Key Questions You Need to Ask If You're Evaluating SAP Business One

Background

If you're evaluating SAP Business One versus NetSuite then you need to know which solution will meet both your near-term and long-term business needs. Below are several questions you should ask your SAP partner sales contact to gain a clearer perspective.

Question 1:
Will the Implementation Investment I Put into SAP Business One Be Safe?

SAP Business One customers are no strangers to the product offering being in constant flux as SAP tries to find a stable solution for the mid-market. SAP Business One customers can expect that disruptive trend to continue. In March 2002, SAP purchased TopManage Financial Systems and branded it as SAP Business One. Then, in December 2004, SAP acquired iLytix Systems AS, a privately-held company based in Oslo, Norway, and renamed it XL Reporter. Subsequently, this reporting was gradually replaced by Business Objects. In July 2006, SAP acquired Praxis Software Solutions to add a Web-based CRM and an ecommerce platform to Business One.

In October 2009, SAP sold the former Praxis Software Solutions applications. Now, SAP does not offer an Ecommerce solution or Web-based CRM as part of SAP Business One. Additionally, customers that bought these offerings from SAP will have to switch their legacy maintenance to zedIT Solutions after June 30, 2011.

The foreseeable future for SAP Business One can be questioned as SAP, for the past three years, has been trying to introduce SAP Business ByDesign — a product that actually competes with SAP Business One. In a nutshell, life as an SAP Business One customer has been and will continue to be an extremely disruptive experience.

NetSuite's Answer: Businesses that have been using NetSuite's ERP, CRM and ecommerce solutions have enjoyed quite a different experience. NetSuite has organically scaled functionality within its single integrated codebase — no bolt-on or acquired/divested solutions. NetSuite customers have benefited from automatic upgrades and ongoing maintenance — ensuring none of their resources or investments are wasted. And they haven't had to worry about the future of their investment because NetSuite's entire R&D is singularly focused on one solution.

Question 2:
Will SAP Business One Support My Current or Future Global Business Needs?

If your business has multiple charts of accounts (or may have multiple COAs in the future) then you will need to deploy multiple SAP Business One databases. Each database is an independent company, requiring additional IT resources to maintain and monitor it. In addition, SAP Business One does not support inter-company transactions without involving middleware. Furthermore, it becomes extremely hard to get an integrated view of overall corporate financial performance because it's hard to report across financial information that is locked in multiple databases.

NetSuite's Answer: NetSuite provides NetSuite OneWorld for multinational, multi-subsidiary businesses. NetSuite OneWorld addresses the complex multinational and multi-company needs of mid-market organizations. NetSuite OneWorld can readily enable businesses to adjust for currency, taxation and legal compliance differences

at the local level, with regional and global business consolidation and roll-up. It provides unprecedented global visibility of all aspects of your business worldwide in real time, ensuring consistent, compliant management across the organization, locally and globally.

Businesses running on NetSuite OneWorld can populate a single chart of accounts across subsidiaries, or use separate charts-of-accounts for each company with postings between subsidiaries such as expense allocation managed via inter-company journals. Local taxes are readily handled across subsidiaries thanks to an embedded tax engine that allows for multiple tax schedules for everything from GST to VAT, consumption tax or general sales tax. Revenue recognition, local financial reporting and compliance are also built-in components of NetSuite OneWorld. And OneWorld allows for global order management and sourcing with the ability to manage inventory and fulfillment across multiple locations with product items represented globally or on a per subsidiary basis.

Question 3:
How Will SAP Business One Support My Mobile Workers?

Background: The most efficient way for mobile workers such as sales people or remote workers to access their application of choice is via a web browser. Every relevant software application developed today is web-based. Web-based applications are the most cost-effective for IT support, because they don't have to contend with installing and maintaining Windows clients or VPN software. However, SAP Business One requires a fat client Microsoft Windows-based GUI to access the product.

It means you will contend with elevated initial and ongoing IT expenses for every mobile/remote worker that you support. You'll deal with client installation issues, VPN licenses, and likely, connectivity issues. You'll have to roll out client upgrades to every employee that uses SAP Business One. You'll be taking support calls on installation and client configuration issues. And it means that your workers will be less productive as they won't be able to easily access the application from anywhere — such as when they are at a customer or prospect site, at home, or simply on the road. And they won't be able to access the information they need from their mobile client of choice — their mobile device.

