

E30 CFO Leadership Conference West 2023  
ERPodcast Episode 30.2

Intro MFX

This week in ERP....(or at least my week in ERP)

Hey Folks – Gene Hammons, Director of ProfitFromERP with Episode 30 of the ERPodcast...

Interesting week however you look at it - locally, here in AZ, Tempe to be specific, the [CFO Leadership Council](#) held CFO Leadership Conference West 2023 - thanks to my friends at Oracle NetSuite and [Avalera](#) (the tax guys) they were able to sneak me into the Networking Event held poolside at one of the local mountainside Marriott Resorts. And fortunately, fall came to the desert three days prior to the event and it was a great evening under the stars. A week earlier and it would have been 103 degrees with the smell of roasted CFO's wafting across the desert.

Got to talk to a lot of different CFO's from lots of different companies all across the country. I'd say attendance was in the 200-400 range, but that's a guess on my part. A lot of the sessions were on technology for finance, using automation in driving better data and how data driven organizations had clearer and faster reads on how their specific company was performing in a wildly fluctuating market. It goes without saying that we're dealing with challenging market conditions these days. Makes me wonder if it goes without saying, why do I keep saying it.

We're beginning to see real functionality with AI in finance software – more on that next week – Many CFO's report their staff spending more time on accuracy than analysis, and the focus here was using automation to drive the accuracy, AI to report anomalies and staff can concentrate on analysis to provide real service to the rest of the organization.

Many of the CFO's were with companies already using NetSuite - and the new numbers are out, NetSuite is now over 37,000 companies using the Suite. I remember 2019, not that long ago, when they were ecstatic at breaking the 18,000 companies mark. The conventional wisdom at the time was NetSuite had seen 30% growth year after year but driving 30% increases of a 10k customer base is a lot easier to achieve than pulling off 30% growth on a base of 18,000 customers - so surely there was a ceiling coming soon. Except it didn't....and here's a few reasons why

The Oracle Boost – I don't know if you know the NetSuite history, initially, Larry Ellison Oracle Founder and CEO, provided once Oracle employee now NetSuite Founder CEO Evan Goldberg with initial funding to start a cloud based business software – so Larry owned a good deal of the stock in NetSuite. Oracle, for reasons we'll cover other places, wasn't a big player in cloud technology, but as NetSuite grew, Oracle could shortcut it's way into cloud technology by acquiring NetSuite – which turned out to be really great in many areas.

## Going Global

2019 I also was at a NetSuite Suite Success Training in Denver . We heard that Oracle, was driving huge development dollars into the NetSuite platform. I first saw NetSuite really take off in our customer base around 2014, back then, NetSuite was a US market product.

As I met my fellow Suite Success team members in Denver, I met other students from Japan, Indonesia, Australia, Ireland, London, Paris, Germany, Thailand-I think, India, Sri Lanka - and that's the ones I remember. That kind of illustrated the global impact NetSuite was starting to have in foreign ERP providers and global markets with Oracle-backed development rolling out NetSuite versions specific to other countries, localized to tax and legal issues of those particular markets - that was part of the new development Oracle was providing - driving new markets globally, so NetSuite could replicate the tremendous success they've had stateside and start serving a worldwide market. And that's just some of the huge expansion of NetSuite capabilities and functionalities

Actually that turned out to be pretty fortuitous on my part The ERPodcast, our fun little slice of technology reporting, since it's hosted on global platforms like Apple Podcasts, Spotify, Google Podcasts - it turns out you never know who's listening. I'm told we're considered a top-10 business podcast in the Middle East - actually I was looking for coverage in the midwest US, but ok. In the odd chance I hear from a company in Qatar, Belgium or Indonesia that's looking for ERP help, I can always go back to my Suite Success classmates and make introductions - which is kind of nice.

NetSuite represents a good portion of the cloud business that's driving Oracle's stock price these days - so it's been it's been in Oracle's best interest to drive more development into the platform - We talked about the globalization, but there's also sizeable new featuresets coming in every update, and those updates happen every 6 months -so it's huge. And there's growth in both in development and in acquisition.

I'm sure you heard last week that NetSuite had acquired [Next Technik](#) - the Next Service field service guys. What that means is Next developed their product as a native NetSuite add on, using the NetSuite toolkit, and a super tight integration. That will be transformed into an actual fully integrated module within the NetSuite Suite of products - in a few months, you won't be able to tell if you're in Next Service or NetSuite, it will just be another tab on the homepage.

