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Nonprofit Organizations Run Better on NetSuite.

Nonprofit Industry KPIs that Matter

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NETSUITE

Improved Results from Organizations Like Yours

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Operations Visibility	360° Visibility & Actionable Insight	↑ Increased **70% - 90%**
	Reporting Time and Resources	↓ Reduction **70% - 85%**
Financial Management	Time to Close Financial Books	↓ Reduced **50% - 70%**
	Audit Completion Time	↓ Reduced **30% - 45%**
	Time Required for Compliance Support	↓ Decreased **30% - 50%**
	Billing Efficiency	↑ Improved **15% - 25%**
	Order Processing Efficiency and Costs	↑ Improved **40% - 60%**
	Accounting Staff Productivity	↑ Increased **25% - 45%**

KPI improvements are estimates based on discussions with NetSuite customers

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Improved Results from Organizations Like Yours

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Nonprofit Mission Performance	Program Revenue Leakage	↓ Reduced **10% - 20%**
	Cost of Servicing the Mission	↓ Reduced **35% - 50%**
	Number of Donors and Grant Per Donor	↑ Increased **50% - 100%**
IT Management and Resources	IT Support Resource Costs	↓ Reduced **25% - 50%**
	Cost to Purchase and Maintain Servers	↓ Reduced **100%**
	Business Continuity/Disaster Recovery Costs	↓ Reduced **35% - 55%**

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Cloud-Based Business Solutions Suite Delivers Key Performance Improvements

Real-time business visibility and end-to-end business management

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Many nonprofit organizations are using cloud-based ERP to improve their operational efficiencies and further their mission

Executive Summary

Nonprofit organizations come in all shapes and sizes and, collectively, depend on a wide variety of funding and operational models. Perhaps most familiar are charities that rely primarily upon donations to support their missions and their internal operations. Even within this category of nonprofits, however, the donors can range from large numbers of individuals to a handful of individual corporate benefactors, or any combination of the two. Other nonprofits raise funds from services offered to paying members or from sales of products, while some are heavily dependent upon government grants, be they local, state or federal.

Whatever the variations on the theme, nonprofit organizations must carefully track and manage their funds – and the sources of those funds – while they attempt to accomplish their missions as effectively and efficiently as possible. These organizations face many of the same operational challenges and requirements common to for-profit commercial enterprises, and may have to meet even meet even more daunting regulatory and reporting requirements.

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Addressing Nonprofit Industry Challenges

Aligning business operations to meet these challenges

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General Business Challenges

- **Financial operations**: Nonprofit organizations must manage budgets, track funding levels and sources, balance the books and pay employees. Those selling products and/or services must handle credit card transactions and comply with PCI and other regulations. Organizations operating internationally must deal with multicurrency conversions, consolidated rollups and varied tax requirements.
- **IT operations**: Whether done in-house or with outside contractors, nonprofits must manage and maintain databases, support on-site and remote workers, and provide other IT services.
- **Reporting requirements**: Nonprofits must be able to generate needed reports for both internal and external consumption, and must have consistent and accurate data on which to base these reports.

Unique Nonprofit Challenges

- **Donor management**: Many nonprofits are heavily or fully dependent on donors for their funding, so must manage donor relationships, increase their lifetime value and add to their numbers.
- **Fund management**: Nonprofits may get funding from general donations, restricted donations tied to specific projects or geographies, government grants, Medicare funding, and any number of other sources. Many organizations have blended funding models combining several of these sources and all must be closely managed and report

Donor Lifetime Value

Fundraising

Average Gift Size

Spend Management

Stewardship

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Business Visibility

Business value for company management

	Before NetSuite	With NetSuite
Increased in 360° visibility and actionable insights **70%- 90%**	• Siloed applications and data provided an incomplete and point in time based view of business • Analytics solutions not integrated	• Significantly improved real-time visibility into all aspects of business, allowing faster strategic decision making • Transparency in mission, governance and reporting
Improved operational agility and cost control	• Not possible to quickly assess all aspects of a business in response to opportunities and challenges due to siloed applications and data	• Agility from planning to execution and reporting • Support better decisions, improve cost control, and increased fund availability to support donor causes
Reduction in reporting time and resources by **70% - 85%**	• Difficulties in getting reports in a timely manner, often days after they are needed • IT required to develop custom reports	• Report access and delivery when needed • Generate reports not possible before • Easily generate project specific reports to send to donors • Quick and comprehensive response to donor and compliance questions

