

Oracle NetSuite Channel Program

A 2112 overview of program structures, incentives, and partner benefits

Cloud-based enterprise resource planning (ERP) is one of the fastest-growing Software-as-a-Service (SaaS) segments as enterprises transition from on-premise business applications to ones that are cloud native and midsize businesses seek to improve their operational governance and productivity.

According to analyst firm MarketsandMarkets, the cloud-based ERP market will grow at a compound annual growth rate (CAGR) of 17.4% between 2020 and 2025 – increasing \$45 billion in 2020 to more than \$101 billion by 2025.¹ According to analyst firm Technavio, 45% of that growth is in the North American market.²

Identifying and selecting the right ERP solution for a business is only one of the challenges. ERP delivers many benefits, but it's complex to adopt, operationalize, and master. Businesses need the guidance, implementation, and ongoing support that only qualified solution providers can deliver.

ORACLE® NETSUITE

Program Highlights

- ✔ Commitment to Partner Success
- ✔ Progressive Enablement and Incentives
- ✔ Relatively Low Barrier to Entry
- ✔ Secure Recurring Revenue
- ✔ Strong Partner Support, Resources
- ✔ High Potential for Growth

Channelnomics concluded that Oracle NetSuite's channel program contains the elements required to provide its partners with more than a reasonable probability of success.

¹ "Cloud ERP Market by Component (Solution and Services), Business Function (Accounting and Finance, Sales and Marketing, and Inventory and Order Management), Industry Vertical, Organization Size, and Region – Global Forecast to 2025," MarketsandMarkets, June 2020, <https://www.marketsandmarkets.com/Market-Reports/cloud-erp-market-190169866.html>.

² "Enterprise Resource Planning Software Market by Type and Geography – Forecast and Analysis 2020-2024," Technavio, July 2020, <https://www.technavio.com/report/enterprise-resource-planning-software-market-industry-analysis>.



Broad Appeal to Diverse Partners

No ERP channel vendor excludes any particular partner type. Most, including Oracle NetSuite, welcome the traditional resellers, service providers, and integrators. Many have programs that include supporting nontraditional partners, such as accounting firms and business consultants. Oracle NetSuite, however, gives more than lip service to nontraditional partners as well. Rather than relegating non-tech partners to referral programs, Oracle NetSuite has programs that support software developers, companies that do business process outsourcing (BPOs), and private equity and venture capital firms. Oracle NetSuite's partner program is one of the most diverse initiatives in the market, aligning with nearly any solution provider business model.



Setting Up Partners for Success

No reseller or solution provider is naturally an ERP specialist. Breaking into and succeeding in the ERP market requires investment in technical and sales competencies. Oracle NetSuite stands out from its peers with its SuiteLife initiative, through which it provides partners with dedicated resources and support for the first 90-days of the relationship. Through high-touch training, guided resource development, and coaching, the SuiteLife program walks Oracle NetSuite partners through the particulars of what it takes to find success in the vendor's channel program and the ERP market at large. SuiteLife is like an on-the-job training program that takes partners on a journey from ERP cradle to first sale.

When combined with professional services, the Oracle NetSuite partnership is among the richest and most secure in the channel.



Progressive Program Structure

The current trend in channel programs is eliminating traditional partner tiers in favor of non-hierarchical programs. With six tiers in its program, Oracle NetSuite takes a different approach. Starting with the Member level – for authorized resellers – the Oracle NetSuite tier structure gives partners a progressive journey by which they unlock incentives, benefits, and resources based on their sales performance and attainment of goals. Oracle NetSuite built its program for hunters; if partners successfully add new accounts to their roster, they receive more recognition and benefits. This approach benefits participating solution providers by ensuring that only the best, most active partners are in the field competing for business. The progressive tiers make it easy and straightforward for partners to set goals, measure results, and receive rewards with Oracle NetSuite.



Relatively Low Barrier to Entry

ERP complexity requires partners to have a minimum competency level. Success in any ERP channel program requires investment. Oracle NetSuite requires partners to commit to minimum new sales goals and customer retention rates, and to attain and maintain technical and sales certifications. The fees associated with training and support are nominal compared to those of other ERP vendors. Oracle NetSuite makes getting started in the ERP segment relatively risk-free and straightforward for partners.



Secure Recurring Revenue

Recurring revenue is the lifeblood of the modern solution providers' fiscal health. Oracle NetSuite contributes to partners' recurring revenue with generous margins (up to 50%) that provide a healthy share of the initial sale. Upon renewal, Oracle NetSuite partners earn a high percentage of revenue share (up to 30%), ensuring continuity in recurring revenue. When combined with professional services, the Oracle NetSuite partnership is among the richest and most secure in the channel.



Ongoing Support and Resources

While not a differentiator or standout, the ongoing technical, marketing, and sales resources Oracle NetSuite makes available to partners are worth noting. The range of self-service and human resources that provide partners with pre- and post-sales technical support, marketing materials, implementation support, and ongoing training ensures Oracle NetSuite partners maintain and build upon the foundation created through the SuiteLife onboarding process.



High Potential for Growth

The ERP market is set for serious growth over the next five years as more businesses transition from on-premises to cloud-based services. Some people could knock Oracle NetSuite for having a low proportion of ERP revenue generated by channel partners, but that's actually a positive. Oracle NetSuite is looking to increase the volume of indirect sales and revenue, which means there's more opportunity for partners. The progressive program, high-touch enablement, and increasingly clear routes to market mean Oracle NetSuite partners have higher sales and growth potential.

FINAL ANALYSIS

In a market of templated channel programs, **the Oracle NetSuite initiative stands out**, combining the best of what works in legacy partnership structures with progressive enablement resources that give partners greater opportunities for success and rewards. Though no program is perfect, Oracle NetSuite is a fine choice for solution providers that want to excel in the burgeoning cloud-based ERP market.

About Channelnomics

Channelnomics is a business strategy and research firm focused on improving the performance of companies' direct and indirect channels through a portfolio of market-leading products and services. Channelnomics leverages proprietary intelligence with qualitative research, market analysis, tools, and enablement programs. Industry experts approach each engagement by applying innovative solutions customized to meet the needs of clients. By looking at the market from the viewpoint of vendors, partners, and end users, Channelnomics is uniquely positioned to develop route-to-market strategies that are beneficial to all parties from both a channel and enterprise perspective.

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