

F R O S T & S U L L I V A N

# 2024 COMPANY OF THE YEAR

*IN THE GLOBAL  
CLOUD ERP INDUSTRY*

F R O S T & S U L L I V A N

2024  
BEST  
PRACTICES  
AWARD

**ORACLE**  
**NETSUITE**

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Oracle NetSuite excels in many of the criteria in the cloud ERP space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### *Addressing Unmet Needs*

Organizations are growing, and they need a platform or a system that will enable even faster and continued growth and increased profits, all while reducing costs and without adding high costs to the bottom line. In addition, with the high expectation for generative artificial intelligence (AI), organizations are seeking AI-powered capabilities within products and services and a comprehensive AI solution that can meet their AI expectations. Organizations’ unmet need is that their current solutions are not meeting these requirements to be successful.

Amid this scenario, Oracle NetSuite (NetSuite), headquartered in Austin, Texas, offers cloud enterprise resource planning (ERP), an all-in-one cloud business management solution that drives better efficiency, productivity (through the automation and streamlining of core business processes), and visibility into operational and financial performance. NetSuite’s customers and prospects often have multiple solutions and thus do not have a clear vision or they have data siloed in multiple places across different regions.

Here is where NetSuite excels. While the business management suite aspect is a benefit, NetSuite enables customers to gain a better handle on their data and their data maturity by helping them bring all their data under one system. This single, integrated suite for managing accounting, order processing, inventory management, production, supply chain, and warehouse operations, to name a few, provides NetSuite’s customers with visibility into their data and better control over their businesses. In contrast to its

competitors, NetSuite helps customers streamline against multiple systems, allowing them to get up and running more quickly and providing them with access to their information. Better visibility through NetSuite ultimately drives better decision making, which drives better efficiencies and productivity. The beauty of NetSuite is that it enables efficient growth as opposed to growth at all costs. Customers can grow their organizations without increasing their headcount in the same fashion. For example, customers can grow their company by 50% but only grow their finance group by 10%. Customers, therefore, choose NetSuite for the efficiency, productivity, and visibility that its cloud ERP solution offers.

### ***Visionary Scenarios through Mega Trends***

Frost & Sullivan finds NetSuite displays its leadership in the cloud ERP space based on the following fronts:

The Oracle cloud includes a unique AI infrastructure and is based on super cluster technology, leveraging the fastest hardware to run more workloads at a lower cost. Oracle cloud uses industry-leading technology to run large language models, and its autonomous database has powerful AI capabilities built in, in addition to being run by AI. Oracle's application development platform includes services such as natural language processing; therefore, working with Oracle, NetSuite offers a comprehensive AI solution (database and analytics), AI infrastructure, and core cloud infrastructure. In October 2023, NetSuite embedded new-generative AI capabilities to help organizations boost productivity.

All of NetSuite's customers are running on Oracle Cloud Infrastructure (OCI) and can thus take advantage of that data center infrastructure, where Oracle has built an AI layer. For instance, if organizations have bad, immature data, then generative AI will not automatically solve their problem, and they still have to solve the data maturity issue first. AI, therefore, is only as good as the data that is fed into it. With NetSuite, data is complete, centralized, up to date, accurate, and on demand and can thus be used to train these models. For example, AI capabilities work on the complete picture of an organization's business.

Opportunities for AI include automation (data entry, financial analysis, and inventory management), actionable insights (better decision making using real-time insights and predictions about customers and

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**Industry Director**

competitors), human-like interaction (integrating machine learning (ML) and natural language processing), and anomaly detection (enhanced security and detection of unexpected patterns). NetSuite currently has all these elements in its product suite. AI is embedded in NetSuite in both the platform and in the form of assistants and advisors. The platform piece is the centralized source of data on the best-in-class infrastructure. For example, NetSuite brings all the data into one place so that the best data can be leveraged for AI. Assistants are the notion of how repetitive tasks are handled based on business rules, and advisors are about using AI-driven analysis to identify trends and to drive better decision making.

NetSuite finds that its customers are asking questions and want to know more about AI, such as what it actually means (e.g., generative AI and deep learning), how it is relevant to them, or if it is the same as ML. To this end, NetSuite conducts learning labs that are free half-day workshops and events hosted in multiple cities around the United States and is expanding internationally. Customers/end users get exposure/access to NetSuite topics, including AI, and get free training and guidance about AI.

### **Best Practices Implementation**

NetSuite is trusted by more than 37,000 customers, all of which are always using the same version of the software. For instance, Avalara is a partner of NetSuite on the tax side. NetSuite is currently rolling out version 2024.1, and all NetSuite customers that are on 2023.2 will be upgraded to the latest version over a 3 month period. All customization a user has made to their NetSuite account carry over to the new version, there is re-implementation needed. In addition, customers could get a preview period for a number of weeks to ensure they can test and validate that everything is working before they upgrade, which is an important element and a differentiator for NetSuite.

