



# THE GREAT DEBATE: ONE INTEGRATED BUSINESS SYSTEMS VS. SILOED APPLICATIONS

**ORACLE**<sup>®</sup>  
NETSUITE

**onlineone.**

[www.netsuite.com.au](http://www.netsuite.com.au)

## **Table of Contents**

How to Avoid the Pitfalls that Restrict Business Growth	2
Inefficiencies of a Standalone System Architecture	3
Comparing the Suite to a Standalone System	5
Process Efficiency Across Your Organisation	5
Real-Time Visibility and a Unified Customer View	7
Significant IT Time and Cost Savings	8
Accelerated Growth and Expansion	9
Conclusion	10

---

### **How to Avoid the Pitfalls that Restrict Business Growth**

As fast-growing companies achieve greater market penetration, gain more customers and their organisation grows, they often run in to a wall where internal processes struggle to keep up with continued demand. The key challenge to supporting that growth is laying the groundwork to scale the business effectively and efficiently while maintaining customer service and support.

When starting out, most companies solve problems in the quickest, cheapest ways possible, which over time, leads them toward one of the biggest pitfalls for growing organisations—using standalone business applications for varying departmental functions in an ad hoc manner. As the business and its complexity grow, these disparate systems create operational inefficiencies that can be detrimental to the bottom line, damage the customer experience, and impede the company's ability to reach its full potential.

This white paper covers the types of inefficiencies caused by running disparate business solutions and systems for different departments and how a software platform that unifies critical business processes helps companies grow more rapidly and profitably.

This paper reviews numerous case studies of companies that switched from disparate software systems to an integrated software suite and also covers analysis by independent industry expert, Nucleus Research, of customers' ROI from using an integrated software suite.



Scoot, low-cost long-haul airline, a subsidiary of Singapore Airlines transform its business operation with NetSuite. As a startup, Scoot needed to avoid the high capital cost of deploying in-house servers, ERP software and IT Staff. NetSuite has helped Scoot expand its network across 15 destinations (China, Australia, Hong Kong, Japan, South Korea, Taiwan and Thailand).

“NETSUITE PROVIDES INSTANT AND ACCURATE INFORMATION TO ENABLE GOOD BUSINESS DECISION MAKING. WE HAVE DETAILED INSIGHTS INTO OUR FINANCIAL PERFORMANCE IN TERMS OF REVENUE AND KEY EXPENDITURES LIKE FUEL, ENGINEERING, PILOTS AND CREW, AIRPORT, STAFF AND ADVERTISING, WHICH ARE SIGNIFICANT COST COMPONENTS FOR AN AIRLINE OPERATOR.”

**Scoot Pte Ltd.**

## **Inefficiencies of a Standalone System Architecture**

Businesses that select their systems over time can find themselves with a poorly planned architecture that handles short-term tactical needs sub-optimally while holding the company back from scaling efficiently over the long term. These inefficiencies can become so severe that they cripple growth. There are four primary issues that hinder growth when running a business with siloed systems:

**Wasted Employee Productivity:** If your employees are bogged down with inefficient and disjointed processes, it increases errors and takes time away from their more important core duties. Important processes such as order processing, invoicing, expense approvals and fulfilment, can take a lot longer to get completed if too much manual effort is required and are often erroneous. For instance, your employees may be spending hours re-entering order information into the accounting and invoicing system, while other employees pull that same information from your CRM system for their order fulfilment processes and to calculate sales commissions. If any orders are canceled in the meantime, your employees have to sift through mounds of data to reconcile this information again. Such labor-intensive and manual tasks steal away time that could be otherwise spent on helping the company grow and innovate.

**Lack of Real-time Visibility:** When software systems are unintegrated, you have multiple overlapping databases and cannot easily get a view of business performance in a timely fashion. Reports showing performance across your finance, sales, marketing, service and fulfilment departments are crucial to giving you an integrated view of your company's operations. Most companies simply give up on acquiring this information on a regular basis because of the amount of time it takes to source, extract and analyse this data. For those that do, countless hours are wasted trying to tie unrelated, error-prone and out-of-date information together. Consequently, businesses end up making critical decisions slowly based on inaccurate information, or they make hasty and risky decisions off of gut instinct.

