

The logo for SAP Business One, with 'SAP' in large grey letters, 'Business' in smaller grey letters, and 'One' in large yellow letters. The background is a light blue grid with various icons like a bar chart, a network diagram, and a person icon.

SAP Business
One

The logo for Oracle NetSuite, with 'ORACLE' in red and 'NETSUITE' in black. The background is a light blue grid with various icons like a bar chart, a network diagram, and a person icon.

ORACLE[®]
NETSUITE

SOFTENGINE WHITEPAPER SERIES

Comparison Guide: SAP Business One or NetSuite

The name SAP has long been synonymous with enterprise business software, one of the original pioneers of ERP software developed in the 1970s. An enterprise resource planning (ERP) solution is a major investment for many SMB sized businesses. Apart from the obvious costs and time commitment it carries, it bears the responsibility of being the “command center” of your operations, tasked with supporting, managing, and integrating data and business processes across departments.

There are dozens of ERP solutions available to small and medium businesses, but, through the years, two have emerged as the clear frontrunners: Oracle NetSuite and SAP Business One. This post will provide a side-by-side comparison of NetSuite ERP to SAP Business One. Keep reading to learn more about cloud-based ERP, NetSuite, and the NetSuite Alternative, SAP Business One, the SMB & Mid-Market ERP solution.

When choosing a new enterprise resource planning (ERP) solution for your company, cloud deployment offers many advantages over on-premises deployment – simplified IT, better security, and a lower total cost of ownership. And for businesses with a limited budget, the price is crucial when choosing an ERP. Don’t jump for the first inexpensive price tag you see; however – if the initial price looks too good to be true, it probably is. Many businesses are surprised to learn about the hidden costs of ERP solutions such as NetSuite. Consider these areas before using price as the deciding factor for your next cloud ERP solution.

“Small businesses might be intimidated by SAP software. What they don’t realize is that SAP offers solutions designed specifically for small to midsize companies like ours.”

Leonard Kang,
Operations
Manager,
Christopher
Lena Shirt Co

NetSuite: Complex Pricing Pricing Strategy

Pricing is influenced by multiple factors, subscription length, product modules (core and adv.), legal entities, countries, productivity tools, access to data, user types (full and self-service), transaction volumes, and data storage.

Difficult to get the entire price list. This would expose the complexity and highlights advance features not included in standard modules.

Typically delivers a very basic and prescriptive pricing proposal based on limited pre-sales discovery of the client's business needs. Their typical proposal does not include advance modules to keep the initial phase cost down.

Initial proposal typically does not include 3rd party solutions or integrations. If they do propose a partner solution they propose solution based on price not on depth of functionality or fit

Typically propose 1 or 2 year subscriptions. 2-5 year options are also available.

Does offer tiered dedicated database instances and storage for greater control, throughput and scalability but with additional cost.

Subscription will always be on NetSuite paper, ultimately no partner will be the owner.

Discount Strategy

They will discount their offering significantly. Often starting at 50%, and then known to go as deep as 75%.

These discounts come with deadlines to motivate a fast decision. They will discount multiple times to win the business.

These discounts don't carry beyond the initial term of the subscription or to additional modules added after the initial contract.

Contracts will include price lock for up to 5 years (1% + CPI).

NetSuite is fixated on renewals so customers will not see big price increase in year two.

Sample Pricing

Users	USD/month
General User Access	\$99
Employee Self-Service (5 pack)	\$99
Package/Edition/Module	Mid-Market Edition / Month
Core ERP and CRM	\$2,499
OneWorld (3 Subsidiaries)	\$4,999
Wholesale Distribution Edition	\$4,999
Software/Internet Edition	\$4,999
Retail Omni-Channel Edition	\$9,999
Advanced Financials Module	\$599
SuiteAnalytics Edition	\$599

NetSuite: Product Upgrades

NetSuite heavily emphasizes the NO cost and NO effort of their upgrades in marketing and sales cycle.

Upgrades happen 2 times a year (Mar and Oct)

Customers have a limited window (2-3 weeks) to test their data, processes, 3rd party apps, and customizations before production upgrade.

No control for when you want to update

Customers can pay up to 30% of their annual subscription fees for a separate test environment.

Customer is responsible for all testing and coordination.

Dedicated Service Tiers (significant additional costs) offer greater flexibility of update duration and timing.

NetSuite: Support

Support requires additional recurring fees of 22.5% to 37.5% of subscription.

Customer Support is centered in Manila has a bad history of followup and understanding business process This team is focused on features and not on business process and how to.

Support is an additional subscription and has 3 levels:

Silver	8am-5pm, online and email only, 2 named users
Gold	24x7 critical, other 8-5, 800 line, 4 named users
Platinum	24x7 all, dedicated team, 6 named users

NetSuite: Implementation

Offers fixed price implementation of standard scope where much of the effort is placed on the customer to execute the implementation. Any changes will result in a Change Order.

