

BUSINESS GUIDE

NetSuite vs. Acumatica

A Comprehensive Comparison Guide





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A Comprehensive Comparison Guide

Building Business Agility: How to Find the Right ERP Provider for Your Business

Ready Yourself for Change With the Right Platform

In competitive and rapidly-evolving markets, success is determined by how well your business responds to and prepares for change.

The cracks start to show as sales increase, product lines expand, business models shift or the business launches into new markets. Slowly, but surely, leaders begin to lose visibility over cash flow, reporting becomes slow and error-prone, supply chains become increasingly complex and manual accounting processes grind productivity to a halt—hurting the bottom line.

While every business has a unique view of what growth means for them, what often separates the world's most agile companies from those that fail to adapt is how they utilize new technology to support and accelerate their evolution.

An enterprise resource planning (ERP) solution is a critical step for any high-performance business. It brings structure to your financial processes, operations, supply chain, order fulfillment, production and people management, providing clarity on how well these disparate functions are working in tandem.

With these insights, leaders have greater visibility into the health of their business and improve their agility and decision-making ability in real time. Powered by a single source of data across all aspects of the business, companies can automate time-consuming manual processes, gain a clearer picture of their customers, simplify back-office operations and supercharge everything from supply chain management and inventory control to customer relationship management and invoicing.

When a business is ready to adapt, teams can focus on the task at hand—staying one step ahead of competitors, focusing on their customers, developing exciting new products and services and realizing their true potential.

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CHAPTER 1

Sizing Up Your Options

The right ERP solution provides a business with a unified platform for financials, inventory management, ecommerce and customer relationship management. The power of these solutions lies in the fact that they unite and streamline all of the key aspects of your business.

But for that same reason, it is critical to choose the ERP provider that's right for you. At best, choosing the wrong provider can cause technical headaches for your teams and delay your transformation projects. At worst, the wrong choice can derail your growth strategy and cost your business tens of thousands of dollars—or more—in the process.

There are a number of ERP providers to choose from. While NetSuite is the market-leader, Acumatica has emerged as a more recent player. Both brands are well-known and offer businesses a variety of options to improve their back-office operations.

But considering the immense value the right ERP solution can offer your business and the potential disruptions that may result if a solution is not the right fit, it's important to understand the ins and outs of both providers.

While both offer compelling features, choosing the right technology provider all comes down to whether technology is actually at the core of the business and whether they offer the features, support and reliability you need for long-term success.

NetSuite offers advantages for growing businesses over Acumatica in a number of key areas including:

- Intuitive reporting features that business users can manage themselves without the need for writing code.
- An architecture that can better handle large, more complex transactions.
- Core human resources functionality.
- Support for more than 197 currencies and 27 languages, multi-subsidiary consolidation and customers in more than 200 countries and territories.
- 24-hour global support.
- Multi-book accounting.
- Professional Services Automation.
- A far larger ecosystem of partners.

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CHAPTER 2

Decision Factors

Trusted Technology Provider

Given the ubiquity of technology today, there are many businesses that claim to be technology providers when in reality, they are merely enablers. A true technology provider is a business that puts technology at the center of everything it does, with a long legacy of innovation and consistent investment in features that align directly to customer needs.

When evaluating an ERP solution, it's useful to consider the provider's origins and whether the business's journey to date gives you the confidence that it is a reliable technology partner that will support your business in achieving and sustaining growth.

For instance, NetSuite was born in the cloud. In 1998, founder Evan Goldberg pioneered the cloud computing revolution, establishing NetSuite as the world's first company dedicated to delivering business applications over the internet. In 2016, it

was acquired by Oracle, one of the world's most recognized technology brands, for \$9.3 billion and has since grown to serve more than 26,000 customers. NetSuite is founded, led and backed by the industry's best and brightest in cloud technology advancement.

NetSuite serves as an attractive solution for many small-to-medium sized businesses that have outgrown entry-level accounting and tax products. Acumatica's ERP solution doesn't represent the evolution of accounting software one might expect. It's based upon a now sunseting Microsoft product, Solomon or SL.

After more than a decade and five rounds of private equity funding, Acumatica has less than 400 employees globally and has yet to achieve profitable status by its own admission. In 2019, Acumatica was acquired by EQT Partners and it became the sister company of another ERP vendor in EQT's portfolio.



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It may take time for Acumatica to steady its own company finances as it works to grow its product suite. In the meantime, business leaders will need to assess whether they will be best served by a technology company that is owned by a private equity firm or a business that's being guided by a trusted technology leader with a steady commitment to investing in and developing its technology products, delivery and service offerings. As an aside, by the time NetSuite was the same age as Acumatica, it had already been through an IPO and become profitable.

NetSuite's longevity in the market means it also has a greater partner ecosystem. It has a third-party application marketplace with 570 add-on applications. In contrast, Acumatica has 194 partners on its Acumatica Marketplace. The same goes for solution provider partners, where NetSuite outnumbers Acumatica and offers a business process outsourcing program for companies that want to provide outsourced services including accounting, customer service or ecommerce operations via the NetSuite solution.

