DIGITAL TRANSFORMATION:

Why Energy Companies Are Adopting A Suite Approach to Software

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As the pace of change continues to accelerate in the energy industry, digital transformation has become a key strategic initiative for staying ahead of the curve. Changing consumer expectations, regulatory requirements and capital expenditure needs are compelling energy companies to modernize existing infrastructure, invest in alternative or renewable energy sources and seek new revenue streams to grow their business.

To adapt to this changing environment, many energy firms are realizing the need for technology that is embedded with comprehensive business management capabilities and is built to handle change and complexity.

But where to begin the digital transformation journey? One of the critical steps centers around applications, moving your organization away from legacy systems that don't talk to each other and onto a truly integrated suite of apps.

If you listen to the IT chiefs of energy companies that have already undergone the transformation into a truly digital business, one of the common themes is dealing with myriad disparate legacy applications, often a mix of on-premise and on-demand software. The goal is to get these siloed Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), ecommerce and business intelligence applications talking to each other, or even better running out of one integrated suite.

Obviously this process requires time, effort and investment, but the upside more than makes up for the initial pain. Here are our top reasons on why moving to a fully integrated suite will pay dividends for your company.

Competitive advantage

In a data-driven world, having the latest operational stats at hand is essential for any modern energy company to compete—whether that's knowing how many solar panels were installed that day or what the turnaround time was on a service call last month, and how these impact the company cash flow.

Using applications that aren't integrated makes it impossible to obtain these types of insights without duplicated and wasted effort. How can a CEO or CFO know if the business is getting real-time accurate data if that data has to be sourced from disparate order management, sales and accounting applications?

Adding an analytics layer on top of the different applications just results in one more piece of software to manage, with its own costs and associated resource issues. It also presents the headache of setting up the system for each individual application, and then maintaining it going forward.

The solution is to switch away from siloed applications and bring all sales and accounting systems into one place. This means that a single version of critical data can be at the fingertips of every employee who needs it, wherever they happen to be located, and without needing to rely on a third-party system or analytics expert to crunch the data for them. This in turn makes it easier to react to market forces by taking immediate advantage of the data a business collects and to use it to gain valuable business insights, rather than relying on outdated, inaccurate information or guesswork.

Take the case of Urban Green Energy, a renewable energy company that launched on QuickBooks but soon realized it needed a more robust application to run its business. NetSuite supplies a single system of record for UGE, providing them greater coordination and communication between departments. UGE now has the ability to handle manufacturing processes and recurring billing in one system, and successfully doubled its revenue from 2014 to 2015 after implementing NetSuite.

Such an integrated approach also cuts down on employee training requirements, as staff will only need to grasp one system rather than several different applications and overlying analytics software; and eases the process of expanding into new territories, markets or product lines, as there is just one system to deal with to facilitate the new project.

The customer is king

To best serve its customers, energy companies need the most up-to-date, accurate view of their activities and profile. But this can prove extremely difficult if their order information is entered into one system, which then has to be re-entered into a CRM system once they become a customer and then set up in the accounts system to process financial

transactions. In this digital era, customers expect their experience to be seamless, without delays to processing sales, amending orders or managing refunds if necessary.

Here again, an integrated suite offers the optimum customer experience, as it means you have a single record of each customer, following from the initial prospect point right through to repeat business status. This makes it quicker and easier to offer customers updates on their orders, linked to their financial accounts, and to resolve any problems swiftly to maintain high levels of customer satisfaction.

Since launching NetSuite, Hawaii-based Sunetric has reduced turnaround time for service calls on complex solar installations from two weeks to 48 hours, and raised customer satisfaction from 78 percent to 90 percent.

An integrated apps approach ensures all your customer-facing employees can access any interaction or transaction data required to get the deal done immediately.

Added security

Siloed applications mean each system has to be secured individually. This entails running access management, data protection and fraud prevention tools across several different systems. Even if an organization runs one combined product to provide security across your different ERP, CRM, ecommerce and other business applications, having to lock down multiple systems increases the risk of

a breach, increases the cost of protection, and increases the overhead associated with managing multiple app security.

A unified apps suite will remove this issue as the business can deploy a unified approach to security, laser-focused on protecting the data retained in a single system rather than trying to keep multiple doors bolted.

Licensing complexity

Every separate application an energy company runs—accounting, financial planning, order management, CRM, ecommerce and business intelligence—represents extra resources wasted by the IT department deploying, integrating, managing and upgrading that system. The business will also need to juggle licensing requirements for several different pieces of software, often from numerous vendors, making the risk of non-compliance much higher.

Streamlining apps into one combined system frees up the IT team to focus on projects and systems that add competitive advantage to your business, rather than acting as maintenance and license-policy staff.

