from NetSuite, is to help customers define, understand and effectively communicate the business value of the NetSuite solution by applying deep industry subject matter expertise.

The NetSuite Value Assessment is primarily designed for business functional groups who are either considering selecting or have deployed NetSuite in their organization.

The assessment is a structured engagement that helps organizations create a comprehensive plan to support their business growth, which is aligned with the NetSuite solution.

The business case is tailored to the scope of the client's needs as well as the proposed NetSuite solution footprint. The engagement scope ranges from a simple business context framing to a more advanced Return-on-Investment (ROI) analysis. The engagement:

- Is performed at NetSuite's expense for qualified customers.
- Requires client business and IT stakeholder participation with clearly defined tasks, activities and success criteria.



“CallidusCloud reduced the time required to complete 6 of the 9 core accounting processes by 15-50% with NetSuite OneWorld. The financial close activity went from 8-10 days to about 4 days. Two other processes, audit and quote-to-cash, saw time savings of about 35% each.” CallidusCloud

## NetSuite Value Framework

NetSuite’s Value Framework is based on our years of experience in aligning business objectives, relevant value drivers and technical considerations to create tailored, cost-benefit analyses-based capability maps. Good value messaging is important in ensuring that the entire organization understands the need to change the business with IT systems. Our Value Management team, through our consultative approach, will help you define:

- **Strategic Context** – Business strategy alignment with IT systems strategy for improved business performance.
- **Imperatives for Change** – Summarizing the primary needs behind the change and aligning the organization on “why we’re doing this”.
- **Quantifiable Business Benefits** – Articulating the benefits of IT project investments that are competing with other projects for funding, justification and approval.

## NetSuite Value Assessment Process

An experienced NetSuite team with deep industry expertise who is dedicated to business case development will work with you to create the Value Assessment. The

## NetSuite Value Assessment Methodology

- Understand your business environment and challenges.
- Develop business value drivers customized to your situation and industry.
- Craft custom solutions with optimum deployment plans.
- Quantify expected business value and determine ROI.
- Engage collaboratively to develop a business case.

assignment is typically accomplished in two to four weeks. The actual time needed depends on the defined scope of the Value Assessment, the degree to which a solution has been architected and the level of business case analysis required.

The Value Assessment is a collaborative effort between you and NetSuite. Obtaining and understanding a client’s strategic direction, data and selected financial information provides the important basis for the analysis and is critical to the overall success of the Value Assessment.

“Our financial close has gone from about 3 weeks to 3-4 days. That time reduction is especially impressive given that the volume of our transactions has been doubling each quarter.” Hortonworks

The process starts with a business discussion with relevant IT and business stakeholders. The purpose of the interview process is to:

- Confirm the existing business process and IT framework.
- Understand stakeholder needs, pain points and platform expectations.
- Gather documentation on high-level business strategy, requirements, key

findings, business pain-points and issues defining key metrics.

- Develop value hypotheses and begin quantifying business impact.

At the conclusion of the project, the Value Management team reviews and presents findings to the executive sponsor for the project and stakeholders.

## Discover How to Maximize the Value of Your NetSuite Solution

**Executive Summary**

**Context and Background**

- Understand WOW needs to meet corporate objectives
- Document challenges to meet strategic objectives
- Propose recommendations collaboratively

**Our Approach**

- Interviewed 20+ stakeholders from 8 functional areas at WOW to understand current state
- Compared WOW to leading practices and benchmarks to develop the maturity assessment

**Potential Benefits\***

- Cumulative 5-year potential benefits of \$11.42M-16.02M
- Top three areas of benefits:
  1. Gross Margin Enhancement
  2. Inventory Turn Improvement
  3. Transportation Cost Reduction

**Key Findings**

- Short term opportunities (3-6 months) exist to significantly improve productivity and information accuracy across Finance processes and impact financial closing metrics
- AP (DPO strategy)
- Project Job Costing (6 months) Project Job Costing for budgeting, reduce costs
- Further longer term developing a roadmap, supplier collaboration opportunities

**Strategy and Initiatives – Our Understanding**

**Strategy**

**Free Cash Flow & EBITDA**

**Initiatives**

- Position for additional organic & inorganic growth
- Innovate for value added services
- Improve competitive positioning in WOW markets
- Continue to provide personalized and unbundled services
- Field re-orgs aligned with customer segmentation
- Increase wholesale relationships
- Integrated financial system across all entities
- Optimize processes to improve cash flow
- Empower people with information and tools to be more productive

**Summary of Challenges to Execute the Strategy**

- Long budgeting & forecasting process lead to variances and analysis paralysis
- Manual file uploads and downloads impact productivity
- Reporting is a manually intensive process requiring pulls from different systems
- It takes too long to consume 10% of productivity
- Revenue opportunities are

**Strategic Benefits**

**Strategic Benefits**

- Account Payables**
  - Centralize Data Platform
  - Improved visibility into process performance
  - Improved vendor relationships
- Account Receivables**
  - Improved visibility into cash management
  - Improved ability to justify business strategy
- Inventory Management**
  - Improved vendor visibility
- Budgeting & Forecasting**
  - Improved forecast accuracy and variance analysis
  - Improved value of assets
- Compliance**
  - Improved process standardization
  - Simplified contract management
  - Centralized Contract management

**Value Drivers and Benefit Calculations- Details**

Business Driver	Baseline	Potential Improvement	Potential Benefit	Assumptions/Calculations
Improve Close Process	\$XX.0 K	X%	Y%	\$X.0K \$X.0K Assumed FY salary of \$200,000 and that 1 FYs spend 25% of their time annually in this activity
NetSuite Enabler				NetSuite's standard close process is workflow based with repetitive activities for each stakeholder in the process, and automates many business processes through it's unified data model
Reduce Margin Leakage	\$XX.0 K	X%	Y%	\$X.0K \$X.0K 100

**Project Economics – Cost, Benefits and ROI Analysis**

**Yearly Projected Cost / Benefits**

Annual: 1, 2, 3, 4, 5

Cost: \$XX.00 M, XXXX, X.XX Trnns, \$XXX

Benefit: \$XX.00 M, XXXX, X.XX Trnns, \$XXX

Rate of Benefit Realization: 0%, 75%, 100%, 100%, 100%

**5 Year Total Cost of Ownership Summary – Pricing**

NetSuite Solution	Year 1	Year 2	Year 3	Year 4	Year 5	Total
NetSuite Full Suite x Users	\$470,344	\$470,344	\$470,344	\$470,344	\$470,344	\$2,351,710
Overhead - IT Operating and IT User Tools	\$75,360	\$75,360	\$75,360	\$75,360	\$75,360	\$376,800
2nd Yr Gold Support	0	0	0	0	0	0
NetSuite IP Implementation / Training	\$1,518,400	0	0	0	0	\$1,518,400
Adaptive Planning (AP) / BI	\$10,485	\$10,485	\$10,485	\$10,485	\$10,485	\$51,925
Adaptive Planning (AP) Gold Support	\$4,900	\$4,900	\$4,900	\$4,900	\$4,900	\$24,500
Adaptive IP Implementation	\$24,750	0	0	0	0	\$24,750
Customer Resources	780	780	780	780	780	3,900
Change Management	780	780	780	780	780	3,900
<b>Total Cost of Ownership</b>	<b>\$1,714,277</b>	<b>\$596,089</b>	<b>\$596,089</b>	<b>\$596,089</b>	<b>\$596,089</b>	<b>\$4,158,433</b>

**Proven Customer Successes**

SLA, cologR, ROKU, DALE, KAM, SIEMENS, topdown