**Integration Complexity and Cost:** With so many siloed applications, IT wastes an enormous amount of time and money on integrating, maintaining, upgrading, and acquiring new versions of these applications. Once new versions are purchased, even more integration and maintenance needs to be performed for all the different versions of software to work together. Consequently, valuable IT time that could be used to make the business more productive is wasted, while maintenance costs skyrocket. With this in mind, it's not a surprise that the leading analyst firm, Gartner, reports that 91% of IT staff time is spent on software maintenance rather than on innovation.

**Increased Customer Churn:** Customer acquisition and revenue growth are key pillars to your company's continued success. With fierce competition, it is essential that your company provide an exceptional customer experience or risk having customers take their business elsewhere. When customers are unable to quickly get order status information, can't get issues resolved easily, have poor product fulfilment experiences, customer satisfaction is damaged, the likelihood of re-purchase decreased, and the risk of negative word-of-mouth increased. An integrated software system ensures that customers have the right information and customer experience they demand, by providing customers with a real-time self-service portal, and by giving all your customer-facing employees instantaneous access to all the customer interaction and transaction information they need to service and sell.

## **WineMarket**

Customers of Australian wine retailer, WineMarket, used to wait an average of 45 seconds before getting their call answered with many calls requiring a call back. With NetSuite, they were able to reduce wait times to 11 seconds, achieve a 95% first-call resolution rate and improve overall customer satisfaction results.

## **Comparing the Suite to a Standalone System**

When companies first start growing, they have several options to implement the front- and back-office systems needed. From accounting to CRM to order management and beyond, applications can be implemented in a piecemeal, staged process, or in a process that takes into account how these various systems will interact with each other and what level of integration they require.

As company and revenue growth accelerates, it becomes increasingly more essential to integrate their business software applications and standardise across a single database and business process. The advantages of designing software systems in this manner as opposed to a siloed fashion include tremendously improved business productivity, improved visibility across the organisation, and IT cost savings. Let us examine some of the key areas in which fast-growing companies can benefit from implementing a software suite.

## **Process Efficiency Across Your Organisation**

The key to avoiding manual, duplicative work is to ensure that your core business processes are seamlessly integrated from the front office to the back office. Automating such processes enables you to minimise employee time spent on activities that would otherwise be required to manage these processes, and redeploy staff to higher-value activities to help your business innovate and grow. Quantifiable benefits can be realised in critical processes such as quote-to-cash, procure-to-pay, accounts payable, and payroll, expense and incentive management.

**Quote-to-Cash:** When a company converts a prospect into an order and converts them into a customer, they often do so by re-entering the same customer data from the CRM system into the order management system and then into accounting packages, which operate in multiple distinct silos. Without front-to-back-office integration, valuable time is wasted with manual data entry processes, paper-based processes, and back and forth communications regarding order status and monthly revenue recognition and the customer experience suffers because of these delays. Once an order has been placed into the order management system, companies need to ensure that customers provide payment in time and that the time taken to fulfil an order doesn't get to a point where it results in order cancellations or customer dissatisfaction.

“I CAN BE IN A CAFÉ IN ITALY AND USE MY IPHONE TO SEE HOW SALES ARE GOING, WHAT SHIPMENTS ARE ON THE WATER, WHICH POS HAVE BEEN PAID—AND THEN I CAN GO BACK TO THE TRADE SHOW AND TALK ABOUT NEW COMPOSITES FOR BICYCLE FRAMES. NETSUITE IS EASY TO USE, BUT IT ALSO CAN TAKE US TO A \$100 MILLION COMPANY WITHOUT MISSING A BEAT.”

**Niner Bikes**

**Procure-to-Pay:** To fuel growth, businesses may need to purchase equipment or raw materials. The procure-to-pay process that starts with acquiring the raw materials and culminates with paying the various stakeholders is a complicated one that involves several touch points within your purchasing, receiving and accounts payables functions. Each of these functions deal with siloed software that needs to work together to enable the purchasing of equipment or raw materials, and then eventually pay the vendors providing these deliverables.

