

An aerial photograph of a river with vibrant turquoise water cascading over dark, jagged rocks. The river is surrounded by a dense forest of green trees. The top of the image has a dark teal gradient.

How AI Transforms Cloud-Based ERP for Technology Companies

AI-Powered NetSuite Helps Organizations Make Smarter Decisions Faster

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INTRODUCTION

Cloud-based enterprise resource planning (ERP) systems are undergoing a major transformation as more artificial intelligence (AI) is being integrated into these core business platforms. This powerful duo can reshape how businesses operate, empowering them to work better, smarter, and faster.

The convergence of ERP and AI is particularly powerful for technology companies, including those hardware manufacturers, software developers, SaaS companies, and cloud storage providers that grapple with a wide range of accounting and financial management issues.

By adopting AI-infused cloud ERP solutions, these companies can leverage tools that help them make better data-driven decisions, streamline their operations, and spend more time innovating and serving their customers.

This guide highlights the main business process challenges facing the technology industry, explores the rapid evolution of AI in cloud ERP, and shows how companies can effectively leverage this powerful duo in NetSuite to transform their business processes.

TACKLING CORE TECHNOLOGY CHALLENGES

The technology industry is not monolithic by any means, but companies operating in it face numerous common challenges around business process management. As the brilliant minds behind these organizations innovate products and services for their customers, behind the scenes these organizations have to be able to manage:

- Revenue forecasts and complex billing requirements
- Inventory supply chain and production planning, contract, and procurement processes
- Project management challenges like resource allocation, time, and expense tracking and costing
- Manual and inefficient financial close processes
- A lack of global consolidated reporting, dashboards, and key performance indicators (KPIs)
- Weak system security and financial controls
- Poor integration across proprietary, point, and third-party software systems

Revenue management is a particularly thorny point for technology companies growing customer bases, expanding geographically, introducing new products to market, taking on outside investors, or going public.

The SaaS company that sells many different types of subscriptions to a vast customer base can't use QuickBooks to gain intelligence on customer behavior for revenue planning and forecasting. They also need to manage complex rule-based billing and the AICPA's Accounting Standards Codification (ASC) 606 revenue recognition rules, which provide a universal framework for recognizing revenues from customer sales.

Product-based companies in the technology sector also face countless challenges with supply chain planning and manufacturing production processes. These can include a need to automate inventory planning and forecasting to meet customer demands or to automate production scheduling.

Inventory planners need to be nimble enough to adjust to a sudden surge in anticipated demand so they can eliminate supply chain bottlenecks and deliver orders on time. This often requires customer engagement via omnichannel support that connects all sales channels to give the customer the same personalized experience in a webstore, on a mobile device, or in a brick-and-mortar store. Data gleaned from this personalized experience can be invaluable in providing trends that feed the supply chain planning process. In many cases, technology companies lack the ability to collect and massage this data with basic or legacy systems.

Legacy ERP systems also don't address all the steps from contract boarding to vendor payment, which makes procurement management yet another pain point for technology companies. Most ERP systems pick things up

at the post-execution phase, at which point a purchase order is created. Companies must fill the gaps between their systems and those manual processes in order to gain a full view of contract performance—which they generally can't do.

Similar challenges exist in managing the full scope of the buying process—purchase requisitioning, PO approval, vendor bill matching, and paying the vendor. Businesses are often handicapped in automating this process area because of their basic accounting or legacy systems.

Tackling these daily issues takes nimble sophisticated systems that eliminate manual processes and redundancies and provide real-time information for good decision-making. The problem is that—like many other industry sectors—the technology field still relies heavily on Excel spreadsheets, disparate technology systems, and legacy enterprise software. Even some of the emerging companies continue to use the same basic QuickBooks accounting programs that were put in place during the start-up phase.