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Financial Management (1 of 2)

Business value for financial reporting and compliance

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	Before NetSuite	With NetSuite
Reduced time to close the financial books **50% - 70%**	• Extensive time spent on reconciliations, especially when multi-region and multi-currency • Accounting teams overwhelmed • Almost no time for analysis	• Earlier availability of financial results through faster period-end processes and more accurate reconciliations • Ability to do monthly reconciliations instead of yearly or quarterly • More time to spend on analysis
Reduction in audit time **30% - 45%**	• No central repository for the information required to support audits • Lack of automated transparency during audit process • Lack of multi-currency support during audit process	• Since all the information required for audit is available in NetSuite, significant reduction in audit time • Transparency throughout the audit process • Support for currency translations make process much easier and automated
Decreased time required for compliance support **30% - 50%**	• Relevant information not readily available or needs to be pulled from multiple sources • Data analysis difficult or impossible	• Real-time availability of required financial and operational reports for donors and compliance agencies • Availability of accurate, detailed and actionable information to support compliance needs

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Financial Management (2 of 2)

Business value for financial analysis and management

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	Before NetSuite	With NetSuite
Improved billing efficiency **15% - 25%**	• Lost revenues due to missed billings • Error prone Excel spreadsheet-based operations	• Significant increase in timing and accuracy of billings • Identify missed opportunities
Improved order processing efficiency and costs **40% - 60%**	• Efficiency issues due to lack of automation • Difficulties in linking member financials to orders	• Ability to handle significantly more donors and members without increasing staff • System checks to see member credit to support an order; enabling to expedite order processing and shipments
Increased accounting staff productivity **25% - 45%**	• Inefficiencies as a result of manual processes • Use of spreadsheet-based accounting	• Increased efficiency through integrated reconciliations and reporting • Reducing need for larger accounting staff as donors and services offered grow

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Nonprofit Mission Performance (1 of 2)

Business value for mission operations and support

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	Before NetSuite	With NetSuite
Reduced program revenue leakage **10% - 20%**	• Inefficiencies as a result of manual processes and resource utilization • Manual or spreadsheet-based project tracking	• Easier for nonprofits to track program revenue by minimizing missed postings or incorrect postings • Ability to support increased number of special projects to support donors
Reduced cost of servicing the mission **35% - 50%**	• Lack of comprehensive visibility into costs • Manual or spreadsheet-based cost tracking	• Ability to track costs across departments • Analysis of costs enables ability to control costs better • Support growth without need to add more resources
Increased number of donors and grant per donor **50% - 100%**	• Lack of visibility into complete information on donors • No visibility into communication with donors	• Supports better communications with donors • Better understanding of who they are and their interests (via CRM), help drive up these donations • Ability to easily support donor requested special projects

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Nonprofit Mission Performance (2 of 2)

Business value for mission operations and support

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	Before NetSuite	With NetSuite
Improved lifetime value of donor and customer	• Inefficiencies as a result of separate applications and related errors lead to poor donor and customer satisfaction	• Integrated NetSuite solution and reporting substantially increases donor satisfaction • Functionality to set up and track customers, projects and services
Improved average income from donors and customer	• Lack of real-time visibility into customer income from multiple services • Information and analytics not easily available in a timely manner	• Integrated NetSuite solution provides single view of customer and order tracking to better support customer and increase customer satisfaction
Improved support for client management	• Lack of integrated tool to support client case management	• The integrated project management functionality of NetSuite serves as a case management solution

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IT Management and Resources

Business value for company IT operations

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	Before NetSuite	With NetSuite
Reduction in number of IT support people, IT cost savings of **25% - 50%**	• IT resources needed to implement and maintain on-premises ERP solutions • IT resources needed to install and maintain IT hardware	• Cloud-based solutions minimize the need for internal IT staff to support IT infrastructure for ERP application • Faster to implement and earlier productive use of ERP solutions • IT now focuses on workflow customizations instead of supporting infrastructure
Eliminated the need and cost to purchase and maintain servers **100%**	• Capital expenditure required to acquire and maintain servers for on-premises ERP application	• No need for IT capital expenses as NetSuite is a cloud delivered solution
Reduction in need for business continuity / disaster recovery solution **35% - 55%**	• IT resources and infrastructure needed to support business continuity/disaster recovery • Implementation is complex and costly	• Business continuity/disaster recovery are a significant benefit of the NetSuite SaaS solution • NetSuite has redundant data centers to support this at no additional cost to customers

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