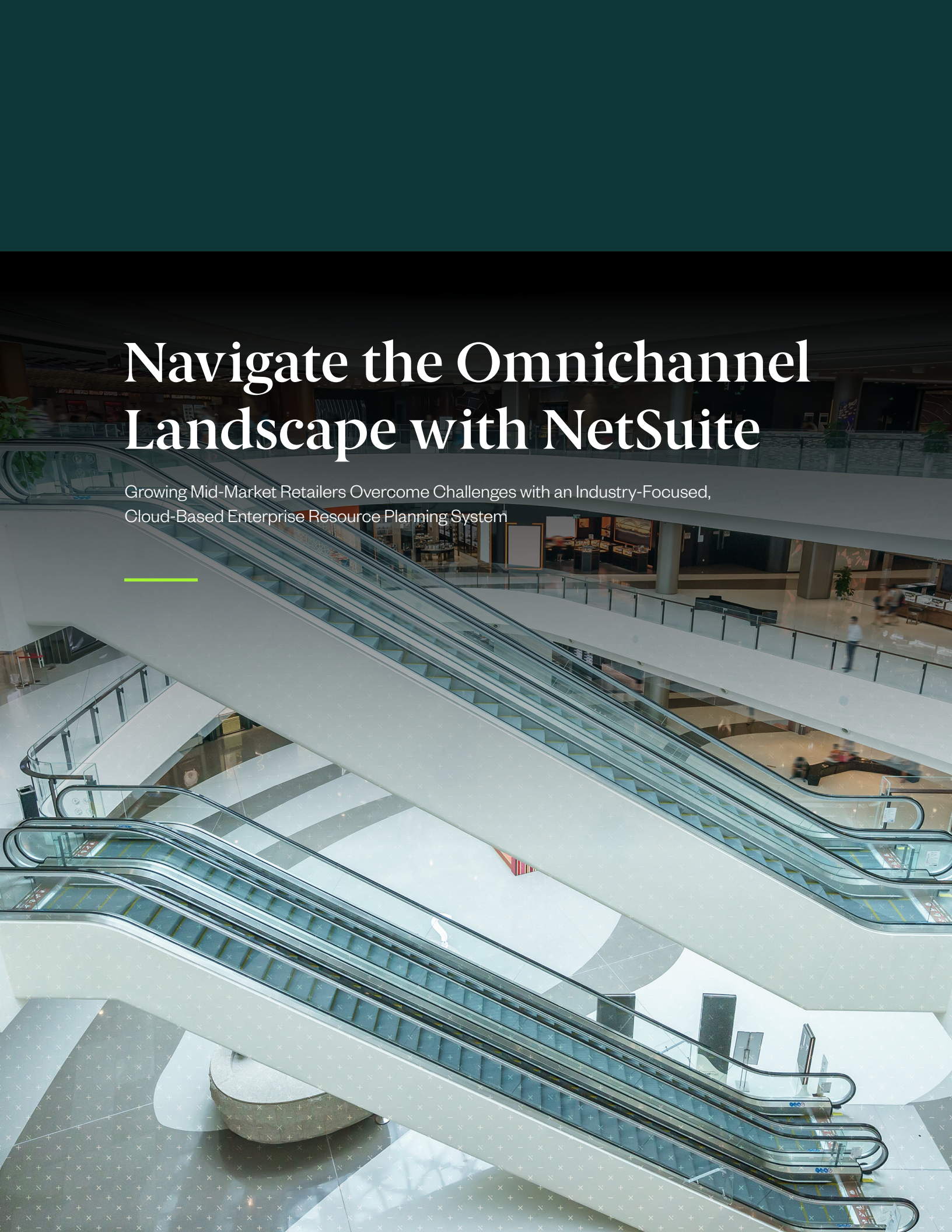# Navigate the Omnichannel Landscape with NetSuite

Growing Mid-Market Retailers Overcome Challenges with an Industry-Focused, Cloud-Based Enterprise Resource Planning System

CONTENTS

INTRODUCTION

Retail sales channels may be proliferating, but consumers still expect a consistent experience whether they're buying in person, online, via social channels, or from a mobile app. They also expect a frictionless experience when returning or exchanging products—buyers return roughly 18% of the merchandise they buy online—whether or not retailers are actually prepared to handle that return flow of goods.

These are a few of the key reasons mid-market retailers need modern technology systems that integrate all sales channels on a single platform. By centralizing operations on a unified enterprise resource planning (ERP) solution like NetSuite, retailers can streamline their processes and gain valuable insights into customer behavior to meet those consumers where they are—online, offline, on a mobile device, or social media.

