



Enhancing operational efficiency and financial reporting through Oracle NetSuite ERP implementation: A case study in a logistics company

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ABSTRACT

The objective of this study is to investigate the outcomes of implementing Oracle NetSuite, an Enterprise Resource Planning (ERP) software, in a logistics company located in Indonesia. This research presents a case study that examines the implementation of Oracle NetSuite to reengineer business processes within the company. Employing a descriptive research approach, this study explores the specific context of the business process redesign in one of the logistics companies in Indonesia as a case study for utilizing Oracle NetSuite ERP, which can provide valuable insights for future research. The data for this study was collected through semi-structured interviews, observation, and documentation analysis. The findings reveal that "Logistics Company" utilizes various modules such as *Procure to Pay*, *Inventory*, *Fixed Asset*, and *General Ledger* within the ERP Oracle NetSuite system to generate financial reports for the company. In addition, the study focusing on the complications faced during transaction recording. The structure of the IT department in "Logistics Company" and the application of Oracle NetSuite software for financial reporting are both detailed. The study highlights the benefits and challenges associated with implementing ERP systems, emphasizing the importance of aligning the chosen ERP system with the organizational functionalities, culture, strategy, and structure. Also, the modules within Oracle NetSuite, including *Procure To Pay*, *Inventory*, *Fixed Asset*, and *General Ledger*, are explained, along with their respective functionalities. The research concludes by emphasizing the importance of Oracle NetSuite in effectively handling financial transactions and producing reports for the "Logistics Company". The complexities of ERP projects and the need for thorough readiness processes are also explored, suggesting solutions for effective ERP implementation. The adoption of Oracle NetSuite ERP significantly benefits "Logistics Company" in its day-to-day operations and facilitates the preparation of financial reports.

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INTRODUCTION

The first precursor to Enterprise Resource Planning (ERP) software can be traced back to the 1960s when it was used as a tool to manage inventory and quality control in large manufacturing undertakings (Moon, 2007; Ouiddad et al., 2021). The first true ERP systems came into use in the 1990s and expanded beyond the basic inventory control and manufacturing processes of previous systems (Seethamraju, 2015). ERP systems are a type of software that organizations use to manage day-to-day business activities such as accounting, procurement, project management, risk management, and compliance (Chofreh et al., 2018; Kanellou & Spathis, 2013; Nazemi et al., 2012). They are ultimately intended to help coordinate large-scale business processes and have a history that is reflective of this (Aloini et al., 2007; Aslan et al., 2015; Watson & Schneider, 1999; Wenrich & Ahmad, 2009).

In the realm of corporate computing, the adoption of ERPs empowers companies to create a cohesive and integrated system by either overhauling or reengineering their predominantly incompatible legacy information systems (Aremu et al., 2021; Cosmos Xulu & Suknunan, 2020; Mandal & Gunasekaran, 2003). Overall, an ERP system is expected to improve both backbone and front-end functions simultaneously (Nwankpa, 2018). The five dominating ERP software suppliers are SAP, Oracle, PeopleSoft, Baan and J.D. Edwards. Together, they control more than 60% of the multi-billion dollar global market. There are also about 50 established and a few more newly emerging smaller and midsize ERP vendors including third-party developers competing for the ERP market (Rashid et al., 2011).

ERP vendors may offer specialized ERP systems to varying extents, yet the fundamental modules remain generally consistent across the spectrum. Some of the fundamental ERP modules found in the ERP systems are accounting management, financial management, manufacturing management, production management, transportation management, sales & distribution management, human resources management, supply chain management, customer relationship management, e-business (Rashid et al., 2011).

The adoption of ERP in business organizations aids customer attraction and enhances competitive advantage among organizations (Aremu et al., 2021). Many companies find ERP systems help them make better-informed decisions (Agnieszka, 2017). Meanwhile, companies that did not have a successful ERP implementation discover too late that their purchase has been based more on faith than good judgment, and run up tens or even hundreds of millions of dollars in extra costs and schedule delays (Aloini et al., 2012). It is generally a misleading perception that implementing an ERP system will improve organizations' functionalities overnight. The high expectation of achieving all-round cost savings and service improvements is very much dependent on how good the chosen ERP system fits to the organizational functionalities and how well the tailoring and configuration process of the system matched with the business culture, strategy and structure of the organization (Alcivar & Abad, 2016; Boersma & Kingma, 2005; Rashid et al., 2011; Soffer et al., 2003).

