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By Bruce Richardson

NetSuite Moves Deeper into the Lion's Den

Last April, **NetSuite** announced NetSuite OneWorld for SAP, which allows customers to run **SAP** at the corporate backbone and have NetSuite's ERP-as-a-service software at the subsidiary or divisional level. This was a not-so-subtle swipe at SAP's announcement it was revamping its strategy for SAP Business ByDesign, its much publicized software-as-a-service (SaaS) offering designed for smaller customers.

We noted in our coverage that [NetSuite intends to link the hub and spokes](#) via the new SuiteCloud Connect for SAP, a product and services offering that allows SAP customers to roll up transactional data generated by NetSuite applications, including invoices, purchase orders, shipments, inventory adjustments, and order and payment integration with point-of-sale systems.

On Monday, NetSuite will announce it has become the first SaaS suite vendor to receive IDW PS 880 certification in Germany. This involves an audit of the company's financial management software to determine whether its software complies with German legal regulations of trade and tax laws. It provided its software and taught the regulatory organization how to use it. The auditors tested the system by simulating how it would be used by an actual enterprise, verifying that it provided the functionality promised.

While I don't know how much IDW PS 880 certification means to potential buyers, I am smart enough to know that NetSuite will heavily market its status as the first to achieve financial certification as a means of attracting German companies, the German operations of multinationals, and channel partners it would like to add to its distribution network.

To date, NetSuite has over 40 customers with headquarters or subsidiaries in Germany. The company's localization plans include support for online tax filing (**Elster**), local credit card processing (via a partnership), and help and documentation translation.

While we can debate whether NetSuite's German operations will grow at the expense of SAP, the company should benefit from SAP's recent disclosure of plans to build and sell a wide range of SaaS applications for larger enterprises. Until SAP ramps up Business ByDesign sales in Germany, NetSuite may face minimal competition for SaaS ERP deals.

* Editor's note: As we were going to press, SAP sent us an e-mail saying that it had received PS880 for SAP Business ByDesign FP1.2 SP11 in April. We did attempt to confirm that both

companies' products have achieved the exact same certification, but were unable to do so at deadline.