



Learning.com

www.learning.com



At A Glance:

- **Company:** Learning.com
- **Location:** Portland, OR
- **Industry:** Education; Computer Software
- **Challenge:**
 - Find a simpler, faster, more accurate way to perform revenue recognition
 - Decrease the time it takes between closing a deal and booking the revenue
- **Software switched from:** QuickBooks, Salesforce.com, Microsoft Excel
- **Other software considered:** Microsoft Great Plains, SalesLogix, Softrax, MAS 90
- **Results with NetSuite:**
 - Time between closing a deal and invoicing reduced from 1 week to 2 days
 - Business has nearly doubled without the need to add any accounting staff
 - Revenue recognition now automated — no need to do excel spreadsheets and recurring manual entries into the accounting system



“We're coming close to doubling our business over last year without adding any accounting staff. With NetSuite, I'm less afraid of growing by a factor of 10.”

— Douglas Stein, VP, Development and Technology
Learning.com

The Results:

In less than six months, NetSuite has already made a difference in the way Learning.com does — and grows — its business. The integrated solution, handling everything from leads to accounting, means that data is input once and available in real-time, eliminating data-entry errors and duplicate (and often inconsistent) spreadsheets and reports. More importantly, NetSuite enables Learning.com to operate faster and handle more business without having to make big investments in infrastructure or staff.

"NetSuite has drastically cut the time in which we can do vital tasks," says Douglas Stein, Learning.com's VP, Development and Technology. "Before NetSuite, it would take us about a week to go from closing a deal to invoicing it. Now we can usually do everything on the same day."

With so many functions — CRM, ERP, order processing, accounting — integrated, Learning.com can now focus on growing its business, not its payroll. "We're coming close to doubling our business over the year before without adding any accounting staff," says Stein. "With NetSuite, I'm less afraid of growing by a factor of 10."

The Challenges:

The situation was more than a little ironic. In just five years, Learning.com had built a thriving business helping students and educators develop 21st century skills through meaningful technology usage. But the company's own technology usage was keeping it from realizing its own full potential. "Our back-end consisted of manila folders," says Stein. "We had so many folders, and so much paper, that we had to maintain a checkout system — like a library — to figure out who had a folder."

Learning.com's computer-based products — used by 1.5 million students in 38 states and several countries — enable students to develop and apply technology skills, and help educators assess their progress and proficiency. But Stein didn't need any fancy software to assess Learning.com's back-end: It was hindering growth, and needed to be fixed, quickly.

The primary problem was the way Learning.com was recognizing revenue — a tricky process for any company that uses a subscription-based business model. "You'll sign a

 Find out more: contact NetSuite, Inc. at 1 877 NETSUITE or visit www.netsuite.com



“The processes in NetSuite are of such quality that when you see you're not doing things the same way you have to ask yourself why not.”

— Douglas Stein

*VP, Development and Technology
Learning.com*

6-year contract and get a lump of cash, but you can't recognize it all at once," says Stein. "You have to be particularly careful that you recognize it according to Generally Accepted Accounting Principles (GAAP). If you have to do it manually, scheduling out your revenue recognition month by month, good luck." Yet the tools that Learning.com relied on — QuickBooks and massive Excel spreadsheets — made the process all too manual, and all too slow and complicated. "Every deal required the accountant to enter a new row on each of five tabs of a 50MB Excel workbook — and we had to save the workbook after each entry lest Excel crash," says Stein. "Revenue recognition was a very big issue for us, and we needed to find a better way to do it."

There were other problems, as well. When a deal closed it could take up to a week to process the order, get it into fulfillment, and send it to accounting for invoicing. "It took so long because we were constantly shuffling papers around," says Stein. The delay meant that Learning.com would have to scramble to book revenue in the same month the deal was closed.

Learning.com was already using Salesforce.com but any new accounting package would have to be "lashed onto it, at too much money," says Stein. We also wanted to be sure that the sales process connected to the accounting allowing everyone to see the whole sales process from the opportunity to the quote and ultimately to invoicing, cash collection and commission earned. NetSuite, on the other hand, offered all the features Learning.com needed in a single, integrated package. "NetSuite was the 'one system' we didn't have with Salesforce.com and we would never have with Salesforce.com," says Stein. "It's far more comprehensive, covering everything from lead generation to generating the month end financial statements. And we get all the extras at a price point that's still very similar to Salesforce.com."

The Solution:

Up and running since September 2005, NetSuite plays a key role in just about every facet of Learning.com's business. "We use it for CRM, revenue recognition, expense reports, sales force automation, inventory, marketing, invoicing, customer support, and reporting," says Stein. NetSuite's revenue recognition capabilities have proven particularly vital — and successful. "You don't have to keep going back, month after month, and remembering to add this revenue for this transaction," says Stein. "With NetSuite, you don't even have to think about it. You book a deal and the financial implications automatically show up in the right place at the right time. We are looking forward to the added function of team selling and added commission capabilities."

Indeed, some of NetSuite's built-in process rules have proved so robust, Learning.com began modifying its own internal procedures to mimic them. "The default rules in NetSuite are of such quality that when you see you're not doing things the same way you have to ask yourself why not," says Stein. NetSuite, for example, gave all sales quotes an expiration date — something Learning.com hadn't always done. "We were uneven in doing it, and realized that wasn't a good thing," says Stein. "If you don't expire a quote it's out there forever. What if you change your pricing?"

NetSuite was also able to handle the subtleties of Learning.com's business. "If you need to change a service period for a transaction — which happens — you just input the new date and everything behaves just as it should," says Stein. "With NetSuite, you can make a change without having to worry about it. With our old system — or systems — we were always worrying."

 Find out more: contact NetSuite, Inc. at 1 877 NETSUITE or visit www.netsuite.com