STARTUP PRIMER: Get Started with Automating Financial Processes
HOW ADOPTING A UNIFIED PLATFORM FOR FINANCIALS ACCELERATES YOUR STARTUP MISSION

We are programmed to think of a startup as a group of friends, huddled in a garage, banging out Red Bull-fueled lines of code and looking to bring the next big thing to the technology space. One explanation for this perception of startups has to do with the fact that many of today’s wildly successful startups are, in fact, centered around creating new technology. In reality, however, only 37 percent of North American incubators are focused on technology, according to statistics from the National Business Incubation Association. The rest come from fields such as manufacturing, arts, fashion and food.

In today’s competitive global marketplace, the ability to adapt to change is critical for all startups, regardless of the industries they occupy. An integrated, cloud-based financial management solution is one of the most valuable things a startup can invest in. Software startups, services startups and product-based startups alike must operationalize the basics early on by implementing systems that are scalable by design and engineered to support rapid growth.

THE PROBLEM: SPREADSHEETS AND MANUAL PROCESSES

Almost every conversation with a startup revolves around the same cyclical pattern: a business outgrows the spreadsheets it uses to manage and track financial data and moves to a combination of entry-level financial automation software and best-of-breed software for other processes. The disparate systems ultimately require more spreadsheets to rationalize the data and gain end-to-end visibility across the business.

This leaves tools like QuickBooks, Excel spreadsheets and even some popular cloud-based ERP packages unable to provide the reliable and timely financial reporting that is critical to managing daily operations, making key business decisions, attracting investors and providing comfort around internal processes and controls.
Achieving the goals of a growing company takes more than an idea for an innovative product, drug or device. Operations must be optimized to enhance cost efficiency and profitability, providing easy access and visibility to data that ensures compliance with regulatory mandates and empowers insight-driven decision-making.

**ARE YOU READY FOR ERP SOFTWARE?**

Where a startup begins and where it ends up can be a very difficult path to predict. But a startup’s failure can almost always be traced back to a few key reasons, such as inadequate cash flow and an inability to scale the business model. Selecting the right system is a critical step that startups take to ensure that their journeys move in the speed and direction leadership intends.

As startups accelerate their growth paths, whether it be to an IPO, life as a private company or to engage in a merger or acquisition, more and more are turning to unified, cloud-based platforms to provide the stability that offers a spring board for these opportunities.

For many startups, there are some clear indicators that the time is right to start looking at financial software. They include:

**ATTRACTING ADDITIONAL FUNDING/STRIVING TOWARD LIQUIDITY EVENTS**
Some startups seeking funding confront the problem of month-end close that takes a week, pulling information out of systems and rationalizing it on spreadsheets to gain end-to-end visibility of financials to provide insight to inventors.

**INCREASING MARKET PENETRATION**
Startups expanding their business often have trouble establishing lean operations. They spend too much time chasing down information on customer orders and apologizing for delays or mistakes, while operational tasks take time away from revenue-generating tasks.

**GROWTH INTO INTERNATIONAL MARKETS**
Startups expanding internationally often struggle to manage financials as they expand and/or sell in different currencies and face inefficient financial consolidation processes.
ACQUISITION TARGET
Startups hoping for a buy-out will face challenges if they can’t easily provide end-to-end insight into finances in real-time. Many can’t even provide insight into which products are growing the fastest or can’t take into account actual data and not only the highest paid person’s opinion when determining which products are worth further investment or not.

UPCOMING IPO
For startups hoping to progress to an IPO, many are unprepared to manage the regulatory compliance that comes with it. They need to ensure robust, automated financial controls and easily provide access to historical data while simplifying revenue recognition standards.

PRECISION DISPOSABLES
Many startups, such as Precision Disposables, focus less on creating technology and more on helping customers revolutionize their own businesses. They pioneer newer, better, faster and cheaper ways of delivering basic “operational necessities” that have existed for decades.

“I needed something in place as close to Day One as possible without having to invest anything more and without having to do a new implementation down the road.”

Bruce Capagli COO, Precision Disposables
Although Precision Disposables occupies a rather untraditional space in the startup ecosystem—disposable medical goods—it’s COO, Bruce Capagli, joined the company with the same objectives as most startup leaders: to create disruption in its particular space in the industry and to drive aggressive growth.

Decades of experience implementing and managing on-premise ERP systems at other companies imparted one impression on Capagli: Precision Disposables would need flexible, agile software that would be robust enough to impart industry best practices and accommodate customizations to its unique business model, with software that could scale to accommodate aggressive growth targets (50x in the first year). Precision Disposables was extremely forward-looking. It knew that in order to hit aggressive growth targets, it would need a system in place from Day One that would allow it to manage its business efficiently and scale to meet demand.

Since implementing NetSuite, Precision Disposables increased its customer base from three at the time of go-live to 36. It now has end-to-end visibility of inventory and financial information, allowing the company to fine-tune its product catalog with a strong comprehension of which products are most profitable. This unparalleled visibility continues to lend the company insight to expand deliberately and profitably.
AVANT
Avant is another example of a startup company that leveraged NetSuite to accelerate their startup mission. As an alternative financing company transforming the traditionally staid financial services industry, Avant needed a trustworthy, airtight financial management solution. Unfortunately, as with many startups, Avant’s success put a strain on its existing systems. Amidst its rapid growth, the company needed business management software that could consolidate its global financial operations with the same sophistication that Avant brings to its credit scoring process. It needed a solution that could provide complete reliability in the data, as well as rigorous controls expected by auditors.

“NetSuite gave us the ability to adapt to change and the scalability that we needed. It’s been critical to entering new markets quickly, efficiently and effectively.”

Al Goldstein CEO, Avant

Company: Avant
Industry: Financial Services
Location: Chicago, Ill.
Employees: 500
Product Implemented: NetSuite OneWorld

Learn more about Avant
After Avant’s rapid, two-month implementation of NetSuite OneWorld, it could make data-driven decisions with real-time access to KPIs. Streamlined financial reporting saves Avant an estimated $120,000 per year, while the SuiteCloud Development Platform allows the business to tailor workflows. Avant is well-equipped to conquer global markets, thanks to OneWorld’s support for 190 currencies and 20 languages. With automated tax compliance in over 100 countries and the ability to quickly spin off subsidiaries, Avant has begun expanding globally.

**DOCUSIGN**

For digital signature solution provider DocuSign, revenue recognition was a bottleneck. The company relied on spreadsheets and as it approached a six-figure global customer base, manual processes grew unmanageable.

DocuSign needed a platform that would allow the company to streamline processes by integrating cloud solutions for budgeting and forecasting, billing, CRM, and time/expense management. To achieve this, DocuSign decided to replace its on-premise system with NetSuite ERP. This marked its transformation into a 100-percent cloud-based business.
DocuSign’s newfound flexibility opened the floodgates to efficiency, slashing its revenue recognition processes from nine days to just several hours. It’s finance team has reduced its monthly financial close from 15 days to 10 days, and with basic operations streamlined, DocuSign can leverage NetSuite for future improvements. Equipped with unparalleled visibility into currency conversions, this cloud-committed company can focus on delivering its own cloud-based solutions.

**CONCLUSION**

Regardless of the industry or space that they occupy, all startups have one thing in common: they need to invest in systems that are scalable by design and engineered to support rapid growth. Whether a startup is focused on growing into international markets or preparing for IPO, it must be able to adapt to a dynamic marketplace. To achieve this adaptability, fast-growing companies turn to NetSuite ERP to streamline financial processes, prepare for growth and accelerate their startup missions.