



*The Accounting Library*

**Top-Ranked Business Management Systems**

**2009**

## Executive Summary

As a result of an analysis performed in December 2009 utilizing the latest edition of *The Accounting Library*, one of the most respected software selection tools serving the needs of mid-sized companies, **Microsoft Dynamics GP** was determined to be a much more functionally rich product than NetSuite.

In summary **Microsoft Dynamics GP** meets a significantly higher percentage of a typical business's requirements when compared to NetSuite. While it is not possible to gauge how well **Microsoft Dynamics GP** might meet a firm's unique requirements with respect to accounting and business management functions, this study does indicate that across the board **Microsoft Dynamics GP** offers business organizations a much greater depth of functionality from which they can build an effective platform for business success.

## Competitive Analysis: Microsoft Dynamics GP vs. NetSuite

*The Accounting Library* is a computer-based tool that allows firms to define their accounting and business management requirements and then rank each of the 100+ products in its database according to how well each product met these unique requirements.

A typical business would review a comprehensive list of questions pertaining to a number of application areas (e.g. General Ledger, Accounts Payable, etc.), select those that best describe their unique requirements and indicate their relative interest in each feature selected. The analysis program then compares this unique requirements list (also known as a needs definition) against each product and ranks them accordingly. For additional information concerning the analysis process, please refer to the Analysis Methodology section below.

The table below represents one such analysis where **Microsoft Dynamics GP** met 84% of all requirements defined while NetSuite met 52%. While the ranking of a product as a whole is important, a firm may be more interested in one or more specific modules and that is why the percentage-of-needs-met for each module has been presented as well.

| <i>The Accounting Library</i><br>Product Ranking |                            |               |
|--|----------------------------|---------------|
|  | Microsoft Dynamics GP 10.0 | NetSuite 2009 |
| Entire Product                                   | 84%                        | 52%           |
| General Ledger                                   | 89%                        | 59%           |
| Accounts Payable                                 | 81%                        | 59%           |
| Accounts Receivable                              | 84%                        | 70%           |
| Payroll  | 91%                        | 62%           |
| Inventory  | 86%                        | 59%           |
| Job/Project Costing                              | 82%                        | 46%           |
| Fixed Assets                                     | 72%                        | 0%            |
| Order Entry                                      | 89%                        | 60%           |
| Budgeting  | 89%                        | 46%           |
| General Questions                                | 78%                        | 42%           |
| Multi-National Accounting                        | 84%                        | 40%           |
| Manufacturing                                    | 84%                        | 2%            |

## Detailed Functional Needs Analysis

While there are approximately 3,500 questions contained in the database of *The Accounting Library*, a detailed comparison of the responses for **Microsoft Dynamics GP** and NetSuite reveals several specific areas where the response for **Microsoft Dynamics GP** and NetSuite differ. The list below highlights some specific areas where **Microsoft Dynamics GP** supports a functional requirement and NetSuite (at least according to the information provided by NetSuite) does not.

- Statistical accounts in General Ledger: Unlike normal General Ledger accounts that collect transaction values and totals, Statistical Accounts collect information such as square footage or number of employees that can be used to allocate revenues and costs across entities such as departments.
- Departmental / Divisional accounts in Accounts Payable and Accounts Receivable: People in the accounting department for a division only want to see the transactions for that division, not for the company as a whole.
- Vendor web access to basic contact information and history files in Accounts Payable: If a company and its suppliers are going to collaborate closely, it makes sense to give suppliers access (usually via the web ) to some of the information that relates to them.
- User defined Accounts Payable payment terms: Most people understand the concept of 2% / 10 Net 30 as a payment term in Accounts Receivable. The same should apply to vendor payment terms.
- Specific debt collection (overdue invoices) application in Accounts Receivable: A debt collection application acts like a highly specialized contact manager that allows firms to view overdue invoices and systematically contact customers to get them pay sooner, including recording contact notes and assigning a next contact date. These applications are far superior to an Aging Report in terms of managing AR efficiently and effectively.
- Comprehensive Human Resources (HR) functionality (e.g. open position tracking, candidate tracking, performance tracking and training administration): HR applications help firms manage all aspects of their relationship with each employee. These applications start with the hiring process and track various aspects of the relationship right the way through to termination.
- Wave picking in Inventory: Wave picking segregates Sales Orders by item and warehouse location to create a much more efficient way to pick items for shipment.
- Fixed Assets: Fixed Assets identifies each physical asset owned by a company and calculates depreciation based on the cost of that item.
- Supply Chain Management and Supply Chain Optimization: Large firms with suppliers located across the globe need much more sophisticated functionality to manage the purchasing process and the tracking of the flow of goods across international boundaries. Applications that deal with Supply Chain Management and Supply Chain Optimization do just that.
- EDI (purchase order placement / retrieval and Advanced Ship Notice): If you want to do business with large firms such as Wal-Mart, you have to have an EDI application that allows you to receive their purchase orders electronically and also send an electronic Advance Ship Notice when you have shipped an order to them.
- Transaction Analysis Codes (additional user defined fields in AR, AP and Sales Order that allows users to segregate data for more in depth analysis): Transaction Analysis Codes allow you to create codes at the transaction level (a purchase invoice, payroll record, or sales invoice as an example) that perform the same detailed data segregation function as GL accounts without adding to the complexity of the General Ledger account structure.