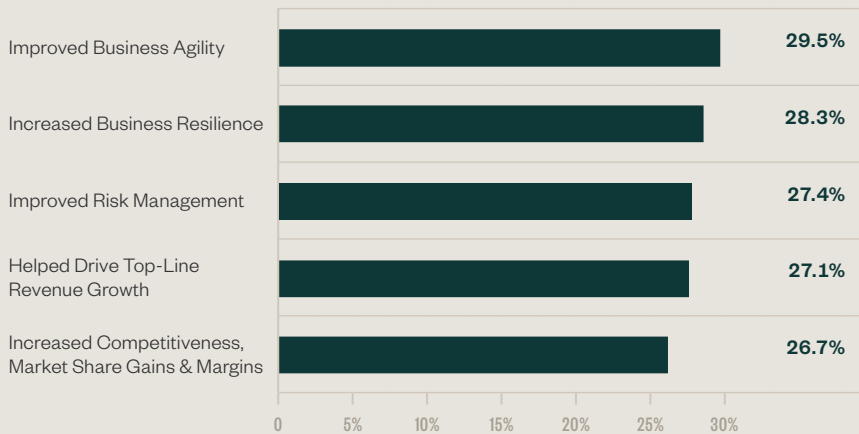


THE EXPANDING ROLE OF AI IN CLOUD-BASED ERP SYSTEMS

ERP systems have evolved tremendously from their roots in the manufacturing industry in the 1960s to the powerhouse tools they are today. Let's look at how far they've come.

1960s	The manufacturing industry built Material Requirement Planning (MRP) systems to better manage their inventory. This kicked-off the technology cascade to modern ERPs.
1970s-1980s	MRPs continued to get more sophisticated with scheduling and production processes embedded. They became known as MRP II or Manufacturing Resource Planning system.
1990s	ERP was coined by Gartner, Inc., and functions such as finance, accounting and sales were introduced.
1998	NetSuite introduces the first cloud ERP, and the automated processes, improved data accuracy, and greater efficiency that larger corporations historically enjoyed were suddenly made available to—and more affordable for—small to mid-sized companies.
2000s	Internet-enabled systems, called ERP II, are created. Functions now included customer relationship management (CRM), business intelligence, e-commerce, supply chain management (SCM), and human capital management (HCM).
2010s	ERP functionality further evolved to process data in real time and leverage machine learning (ML). Analytics for features such as production planning and scheduling were built in. Sophisticated modeling techniques, predictive analytics, multiple what-if scenarios in financial planning and forecasting became available. Additionally, ERP systems started rolling out AI-enabled functionality to customers, though this technology had its infancy in ERPs 20-30 years prior.
2020s	<p>Generative AI provides another giant leap forward in ERP functionality, allowing large sets of data to be analyzed by ML algorithms to make decisions about things like inventory management and resource allocation. Adaptive algorithms learn and adjust as the organization does, further increasing the organization's ability to be agile.</p> <p>ERP systems are getting data input from internet of things (IoT) devices, like sensors, cameras, tracking systems, and scanners.</p>

By continually incorporating advanced technologies like AI into their software suites, cloud ERP vendors help technology companies overcome business hurdles, operate more efficiently, and reach their goals faster. IDC's 2022 Industry AIPath Survey found organizations indicated that they have realized significant benefits as a result of using AI, including:



As for what the future brings, deep learning and mimicking human decision-making capability is the next frontier in the evolution of ERP systems.

LEVERAGING THE POWER OF AI

Leading the charge in this drive for innovation is Oracle NetSuite. As a true cloud ERP that incorporates the sophistication of ML, technology companies can take advantage of a wide range of prebuilt automations that handle everything from global consolidated reporting to KPI tracking to executive dashboards that support good decision-making.

Real-time global analytics are available in every aspect of NetSuite to support a technology company's financial close and operational processes, allowing leadership to make informed business decisions to shifts in the business. Furthermore, deep insights from built-in predictive analytics to learn and adapt business rules can enhance growth and provide a competitive advantage in an ever-evolving economic market.

Using AI and deep learning, and by mimicking human decision-making capabilities, NetSuite is leading this next frontier in the evolution of ERP systems benefiting leadership and operational teams on several fronts, including the following.



ASSISTANTS

- Handle repetitive tasks based on business rules
- Increase accuracy, speed and employee productivity, reduce errors



ADVISORS

- Use AI-driven analysis to identify trends, make predictions, answer questions, and offer recommendations
- Deliver unique insights, drive decision-making



PLATFORM

- Single centralized source of data on best-in-class infrastructure
- Connects the team and data across the organization

REPETITIVE TASKS

NetSuite uses AI to handle repetitive tasks based on business rules and best practices.