Before that it was [Verenia CPQ](#). That's Configure Price Quote - let's you design all the options to a product and create a quote based on the amount of materials and manufacturing costs needed to build it. And the two of these acquisitions lead us into the world of custom manufacturing - or at least the custom manufacturing clients I've been working with the last 18 months. Custom manufacturing - companies that make one of a customizable by size, form, function, product and maybe make three, five or six of these custom designed items to sell to a single customer. Often, they're sending out a crew to install or service the product - which is the field service aspect. So that's CPQ to help design or a sometimes a cad system (good for product specs and design but sucks at pricing and quotes), Then NetSuite to handle the financial buy and sell, as well as supply chain and manufacturing. Finally, Field Service to manage the teams and days to install the finished product.

It just so happens that I'm working with or working on working with about 4 different custom manufacturing companies - keep hearing the same thing, issues with reporting from custom segments, understanding the different cost profiles of a particular custom manufactured product, as well as managing the project, say, if a customer is buying several items at once - you can lose a little money on the big assembly if you make it up on the four smaller ones - that sort of thing.

I did spend some time with NetSuite upper management and install teams of NetSuite at the CFO Conference - and we got into how these custom manufacturers can manage these particular issues - now don't get me wrong, these clients already love NetSuite, they've been using it a while, they just seem to be asking for a bit of optimization, make reporting smoother, that sort of thing. The conference has all other kinds of related software vendors, so I discussed the issues with FP&A guys, people like [Prophix](#), [Anaplan](#), [Planful](#) - and got their take on the best way to approach the matter. Oracle, on their part, is dedicated to this market - which is why they're acquiring Next and Verenia and I'm not supposed to say what else they're planning. Like the way I phrased that? 'Not supposed to say' - which could mean I don't know anything more or it could be I've got some inside scoop that I'm not supposed to reveal, Actually, means I've been around the ERP software industry long enough to figure out if their buying some tires, they probably have a car or truck or are planning to roll one out soon.

Those four clients? The custom manufacturing guys? It will be interesting to see what we come up with to help them out - and given some time to sort through each of the options, as well as looking at core setups and potential configuration solutions or customized application of what's already there in NetSuite - is it going to be the Projects module, advanced reporting from FP&A, a little Saved Search magic? - hey - never go in thinking you know everything - but go in digging into the questions and work until the answers reveal themselves.

But to close out on the CFO Conference - I did get to talk to a dozen or so attendees - CFO's from all types of companies. Some were NetSuite users, others were considering NetSuite along with the Microsoft Dynamics offerings, Sage and Acumatica. I also met with implementation teams from several enterprise financial software providers -

When introducing ourselves as a selection and implementation consulting team, we heard over and over again how having an internal project manager or system admin as part of your internal team can really help make the whole process smoother and more successful - I don't have actual numbers, but here's what I do know - with so much growth in the NetSuite user base - as well as other ERP products, when covid really showed the limitations of older, lumbering ERP systems, there are more companies realizing they need to up their technology game - good enough isn't good enough anymore.

And like we said with the growth in NetSuite, 18k companies pre covid to 37k companies today - good implementation talent is stretched very thin. The consulting ranks haven't kept up with that level of growth. So if you can source the best people, which ProfitFromERP provides guidance there - these folks are so busy - and they're going from account to account - what we're finding is, details get dropped.

For example, we had a client who did custom manufacturing. Their customer payment model was 50% deposit to place the order, 50% remaining payment due on product delivery. So they'd book receipt of the deposit and at the same time, produce the invoice for the remainder due, sending that to the end customer as a confirmation of the install date. It was more B2C than typical B2B with no A/R involved... Our implementation consulting team, for MONTHS would say things like - you go install the product, mark it shipped and print the final invoice. - and as Sys Admin, I'd say, wait, wait wait, we already print the invoice at purchase when we book the deposit and that is sent prior to install as a reminder of the balance due. And we'd get an 'oh yeah, that's right' from the consultant -

not such a big deal, but those minor details, repeated over and over again can lead to the software configuration process being set up incorrectly. And that's just one example.

Bringing in a System Administrator helps keep tabs on those sort of things. It's also a great resource to help your internal team stay on track, getting data scrubbed in time for import, giving the internal team a first go-to on staff when they're needing help matching NetSuite functionality to the existing business process – I mean, I know we've been big proponents of bringing in ERP talent anytime a client takes on selecting and implementing software,

Anyway good news - good week.

Outro MFX under -build to sting

Next week – deep dive on new NetSuite functionalities as we cover the annual NetSuite SuiteWorld conference happening in Las Vegas this week. Huge new AI initiatives, plus better, faster, new features – look for it in the next episode of ProfitFromERP.

I'm your host Gene Hammons, Director of a consulting firm called ProfitFromERP - which you can find if you're looking for [www.ProfitFromERP.com](http://www.ProfitFromERP.com) - and we certainly hope you are...looking for Profit in your current or next ERP that is.