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BUSINESS GUIDE

Act Global, Be Local

Solving the financial challenges
of international growth

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Solving the financial challenges of international growth

When organisations expand internationally, their finance functions become more complex. Multiple currencies, local accounting standards, and tax requirements make it harder to maintain clarity around your numbers and control costs. If finance processes are not able to handle these issues, international expansion becomes very difficult to manage.

Running an international business while using multiple, unintegrated finance systems makes it almost impossible to see a consolidated view of the business and to track KPIs across borders and entities in real time. Without a real-time view of financials,

companies make decisions based on guesswork and instinct while they wait for the next set of month-end numbers. Achieving real-time insights, however, helps businesses not only spot and solve problems early but also seize opportunities with confidence in their financial position.

In this guide, we explore how CFOs and finance teams can use a cloud ERP system to act as a single, more efficient business across all countries in which they operate, charting a course toward sustainable international expansion.

Managing Consolidation

- Without ERP: Creating a consolidated operational and financial view is a challenge for any business that uses different financial systems to operate divisions and subsidiaries in multiple countries. Multiple currencies mean the parent company often imports and translates information manually, an error-prone and time-consuming process that doesn't allow for drill-down analysis. And intercompany transactions may not be posted correctly in each system and then eliminated from the group's consolidated reporting.

- With ERP: When both parent company and subsidiary financial data are on a single, cloud-based system, consolidation becomes a much simpler matter for finance departments. Such a system makes the entire group's financial and operational data visible at any time, in real time. NetSuite OneWorld, for example, is an ERP system which lets companies manage domestic and international subsidiaries, business units, and legal entities from a single solution. Businesses that use it report closing their books 20%-50% faster than they did with disconnected or legacy systems.

Consolidation at the transaction level allows for granular analysis that fuels smarter decisions. And when intercompany transactions are posted simultaneously into each company's books, they always agree—and can be identified automatically to support easier group reporting.

Consider QFPay, a Hong Kong-based fintech company that serves customers in 18 countries. After struggling to manage financials and Excel, the team upgraded to NetSuite OneWorld for real-time currency conversion and financial consolidation across countries.

Making Localisation Work

- Without ERP: Localisation is the other major sticking point for finance teams at international businesses. They must easily comply with varied accounting standards and legal requirements while considering "cultural" differences such as conventions for invoicing or reconciliation. This can require a great deal of manual effort and make analysis and audits more difficult.

"NetSuite has grown with us. It helped us scale from a small startup with messy financial data to having the visibility we need to support our fundraising initiatives and expand into new markets with ease."

Terry Chan, Founding Member and Finance Director, QFPay

For example, when a company's headquarters and subsidiaries are in different countries, reporting standards and charts of accounts often differ. Without a proper ERP system, finance teams must export the group's results into a spreadsheet and prepare reports externally. They must calculate local amounts to report—and finding the data for those calculations can be a difficult task. With the calculations completed, teams need to combine the group's results with the local reports. At first, this isn't too difficult using a spreadsheet, but after amassing years' worth of differences between the group and local reports, fulfilling any auditor's request for detail becomes a complex data-tracing exercise.

- With ERP: These challenges of local statutory accounts are much easier to manage with a cloud-based finance system, which allows for unhindered data access and automation. A single data repository removes the need for manual export and analysis, so teams can easily configure reports to show information in the group or local format. Data is easy to find, drill into, and export where necessary. Teams can post any differences in results into the system and manage them using local dashboards or reports. Drill-down analysis is equally easy at group and local levels during an audit.

All international businesses have to deal with "cultural" or "last-mile" localisation as well as local statutory differences. In some European countries, for example, e-invoicing is not the norm. With a cloud ERP, teams can manage these differences within a single system.

Gaining Insight

A cloud-based finance system that's designed to support multiple international entities can provide a real-time view of financials across all entities, no matter how dispersed. This equips teams to adapt to changes in external factors such as tax rules or economic conditions.

Take the example of inflation. With a single system and a live view of performance across all divisions, finance teams can analyse the impact of cost changes at any time, seek any approvals needed, and take appropriate action. Add planning and budgeting capability, and it becomes possible to create "what-if" scenarios that help the business choose the optimal course of action.

Insights lead to better control. Subsidiaries are no longer isolated, and the central team can readily support them if necessary. It's easier to provide continuity in the event of absences or staff changes.

The Stairway Approach

In the traditional technology paradigm, businesses purchase an on-premises accounting or ERP system and build it out over time. Typically, they are limited to a particular set of capabilities until they choose to upgrade. Systems such as these often stand alone, lacking integration across geographics and business functions.