Some of the AI-enabled tasks include automated data entry, transaction matching, financial analysis, inventory management, and intercompany reconciliations. This helps companies save time, adhere to policies and processes, increase accuracy, reduce errors, and ensure compliance.

For example, NetSuite Bill Capture uses AI-based document object detection and data classification powered by Oracle Cloud Infrastructure Vision AI service to bring invoice data into NetSuite faster and with fewer errors.

Invoices are scanned and AI-based document object detection and optical character recognition automatically extract needed information to populate the bill record. The system then matches invoices with associated purchase orders and receiving documents to check that pricing, quantities, and totals are accurate.

AI-DRIVEN DATA ANALYSIS

The platform also uses AI-driven data analysis to identify trends, make more accurate predictions, respond to a broad range of questions, and improve both forecasting and planning.

Companies benefit from unique insights and decision-making support and can leverage data to uncover trends and spark ideas. For instance, NetSuite Planning and Budgeting uses AI-based analysis to put large datasets in context and improve revenue forecasts. The platform is also enhancing human-like interactions by integration ML, natural language processing (NLP), and large language models (LLM).

SIMPLIFIED PROCESSES

As a cloud-based ERP, NetSuite uses AI to simplify processes and provide a single, centralized data source.

In return, companies get improved data aggregation, workflow automation and operational processes. NetSuite's data centers use AI anomaly detection capabilities. By continually scanning live traffic and correlating findings with logs to spot warning signals, the system identifies and fixes problems before they become serious issues.

NetSuite Supply Chain Control Tower uses AI to predict potential supply issues, alert planners and buyers, and offer solutions to pressing problems.

NETSUITE'S EXPANSION INTO GENERATIVE AI

NetSuite continues to innovate, exploring the next frontier—generative AI. In 2023, the company introduced a host of new generative AI-powered capabilities to help technology companies reach their goals faster and more efficiently.

Supported by the Oracle Cloud Infrastructure (OCI) generative AI service and embedded across the suite, NetSuite Text Enhance helps users leverage company-specific, relevant data from across NetSuite to create and refine content that is contextual and personalized.

The ability to leverage AI to produce relevant drafts or refine existing content with NetSuite Text Enhance can benefit several teams in a company, such as:

- Finance and accounting
- HR
- Supply chain and operations
- Sales and marketing
- Customer support

Employees can then assess and revise that first draft content, speeding up their work. NetSuite Text Enhance will streamline processes and automate the generation of context-sensitive content across all areas of the suite, enabling customers to increase productivity even further.

Text Enhance can:

- Create product descriptions for invoices, websites, and point-of-sale systems
- Write job descriptions and requisitions
- Draft employee goals and suggest measures for success
- Craft customer support communications

NetSuite's Text Enhance feature can assist finance and accounting teams in expediting collections, closing the books more quickly, and freeing up time for more strategic and fulfilling tasks by speeding up time-consuming writing tasks. Examples of use cases for assisted authoring include creating personalized and targeted collection letters and generating summaries and narratives for financial reports.

NetSuite's AI foundation includes applications like ERP, CRM, and HCM; platform capabilities like AI assistants, process automation and AI advisors; and a host of different AI services that range from creative insights and foundation models to speech and anomaly detection. AI assistants can handle repetitive tasks such as base rules while AI advisors leverage analysis to identify trends, make predictions, and offer recommendations.

As technology companies apply AI to enterprise use cases, they'll need accurate and comprehensive data to feed those models. NetSuite puts all application data in one place, which means the data customers use for AI is