An integrated suite ensures that the procure-to-pay process is streamlined. It monitors and automates the entire process and eliminates manual errors by your employees. When your employees can track the status of purchase requisitions and orders through self-service functionality that eliminates paper-based forms and their associated errors, it frees up your staff for higher-value activities while simultaneously trimming the bottom line.

A further benefit of a suite enabling automation is ensuring that purchase orders are automatically generated once reorder points have been reached for certain goods or raw materials. This means that instead of having to pull staff off projects to look up previously completed purchase orders and order quantities, and to generate a new purchase order, these purchase orders can automatically be generated. An independent analysis by industry experts, Nucleus Research, of customers using NetSuite found that they reported inventory carrying cost reductions of an average of 20%.

**Accounts Payable:** Once purchase orders have been generated, vendors that provide goods or services to the company need to get paid. The finance staff will then need to confirm with the receivables department whether the services or goods were delivered as promised and only then authorize accounts payable to release payment to the vendor. All these activities consume valuable cycles that employees could instead spend on the core business. Integrating receivables with accounts payables ensures that payment can be promptly delivered to vendors.

**Payroll, Expense and Incentive Management:** As a company grows, so does its number of employees. Operating siloed software systems for payroll, expense management and incentive compensation management can result in a spreadsheet nightmare. Calculating parameters such as salary, withholdings, deductions, and sick and vacation day accruals can consume several hours each week and consist of manual, error-prone processes executed primarily on these spreadsheets or duplicated across these software silos.

A closely related aspect of payroll is incentive compensation for your sales force. Your sales operations personnel have to spend countless hours on sales incentive plan construction as well as research and resolve sales disputes on how much commission is due. A software suite that includes incentive compensation allows sales operations and finance employees to save time by automatically calculating commissions based on sales orders processed, taking into account sophisticated sales commission rules based on quotas, sales, quantity and profitability. It integrates the incentive compensation system with your payroll and accounting systems to streamline payment processing. When it comes to expense management, a suite allows self-service features to be embedded so that employees can enter expense reports and have them routed automatically to the appropriate managers, with all approvals being instantly captured in payroll and accounting.



Jollibee, a global food chain with more than 265 stores in China alone, gained real-time visibility across territories optimised its operation, purchasing and expansion plans.

“NETSUITE ONEWORLD  
GIVES US A WAY TO  
DELIVER A STANDARD  
PLATFORM ACROSS  
THE ORGANISATION IN  
A TIMEFRAME AND AT A  
COST THAT SUPPORTS OUR  
CONTINUED GROWTH  
AND DEVELOPMENT.”

**Jollibee Foods Corporation**

### **Real-Time Visibility and a Unified Customer View**

Getting an accurate view of your company's operations can be a challenge if you have multiple disconnected business systems. Data is frequently fragmented and scattered across these systems, and spreadsheets are often out of date, error-prone and hard to maintain. Efforts to tie together multiple sources of data together can be time-consuming and incomplete. Traditional add-on analytics tools for these siloed applications are expensive to purchase and implement, and often lack the ease of use necessary to make them pervasive.

Financial reporting or revenue recognition can drag on for weeks as employees have to extract and sift through data from multiple divisions, geographies, subsidiaries and business units, each with its own set of order management, revenue and accounting packages.



The Executive Centre, a company that provides virtual and serviced office facilities in 21 major cities across the Asia-Pacific region, streamlines its global processes with NetSuite OneWorld. The company's legacy system was slow, version-locked, and difficult to expand to new territories. Replacing the system with a modern, flexible, scalable cloud solution makes it easier to standardise invoicing and revenue recognition processes in different countries, and faster to ramp up with new clients and markets.

“WITHOUT NETSUITE,  
WE COULD NEVER  
HAVE REALISED SUCH  
TREMENDOUS GROWTH.  
NETSUITE HAS MADE IT  
POSSIBLE TO GO FROM  
SIMPLY RUNNING THE  
BUSINESS TO TRULY  
GROWING THE BUSINESS  
IN VERY CREATIVE AND  
EFFECTIVE WAYS.”

