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NETSUITE

WHY FOOD AND BEVERAGE COMPANIES ARE SWITCHING FROM QUICKBOOKS TO NETSUITE



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Massive changes are sweeping the food and beverage business landscape and are dramatically impacting food and beverage companies. To adapt in this dynamic environment, organizations must be able to quickly respond to changes in market conditions and customer requirements. Though they recognize this need to innovate, food and beverage organizations have a remarkably difficult time finding business application solutions that can meet their needs in an affordable manner.

Very often, food and beverage companies have been forced to rely upon a hairball of dangerously unreliable spreadsheets that support aging accounting systems. Many are constrained by solutions that were built for a different time, where the accounting system of record was all that mattered and where systems had limited computing capability. The relatively low cost of maintaining those systems masks the cost of inefficiencies in routine tasks like the monthly close or, more importantly, the dissemination of reliable information upon which business decisions can be confidently made in a fast-paced environment.

“The biggest difference NetSuite has made for us is to be able to concentrate on our customers. NetSuite allows us to get the back-office out of the way and let us concentrate on our core mission.”

Chris Tamucci, Director of Operations,
Honey Stinger

None of that mattered when business was relatively simple or where business was being conducted in stable market conditions. But the emergence of the Internet as an opportunity for building entirely new business models and mobile devices taking over for PCs and laptops as the computing platform of choice has changed the business status quo. Today, food and beverage organizations must consider the potential impact of both existential threats and opportunities as the starting point for rethinking their technology investments.

Fast-growing food and beverage companies are especially challenged because the opportunities afforded by a combination of globalization and the rise of the Internet have not been matched by the development of their in-house systems. Thus, these companies are faced with the difficult questions that come with growth. For example:

- [How do food and beverage companies take advantage of modern technologies without overloading the organization with cost and complexity?](#)
- [Who can food and beverage organizations trust to provide a platform for growth that extends well beyond the back-office?](#)

NetSuite believes that food and beverage organizations should look to solutions that are developed for the cloud as the starting point in making any decision. There are sound reasons for doing so.

A cloud-based vendor doesn't just offer software, it offers a service. That is crucially important to understand because it means that NetSuite takes responsibility for not only the software it supplies, but the underlying technical infrastructure needed to access the solution. That includes the server hardware and database maintenance and administration, document storage, technical upgrades and the ongoing

QUANTIFIABLE BENEFITS

- **Delay Finance and Operations Hires**

Automation frees up finance and operations' time allowing them to focus on revenue-generating strategic projects and analysis and allowing the company to scale while keeping headcount flat.

- **Inventory Visibility and Production Planning**

Use Demand Planning to forecast demand and anticipate when it's time to order to meet that demand. Auto calculate reorder points and stocking levels based on historical precedence. Internally control what goes out to suppliers with Purchase Order approvals. Route appropriate inventory to best orders with Automatic Order Allocations.

- **Reduced Financial Close Time and Manual Data Entry**

Automate and control approvals on transactions from AP Bills to Journal Entries. Speed up period end close due to system controls being in place. Improve accuracy of financials. Reduce month-end processing costs and time.

enhancements customers need. That is an entirely different way of providing a system than what has been traditionally offered where it is the customer's responsibility to upkeep their systems on an infrastructure they must also maintain.

A vendor offering Software-as-a-Service is on the hook for all aspects of that service, which in turn means the vendor must continuously earn the trust of its buyers, backed by meaningful service level agreements. It doesn't serve a modern cloud provider's interests to do anything other than assure customer success. That is a win-win in anyone's book, but again, fundamentally different to the old way of acquiring and using software.

SUITE APPROACH

NetSuite believes in the power of an integrated suite of functionality that spans the whole of the business, linking both the back and front offices together. A suite approach allows the whole company to view operations as a single version of the truth. Furthermore, predefined roles and dashboards that are oriented around a user's day-to-day tasks allow for the most efficient consumption of information throughout the entire organization.

A well-implemented cloud-based system should mean that financial activities appear as soon as they are triggered. That, coupled with 'anywhere-anytime' access means that decision makers can quickly act upon both adverse and favorable performance indicators. In that sense, decision making for executives becomes proactive instead of reactive.

QUANTIFIABLE BENEFITS

- **Lower Audit Costs**

Ever-changing compliance standards, small accounting teams and heavy spreadsheet use are time-consuming and subject to risk. This can lead to higher audit costs, or longer and more-involved audit processes.

- **Platform for Innovation**

Easily launch new business models and expand internationally with a platform that evaluates all possible ways to scale and increase revenue, and supports multi-currency, multi-entity and different accounting standards.

“The operational pressure from growth is tremendous. NetSuite came at one of those times where you feel like everything would’ve imploded in the next quarter had we not made a change. We decided to bring in NetSuite because we were growing really rapidly and we needed a software that could keep up with what we were doing. The processes that we had in place before could not keep up with our pace.”

Chris Tamucci, Director of Operations, Honey Stinger

The combination of these demonstrable benefits means that a well-executed move to cloud results in a much better and more predictable cost of operation than was possible with legacy systems.

These and many other benefits separate the world of the old from the new, but customers need to rely upon solid references from other food and beverage businesses that have already taken the journey to cloud-based computing. There is an increasing number of these companies who have migrated from QuickBooks and shown demonstrable benefits as a result.

For example, when Honey Stinger had a large spike in transaction volume and complexity, it realized that QuickBooks could no longer handle its business processes and would not be able to scale to support growth.

CUSTOMER SUCCESS

- Live in 2012, and deployed in just 10 weeks, NetSuite has scaled to support double-digit year-over-year revenue growth for Honey Stinger.
- Honey Stinger evaluated SAP Business ByDesign, Microsoft Dynamics GP and NetSuite, choosing NetSuite for ERP, CRM and sales force automation because the system met their requirements for flexibility and scalability.
- The company now saves an additional 1,500 hours a year in order entry and transaction procession with a joint solution of NetSuite ERP and True Commerce for EDI.

Honey Stinger lacked a dedicated CRM system, forcing sales reps to spend needless time piecing together information from disparate sources. Since swapping out QuickBooks for NetSuite, Honey Stinger has doubled productivity across its business. NetSuite CRM has helped inside sales reps grow the retail partner network to more than 2,500, including Whole Foods, Dick's Sporting Goods and REI.

It's examples like this that make the case for food and beverage companies to move beyond the limitations imposed by the likes of QuickBooks and to reach out to meet their true potential in the cloud.

NETSUITE FOOD AND BEVERAGE CUSTOMERS

30% Inventory Cost
Reduction

80% Customer Back-orders
Reduction

\$154K IT Cost Savings

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