The Top 5 Reasons Customers Abandon Salesforce.com

Zach Nelson
President and CEO
NetSuite, Inc.

Agenda
- NetSuite Overview
- The Top 5 Reasons Our Customers Say They Leave salesforce.com
- Demonstration
- Customer Discussion
- Q & A

About NetSuite
- Co-Founded by Larry Ellison and Evan Goldberg in 1998
- Largest Integrated SaaS Customer Base
- ERP background makes CRM much more powerful
- Awesome product: Every Major Award

Thousands of Salesforce.com Users Have Switched to NetSuite
- 25x More Companies Switch to NetSuite
  - 1,000 users - Opal Telecom
  - 600 users - Premier Conferencing
  - 500 users - Colt Telecom
  - 400 users - Weyerhaeuser
  - 225 users - EBSCO Publishing
  - 100 users - Document Sciences
  - 100 users - CaseCentral

NetSuite: Better for Us
- Courtney Elizabeth Anderson
  - President
- Alan Arvin
  - Managing Partner
- Demand Solutions Group
- Eric Wendt
  - President
- Courtney Anderson & Associates, LLC
- Demand Solutions Group

About Courtney Elizabeth Anderson
- President
- NetSuite Overview
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NetSuite Ranks Higher in Core Sales Force Automation

- Sales Management
- Forecasting
- Functional Breadth
- Dashboards
- Opportunity Management
- Lead Assignment
- Quota Management
- Quote Generation
- Quote-To-Order Features
- Discount Management
- Customer & Partner Portals
- Off Line Client
- User Interface
- Look and Feel
- Pricing and Product
- Document Management
- Search Capabilities
- Deployment Options

Source: Forrester Research

#1
You Can’t Sell Anything with Salesforce.com

Traditional CRM Focused on Prospects not Customers

Not Even a Customer in Salesforce.com’s UI

Salesforce.com Starts and Ends at the Opportunity

Sales Order

The Most Important Element of the Customer Relationship: What they bought!

The CRM Process: Now with Sales!

Lead

Opportunity

Inventory/ Shipment Visibility

Service

Missing The Most Important Element of the Customer Relationship: What they bought!
Customer Lifecycle Management

Order Management
Defines True CRM
- Forecast Accuracy
- Marketing ROI
- Upsell/Cross-sell
- Incentive Compensation
- Support Management
- Partner Management

Multi-channel Selling Demands Seamless Integration

Five Reasons Salesforce.com Users Switch to NetSuite

Salesforce.com Lacks Core SFA Functionality

The Real Cost of Salesforce.com
100 Users for 1 Year

2
Save Money – Lots of Money

The Real Cost of Salesforce.com
100 Users for 1 Year

- Salesforce.com Enterprise
- Email Marketing ($10,000/month)
- No Integrated Quoting
- No Integrated Order Management
- No Integrated Web Analytics
- No Integrated Commissions

$150,000
$ 80,000
$ 100,000
$ 12,000
$ 60,000
$ 382,000
**The Real Cost of Salesforce.com**

100 Users for 1 Year

- Salesforce.com Enterprise $150,000
- Email Marketing (10,000/month) $  60,000
- No Integrated Quoting $  100,000
- No Integrated Order Management $  12,000
- No Integrated Web Analytics $  40,000
- No Integrated Commissions $  60,000

**TOTAL $ 382,000**

- NetSuite CRM+ $154,800
- Integrated Mass Email Marketing No Charge
- Integrated Quoting No Charge
- Integrated Order Management No Charge
- Integrated Web Analytics $    3,588
- Integrated Commissions $    3,588

**TOTAL $161,976**

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**Five Reasons Salesforce.com Users Switch to NetSuite**

3. Eliminate Costly and Time Consuming Integrations

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**The Composite Application: 1998**

The Suite Is Now the Standard in Fortune 1000

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**Small to Medium Enterprise**

Sure this will work
Salesforce.com’s Own Quote to Order Process

Type Order in Word
Print Order
Walk to Finance
Leave in basket
Re-type into Oracle

Tightly Coupled Process

Quote
Sales Order
Invoice
Pick & Pack
Customer Service

Integrates Suite

NetSuite: Your Business On Demand

NetSuite: An Integrated Suite

Five Reasons Salesforce.com Users Switch to NetSuite

#4

For Solutions Pre-built to Solve Industry CRM Challenges
NetSuite Has Specific Features for Distributors

- Inventory visibility
- Available to promise
- Demand forecasting
- Volume, customer-specific pricing
- Automated upsell/cross-sell
- WISMO visibility
- 360 degree view
- Self-service Customer Center