ERP projects are complex applications in which legacy processes and organizational structure are entirely transformed and require a very laborious readiness process (Kanellou & Spathis, 2013; Rajan & Baral, 2015). This paper describes an ERP implementation in a logistics corporation. The case study reveals some of the complications in some transactions that have to be recorded in the ERP system that may occur in any company in any part of the world. Suggestions are offered in resolving the issues of implementing ERP.

"Logistics Company" is a courier service provider company that provides certainty, convenience and comfort in the shipping experience and started operating from 2019. "Logistics Company" uses an integrated logistics system and transportation infrastructure to connect all Indonesian markets by becoming a trusted and reliable partner to become express logistics company that brings positive social impact in

Indonesia. Currently, the "Logistics Company" has seven warehouses spread throughout Indonesia, to expand the network and service points and keep abreast of the company's business development.

Oracle NetSuite is a suite of software services used to manage a business's finances, operations, and customer relations. NetSuite's services are aimed at small to medium-sized businesses, although larger enterprises can also take advantage of Oracle NetSuite's consolidated ERP, CRM and e-commerce features. Within Oracle Netsuite there are several modules, including *Procure To Pay*, *Inventory*, *General Ledger*, and *Fixed Assets*. These modules are used by "Logistics Companies" to prepare financial reports.

OBJECTIVES OF THE STUDY

The aim of this research is to analyze the results of incorporating Oracle NetSuite, a software for managing company resources, in an Indonesian logistics company. The study presents a detailed examination of the implementation of Oracle NetSuite to improve and streamline business processes in the company. By using a descriptive research method, this investigation explores the unique circumstances of redesigning the business processes in "Logistics Company" as a case study for utilizing Oracle NetSuite ERP. The results of this study may provide valuable perspectives for future research in ERP implementation or Business Process Reengineering.

MATERIALS AND METHODS

This study employed a descriptive research approach and utilized a case study design. Data for the study was collected through multiple methods, including semi-structured interviews, observation, and documentation analysis. The researchers conducted interviews with relevant stakeholders within the "Logistics Company" to gather information about the implementation process, challenges faced, and benefits achieved. The selection of stakeholders for interviews employs purposive or judgmental sampling, where researchers consciously select individuals possessing specific expertise, hands-on experience, or roles closely related to ERP implementation, such as project managers, IT personnel, end-users, and decision-makers.

The researchers also observed the business processes and activities within the company to gain a deeper understanding of the implementation and its impact. One of the researchers is an employee of the company, so that he can conduct research as a participant observer. In the role of a participant observer, the goal is to acquire an in-depth understanding of procedures used to implement the Oracle NetSuite ERP within the "Logistics Company". He could immerse himself in the activities and interactions of the group while actively participating. The researchers capture screenshots of each interface within the Oracle NetSuite procedures and meticulously records their respective functions. Furthermore, the researchers take detailed field notes, capture audio or video recordings as necessary, and record the observations.

Additionally, the researchers analyzed various documents, such as financial reports and system documentation, to supplement the data collected through interviews and observations. Data management in this research involves a systematic approach to organizing and safeguarding the data the researchers gather throughout the research. This process encompasses tasks such as transcribing interviews to ensure a comprehensive record of conversations, categorizing field notes for easy reference and analysis, and securely storing audio and video recordings to prevent loss or unauthorized access. By diligently managing the data, the researchers not only streamline the research process but also facilitate the later stages of data analysis, leading to more robust and credible research outcomes.

The study focused on the specific context of the logistics company's business process redesign and the utilization of Oracle NetSuite ERP software. It explored how the company implemented various

modules within the ERP system, such as *Procure to Pay*, *Inventory*, *Fixed Asset*, and *General Ledger*, to generate financial reports. The researchers described the organizational structure of the IT department within the logistics company and the roles and responsibilities of different divisions within the department.

Throughout the study, the researchers provided explanations of the different modules within Oracle NetSuite and their respective functionalities, illustrating how the system facilitated financial transactions and reporting for the “Logistics Company”.

IT Department Organizational Structure “Logistics Company”

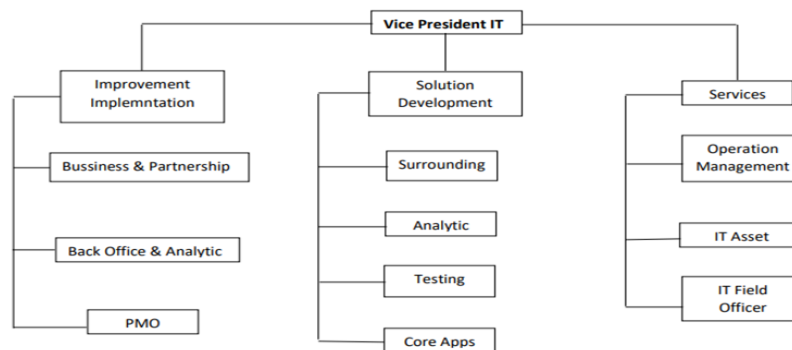


Figure 1. IT Department Organizational Structure “Logistics Company”

