

WHITEPAPER

# Reporting & analytics strategies for uncertain economic times



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## Introduction

If you're a CEO or CFO in today's economy, it's more important than ever to have accurate reporting and analytics in place. This equips you with the insights it takes to make sound decisions about your business's future, especially given the state of today's business climate with ongoing inflation, geopolitical instability and continuously squeezed margins.

These uncertainties were recently highlighted by one of our customers, who said:

"We are facing dramatic and uncertain economic times and need to more frequently report our financial results and operational KPIs to avoid any unexpected surprises. You have been working with us for several years now; what reporting strategies do you suggest?"

Stories of economic volatility, ongoing supply chain problems, inflation and a host of global conflicts have led to many discussions about how companies can navigate these difficult times. It's not easy. But the most successful companies employ innovative strategies driven by insights from advanced analysis of their company data.

## Who is Zone & Co?

Zone is reinventing the way companies approach back-office excellence, empowering finance leaders and their teams to scale and thrive in today's dynamic business landscape. Its highly flexible platform enhances out-of-the-box ERP capabilities, offering maximum visibility and control over company operations. From complex billing & revenue recognition to AP automation and advanced FP&A reporting, Zone's unified platform integrates seamlessly with leading ERP software, adapting precisely to evolving needs. Trusted by over 4,000 customers worldwide, Zone & Co is committed to delivering real-world solutions that deliver tangible results for its customers. Headquartered in Boston, MA, with hubs across Europe, North America, Australia, and Asia, Zone is dedicated to shaping the future of enterprise back-office management.

We understand that the platforms and integrations you use to run your business have to empower greater operational intensity and fuel advanced business intelligence regardless of the economic times.

## Why we like NetSuite

We understand how important it is to choose the right tool for the job. NetSuite stands out from the crowd when it comes to handling advanced billing and revenue recognition needs, which makes it a perfect fit for recurring revenue businesses. The platform supports over 38,000 fast-growing businesses worldwide, making it a trusted

ERP solution for subscription-based companies of all sizes. And we've been helping businesses like yours get the best out of ERPs like NetSuite for decades, and we've seen firsthand the power of asking the right questions during the evaluation process.

On the pages to come are three strategies for reporting and analytics based on real-world NetSuite deployments by leading industry players that have delivered competitive stability during shifting economic times.

### Strategy 1: Knowing the profitability of your key business views



Achieving success in this unpredictable economic climate requires a deep knowledge of your true profitability. That means having clear visibility from the top line to granular performance data across the key views of your business, including product/service lines, business units, locations, and subsidiaries.

Profitability can be better defined in this scenario as fully loaded gross margin down to the unit economic level – i.e., gross margin per unit by product or service line.

Most companies can get to 80% of the goal by recording transactions against general ledger accounts with just a few custom fields within NetSuite. But for the last 20%, there's no better way than using reporting tools that can distribute the unallocated revenue and Cost of Goods Sold (COGS) to achieve a true gross margin.

Once you have the data, you'll want to examine any trends by looking at a rolling 12-month view, as well as monthly or quarterly comparisons.

In turbulent times, cash is king, so understanding where and when you are profitable can protect that precious resource while also enhancing your company's ability to weather economic storms.

While this concept isn't new to CFOs, we speak with so many companies that don't have the reporting tools to show profitability, and so their executives wind up making subjective decisions instead of data-driven ones.

By leveraging integrations that extend your ERP's native capabilities, all your data can be automatically reconciled and replicated directly in business intelligence tools like Power BI. These analytical systems use these cleaned and formatted real-time data streams to give your financial leaders the ability to slice, dice, drill down, and drill through the numbers to reveal hidden patterns and obtain instant insights.

We encourage all our clients to build reports that not only show their true profitability across their business view but also the drivers that support the results. CFOs and COOs need access to pre-build and customizable reports through integrations that generate them from all relevant data streams. That means using native SuiteApps like ZoneReporting that provide a completely replicated instance of NetSuite deliver unrivaled insights into the toughest business questions your company faces.

## Strategy 2: Planning based on recent trailing data



How often do you update your forecasts?

As any executive knows, budgets and forecasts are essential for planning and tracking progress. However, these projections lose their value and utility if not regularly updated.

**This is especially true in a volatile economy where market conditions change rapidly.**

By updating your budget or forecast regularly (i.e. monthly), you can ensure that your assumptions are realistic and that your planning is based on the most actionable data.

This will help you to make better decisions about where to invest your resources and how to adjust your strategy as conditions change.

