

How much does it cost to implement?

With over 1,500 client engagements under our belt, RSM has gained significant perspective on what drives the cost and effort of an enterprise resource planning (ERP) implementation. The two most pressing questions are typically "How much will it cost?" and "How long will it take?" The answer to the first (cost) is often determined by factors that also determine the duration of the project, so we'll address cost first.

NetSuite is built to be configured to your needs

- Some companies' business processes match well with native NetSuite and require little customization. For most companies, some level of customization is required and even more customization should be considered to optimize your use of the system and support scaling without adding manual processing.
- It's essential to find a firm that takes an approach suitable for this type of software implementation. Key things to look for:
 - Overall team experience with NetSuite
 - NetSuite tenure of team members
 - Approach that can adapt to your individual circumstances
- Failure to utilize the right firm will ultimately lead to cost overruns or an implementation that leaves your company with a system not configured to fully support your business needs.
- As you assess the costs for an implementation, consider the below topics and tips written with a typical small- to medium-business company in mind. The better prepared you are for the implementation, the more successful it will be. For enterprise companies, the costs are higher due to larger employee base, higher quantity of and more mature processes, longer decision cycles, higher training time, generally more travel expense, and more documentation and testing needs.

Discovery and requirements

- Have a proper understanding of your business and your requirements. This portion of the project can range from 16 to 100 hours, depending on the complexity of your

business, how closely your processes align with native NetSuite, the number of current systems that will interact with or be replaced by NetSuite, and the ability of the client team to provide system requirements.

- RSM uses a few mechanisms for documenting requirements; primarily use cases instead of a full-blown business requirements document (BRD). Years ago, we realized the BRD was a document that required a lot of effort to build, but returned little value downstream and often got outdated long before go live. Use cases allow us to capture requirements in a way that provides a tool which is useful during implementation (for role configuration, user dashboards, unit testing, user acceptance testing and process documentation) and beyond.

Tip: Take time before starting your implementation to document the activities within your business and identify the value-adding portions of those activities. Do you do this process because of the inability of your current systems to support a more efficient approach? The better you can articulate your requirements, the more efficient and thorough the process is. The value of accurate and complete requirements that are jointly understood by you and your implementation partner cannot be overstated. Add travel (if needed) to your expected costs if you believe it will be critical.

Configuration and UAT

- This portion of your project is generally one-half to two-thirds of the overall cost. It's affected by the size and decision-making process of the client team, and the quantity and complexity of system requirements. A few simple factors we use when estimating are the number and type of NetSuite modules, the number of system users and the ability of the prospect to define requirements during the sales process.
- Be prepared to invest the time to learn NetSuite early on. Instead of waiting to get our clients familiar with NetSuite, RSM educates our clients as we iteratively work with you inside your account from the early stages of your implementation. By the time you reach user acceptance testing (UAT), you should be very familiar with the configuration that has been done on your account.

Tip: Ensure adequate time is available from your project team members. Typically, clients spend two to three times the number of hours your RSM implementation team does. Finally, involve representatives from each area of your business from the start of the project. This is not an information technology project: it's a whole-business project that needs involvement from all stakeholders to be successful. Inadequate investment of people and their time ultimately shifts and multiplies the cost to post go-live support. Expect to spend 150 to 350 hours of consulting time during this phase of the project or roughly \$30,000 to \$75,000.

Customization and integration

- The requirements and cost here vary greatly from one project to the next. Before starting, look at all the systems you currently use and understand which are being replaced by NetSuite and which need to interact with NetSuite. For those that need to interact with NetSuite, think about what data needs to be sent (list out the records, volume and timing requirements), and if it's one direction or bidirectional.
- NetSuite is designed to be highly configurable with little effort. At RSM, we aim to find the right balance of cost, timeline and customization to fit your needs. When gaps are identified, we typically present three options:
 - Manual workaround (lowest cost or free)
 - Fully customized (most expensive)
 - Semicustomized or middle ground

This provides you with the ability to choose where in the customization, cost and timeline spectrum you want to land.

Tip: Remember the saying, "Eat the elephant one bite at a time." Or perhaps "crawl, walk, run" is more fitting. NetSuite's highly configurable nature makes it easy to get carried away, but it also makes it easy to phase in new functionality. RSM will recommend the balance we feel suits your situation. You should identify any customizations you know you will need, including integrations to and from NetSuite during the sales process. In addition to these, add \$2,000 to \$8,000 for all the smaller customizations that may arise as gaps are identified during the discovery process.

Data migration

- This is by far the most unpredictable part of an implementation. Efforts here can vary from 10 to 100+ hours depending on:
 - How clean is source data?
 - How much source data (number of records)?
 - How many record types (customers, vendors, items, sales, etc.)?
 - How many source systems for the same record (do you have to match up customer data from three different systems?)
 - Do you have financial data that needs to be imported midstream such as revenue recognition or fixed assets?

- Do you need more detail than trial balances?

- RSM most often follows an assist approach in most implementations, so that you can use RSM to help ensure the data is mapped correctly, but don't incur heavy costs for data cleanup and the like. For those clients that need extra assistance, we offer a white-glove approach and take on all the data migration activities.

Tip: Before getting started, think about historical data and specifically how you'd use it if you brought it into NetSuite. What records are really needed and why? Be conservative with your team about how much data you should bring over and allocate \$5,000 to \$10,000 if you're migrating from a single system with relatively clean data. Expect more for multiple systems and additional transaction history beyond trial balances.

Training

- Training is an ongoing process, not a one-time activity. End user adoption is the critical benchmark for project success which is based on internal understanding and support of the system and its configuration.
- RSM's education-oriented approach makes your stakeholders as knowledgeable and familiar with NetSuite as possible so they can help with configuration and solution design, train other users and advocate for the system within your organization.
- Early in, the implementation training is more broadly focused. Later, we utilize use cases and training plans so that users have a clear understanding of what they need to do and how.

Tip: We highly recommend your project lead takes the NetSuite Essentials class prior to starting the implementation, along with any other pertinent NetSuite classes. RSM typically follows a train-the-trainer approach to help reduce costs. It also empowers your superusers to be a strong first line of support during and after go live, which ultimately results in more user comfort, faster turnaround on requests and better user adoption. Add travel costs (if needed) to your training budget of \$5,000 to \$10,000, along with any NetSuite training courses.

"RSM delivered on our implementation with the utmost professionalism. They consolidated our multientity needs all within the NetSuite platform—on time and under budget. RSM also adapted to our style. I don't think we were the typical client, and I appreciate that they let us do it our way, but still protected us from missteps throughout the process. Here at Airbiquity, we are very happy with our experience working with the RSM team and would recommend them for any implementation needs."

Sandy Whitmer, Controller, Airbiquity

Summary

Many variables can affect the cost of your implementation. An experienced sales team will help you understand them and the impact they have on your overall cost. RSM will also work with you to realistically assess which of those variables can

be adjusted by a different approach. We have been helping businesses not only implement NetSuite, but also learn how to make the most of their technology investment to power their businesses. Through this, we've learned that adaptability to each business yields the best result and requires a team of highly experienced consultants.

RSM has participated in implementations ranging from \$12,000 for guided assistance, up to over \$1 million for enterprise-level installs with significant complexities. While the cost can vary dramatically, RSM will give you accurate expectations and deliver experienced NetSuite consultants who understand your market.

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