By creating an omnichannel experience, retailers can drive more sales, traffic, and revenues. Through integration of all digital touchpoints on a platform like NetSuite, retailers can bring together online and offline channels under a single umbrella and meet the needs of each channel in a single system. NetSuite integrates with most third-party apps, but also offers a retail-specific suite that includes inventory, order management, e-commerce, customer relationship management (CRM), marketing, point of sale, business intelligence, and financials.

With a single platform in place, retailers can manage their brick-and-mortar stores along with web, mobile, social, and other sales—all while delivering a single view of the customer across all of those channels.

TECH THAT BRIDGES THE GAP BETWEEN RETAILERS AND CUSTOMERS

Staying ahead or in line with consumer preferences and behaviors is difficult in the digital age. Retailers work to forecast customer needs, stock the right product levels, set the right price to target sales and margin, fulfill orders quickly, and then keep those buyers coming back for more.

At a macro level, companies deal with economic issues like inflation, rising business costs, labor constraints, and the need to automate and digitalize more of their operations, sales channels, and back-office functions.

Many middle-market retailers rely on basic accounting systems like QuickBooks, point of sale (POS) solutions from Shopify, and programs like Fishbowl for inventory management. They use spreadsheets to share data across these systems, few if any of which are integrated. These approaches may be sufficient for smaller organizations, but as retailers grow, take on new customers, add product lines, and expand into international markets, they can become liabilities pretty quickly.

Point solutions and spreadsheets waste valuable time and human resources and impede accurate, timely reporting and good controls. Transactions must be keyed in by hand, there are no dashboards to support good decision-making, and different departments—sales, warehousing, marketing, finance—all work in silos and can't effectively share data with one another.

These complexities compound for the many retailers that use third-party logistics providers (3PL) to manage distribution and logistics operations. Without direct connections to those providers' systems, retailers can't ever get good visibility into their inventory, distribution networks, and customers. That customer blind spot isn't limited to 3PLs either; it often extends across the enterprise.

As consumers become more price-sensitive, retailers need tools that help them forecast needs, manage inventory, and target pricing. This is especially critical in the digital realm, where the nearest competitor is a mouse click or screen tap away.

With NetSuite, retailers can strategize pricing by location, brand, or stockkeeping unit (SKU) and use that data to make educated, real-time decisions. This supports the omnichannel experience and effectively allows companies to always have the right stock in the right place and at the right price.

For retailers already using a POS from Shopify, BigCommerce, or another provider, Moss Adams provides the direct integrations to NetSuite that retailers use to streamline their operations, gain a comprehensive view of their business, and create a great omnichannel experience for their customers.

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ANALYZING REVENUE BY SALES CHANNEL, STORE, OR SKU

Getting a holistic view of how a retail business is performing starts at the individual store or channel level, where companies must be able to analyze revenue by channel and then make decisions based on that data.

The problem is this information isn't accessible to companies using spreadsheets and QuickBooks to run their operations. If they do eventually get those reports compiled, by the time they're ready to review them it's usually too late for executives to do anything about it.

For example, a low-performing channel or location that needs a boost may not get the necessary attention until 30 days later, when it's already too late to make up for lost time.

Using NetSuite as a foundation, Moss Adams helps mid-market retailers analyze revenue by channel, store, or any preferred variable. It's possible to disaggregate the data and analyze a multichannel view of profitability across the entire organization, or store-by-store.

This is a critical win for retailers deciding whether to open, maintain, or close high-overhead brick-and-mortar stores. The same capabilities are translated over into the e-commerce world, where continuing down a certain path may or may not make sense.

"In the current retail environment, many distribution-only firms tried to branch into the e-commerce world, but they just can't master the model because it's slightly different than what they're used to," Michael Parker, partner and leader of the Moss Adams enterprise systems consulting practice, said.

"By using NetSuite to analyze profitability and operations at many different levels, retailers across the board can make much better decisions on a channel-by-channel or store-by-store basis."

NETSUITE SUPPORTS BEAUTY RETAILER'S GLOBAL GROWTH

Knowing that no two retailers are exactly alike, NetSuite Retail Edition was built with a broad range of companies in mind. The end-to-end cloud management system provides:

- Single source of data across the entire organization
- Unified omnichannel platform for either B2B, B2C, or both
- A 360-degree view of the entire operation
- Out-of-the-box roles, reports, and dashboards

One growing e-commerce company recently worked with Moss Adams to overhaul its existing business systems and implement one that could manage its growing operation. The company faced significant challenges with its current systems. For example, QuickBooks just wasn't robust enough to **support the beauty retailer's growth** trajectory and international expansion. The company's disparate sales channels weren't integrated, and its current technology prevented it from reaching its goals.