- Exception Management (target setting and specific user notification): Exception Management systems allow you to define specific conditions that you are looking for (e.g. Inventory turnover is higher than specified) without having to spend excessive time reviewing lengthy reports. The system itself notifies you when the condition exists.
- User Defined Business Metrics (employee specific metrics, group metrics): Many products calculate and display business metrics. Unfortunately every employee sees the exact same set of metrics. What you really want is a system that allows you to specify what you as an individual want to see or what your group (department) needs to see, or both.

## Analysis Methodology

*The Accounting Library* contains a list of up to 3,500 questions regarding functionality typically found in accounting and business management systems. These questions cover all of the primary applications listed in the table above.

*The Accounting Library* allows a user to open a list of features typically found in General Ledger as an example. The user would review each feature listed and pick those that best represent their requirements, skipping those features that are not applicable. They would also indicate their relative interest in each feature selected so that features that are more important will receive greater weight during a subsequent analysis.

Once this needs definition file has been completed, the program will compare a firm's requirements against each product in the database and rank them according to how well they match this unique needs definition. In this case the ranking is based on percentage of needs met.

The analysis of **Microsoft Dynamics GP** and NetSuite is designed to give readers a somewhat more generalized across-the-board view of **Microsoft Dynamics GP** and NetSuite. Accordingly all features were included in the underlying needs definition and each requirement was assigned the same level of importance.

The detailed functional information that drives this needs analysis has been provided by each vendor. The analysis contains no subjective review of **Microsoft Dynamics GP** or NetSuite.

## Background

*The Accounting Library* ([www.accountinglibrary.com](http://www.accountinglibrary.com)), developed by Solutions in 1990, allows companies to compare their business management system requirements against a wide range of accounting solutions. By utilizing this tool, companies can define their functional requirements in as much detail as required and determine which of the products in the database of *The Accounting Library* are best suited. Analyzing the functional strengths and weaknesses of several products that most closely match these criteria can help in the system selection process.

## About the Company

Solutions was founded in 1987 to assist organizations increase their profitability through improved organizational effectiveness. As the accounting software industry began to grow, so did Solutions. *The Accounting Library*, a natural outgrowth of our business improvement specialty, was first published in 1990 and this powerful software selection tool has been expanded and improved significantly each year. Currently 100+ products are featured in our databases with new products being added each year.

An On-Line Edition of *The Accounting Library* ([www.accountinglibrary.com](http://www.accountinglibrary.com)) was launched in September 2009. Unlike what is now called the CD-Edition (the source for this competitive analysis) the On-Line Edition is a free needs analysis tool containing approximately 700 criteria rather than the full 3,500 found in the CD-Edition.

The On-Line Edition supports a number of features not found in the CD-Edition, but which can be used in conjunction with the CD-Edition to provide businesses a complete set of accounting software selection functions.

- Define requirements
- Rank products by percentage of needs met
- View a Product Web Page to learn more about products of interest
- View ISV solutions and services that integrate with each primary accounting system and learn more about each ISV solution and the services provided by the ISV
- Find local resellers of accounting products and learn more about the services provided by each reseller
- Compare the functionality of products side-by-side
- Find unbiased accounting software selection consultants

### **About the Author**

Charles Chewning, Jr., the founder of Solutions, is a nationally recognized expert in the field of software selection. He has written articles for a number of magazines, is quoted in software selection reviews, and presents workshops to end-users, consultants and resellers.

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