Frost & Sullivan commends NetSuite for not leaving any customer behind. Many of NetSuite's competitors are on different versions, where the software may not work and partner solutions may not work, meaning these competitors must devote energy to multiple different releases. In contrast, NetSuite is always on one version. While some customers use NetSuite for manufacturing, revenue recognition, distribution, or other different use cases, all are running the same version of the software.

NetSuite has a land, expand, and partnership strategy. On land, NetSuite primarily drives new logos by capturing whatever demand is in the market and then expanding on all inbound channels but with an outbound strategy. To this end, expand has been a big focus for NetSuite over the last couple of years and not simply landing a new logo. NetSuite helps customers move up the stairway, such as expanding their usage and footprint of the NetSuite software, by adopting other products and services within the NetSuite portfolio. For example, customers might start with NetSuite with only financials and operations, and when they grow over time, they move up the stairway and expand into other elements of their business and take on procurement, manufacturing, warehouse management, and expense management, to name a

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few. When customers use more of the NetSuite software, they become more efficient operationally, which is particularly relevant in this economic environment where organizations are trying to optimize their tech stack and their overall efficiencies. Rather than using a best-of-breed approach, customers want a best-in-suite approach, which is what NetSuite is pushing as a driver and as a benefit for customers.

NetSuite has a great partner ecosystem and has an active professional services practice that can implement the NetSuite software and get customers up and running. In addition, the company has a strong alliance partner ecosystem. A number of partners can

implement NetSuite, from large global system integrators (GSIs) to regional system integrators to local shops. A real difference between NetSuite and some of its competitors, therefore, is that NetSuite's customers have the reassurance and the confidence that many resources are available to help them optimize their NetSuite instance. Moreover, NetSuite has a strong partner application ecosystem so that if customers do not want to use the solution for procurement or an industry specific piece of functionality, then NetSuite might have partners for that.

Many customers belong to some type of association for partnership, advice, guidance, and best practices, and these associations are a big element that NetSuite has been adding into the partnership mix. The company has created an entire program called the NetSuite Associations and Buying Groups Program, where NetSuite can partner with associations and provide access to preferred pricing, better expertise, and user groups to help customers on their digital transformation across the space.

Since starting this program a few years ago, NetSuite has signed dozens of agreements with many different associations, such as Promotional Products Association International (PPAI), nationwide marketing groups, independent college bookstore associations, independent houseware associations, and the intelligent robotic process automation AI group, where NetSuite continues to help members and their customers with digital transformation.

### ***Market Focus***

NetSuite has customers across all major verticals, including software, services, advertising, nonprofit, manufacturing, distribution, and retail. NetSuite has customers across multiple smaller verticals as well, such as restaurants, hospitality, and healthcare. To this end, the company has customers in almost every standard industrial classification (SIC) code, in every geography, and of every type and size, including customers with fewer than 100 employees all the way up to multibillion dollar companies with hundreds of thousands of employees. NetSuite is deployed in 219 countries and dependent territories, and more than 40% of its customers are operating in 40 countries.

### ***Customer Ownership and Purchase Experience***

As a customer-centric company, NetSuite continues to keep customers at the center of everything it does, which is another important element that differentiates NetSuite from its competitors. As soon as NetSuite sells to a customer, on day zero when the contract is signed, NetSuite immediately assigns an account manager, who is responsible for the lifetime of that customer and not only for getting that organization up and running but for upselling as well, helping the customer navigate NetSuite while it continues to grow over time. In part, NetSuite expects customers to expand their usage of the software suite and assigns a customer success manager (in addition to the account manager), especially for many of the smaller customers, to ensure their success. Learning Cloud Support (LCS), on the other hand, delivers training and resources to customers in multiple mediums, such as live training, virtual training, learning labs, and guided learning within NetSuite, all of which help customers achieve success.

In addition to its standard support and consulting, NetSuite Advanced Customer Support (ACS) can be added by customers as an add-on. ACS provides customers with playbooks to go public, scale, and expand into other countries. ACS advises on whether customers need to put in additional software, put in scripts,

or buy additional modules to achieve their business objectives. With this next level of support, NetSuite's customers can handle more difficult tasks.

## Conclusion

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Organizations need a cloud ERP solution that can enable efficient growth, productivity, and visibility, and NetSuite's all-in-one cloud business management solution and its single, integrated suite successfully address this need. Working with Oracle, NetSuite has embedded generative AI capabilities throughout its products and services. The company offers a comprehensive AI solution that meets the high expectation for generative AI in areas such as automation, actionable insights, human-like interaction, and anomaly detection. Learning labs provide customers and prospects with answers on NetSuite's AI capabilities.

NetSuite's more than 37,000 customers are all on the same version of the software, and the company achieved 21% YoY growth, with a stated goal of doubling its business every three years. The company further enhances the customer value proposition through customer success managers, advanced customer support, learning cloud support, and the NetSuite Associations and Buying Groups Program. Organizations of every size and from every industry worldwide trust NetSuite.

With its strong overall performance, Oracle NetSuite earns Frost & Sullivan's 2024 Global Company of the Year Award in the cloud ERP market.

## What You Need to Know about the Company of the Year Recognition

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Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends:**

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

