



NetSuite uses SAP's delay to grab market share



THE ON-LINE CRM and ERP firm NetSuite, is revelling in SAP's recent failure to introduce its rival product, Business ByDesign to market.

Last month NetSuite added a new manufacturing vertical to its Software-as-a-Service offering, and with it hopes to make a significant dent in SAP's natural customer base, before the German software giant even enters the hosted-application market. Earlier this year, SAP announced a delay of at least 18 months to its own SaaS product release.

NetSuite's new vertical is primarily aimed at light-manufacturing companies, and focuses on managing assembly, work orders and bill-of-material capabilities.

Because it is a comparatively new player in the ERP market, the company has been able

to design its whole suite as an integrated set of verticals from the outset, whereas better established vendors have had to integrate external products – such as CRM – to their own, as demanded has evolved over the years.

“What we can offer is a one-suite application, where every part of the customer's business is plugged into the same application,” says Toby Davidson, Business Development Manager at NetSuite. “A sales person actually helps the manufacturing manager build their work schedule and production plan, based on the pipeline and orders that are coming through.”

But a shortcoming of a young product is that it might not have the functional breadth and depth that mature ERP products can offer. NetSuite's solution is to involve partners in the development of functionality,

by providing NS-BOS (Business Operating System), a platform allowing ISVs and VARs to develop their own functionality for customers, while maintaining the programming framework of the core product.

“Because it's built on the core toolkit, it is a part of the NetSuite application. The fact that it's developed and supported by people with specific industry experience, strengthens the offering that we put out there,” says Davidson.

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SaaS is a buzz-term, but it is not yet clear whether it will become a differentiating factor for companies seeking CRM and ERP solutions. SAP's delay may turn out to be a red herring, as there are still plenty of non-SaaS business software vendors competing for a share in the overall market.