In fact, many businesses that use SAP Business One typically find that supporting this kind of dated deployment model for a distributed workforce is simply too burdensome to maintain. They end up incurring additional expense purchasing add-on web-based solutions for their mobile workers such as CRM or time-and-expense management — at significant upfront costs and integration expenses.

NetSuite's Answer: NetSuite's application is 100% native Web-based — whether your users are managing sales opportunities, approving sales orders, building marketing campaigns, taking support calls, entering time and expenses, or viewing reports. There's no client software for your IT team to install and maintain.

In addition, NetSuite is as easy to access as Amazon or Google — because it runs in the cloud. It means your mobile and remote workers get secure 128-bit SSL access anytime, anywhere, making them more productive. Remote workers can even use their home PCs to get work done — all they need is a Web browser and an Internet connection whether they're using a PC or Mac. With NetSuite, they can even use mobile devices such as the Apple iPhone to get access to customer information, key performance indicators and more to accomplish their daily tasks.

Question 4:
Is Payroll Included with SAP Business One?

SAP Business One does not provide payroll as part of the solution. Instead you'll have to purchase an add-on solution from a third party and continually maintain the ongoing business process integration between the two products. And if there is a payroll problem, who do you call? Your SAP solution provider, the ISV who provided the payroll solution or your own IT department that customized the integration?

NetSuite's Answer: NetSuite provides NetSuite Premier Payroll Service, a complete, full-service solution for managing your payroll. It handles all filings and deposits for Federal, State and local jurisdictions. NetSuite Premier Payroll accelerates your typical payroll run with NetSuite's end-to-end payroll management and total back-office integration. You can trust that your tax deposits and filings are accurate, timely and backed by NetSuite's "No Penalties Guarantee." You'll save time and minimize data-entry errors thanks to full integration with NetSuite accounting, commissions and expense management. And you'll get payroll flexibility with one of three convenient ways to pay employees: direct deposit, print checks yourself or have a service print and deliver checks to you.

It even ensures payroll accuracy for base and variable compensation — thanks to full integration with NetSuite accounting, commissions and expense management.

Question 5:
Will SAP Business One Support My Company's Time and Expense Management Needs?

If you're looking to provide web-based time and expense management to your employees, online approvals and get dashboards that show time utilization, expense analysis and billings, then you need to look beyond SAP Business One — because it doesn't provide this functionality.

With SAP Business One, you'll find yourself having to hunt through SAP partners to find an add-on solution — and you'll have to make sure that it works with the third party payroll solution you've chosen, too. You can quickly end up with a hodgepodge of add-on third-party apps that you'll have to install, maintain and upgrade to support your time, expense, commissions and payroll needs.

NetSuite's Answer: NetSuite provides complete web-based time and expense management as part of a standard, full-featured Employee Center. No add-on solutions required. It allows you to provide your employees and managers with a comprehensive set of online self-service functionality and managerial approval workflows, integrated into an employee self-service portal.

With NetSuite employee resource management, there's no more need for paper trails or time-consuming manual processes. Employees can easily enter and track timesheets, enter expense reports and create purchase orders, while managers can immediately review and approve requests online. And NetSuite's solution eradicates errors and manual re-entry through seamless integration with NetSuite's Payroll Service.

Question 6:
Does SAP Business One Provide Any Ecommerce Functionality?

Currently SAP does not offer an ecommerce solution for SAP Business One. In 2009, SAP sold the web-based CRM and Ecommerce that it had previously acquired from Praxis Software Solutions in 2007 to zedIT Solutions. With SAP Business One, if you want to increase your sales through web channels or provide better customer and vendor management through self-service, then you'll have to purchase and maintain yet another add-on solution.

NetSuite's Answer: Unlike SAP Business One, NetSuite provides complete B2B and B2C ecommerce functionality as standard features. NetSuite provides everything from site and content management, Web stores, payment management and shopping carts and Web marketing. It all integrates with NetSuite's back-office application — order management, inventory management and fulfillment.

In fact, Gartner named NetSuite as a Visionary on its Ecommerce Magic Quadrant, stating:

"NetSuite Ecommerce Company Edition and Ecommerce+ Company Edition offer core ecommerce capabilities, such as check-out, shopping cart, cross-selling and upselling, product catalog, order and inventory management, UPS and FedEx shipping integration, and shopping comparison — all delivered in a SaaS offering. In addition, NetSuite Ecommerce Company Edition enables multi-site capabilities, multiple currencies and can support 14 languages. NetSuite also offers a user-friendly UI for users to manage the site information."