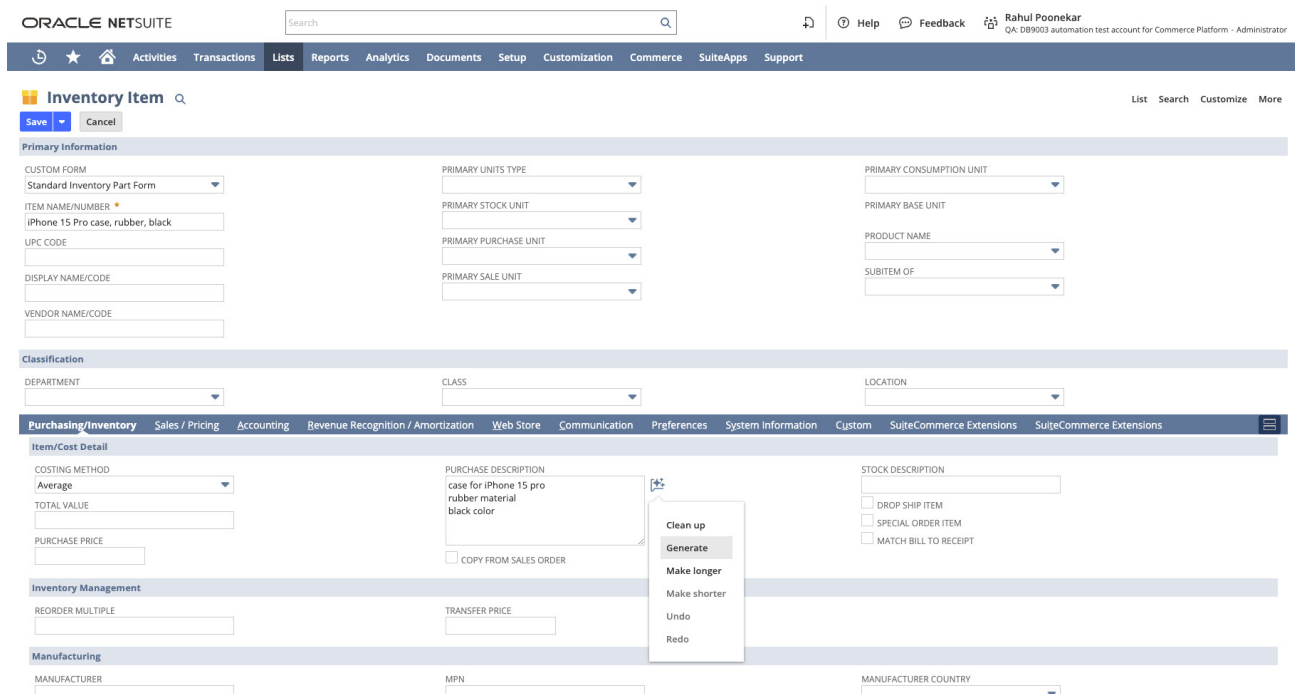


Image source: NetSuite 2024.1 Brings AI to Life with Text Enhance, Bill Capture, and More



As you use more of the suite, you're going to get more powerful AI.

more likely to be up to date, accurate, and accessible, and to represent all facets of the business.

“As you use more of the suite, you're going to get more powerful AI, because AI is only as good as the data that you feed to it,” NetSuite Founder and EVP Evan Goldberg said. “The breakthroughs that we've seen recently make it seem like this time is as revolutionary as that time 25 years ago when we introduced the cloud.”

The generative AI services offered by NetSuite's OCI ensure end-to-end security and prioritize the privacy and security of customers' enterprise data. Both pre-built and custom models are hosted by OCI. Oracle's generative AI service ensures that no customer data is shared with LLM providers or seen by other customers or third parties. Furthermore, only the individual customer whose data trained the custom models is allowed to use them.

NetSuite workflows have role-based security embedded to safeguard sensitive customer information and only recommend content that individual users are authorized to view.

THRIVING IN A DYNAMIC MARKETPLACE

The technology sector is well known for its relentless innovation and breakneck pace. But even the most agile organizations face significant challenges in an evolving landscape. Competitive pressures, new regulatory burdens, shifting customer demands, and the skilled worker shortage can all interfere with a technology company's success. In a dynamic environment, any edge or advantage can translate into higher efficiencies, more customers, bigger profits, and better business longevity.

Technology companies by their very nature understand the power of technology, yet many of them continue to cruise along using the same basic solutions, Excel spreadsheets and manual processes that they put in place years ago.

As new regulations and compliance requirements are introduced, and as new business opportunities emerge, these disparate systems can quickly turn into liabilities. By acknowledging these hurdles and implementing innovative platforms like NetSuite, technology companies can continue to thrive in their dynamic marketplace.

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 uplifts thousands of technology companies nationwide 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 technology industry from start-up to sale—are deeply immersed in locations where many technology companies innovate, operate, and thrive.

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