NetSuite Have Specific Features for Services Companies

- Auto job creation from order
- Service item catalog
- Job tracking
- Time tracking
- Utilization, resource management
- Service history
- Self-service Client Center
- Document management

Five Reasons Salesforce.com Users Switch to NetSuite

#5 To Get A Complete View of the Customer

Dashboard

Run Your Entire Business

Your Business, On Demand
Demand Solutions Group
- Business applications solution partner with an On Demand technology focus
- Lead a company’s technology evolution utilizing the “On Demand Way”
  - From plan through implementation
  - CRM, ERP, Financials
  - Method D – tuned specifically for selecting, implementing and adopting On Demand solutions
- Services charged “On Demand”
  - service as a subscription
- Partner with all the leading On-Demand Providers

SalesForce.com Limitations
- Requires multiple vendors
- Each vendor solution may work well with SF.com, but they may not work well together
- May require re-work / additional implementation services
- SF.com as an Application Platform
  - SF.com configuration tools are simple to use, but do not provide the flexibility often needed to meet business needs
  - Data visibility between application objects is extremely limited
  - Cannot enable workflow that is based upon non-U1 events
  - Cannot dynamically control field level security
  - Out of the box reporting is very limited across the application
  - In Short, SF.com’s strength is its simplicity, but it is also a weakness

Example Score Card from a Customer

Key Functional Advantages of NetSuite
- Overall
  - One application and one vendor – integrated ERP, CRM, and eCommerce
  - Extensive out of the box capabilities across the entire application
  - Much more extensible application
  - Client and server side scripting
- Sales
  - Greater visibility to all customer data including sales history
  - Out of the box quotation capability
  - More sophisticated product pricing capabilities
  - More capable forecast process
  - Out of the box commissions
- Marketing
  - Marketing automation with eMail capabilities built into the system
  - Customer/prospect response statistics
  - Direct linkage between marketing campaigns and ROI
- Customer Support
  - Granular security model for knowledgebase
  - Greater visibility to all customer data including sales history
Why We Switched

- Had SFDC from January 2004 until October 2005
- Switched from needing just CRM to accounting, order management, etc.
- Needed accounting system that could manage revenue recognition of a subscription software vendor
- Dilemma: What do we need to buy to add to SFDC to create a complete solution?
- With SFDC, we needed new products and consulting and money lashed together:
  - SFDC plus a parts bin plus a mechanic
- And didn't find anything we liked

Why NetSuite?

- Total solution
- Could migrate all our existing data
- Went live with our sales force in September 2005
- Moved from QuickBooks financials in October 2005
- Now have an CRM PLUS order management PLUS financials in one system
  - Salespeople create opportunities and quotes
  - Easy to fulfill and invoice and recognize revenue once sold
- One place to go to get all data -- in the past 3 people involved in a sale initiated from the field
- Now only one person can address all of this; approval all automated
- Get year over year comparisons in real time – don’t need to wait for the month to close
Courtney Anderson & Associates
Courtney Elizabeth Anderson, JD, MBA
Attorney at Law
Courtneyanderson.com

Why Courtney Anderson & Assts. Switched
- Anderson travels 300 days a year, relies on booking agents for her business
- Needed Internet-based solution to run the business
- Used QuickBooks in previous law practice
- SFDC: free, functional, and easy + QuickBooks on line
- Worked well but time consuming -- Had to duplicate records in QB and SFDC
- Wanted Internet real time access, billing accounting

“NetSuite is the undiscovered all-in-one secret tool for success for small businesses”
Courtney Elizabeth Anderson, JD, MBA
Attorney at Law
Courtneyanderson.com

Assemble Connect, Inc
Eric Wendt, President

Assemble Connect, Inc is one of the first and largest distributors of contract manufactured products in the world
- Corporate headquarters and distribution center is outside of Chicago, IL
- Warehousing abilities nationwide
Assemble Connect, Inc:

- Needed third data base for parts and supply – SFDC handles opportunities, not items
- Need stronger distribution-centric CRM capabilities
- Does CRM well – one of the first users – But...
  - Third party integration
  - Connectors to other systems
  - Not conducive to a system
- The $ spent on CRM wasn’t worth it – we were wasting money
- Why NetSuite? Looks like Salesforce but designed for a distribution business

The Big Five

1. Includes the core information about the customer relationship -- orders
2. Much lower cost because it integrates broad suite of capabilities
3. Eliminates costly integrations
4. NetSuite includes industry-specific business management capabilities for distributors, service companies and software companies
5. 360 degree view of the customer and your business.

Special Offer for Current Salesforce.com Users

Swap Salesforce.com for NetSuite CRM+

Life time Guaranteed Pricing* at your present Salesforce.com price
And we’ll convert your data for free*!

*See details at www.netsuite.com/stickershock

Discussion and Q&A