### **Balancing growth and stability**

For years, the mantra for startups has been “Grow at all costs.” With easy access to capital and a booming economy, many companies have focused on expansion over profits. This strategy is no longer sustainable. As the economy has softened and investors have become more cautious, the most attractive companies are those that are profitable and stable. Venture Capital (VC) and Private Equity (PE) firms are recalibrating their investment strategies to balance strong fundamentals with a sound and sustainable business model.

When we work with NetSuite customers to overhaul their reporting structure, we emphasize the importance of real-time reporting with hourly data refreshes.

**This information can then be used to update assumptions in a planning model so that businesses can gain instant insights from their projected trajectory.**

Additionally, our reporting tool includes alerts and alarms that will notify management of any important exceptions so that they can take proactive action. As a result, they'll be equipped with the insights and flexibility they need to make competitive decisions about emerging opportunities and potential pitfalls.



### Example:

Say our trailing 12 months results showed a strong growth of 22%. Forecasting forward, we assume future growth of 25%.

However, the trailing two months of growth is down to only 2%. It's important to determine if this is due to poor sales or if it's the new normal so we can update our budget/forecast with a scenario plan using actuals from the recent trailing data and re-forecast results. We wouldn't have caught this without tightening up our planning based on more recent data.

By looking at recent trailing data and relevant KPIs, you can make changes to maintain your competitive advantage. For example, if profits are down, you may slow hiring to cut costs. Or, if you see that cash flow is tight, you may make sense to accelerate invoicing or reduce discretionary spending.

By staying proactive and adapting to emerging trends as needed, you ensure that your business remains on track for long-term success.

## Strategy 3: Be precise with your capital allocation

Determining the root cause of financial or operational problems can be daunting, especially for large businesses with many different moving parts. Executives are often left wondering what specific levers affect KPIs, such as revenue or gross margin at the unit level.

Statistics can provide great insight into what impacts KPIs, but building a statistical model that considers all the different variables can be time-consuming and resource-intensive. In some cases, it may not be possible to build an accurate model due to the sheer number of transactions and business segments, especially using spreadsheets where you may struggle to manipulate large data sets in siloed systems.



In these cases, **businesses need integrations specifically designed to empower of-the-moment analysis and projections by automatically reconciling and replicating all of your ERP's data within your BI tools. That way, leaders have the critical information they need to proactively and effectively manage risk.**

For example, ZoneReporting's pre-built report packages contain a view that allows you to automatically test revenue and gross margin increases and decreases by count, impact, and segments/clusters.

With a statistical model like this, you can understand the winners and losers in your business and know where to allocate your resources – capital, people, process, and technology – for the best results. Having this information at your fingertips allows you to make smart decisions about resource allocation, which can be the difference-maker for a business navigating dire economic conditions.

## Combat uncertainty with ZoneReporting

Business data is coming from more places than ever before. NetSuite, Salesforce and other cloud-based applications have made it possible for organizations to better leverage their operational data. However, this data is often siloed, making it difficult to get a holistic view of the business.

In volatile economic climates, the difference between successful companies and those that flounder is the ability to adapt and pivot. Having up-to-date data and insights at your fingertips equips you with the tools needed to make informed decisions. ZoneReporting puts the power of instant insights, higher data granularity, and unlimited modeling flexibility in the hands of leadership so they always have a complete business view when making critical decisions during difficult times.

If you're looking for a comprehensive reporting solution that can help you deliver value on day one, join thousands of other companies that use Zone solutions to report on live NetSuite data and ignite their business intelligence, pursue growth and achieve stability in any economic climate.

## About ZoneReporting

ZoneReporting is the only NetSuite- and Microsoft-approved provider that delivers best-practice Power BI dashboards and reports specific to your industry. ZoneReporting provides a completely replicated instance of NetSuite and other sources with 99+ pre-built reports designed by former CFOs and COOs. This unites stakeholders by bringing customizable reports, unrivaled insights and answers to the toughest business questions within easy reach.



Our pre-built reporting package include:

- ▶ **Tailored reporting** designed by C-suite reporting experts
- ▶ Pre-built integrations with **Salesforce, Google Analytics, Google AdWords** and additional integrations
- ▶ Fast implementation in **weeks**, not months
- ▶ **Unlimited joins across NetSuite** – for example the ARM module, display revenue by item across the revenue management module (i.e., sales orders through revenue arrangements/elements, revenue plans and journals)  
Reconciliation with NetSuite – this package was built by NetSuite experts, and the reports **reconcile back to your NetSuite data from day one**

[Book a demo today ▶](#)



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