**Motech Automotive  
Educational Centre**

So how does a software suite provide you with the key business intelligence components that you need in order to have a holistic as well as detailed view of your business operations? Because all critical functions and processes are in one central database, it can instantly deliver personalised insights of the company's performance tailored to each user's need—be it CFO, controller, CEO, sales manager, marketing manager or inventory manager. Because all reports and dashboards extract data from a single, centralised data repository, the multiple versions of the truth that your employees currently obtain from disparate spreadsheets are eliminated.

Continued business growth often requires that companies maintain and enhance customer relationships. This is particularly challenging as a company employs more and more people, often in different departments, geographies, and divisions using different processes and systems. By arming your sales, service, operations, and other customer-facing staff with real-time access to all critical customer information, the team can more quickly and accurately handle the customer's requests. This complete view of each customer's interaction and transaction history is also powerful for maximising upsell, cross-sell and renewal revenue and can be used to identify customer trends and patterns for strategic planning and marketing efforts.

## **Significant IT Time and Cost Savings**

Companies with disparate software systems have to contend with several types of applications ranging from accounting to financial planning, order management, CRM, ecommerce, and business intelligence tools. Multiple applications consume valuable IT time spent planning, deploying, managing, integrating, maintaining, and upgrading various systems. Capital-intensive hardware infrastructure and software licenses, combined with expensive, time-consuming upgrades, drive up your expenses and can get out of control the faster you grow. Nucleus Research found software



“OUR PREVIOUS SYSTEM WAS SIMPLY NOT FAST ENOUGH FOR OUR PEOPLE TO BE AS PROACTIVE AS WE NEEDED THEM TO BE. NETSUITE PROVIDES THE FUNCTIONALITY AND FLEXIBILITY WE NEEDED, AND A SINGLE VERSION OF THE TRUTH, WITH A REDUCED INITIAL COST OUTLAY.”

**ABS-CBN Global Ltd**

companies moving from on-premise applications to NetSuite eliminated an average of \$23,000 in software licenses maintenance costs per year. IT staff savings for those companies ranged from 50% to 65% of total IT time.

In fact, as business systems age, functionality starts falling short of organisational needs, but the disruption and expense of upgrading them to the latest version makes it unfeasible to do so. This is precisely the situation that synthetic motor oils producer, Schaeffer Manufacturing, found itself in. The company’s growth to \$100 million in sales outpaced its 25-year-old fragmented AS/400-based proprietary system. Its larger customers were demanding automated order and payment methods, and Schaeffer was faced with buying an expensive ERP system or a collection of applications they would have to integrate. By choosing NetSuite’s unified business management system, Schaeffer saved \$100,000 annually in programming costs alone.

In a software suite, IT no longer has to procure, install and maintain multiple systems and the various integrations between them. Operational costs can be significantly reduced while IT time can instead be spent on growing the business and improving the company’s business operations.

### **Accelerated Growth and Expansion**

Motech, Philippine auto service centre chain expands existing business into franchising through NetSuite’s unique local Philippines tax compliance functionality. NetSuite OneWorld has enabled Motech to perform financial reconciliations and meet local tax calculation and reporting requirements at greater speed.

## **Conclusion**

Today, companies in virtually every industry are using sophisticated business software to manage operations but many are still struggling to keep up with their growth and manage costs effectively because a hodgepodge of siloed software applications is causing process bottlenecks and employee productivity issues. Integrated cloud business management software suites such as NetSuite are transforming how companies run, and enabling them to transcend growing pains that previously were holding them back from taking their business to the next level of profitable growth.

## **About Oracle NetSuite**

Oracle NetSuite pioneered the Cloud Computing revolution in 1998, establishing the world's first company dedicated to delivering business applications over the internet. Today, it provides a suite of cloud-based financials/Enterprise Resource Planning (ERP), HR and omnichannel commerce software that runs the business of companies in more than 100 countries. For more information, please visit [www.netsuite.com.au](http://www.netsuite.com.au).



**onlineone.**

onlineone  
1300 850 900  
[www.onlineone.com.au](http://www.onlineone.com.au)  
[info@onlineone.com.au](mailto:info@onlineone.com.au)



**ORACLE  
NETSUITE**

Australia  
Phone: 1800 638 784  
[www.netsuite.com.au](http://www.netsuite.com.au)

New Zealand  
Phone: +64 9 977 2100



[infoapac@netsuite.com](mailto:infoapac@netsuite.com)