Payment terms for NetSuite delivered implementations are in advance of work starting.

Their focus is on training and standard vanilla processes. Blueprinting is standardized, not tailored to each client. They provide direction and assistance, not doing.

NetSuite provides no coordination, project management or implementation management, over 3rd party partner solutions included in the customer environment.

NetSuite: Industry

Places a heavy focus on industry. These SuiteSuccess offerings include leading practices, tailored functionality, specific KPIs, and role-based workflow and analytics.

This is not just a rapid implementation methodology or template approach but a holistic approach, to take advantage of built-in leading practices, that gets you live faster, and lowers the cost of implementation and ongoing ownership.

NetSuite: Product Portfolio

Market Editions

Industry and Customer Segment (Small, Midmarket, Large) editions are the combinations of the core and some advanced modules that are priced more aggressively than if bought separately.

ERP Core Modules:

General Ledger

Accounts Payable

Accounts Receivable

Sales Force Automation

Customer Relationship Management

Item Management

Order Management

Procurement

Case Management

Partner Relationship Management

Item Management

Employee Center

Marketing Automation

CRM Core Modules

Advanced Modules (All Come With Extra Charges)

Adv. Financials

Accounts Payable

Accounts Receivable

Adv. Procurement

OneWorld (Multi-Company)

Fixed Assets Adv. Inventory

Order Management

Procurement

Adv. SuiteCommerce

Demand Planning

Warehouse Management Lite

Employee Center

Resource Allocation

Contract Renewals

Adv. Project Tracking

Work Orders and Assemblies

Financial Planning

SuiteAnalytics

Adv. Project Accounting

Manufacturing WIP and Routing

NetSuite: Financials & Overview

Company Background & Metrics

- Founded 2002
- Division of Oracle (Nov 2016)
- HQ: San Mateo CA
- Employees ~4500
- Fiscal Year (June- May)
- 2015 Rev \$741m North America is (75%)
- 2015 Net Loss \$124.7m. Last full year reported
- Q3 2016 Net Loss \$34.1m Last Qtr. reported

Install Base

- Claims 30,000 organizations in 160 countries. This includes subsidiaries and departments.
- Claims ~400 new customers each quarter.
- Estimated ~10,000+ unique customer logos; most are SME (companies with <\$1B in revenue).
- Segments Customers into 3 groups.

Sales Model

- Direct for Large Enterprise (Deals > 125K)
- Partners for SME (global and boutique SIs)
- Direct /Indirect mix is 50/50

Developer Ecosystem

- Has a strong 3rd party App and developer network.
- 260+ certified apps developed by partners available on SuiteApp.com marketplace.
- ~5,500 registered 3rd party developers on SuiteCloud SDK.



7 Differences Between NetSuite & SAP Business One

Simple & Easy To Understand Licensing

SAP Business One's core foundation includes full financials, operations, CRM, warehousing, inventory, payroll, purchasing and more, backed by SAP, a top ERP publisher for the last four decades. NetSuite utilizes hundreds of add-ons that were written and supported by 3rd parties, and developed using different design standards.

Sap Business One Allows You To Pay Only For What You Need

With SAP Business One, it's a one-off license fee for the entire package and is based on the type of role you have in your business and the level of access you need. NetSuite has a low-entry fee with its subscription-based model however rates can alter at any time and it is more expensive in the long run.

Mobile first - SAP Business One has better mobile apps VS. NetSuite.

NetSuite's mobile capabilities tend to be limited in nature. Although both applications are free of charge, NetSuite app users complain of frequent crashes, no dashboard and missing key features. On the other hand, accessing SAP Business One's full functionality on the mobile app is known to extend the system seamlessly, be easy to use and can be relied on.

Choose Your Deployment - SAP Business One has a flexible deployment model

NetSuite does not have an on-premise offering if you prefer to host and store your data within your own walls. With SAP Business One, you can choose to have your ERP deployed through the cloud, on-premise or a combination of both, depending on your needs.

Upgrade at Your Own Pace - SAP Business One gives you the flexibility when to upgrade your ERP system.

NetSuite's ERP systems are deployed within a multitenancy environment and system upgrades are deployed simultaneously to all customers at NetSuite's discretion. On the other hand, you can choose when to have your SAP Business One upgrades deployed.

More User Friendly - SAP Business One is more intuitive than NetSuite.

Customizing reports in NetSuite is challenging and limited in function. The new Fiori dashboard for SAP Business One allows you to personalize your dashboard so you only need to see what you need to. In addition, SAP Business One has streamlined screens with less clutter versus NetSuite and is more intuitive and easy to use.

Lower Integration Costs - SAP Business One has lower cost of integration with other applications.

NetSuite utilizes hundreds of solution add-ons written and supported by 3rd parties. This means that integrating NetSuite with other applications involves hand-coding to support the integration development with other add-ons.