Cloud-based finance systems, on the other hand, offer a much simpler and more progressive "stairway" approach, producing incremental value as their use spreads through an organisation.

In a stairway progression, the finance team first uses its cloud ERP system to gain insight and efficiency and automate processes, as we've already discussed. Next, legal and compliance issues become more efficient, thanks to automation and the availability of accurate data. Then, other departments start using dashboards from the finance system to work more efficiently day-to-day. Finally, when the entire business tracks key metrics and KPIs in more detail and in real time, the business is at a strategic advantage as it makes more informed decisions.

This is a profound change in how systems work, of the same order of magnitude as the shift from paper records to mainframe computing all those decades ago. Moving from disparate, on-premises systems to "true cloud" ERP—in which all functionality is available globally yet can be localised where needed—gives businesses the power that fuels expansion instead of crumbling under current expansion.

NetSuite: The International Finance Advantage

[NetSuite OneWorld](#) offers a full range of finance capabilities supporting international businesses, including automated intercompany accounting and consolidation, multi-currency management, audit and compliance reporting, and tax calculation.

NetSuite OneWorld offers two main advantages:

1. Consolidation within one system. With NetSuite, financial administration and consolidation takes place in a single system and data model. This simplifies intercompany reconciliation and netting and accelerates the month-end close.

2. Localisation capabilities. The combination of NetSuite's own capabilities and those of its partner ecosystem can manage both statutory and "cultural" localisation. For example, it equips a group to respond quickly to a regulatory change such as a VAT increase in one country, without unnecessary manual work. And with NetSuite's comprehensive set of partner integrations, available in the [SuiteApp](#) marketplace, businesses can easily plug in apps to handle local requirements such as e-invoicing.

The Bottom Line

International growth signals success for your business. For that success to endure, your business must be able to work like a single organisation yet handle all the local differences in various regions. Use NetSuite OneWorld as the foundation for your business, and you can achieve the insight and efficiency to ensure international growth for the long haul.

Learn More

- **NetSuite OneWorld overview:** Get an at-a-glance guide to managing a global business from a single ERP solution.

- **NetSuite OneWorld data sheet:** Dive deeper into NetSuite's international business and finance capabilities.

- **SuiteApp Marketplace:** Explore the ecosystem of partner-created apps that extend the power of NetSuite.

Case Studies

Foodmach Moves From On-Premises ERP to NetSuite and Doubles Operation

Foodmach specialises in providing automation and engineering solutions for the food and beverage industry. Founded in 1972 and based in Victoria, Australia, the company custom-builds all of its machinery solutions. However, an old and heavily customised on-premises ERP system hampered its otherwise meticulous operations. The finance team struggled to access financial data for reporting, leaving them with little time for value-add tasks. Since Foodmach implemented NetSuite, the finance team has seen numerous efficiency gains, and they now easily report financial numbers to the board for data-backed decision-making. As Foodmach plans for international expansion, its leaders move forward with confidence, knowing NetSuite will actively support and enable its growth.

Learn more about Foodmach's success with NetSuite.

Speedmaster Fuels Growth and Innovation Plans With Global Finance Platform

Speedmaster's high-performance car parts have gained a legion of fans around the world. The business has grown to more than 500 employees across three countries, boasting 150,000 SKUs. Speedmaster designs, engineers, manufactures, and distributes every single one of its car parts, so it needed a complete ERP solution to keep its operation on track.

Speedmaster implemented NetSuite OneWorld to manage all accounts and financial transactions, giving the business new levels of transparency into its balance sheets and financial performance.

The business could now automatically track and reconcile transactions in different currencies and countries, as well as manage everything from work orders to electronic bank payments and performance reports through a single dashboard.

"NetSuite's platforms have exceeded our expectations, and the calibre of customer service really makes them a delight to work with," said Jason Kencevski, CEO of Speedmaster.

Learn more about Speedmaster's success with NetSuite.

Sleep Corp Turns United States Dream Into a Reality With NetSuite OneWorld

Sleep Corp's mission is to help people unlock the power of a good night's sleep. The Melbourne-based manufacturer started by designing a mattress protector over four decades ago. Today, it sells a range of bedding products and operates six brands, supplying major retailers across Australia and around the world. The business recognised the need for a complete ERP system to manage its increasingly complex operation, including manufacturing, warehousing, CRM, and accounting. NetSuite OneWorld is now the "heartbeat" of the business, with the capabilities to support its continued growth. This includes multi-subsidiary management, allowing the company to enter the US market with ease.

Learn more about Sleep Corp's success with NetSuite.

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