Going for growth

Payroll, expense management and incentive scheme systems underpin any good business —after all, the best organizations attract and retain the best staff. But siloed systems for functions like salary payments and holiday accruals see human resources staff wasting time filling in the same data across different

applications, which can lead to errors and unhappy employees. It also makes the process of introducing new employees to the organization more complex, as their personnel details need to be added onto various Human Capital Management (HCM) systems.

Here again, an integrated suite will let your business speed up the time it takes to add staff onto the corporate payroll and other HCM functions, and keep a single-view, up-to-date record of each employee.

When do we start?

As highlighted above, a move to an integrated suite lets modern energy companies beat the competition, keep customers happy, improve application security, decrease time spent on software licensing, and more quickly expand into new territories and introduce new staff to the organization to help the business grow. If your firm hasn't already begun a shift away from siloed applications as part of its digital transformation journey, the time is now.

![NETSUITE]

EMPOWERING ENERGY COMPANIES TO REACH BEYOND THE LIMITATIONS OF QUICKBOOKS

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SEE WHY ENERGY COMPANIES SWITCH FROM QUICKBOOKS TO CLOUD FINANCIALS

The energy industry is undergoing rapid change on multiple fronts. Changing consumer expectations, regulatory requirements and capital expenditure needs are compelling energy companies to modernize existing infrastructure, invest in alternative or renewable energy sources and seek new revenue streams to grow their business. Though they recognize this need to innovate, energy companies have a remarkably difficult time finding business application solutions that can meet their needs in an affordable manner.

Very often, energy 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.

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 a platform upon which to build entirely new business models and the displacement of the PC and laptop by mobile devices as the computing platform of choice by the next generation of business users has changed the status quo. Today, energy companies must consider the potential impact of both

"Our business model has changed significantly from wind turbine to solar development and NetSuite's high customizability and versatility has allowed us to keep up with those changes."

MATEO CHASKEL,
Director of Operations,
Urban Green Energy

existential threats and opportunities as the starting point for rethinking their technology investments.
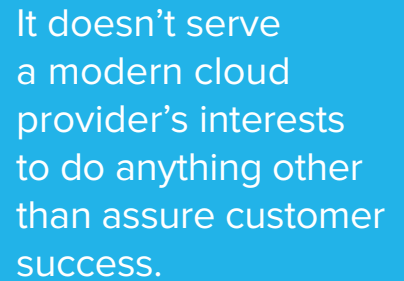
Fast-growing energy companies are especially challenged because the opportunities afforded by a combination of globalization and the rise of the internet have not been matched by the development of their in-house systems. Thus, these companies are faced with the difficult questions that come with growth. For example:

- How do energy companies take advantage of modern technologies without overloading the organization with cost and complexity?

- Can modern systems free up information producers to become decision advisors to the wider business?

- Who can energy companies trust to provide a platform for growth that extends well beyond the back office?

NetSuite believes companies in the energy industry should look to solutions that are developed for 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 is offering 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 enhancements customers need. That is an entirely different way of providing a system than what has been traditionally offered where, for all practical purposes, 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 than the old way of acquiring and using software.
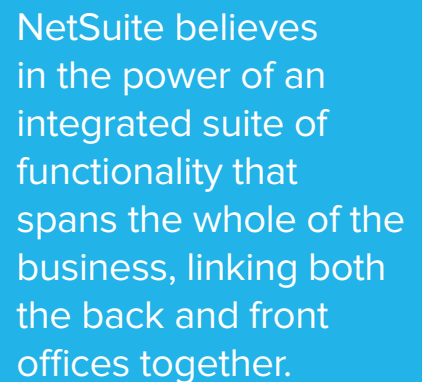
It doesn't serve a modern cloud provider's interests to do anything other than assure customer success.

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. It can allow, for example, field sales personnel access to their customer records so that they don't go selling more to delinquent customers. That 'single suite, single view' also allows those same field sales people to spot opportunities for upselling in real-time. 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 becomes an activity where those tasked with executing on the company's goals and strategy are able to do so with information that is akin to looking through the front windshield of a car, rather than constantly worrying about what is in the rear view mirror.

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

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These and many other benefits separate the world of the old from the new, but customers need to rely upon solid references from other energy companies 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, as New York-based renewable energy company Urban Green Energy experienced rapid global growth, it realized that QuickBooks and Excel were hindering coordination and communication between departments. Realizing the need for more transparency and integration, UGE looked to NetSuite for an end-to-end solution.

Since swapping out QuickBooks for NetSuite, UGE has gained greater visibility into its business through clear audit logs within a single source of truth. Moreover, NetSuite's seamless integration between front and back offices processes has saved the company valuable time, money and personnel.

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

CUSTOMER SUCCESS

- NetSuite has helped UGE double its revenue from 2014 to 2015.

- The company has the ability to handle manufacturing processes and recurring billing in one system with NetSuite.

- Lead-to-cash has been automated from sales orders to realized revenue.

- Five subsidiaries around the world now roll up to one system with OneWorld.

- Clear audit logs in NetSuite now provide a single source of the truth.