—Gartner Magic Quadrant for E-Commerce, Gene Alvares, July 18, 2008

Question 7:
Will SAP Business One Meet My Inventory Management and Fulfillment Needs?

Businesses can easily outgrow SAP Business One's inventory and fulfillment functionality. With SAP Business One, if you want to manage your SKUs more easily with matrix management then you'll need to buy an add-on solution or customize SAP Business One. If you want to make your warehouse more efficient with bin management, then you'll have to purchase yet another. And if you want to streamline your fulfillment processes with shipper integration to FedEx, UPS or USPS, then that's another add-on solution too.

NetSuite's Answer: NetSuite provides an end-to-end solution for inventory management and fulfillment. It includes **real-time inventory visibility** with role-based dashboards and reports that give you real-time visibility into key inventory, demand and supply measurements. Employees can pick and fulfill orders faster and more efficiently with complete **bin management support** that enables the use of bins to track the exact location of

items in stock. It's easy to manage inventory at multiple locations and get **a unified view of inventory to unite ecommerce and brick-and-mortar channels** and then easily choose a warehouse location that will receive or fulfill an order. For ease of SKU management, NetSuite enables you to manage item combinations more quickly with support for **matrix items**, and maintain different values for items such as pricing, inventory status and descriptions.

NetSuite automates and streamlines common and time-consuming order processing and shipping tasks such as getting rates, printing labels and customs documentation, tracking delivery status and much more with out-of-the-box **FedEx, UPS and USPS shipping integration**, and even helps improve satisfaction and reduce customer support costs by providing customers with **online access to order and payment history as well as shipment status**.

Question 8:
Is the CRM Provided by SAP Business One Robust Enough for My Business?

SAP Business One provides a CRM module that many businesses can outgrow. If it's not a full featured solution, then your sales people may not even use it, instead keeping their opportunities tucked away in spreadsheets and proprietary contact management tools. Many SAP Business One customers end up using a separate CRM solution and end up having to reenter customer and order data into both the CRM system and SAP Business One. If you're looking for a CRM solution that sales will use, and that will drive sales behavior, here are some key questions you need to ask:

- Is it completely web-based so the sales and support team can access the application anytime and anywhere?
- Can the sales team get the sales and customer information they need via their mobile devices?
- Does the product provide sales commission management, or is it an add-on solution?
- Are there any upsell management features to recommend additional items for sales to add to a quote?
- Does it provide marketing automation capabilities to drive revenue with email or web-based marketing?
- Does the product provide web-based Partner Relationship Management (PRM) to track joint opportunities?
- Will your customers be able to login via the web to submit cases, check statuses and order items?
- Are there reference businesses using SAP Business One CRM with the same size sales organization as yours?

NetSuite's Answer: NetSuite's CRM solution is broader and more complete than SAP Business One. According to Forrester Research, NetSuite's CRM solution is positioned as a "Leader" in the latest Forrester "Salesforce Automation Wave (The Forrester Wave™: Sales Force Management) for Direct Salesforce Management solutions," and a "Strong Performer" for "Indirect and Multi-Channel Sales Management Solutions." SAP Business One is not even mentioned in the report. In addition, NetSuite is listed as a "Strong Performer" in the Forrester "CRM Wave (The Forrester Wave™: Midmarket CRM Suites)." SAP Business One is not mentioned in this report either.

NetSuite's solution is completely **Web browser-based**, and even supports **mobile devices** such as the iPhone — enabling sales, service and marketing to get the information they need from anywhere.

Unlike SAP Business One, NetSuite provides extended CRM functionality beyond standard sales and service functionality, all fully integrated into its application, including:

Sales Performance Management

- Sales incentive compensation management that enables you to configure sophisticated sales commission rules based on quotas, sales, quantity, profitability and other criteria, and allows salespeople to forecast their earnings and see summary detail commission reports integrated into their sales dashboard and sales force automation (SFA) activities.
- A sales forecasting solution that displays all opportunities, quotes and orders, including such key information as the projected amount, probability of close and weighted amount for each of these transactions.
- Upsell management that provides recommendations based on analysis of purchase history and past purchases to recommend upsell opportunities as part of the quote process.

