

Why NetSuite is the ERP of Choice for PE Firms

Kelley Starr, VP of Business Development & Marketing, ScaleNorth

Success for private equity firms doesn't only come from the quality of the investments they make, but also from the operating infrastructure they put in place, both internally and within their portfolio companies. To support the growth of their portfolio companies, private equity firms often encourage a migration to scalable systems early in the post-investment phase. How do private equity firms provide their portfolio companies with the right solution for their unique business, while also simplifying operations across the firm? The answer is NetSuite. In fact, many PE firms standardize on NetSuite across their investment portfolio as a best practice.

NetSuite: The Perfect Choice for Private Equity

Like any investors, private equity firms expect a significant ROI from their portfolios. Before investing, they'll do thorough analysis on everything from the business model, to the company leadership, to financial systems in place. Many expansion stage companies are cash strapped, opt for cheap (or even free) accounting software like QuickBooks to get them up and running in their start-up phase. If the investors don't feel that the company has the software it needs to scale significantly, implementing a best-in-class ERP system will be a top priority once

they've invested. Savvy PE firms often turn to NetSuite for its extreme flexibility, scalability, and efficiency. The numbers back up NetSuite's superior performance. Firms that implemented NetSuite saw a 20-50% reduction in financial close time, 50% decrease in audit preparation time, and up to a 75% reduction in invoicing costs.

Why is NetSuite the Right Choice for Portcos? 360-Degree Business Software

A key benefit of NetSuite is its ability to not only handle advanced finance and accounting, but CRM, Human Capital Management, inventory, omni-channel commerce, marketing and more. When NetSuite is installed in a portfolio company, they can enjoy a single source of truth amongst all data, allowing for improved visibility and control.

Best in Class Finance & Accounting Capabilities

Companies outgrow entry level accounting software like QuickBooks faster than they might think. As operations expand and become more complex, accounting and finance staff find themselves using spreadsheets or third-party systems just to manage their books. NetSuite's powerful accounting and finance functions means that portcos will never outgrow the system and

won't have to rely on cumbersome spreadsheets.

Roughly 20% of Fortune 100's operate on NetSuite, so you can rest assured that it will scale with you as needed. "We often work with PE firms whose portcos are operating on a legacy



Kelley Starr

system that won't fuel their growth. ScaleNorth leads the migration to NetSuite giving them the ability to scale with ease." said Kelley Starr, VP of Business Development & Marketing. "We can pair this with our outsourced NetSuite accounting practice to provide accounting & finance support to the portfolio company as a cost-effective and scalable solution."

Real-time Visibility

With NetSuite's cloud-based solution replacing multiple point systems, data becomes visible in real-time across departments and business units. When an employee updates information from the warehouse, that data is instantly available to the back office, and vice versa. NetSuite's best in class reporting capabilities means you can administer role or department specific reports and dashboards so your employees never skip a beat.

Scalability and Flexibility

On-premise ERP software is not easily scalable. This can hinder portfolio companies' growth whose needs will change rapidly as they navigate funding, growth, IPOs and beyond. NetSuite's subscription model, on the other hand, offers greater flexibility for the budget and allows portcos to consume its services on an as-needed basis. When you choose NetSuite to manage your portfolio companies' financials and operations, they won't have to worry about upgrading their systems as they grow. Updates are seamless, and NetSuite's architecture keeps every client on the exact same version at all times. NetSuite's cloud architecture scales with its customers' needs, providing additional functionality to match the growth rate of your business. It seamlessly scales

from small businesses to Fortune 100s, allowing firms to realize significant ROI on one system

Ensures Regulatory Compliance

ERP software such as Oracle NetSuite greatly simplifies compliance with multiple accounting standards across the world, including Generally Accepted Accounting Practices (GAAP). Plus, features such as traceability and supply chain management allow businesses to remain compliant with product specific designations like those found in the food & beverage industry, such as certified non-GMO or kosher. Whatever your portco's regulatory requirements are, NetSuite allows them to track, control, and monitor compliance in real-time.

"As finance and operational executives, we've grown companies, increased value, and executed transactions in numerous industries. NetSuite's platform played a big role in facilitating the 'growth to exit' life cycle and provided scale along the way." said Starr.

Features for PE Firms Internal Operations

NetSuite isn't just powerful for portcos. Many PE firms adopt NetSuite for their own internal operations due to its powerful functionality and multi-entity capabilities. NetSuite provides Private Equity firms with the ability to optimize decision-making across their portfolio by allowing them to execute bold strategies with accurate, real-time information. Comprehensive financial reporting and portfolio management gives PEs the information they need to quickly and accurately assess risk, monitor portfolio performance and make informed decisions.

Consolidation

NetSuite provides real-time business intelligence to private equity firms by allowing them to roll up financial and operational data from multiple portfolio companies into one central instance. By being able to analyze data across multiple investments, investors can gain a better understanding of their financial and operational health and make strategic decisions in real-time. This differs from platforms like QuickBooks, in which each entity requires its own separate instance.



Multi-National Portfolio Management

If your PE firm maintains a portfolio of companies in more than one country, managing them is made more complicated by the different business needs in each country. Oracle NetSuite OneWorld provides the necessary functionalities to enable just that. It comes with a multi-currency management feature that supports 190 currencies and exchange rates along with various payment options. This allows PE firms to consolidate all their portfolio companies' financial reporting across different countries. Thus, your PE firm will be equipped with the tools it needs to manage an international portfolio.

Financial & Operational Insight

NetSuite is a leader in the ERP space when it comes to reporting. Robust dashboards, detailed reports, and saved searches give your firm quick access to the exact data you need, when you need it. Many ERP systems have poor reporting capabilities or require the knowledge of special coding languages to create even the most basic dashboards. NetSuite's intuitive reporting capabilities allow even the most tech-shy people to quickly visualize the data they need.

Standardization

Oftentimes, Private Equity firms' portfolios are focused on specific industries. Whether they're focused on software or energy, their portcos will

likely have similar needs KPIs, dashboards, and ERP configurations. NetSuite makes it easy to standardize these items allowing for a "copy and paste" approach that standardizes reporting, decreases manual labor required, and ensures everyone is operating with the information they need.

NetSuite Is the ERP Software Of Choice For Your PE Firm

When PE firms are considering ERP options for both internal operations and their portcos, required features will be reporting, consolidation, scalability, a proven track record, and agility. NetSuite is a clear leader in this space, and has helped countless PE firms scale to new heights and reach record profits. With 63% of Tech IPOs being run on NetSuite, it has proven time and time again to be the ERP of choice for savvy startups and their investors. It enables businesses to simplify operations, automate routine processes, improve visibility, and scale with ease. It's near endless functionality and reliability has allowed it to expand to over 32,000 users in 217 countries, making it one of the most tried and true ERP systems available today. When implemented by an established NetSuite Solution Provider like ScaleNorth, NetSuite will allow your PE firm and its portcos to maximize ROI, decrease manual labor, make more informed decisions, and stay ahead of the competition.

CIORReview is first of its kind print magazine which acts as the knowledge platform for senior technology executives in medium to large enterprises to share their experiences, challenges and real world advice with our subscribers. We have a qualified complementary subscriber base of about 77K technology buyers for U.S. based enterprises who are in senior level decision making positions. Our annual special issues on different technologies and solutions are eagerly awaited and treasured by our readers.