A Platform for Growth

NetSuite has guided companies to success from businesses' first days to the public markets. Tens of thousands of organizations rely on NetSuite to help put their business in the best position to succeed. In fact, it has more customers that have scaled to \$1 billion and beyond than any other cloud ERP provider.

This capacity to scale is native to NetSuite's design. The platform was developed as a single system residing on a unified data model. This means that the users can access rich, real-time search, reporting, dashboards and analytical capabilities, with data flowing freely from CRM to ERP and ecommerce, among many business processes.

With dashboards that align data from all of your departments, business leaders can spend less time gathering data and more time acting on it.

A single unified database means the entire business is better positioned to scale without reconciliation needed across modules.

Furthermore, it's all self-service; users can easily customize forms and reports to obtain the visibility they need to act, instead of waiting for developers to build and customize them. The result is meaningful, timely insights that a business can act upon.

While it does provide an inclusive set of features, Acumatica remains unproven at supporting and sustaining significant growth. Acumatica can handle simple, high-volume transactions but evolution is rarely simple. As the number of transactions become larger and each transaction is more complex, Acumatica is known to struggle.

"There are certain cases where there are businesses that are relatively simple, but they have big scale. That's a good one to throw at Acumatica. We can scale using the cloud. We've benchmarked one million transactions a week for one customer, so we can do big workloads," Acumatica's CEO [Jon Roskill told SearchERP.com](#). "But those bigger companies tend to get more complex: The supply chain gets more complex, the number of countries gets more complex. That's where you'd want to look at moving to something like IFS [an ERP provider also owned by EQT Partners]."

One critical difference is the way the two platform's financial systems are architected. Acumatica runs using batch processing at the subledger level. Subledgers are groupings of a specific transaction type (accounts receivable, accounts payable, inventory, projects, etc.). Data is stored at the subledger level and brought together in the general ledger via a batch process. So, for example, when a user wants to drill down for more detail on data in a

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report, they have to drill down to the subledger level. If they want data from one subledger, to access AR data for example, but then also want to view project data, that requires additional, cumbersome reporting.

When it comes time for the monthly close, some of the differences become magnified. Finance staff typically need to review all the transactions and approve them for summary entry to the general ledger. Users also need to shut down new entries during the month-end close so they don't become "ghost" transactions—logged into the subsidiary and subledger but not included in the batch number to the GL.

In contrast, NetSuite's unified database means that all transactions, of all types, are saved in real time and hit the GL in full detail—no subledgers, no batch processing and no cumbersome reporting. NetSuite is always up to date, across the system and including any external applications connected via API, yielding a data-rich general ledger. Reporting is faster, simpler and more detailed. With a single search query on a customer record, for example, all the information associated with that customer is accessible in a single view. With batch processing, the process would require multiple screen tabs and multiple reports to produce a similar result.

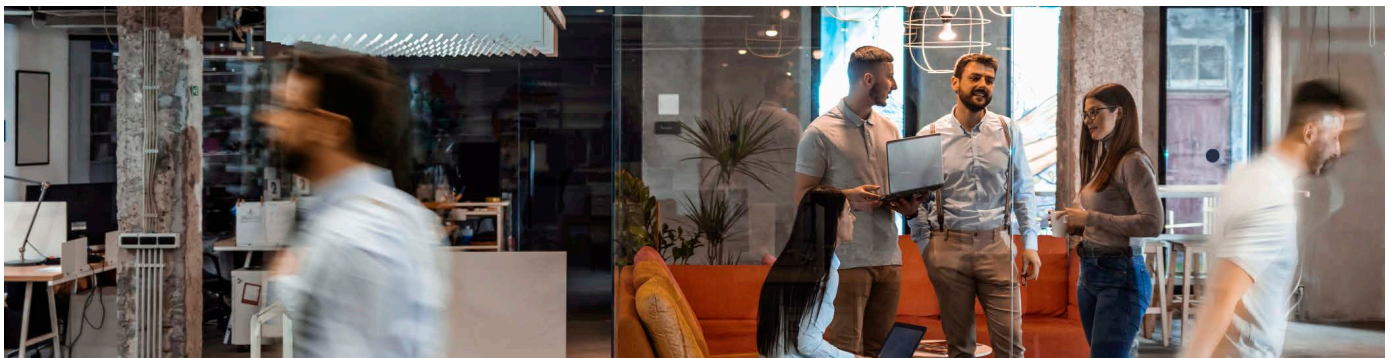
Additionally, because all transactions impact the general ledger in real time, NetSuite's architecture allows companies to run more sophisticated accounting processes like the continuous close.

While both companies have a similar breadth of modules that support ERP, NetSuite does offer core HR functionality beyond payroll.

There are also some important differences in core accounting. NetSuite provides the ability to do what's known as multi-book accounting. Businesses that need to give different accounting treatments to the same business event, either because of industry-, country- or region-specific rules, or some combination thereof, can do that in NetSuite and remain in compliance without the need for cumbersome manual workarounds.