Duties and responsibilities

- The Vice President has duties and authorities according to related directions in each division under him.
- Improvement and Implementation division: process improvement is about identifying an area of the organization where existing business processes are lacking in some capacity. Once the problem area is identified, then it's about implementing changes that optimize the existing processes to meet or exceed the required standards. The Improvement and Implementation Division is responsible for Business & Partnership, Back Office & Analytic, and PMO.
- Solution Development division: planning and development of a potential company system to make it easier for the company to carry out operational activities. The Solution Development division is responsible for Surrounding, Core Apps, Analytic and Testing.
- IT services division: designed to promote and stimulate the use of technology by businesses and end-users. In the digital age, organizations are using technology services to build and develop specialized technology-based solutions by incorporating processes for software, hardware, telecommunications networks, and electronics. The IT services division is responsible for Operation Management, IT Asset, and IT Field Officer.

The Implementation of Oracle Netsuite Software in “Logistics Company”

ERP implementations are complex and multifaceted projects that require effective project management. Allocating a dedicated team with project management expertise ensures that the project stays on track, milestones are met, and issues are addressed promptly. ERP systems are intricate and often require specialized knowledge for configuration, customization, and integration. Having a team with the right skills and expertise ensures that the system is set up correctly and functions optimally.

During the Oracle NetSuite implementation at the "Logistics Company," there was only one staff member who had some familiarity with the software; however, his understanding of it remained incomplete. Adequate human resources are necessary for providing training to end-users. Proper training is essential to ensure that employees can use the ERP system effectively and efficiently. Additionally, having a support team in place helps users troubleshoot issues and minimizes disruptions during and after implementation.

In today's competitive business landscape, where profit margins can be razor-thin, organizations that prioritize and achieve efficiency in their procurement processes gain a significant competitive advantage. They are better positioned to adapt to market fluctuations, meet customer demands promptly, and make data-driven decisions regarding inventory, suppliers, and cost controls. Consequently, an emphasis on efficiency in procurement becomes not only a cost-saving measure but also a strategic imperative for long-term sustainability and growth.

Before the implementation of Oracle NetSuite, "Logistics Company" was unable to maintain optimal inventory levels. This means that they overstock, tying up valuable capital in excess inventory, or understock, which could lead to production delays or missed sales opportunities. The ability to strike the right balance in inventory levels reduces carrying costs, minimizes the risk of obsolete stock, and enhances the overall responsiveness of the supply chain.

Conducting a post-implementation evaluation of the Oracle NetSuite ERP project is not merely a best practice; it is a strategic imperative. It ensures that the ERP system remains aligned with organizational objectives, responsive to user needs, and continuously evolving to meet the challenges of a dynamic business environment. By conducting these evaluations, organizations position themselves for long-term success and maximum benefit from their ERP investment.

Since "Logistics Company" has never implemented ERP software, it is necessary to identify problems that arise during the implementation process. Conducting a post-implementation evaluation helps in identifying any issues or challenges that may have emerged during or after the implementation. These issues could range from technical glitches and system inefficiencies to user adoption difficulties. Identifying and addressing these issues promptly is essential for ensuring that the ERP system operates smoothly.

Post-implementation evaluations serve multiple critical purposes such as gathering feedback from end-users who are actively using the system is invaluable. Moreover, the "Logistics Company" lacks human resources who understand the Oracle NetSuite that is being implemented. Users can provide insights into their experiences with the ERP system, including any difficulties they encounter, areas where they feel the system falls short, and suggestions for improvement. User feedback is instrumental in making the system more user-friendly and aligned with actual business needs.

The Oracle Netsuite Software

In carrying out transactions that generate financial reports, the "Logistics Company" uses the Oracle NetSuite web application, this application uses cloud computing as a data storage so that transactions can be directly recorded and stored in applications on the network.

Oracle NetSuite Module Management

1. Procure To Pay

This module has a function to carry out transactions ranging from *Purchase Requisitions* to *Bill Payments*.

a. *Purchase Requisition*

Purchase Requisition is the initial official document to request goods or services from superiors. Purchase Requisitions can only be made based on existing documents in Oracle NetSuite, the following is the *Requisition* view.