With extensive experience helping retailers shed archaic technology in favor of a modern, cloud-based ERP, Moss Adams replaced QuickBooks with NetSuite to handle the e-commerce company's robust day-to-day operations. Moss Adams also developed integrations that unified the company's new ERP with various third-party systems.

By leveraging a deep understanding of the retail industry, ERP technologies, and the e-commerce company's specific goals, Moss Adams delivered a tailored solution that enhanced operational efficiency and drove growth. The solution included:

- Inventory management, financials, and sales channels
- Value-added tax (VAT) compliance
- Support for international growth while maintaining current functions
- Segregated responsibilities to prevent unauthorized users from entering transactions

Today, this beauty company has a unified ERP to manage its global sales channels and makes business decisions in real-time. Without manual processes it has improved operational efficiencies and eliminated VAT penalties. The company now has a scalable system to support its international expansion for years to come.

IMPROVING THE INVENTORY MANAGEMENT PROCESS

Efficient inventory management is critical to retail success. Across all channels and locations, retailers can benefit significantly by leveraging technology like NetSuite for inventory processes. Here's why:

Advanced inventory management systems like NetSuite offer real-time visibility into stock levels, enabling retailers to make informed decisions about purchasing, allocation, and pricing.

Technology-driven inventory management solutions like NetSuite streamline retail operations, automate tasks, enhance accuracy, and free up staff to focus on more strategic initiatives.

By tracking product movement and identifying customer trends using NetSuite, retailers can avoid those dreaded stockouts and excess inventory. This helps them reduce costs and improve customer satisfaction.

When integrated with POS and e-commerce platforms, NetSuite creates that seamless, omnichannel retail experience that all companies are striving for right now.

These and other benefits translate into real competitive advantages for retailers that are dealing with rising costs, margin compression, and antiquated technology systems that don't perform like they used to. For newer e-commerce retailers operating on QuickBooks and Fishbowl, Moss Adams offers a pathway into the ERP world while also allowing companies to continue using some of their existing third-party applications if desired.

"There's a common sentiment among retailers that may not want to invest the dollars in new technology because what they're using now isn't 'broken,'" Sharon Gregory, national practice leader, Moss Adams Retail Practice, said. "They don't always understand how much revenue they're leaving on the table by not being able to adequately plan and manage inventory levels and location due to their manual, unintegrated processes."

Take the brick-and-mortar retailer in Miami that was shipped 20 parkas in August. Like many retailers, this one relies on a nationwide merchandising strategy that doesn't always factor in seasonal differences between states and regions. Not only was the Miami store unable to sell those parkas, but a few of its stores in the Northeast ran out of them early in the winter season and were unable to fulfill orders—all because no one knew that available parka inventory was sitting in a stockroom in Miami.

With NetSuite, all of a retailer's data is updated and available in real-time in the cloud, whether a retailer operates fully online, has 300 stores, or a single store plus five distribution centers. All team members will be working from the same playbook when it comes to inventory positioning, availability, and commitments. The ERP's Advanced Order Management solution allows for rule configuration to determine which distribution points should be fulfilling specific orders based on location, lead-time, service level, or availability.

The ERP also manages the tricky returns process, which is top-of-mind for retailers that take back roughly $743 billion in merchandise—or around 14.5% of total retail sales—every year. Receiving, refunding, exchanging, inspecting, processing, and getting those goods back into the retail channel is a resource-intensive process that must be done right. When that doesn't happen, customers notice and start to do business with retailers that do accept and process their returns quickly and efficiently.

NOT CONVINCED?

Consider these recent statistics:

21% of US consumers making returns expect their refunds immediately.

33% expect their refunds within 24 hours.

40% say one day is the "longest acceptable" time to wait for a refund.

Source: emarketer.com

Customers also want a hassle-free returns experience, but buying online and returning or picking up in a brick-and-mortar store is a challenging scenario for a retailer with data scattered across different platforms and spreadsheets.

Some stores won't take in-store returns from online purchases or other store locations because they can't track the inventory. This is one of many ways that the customer may be negatively impacted when a retailer relies on various point systems to keep track of data, inventory, and pricing.

NetSuite Order Management's capabilities simplify the returns process and increase profitability by returning merchandise to inventory immediately. Retailers can use the platform to accept returns from all channels, manage exchanges, issue credits, decide how to handle the return, and lay out returns process rules. Returns are processed accurately, and saleable items are put back into inventory quickly, giving retailers yet another positive customer touchpoint and competitive advantage in the marketplace.

