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# Using Oracle NetSuite's Cloud ERP to Reshape the Small to Mid-Sized Utility Market

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> *By combining a leading cloud enterprise resource planning platform with industry-specific functionalities, small to mid-sized utility companies can save time and money, meet ever-changing regulatory requirements, and improve the customer experience.*



# Introduction

*A market that's worth \$646 billion and expanding every year, the U.S. utilities sector comprises large public utilities, mid-sized providers, and smaller utility companies. All of these organizations must comply with a host of financial and regulatory standards, but the burden of compliance can be especially heavy for small to mid-sized groups — most of which have fewer than 200,000 customers — with limited internal resources.*

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If they're distributing electricity or natural gas, public utilities must adhere to Federal Energy Regulatory Commission (FERC) accounting standards. This entails maintaining a chart of accounts (COA) based on the Uniform System of Accounts requirements. These public utilities must also comply with the Governmental Accounting Standards Board (GASB), which is the source of generally accepted accounting principles (GAAP) used by state and local governments.

All utilities must also comply with numerous other regulatory reporting requirements, depending on their services, location, and other factors. Outside of the regulatory environment, small to mid-sized utilities are expected to provide higher levels of service, improve reliability, and make better use of technology. Yet many of these companies rely on legacy on-premises software systems, Excel spreadsheets, and manual processes that are costly to orchestrate, require duplicate work (e.g., transferring data across spreadsheets and systems), and create high error rates.

In this white paper, we explore the key challenges that small to mid-sized utilities are facing in the current marketplace and show how a unified, cloud enterprise resource planning (ERP) platform plus industry-specific functionalities can help organizations break through these barriers to enhance efficiencies, optimize processes, and improve customer service levels.



# Keeping Up with Demand

Running a profitable enterprise is becoming more challenging for small to mid-sized utilities that lack modern technology tools and are plagued by manual processes, high error rates, and organizational silos. On the regulatory front, the bar has been set especially high for the smaller utility that is striving for agility but throttled by its existing set of solutions and processes. In addition to the GASB and FERC standards, utilities also have to comply with municipal government laws at both the state and local levels.

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*Highly reliant on employees to gather, review, and prepare data for reporting purposes, utilities that use manual systems and spreadsheets are susceptible to high error rates. As a result, they may end up misreporting information in a sector where ‘irregular’ reporting is not a good thing.*

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The same utilities spend an inordinate amount of valuable time on reporting, which happens on a monthly, quarterly, and annual basis. With a solution such as NetSuite Cloud ERP for Utilities, these companies can simply push a button and get a report that’s ready to be forwarded to the appropriate regulatory organization. That’s a big win for the smaller utility that wants to free up its human resources to focus on more important tasks.





# When “Just Enough” Isn’t Good Enough

Most times, these organizations are running outdated on-premises solutions plus Excel spreadsheets. Others use homegrown solutions that address certain aspects of their operations (i.e., QuickBooks for accounting), but don’t “talk” to the other systems. This segment of the utility industry tends to use suite solutions that provide “just enough” call center, billing, field service, or financial capabilities to get by.

Within the small to mid-sized utility segment, the larger organizations use mainframe technology, best-of-breed software platforms, AS/400 back office solutions, and, in some cases, modernized client-server type setups. Few use cloud technology, and even fewer have modern capabilities like data analytics. To thrive in their evolving and increasingly competitive marketplace, these smaller utilities have to think beyond “good enough” and embrace unified, cloud-based technologies that help them work smarter while providing higher levels of customer service.

The latter point is increasingly coming into focus in the current marketplace, where people have come to expect good service and support across all of their essential service providers — from mobile phone networks to cable companies to utility companies.

According to **Questline**, “Energy utility customers interact regularly with many other businesses, and it’s their experience with those industries that sets their expectations. Disney, Amazon, Apple, Southwest Airlines — the more these businesses improve their customer experience, the more their customers will expect from their utilities.”

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***As utilities increase their focus on the customer experience, many of them are realizing that their existing technology infrastructures can’t keep up.***

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Many of the systems that are in place can’t even integrate with new capabilities like mobile apps or customer portals, nor do they provide the data and reporting that growing utilities need to be able to enhance the customer experience.



# NetSuite Cloud ERP for Utilities

That's where NetSuite Cloud ERP for Utilities comes in. It's a software suite with NetSuite Cloud ERP at its core, plus numerous industry-specific capabilities developed by **Centric Consulting**, that eliminates the problems caused by disparate, outdated software solutions. For the energy utility that's beholden to FERC standards, the software suite provides a basic COA and the basis for all of a utility's reporting needs.

This skeleton COA has been pre-built, and can then be modified to ensure the individual utility can meet FERC's guidelines in a very automated and streamlined manner. The system also captures the costs associated with large projects, including construction meter buildouts, plant buildouts, and other capital-intensive undertakings.

Utilities spend a lot of time and energy capturing costs for these types of large-scale capital projects. To help, this solution combines NetSuite functionality with applications like NetAsset (an app that NetGain developed built inside of NetSuite). The combined solution helps facilitate the cost capture and capitalization of a new asset from construction projects.

For government-focused, small to mid-sized utilities, NetSuite Cloud ERP for Utilities includes an encumbrance accounting module that introduces budget controls during the early stages of the procurement process. It also creates a simplified integration process for utilities' external applications, including a utility billing solution that can be integrated into NetSuite. This results in a framework that connects with any best-of-breed solution a utility would want to use.





# Modern, Customer-Focused Utility Providers

The COVID-19 pandemic forced some companies to think harder about replacing their aging systems. To be considered modern and customer-focused, utilities now need a unified, cloud ERP and industry-specific functionalities that position them as the go-to providers in their respective marketplaces.

When small to mid-sized utilities replace their aging technology infrastructures and spreadsheets with NetSuite Cloud ERP for Utilities, the benefits start to surface quickly. Key wins include time savings, cost savings, fewer data errors, and access to data analytics that on-premises legacy systems don't provide.

Other big wins that customers often see include easy access to their data, a fully integrated software ecosystem, and a modernized platform that helps them break free of the silos that they've been working in. With GASB and FERC rules changing regularly, the platform also helps utilities react quickly to those shifts — a major win for a group that was used to having to pore over spreadsheets and realign their systems every time a change occurred.

Because NetSuite is a platform that allows for change and variability, both of which are common in the utility space, small to mid-sized players can greatly benefit by using NetSuite for all of their functional needs.



# Meet the Authors



> **MICHAEL MURPHY**  
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With more than thirty years of experience providing strategic and tactical consulting services, Michael helps clients by providing Business Performance Improvement, IT Planning and Governance, Enterprise Collaboration, and Business Process Automation services. His primary domain focus areas are Customer Information Systems (CIS), Customer Relationship Management (CRM), Complex Billing and Settlement solutions, and Metering for electric, natural gas, and water/wastewater utilities, independent system operators, retail energy providers, and renewable energy service providers.

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With 10 years of experience in delivering ERP packages to clients, Kevin helps clients to right-size their implementation projects to make the move to a Cloud ERP in NetSuite. He has contributed to building a team of seasoned ERP professionals and deep NetSuite expertise to deliver successful and impactful ERP projects to our clients.

Founded in 1999, Centric Consulting, a NetSuite Gold Partner, was started by a group of consultants who had years of experience working with clients in the utility customer information system (CIS) industry. Most of those clients were larger, investor-owned utilities. Over time, this experience led the group to found its own NetSuite partner organization, which now serves a wide swatch of organizations in numerous industry verticals.

Visit [www.centricconsulting.com](http://www.centricconsulting.com) to learn more.