Partner Relationship Management

- NetSuite's solution enables you to manage your partners by giving you full control over every element of the partner-focused sales and marketing process, including joint marketing campaigns, lead management, sales forecasting, pipeline management, order processing, and partner commissions and royalties. With NetSuite, partners can even register and track their leads online via one, easy-to-use partner management application.

Customer and Vendor Self Service

- As standard, NetSuite provides a customer portal that enables you to provide your customers with highly personalized, interactive services on the web. Your customers will be able to receive answers to their questions, complete transactions, submit support issues, or query your knowledge base.

Marketing Automation

- NetSuite provides advanced web and email marketing automation capabilities including lead management that enables you to capture leads from multiple sources, including websites, direct mail and tradeshows. You can create, execute and track marketing campaigns. You can also create and execute high-volume mass emails that allow you to reach the widest possible audience, and use capabilities such as target group creation, email merge, sophisticated data cleansing and de-duping as well as wrap-around performance measurement.

Question 9:
Can I Be Confident that SAP Business One Will Scale to Support My Future Users?

If your sales force is growing, then you need to be confident that SAP Business One will scale to meet your needs. Unfortunately, SAP Business One has few to no references of broad-based CRM deployment of over 100+ users. You should carefully check references to ensure SAP Business One is proven to scale with current and anticipated usage, or you'll end up having to deploy a third party CRM solution in the future.

NetSuite's Answer: You can be confident NetSuite will scale up to meet your business needs. NetSuite can provide numerous references of multi-hundred seat deployments, as well as customers that are using 1000+ seats of NetSuite. In addition to this kind of large-scale usage, NetSuite's 100% web-based interface becomes a huge advantage for IT because they don't have to install, maintain and upgrade client applications.

Question 10:
Is Reporting and Analytics an Afterthought or Fully Integrated?

Analytics and reporting are offered as an add-on to SAP Business One, but not as an integrated part of the solution. As mentioned on page 2, in December 2004, SAP acquired iLytix Systems AS, a privately-held company based in Oslo, Norway, and renamed it XL Reporter to add to SAP Business One. SAP also provides Print Layout Designer, a basic
reporting tool restricting your reporting to non-core data. Subsequently, SAP purchased Business Objects and provides a Microsoft Windows-based reporting product, Crystal Reports, on top of the product. If you require dashboards, you then need to purchase Business Objects Xcelsius, yet another tool to maintain.

Each tool has its own pros and cons, requires additional IT maintenance, uses different technology, and requires integration. And the more reporting tools you deploy, the more risk of data inconsistency between the various tools. Because each tool is basically a bolt-on solution on top of the app rather than part of it, it's hard to drill back to the live transaction — for example, navigating from a Days Sales Outstanding (DSO) dashboard metric in Xcelsius, to a Crystal Report showing aging invoices, to the actual live invoice stored in SAP Business One.

NetSuite's Answer: NetSuite provides a single integrated dashboard, reporting and analytics solution all fully integrated as a browser-based application. There aren't multiple ways of doing the same thing with different tools and technologies that have built up as a result of acquisitions. Completing NetSuite reporting and analytics tasks are simply more straightforward — and your users are always operating on the same consistent information.

Because NetSuite's dashboards are fully integrated into the application, you can drill down from the dashboard to a report, to the actual live transaction. Line-of-business users can even access dashboards and derive key performance metrics, charts, and exceptions as part of their everyday application. In addition, NetSuite's analytics are fully browser-based so you can securely create, access and share the reports you need from anywhere — even from a mobile device.

Question 11:
Will I Need to Buy and Maintain Add-On Solutions for SAP Business One?

Yes. Here is a partial list of solutions that SAP Business One doesn't provide that are included as standard with NetSuite:

- Web-based CRM
- Web-based customer and vendor self service
- Web-based Partner Relationship management
- Incentive compensation
- Upsell management
- Employee time, expense, and vacation self-service
- Web and email marketing
- Website hosting and building
- Web store and shopping cart
- Web analytics
- Inter-company management
- Inventory matrix management
- Bin management
- Project management and project accounting
- Credit card processing / payment management
- FedEx/UPS/USPS shipping integration
- Granular security management
- Workflow management

Each of the above will require an expensive customization and you'll have to purchase an add-on partner solution or buy a separate solution and spend resources integrating it yourself. In addition, each add-on you add to supplement SAP Business One exposes your business to risk if the small vendor offering the functionality goes out of business or ceases to support the functionality. Finally, these add-ons are unlikely to have been tested together — exposing your application to further risk.