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GET A STRONG, EXPERIENCED PARTNER IN YOUR CORNER

With a dedicated group that services the retail industry, Moss Adams offers the specialized expertise and tailored solutions that e-commerce and brick-and-mortar retailers need to run their operations more efficiently, productively, and profitably. The group shares this focus and brings a wealth of experience to the table with an understanding of the industry and a track record of helping clients improve their processes and achieve their goals.

With its client-centric approach, Moss Adams focuses on providing strategic advisory services tailored to the unique needs of each client. It avoids one-size-fits-all solutions and collaborates closely with retailers to better understand their goals and challenges.

Moss Adams has industry experience and technical knowledge of NetSuite and can offer valuable insights and recommendations before, during, and after implementation.

Moss Adams also helps retailers that want to improve existing NetSuite platforms, knowing that the first time around might not necessarily deliver upon expectations when handled by another implementation partner. If a company isn't getting the expected value out of its new ERP, Moss Adams implementation team and retail industry group join forces to get the system delivering value and ready to scale as the company grows.
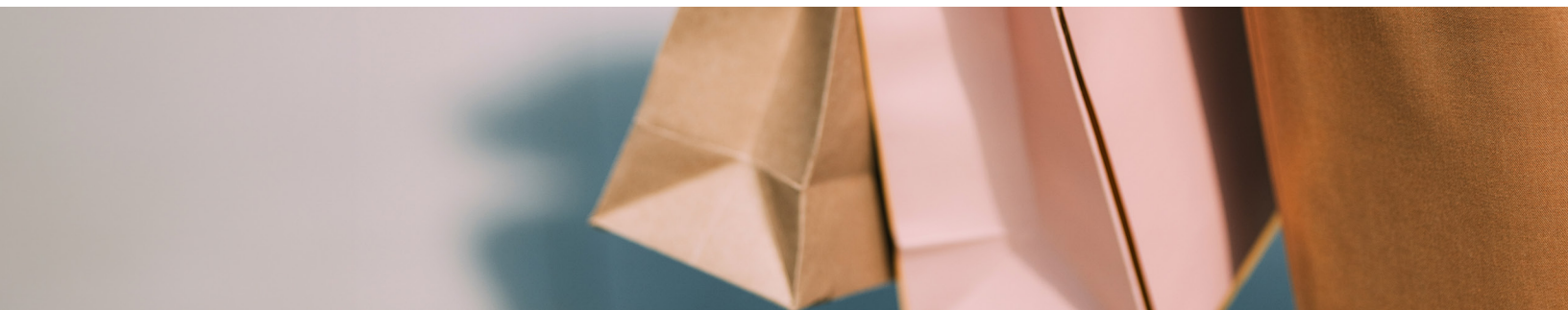
NETSUITE LETS YOU CRAWL, WALK, RUN

Cost containment is usually a major initiative for retailers dealing with rising business costs, high shipping and transportation fees, inflation, and evolving consumer preferences. Ripping and replacing existing systems doesn't always rank high on their to-do lists but leaving archaic manual systems in place can translate into significant financial losses.

Factor in the loss of customers due to insufficient inventory and a poor returns experience, the losses cut even deeper.

Retailers are increasingly turning to systems like NetSuite and partners like Moss Adams for help avoiding these problems.

With its financials-first approach and numerous retail-focused functionalities, the ERP helps retailers crawl, walk, and run on their digitalization journeys. There's no need to replace everything you're using right now; you can grow into NetSuite as your company expands, takes on new product lines, and tests the international selling waters.

"If your company is reaching $10+ million in sales using point systems and spreadsheets, you're undoubtedly feeling the pain right about now," Parker said. "And because it's no longer feasible or affordable to simply go out and hire more people to run your growing company, it's time to put technology and automation to work for you."

WE'RE HERE TO HELP

To learn more about how NetSuite can help support your business, **contact your Moss Adams professional**.

To look forward and rise to the challenges ahead requires welcoming change with optimism. It's how Moss Adams serves businesses—ranging from online retailers to operations with 600+ stores nationally and internationally—to strategically plan for, and go, where they want to be next. As the largest accounting and consulting firm headquartered in the West, our professionals—serving the retail industry from start-up to sale—are deeply immersed in locations where many companies innovate, operate, and thrive.

Discover how our NetSuite and other advisory solutions can help elevate your performance.

ABOUT MOSS ADAMS

At Moss Adams, we believe in the power of possible.
A business and personal advisory firm with more than
100 years of experience and 4,750 professionals across
30 markets, we work with clients to rise above challenges
and seize emerging opportunities. Discover how we can help
you go where you want to be next. Upward.

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