NetSuite also allows companies to customize their general ledgers. The general ledger has traditionally been a static structure. Any customization typically requires a third-party IT consulting team to change the underlying code. With NetSuite, business can add custom lines to standard transactions, which can avoid manual journal entries, and create custom transaction types to create new business processes such as accruals for vendor bills. Custom segments also improve the flexibility and results of reporting.

Users have also noted that it is difficult to make changes and edits on-demand. Reporting within Acumatica requires programming knowledge and technical expertise. Online message boards



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and interviews with customers choosing between NetSuite and Acumatica note that native business intelligence capabilities within Acumatica are insufficient for many organizations and may require the use of third-party solutions.

What's more, the two companies have a different approach toward pricing, which can be a significant concern for fast-growing companies.

NetSuite offers a per user model. Acumatica markets its offering as coming with "unlimited users" and pricing is based on computing consumption. However, the reality is the number of users impacts pricing because, as one might expect, the more users a company has the more computer resources it requires. Typically, fast-growing companies prefer the per-user model because the number of employees that need to access the ERP system doesn't grow nearly as fast as the number of transactions.

NetSuite's per user and flat-fee pricing delivers greater transparency, predictability and a declining impact on revenue as a business grows. Acumatica's pricing model can penalize growth and contain hidden costs.

Customer Commitment

Technology for technology's sake is useless to a fast-growing business. Customers should always be at the heart of innovation, with providers actively seeking feedback and insights that drive meaningful progress.

For that reason, NetSuite strives to put customer needs at the center of product development. It takes an empathetic approach to business.

For instance, one of the most pressing concerns for business and technology leaders when it comes to their ERP solution is how to minimize disruptions caused by upgrades. Leaders question when it's time to upgrade, how updates will impact their current customizations and implementations and whether they're getting strong ROI from the product.

From the sales process, to implementation and beyond, NetSuite remains in close contact with its customers, enabling it to understand what needs to be built into the product and to deliver the capabilities considered most valuable by its customers.

With NetSuite, businesses don't have to worry. Its cloud-based ERP means that upgrades are performed automatically, with minimal disruption. Every one of NetSuite's 26,000 customers is always on the latest version of the software. In essence, it's versionless. When a new release is launched, customizations are carried forward automatically without the need for any painful code retrofitting.

With Acumatica, each of its two releases per year carry the possibility that customizations will stop working and integrations will break, disrupting the business and often requiring costly consulting to fix. The result is that businesses often put off upgrades out of fear of the disruption or an unwillingness to incur those added costs. Without regular upgrades, they're losing out on one of the biggest benefits of cloud computing.

Should a problem arise, NetSuite offers global support 24 hours a day in 20 different languages. With dedicated account managers capable of providing technical support, customers always have a direct, accountable line to NetSuite.

By comparison, Acumatica is clear in stating that it relies on its partner network to provide customer support. Access to subject-matter experts is often outsourced to external consultants at an additional cost, resulting in greater confusion and less accountability in the event of technical issues.

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Questions Every Business Should Ask Before Choosing an ERP Solution

1. What do I know about the company's track record?

A company's past gives you a good idea of what to expect in the future. Be sure to find out how many of the provider's customers are live and fully implemented, how the product ranks in industry analyst reports, the average time for implementation and the level of investment being put into the company's product development.

2. How customizable is the product?

If you're not able to easily customize the product, you're unlikely to maximize its value. How easily can admins and end users configure new fields and report on them? Is data searched and reported on updated in real time and across all subsidiaries and intercompany transactions? Be sure to also ask whether any add-ons are required.

3. How does the business go about releasing product updates?

An unscheduled upgrade could disrupt your business operations, especially if specialist support is required to troubleshoot or reconfigure customizations for the latest versions. Find out whether all customers are on the same release and if releases are automatic. It's also useful to understand how new features are validated ahead of rollout.

4. Does this product suit my industry-needs?

Your industry might have unique compliance or end user requirements, so it's critical to know

whether an ERP platform supports similar customers. Ask whether the platform offers vertical-specific dashboards, KPIs and workflows or if these require additional investment. If industry-specific expertise is offered only through a third-party, you may not be able to receive timely support.

5. What kind of support can I expect?

Does the provider's version of customer service include a dedicated account manager or a general hotline? Does support come via the ERP vendor or the provider, or an implementation partner and what resources are available within the ERP system itself? Knowing the answer will likely save you a lot of frustration in the event of a technical problem.

6. What does the future of this product look like?

Businesses need an ERP solution that can support them in the long term, so it's important to have a clear picture of the product ecosystem. Ask whether the product or its functions depend on another platform.

7. Will the company I engage today be the same company I'm working with tomorrow?

Today's financial markets move quickly. A provider whose future is constantly in question is unlikely to be your ideal partner for long-term success. Make sure to learn about the vendor's ownership status, profitability and whether it is a potential acquisition target.

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