Figure 2. Requisition Form

b. *Purchase Order*

A *Purchase Order* can be created if there is a price agreement (the vendor has been selected based on the approval matrix applied), and the request has been made and approved. It is possible to have multiple receipt items (commonly known as partial receipts) for one *Purchase Order*. The following is a *Purchase Order*.

Figure 3. Purchase Order Form

c. *Item Receipt*

Item Receipt is a document that is recorded for receiving goods or services in Oracle NetSuite. Accounting will receive goods/services for orders made. The following is an image of the item receipt form.

ORACLE NETSUITE *titipaja*

Search

Activities Transactions Lists Reports Analytics Documents Setup Customization Commerce Fixed Assets Localization Reports SuiteApps Support

Item Receipt To Be Generated

Save Cancel

Primary Information

REFERENCE # To Be Generated

DATE 14/07/2022

VENDOR PT Garama Technology Indonesia

POSTING PERIOD Jul 2022

SUBSIDIARY PT Tri Adi Sarana

BILLED

MEMO

LINK SHAREPOINT

CURRENCY IDR

Items & Expenses Relationships Communication System Information Custom Landed Cost

EXCHANGE RATE 1.00

LANDED COST PER LINE

Items & Expenses

SELECT ITEM

Mark All Unmark All

RECEIVE	ITEM	VENDOR NAME	DESCRIPTION	ON HAND	TO LOCATION	REMAINING	QUANTITY	UNITS	INVENTORY DETAIL	OPTIONS	RATE	CURRENCY	LANDED COST
<input checked="" type="checkbox"/>	Printer Barcode GODET (Taiwan) 6500 USB	SN : IM197Y100500242		12	HD		1	1	Pcs		2,750,000	IDR	

Figure 4. Item Receipt Form

d. Bill

Bill is the document for billing from vendors for purchases of goods that have been received or services that have been completed by vendors at the "Logistics Company". The due date is calculated based on the date when the finance department received the *bill* from the vendor, the same as acknowledging debt. The following is a *Form Vendor Bill*.

ORACLE NETSUITE *titipaja*

Search

Activities Transactions Lists Reports Analytics Documents Setup Customization Commerce Fixed Assets Localization Reports SuiteApps Support

Bill

Save Cancel Auto Fill Recalc Actions

Primary Information

CUSTOM FORM To Be Generated

TRANSACTION NUMBER To Be Generated

VENDOR

REFERENCE NO.

ACCOUNT 2021000000 Other Pa... Third Party - ASL

AMOUNT

AVAILABLE VENDOR CREDIT

CURRENCY IDR

EXCHANGE RATE 1.00

VAT REGISTRATION

TAX

DISC. AMT.

DISC. DATE

PAYMENT HOLD

DUE DATE

MEMO

PAYMENT REQUEST NO.

LINK TO DOCUMENT

INVOICE DATE

ME - PETTY CASH

Report

JENIS DOKUMEN

KODE OBJEK PAJAK

TERKAIT TANGAN BP PENGURUS

FASUTK

NOMOR TANDA TERIMA SKD

TARIK SKD

NOMOR ATURAN DTP

NTRIN DTP

Figure 5. Vendor Bill Form

e. Bill Payment

Bill Payment is a payment process related to debts to vendors. *Bills* to be paid are all open bills. Payments to these vendors can be made in full or in part. A full payment will create a *paid bill status*, while a partial payment will keep the charge open. *Bill payment* can consist of one bill payment or multiple bills in one vendor. The following is a form of *bill payment*.

The screenshot shows the Oracle NetSuite 'Bill Payment' form. The header includes the Oracle NetSuite logo and navigation tabs. The main title is 'Bill Payment' with a search icon. Below the title, there's a breadcrumb trail: 'MRO/PO/07/2022/087/ASL PT DANINDO TAPE PACKAGING INDUSTRY'. The form is divided into sections: 'Primary Information' and 'Classification'. The 'Primary Information' section contains fields for 'CUSTOM FORM', 'TRANSACTION NUMBER', 'BALANCE', 'AMOUNT', 'ACCOUNT', 'DATE', 'DATE', 'CLASS', 'LOCATION', 'CURRENCY', and 'EXCHANGE RATE'. The 'Classification' section contains fields for 'SUBSIDIARY', 'DEPARTMENT', 'CLASS', 'LOCATION', 'CURRENCY', and 'EXCHANGE RATE'. The form is marked as 'APPROVED'.

Figure 6. Bill Payment Form

f. Inventory

In the process of this module, the user can manage the company's inventory. In this module there are also *Inventory Adjustment*, *Inventory Count*, *Inventory Transfer* and *Transfer Order*.

g. Inventory Adjustment

Inventory Adjustment is a transaction in which the quantity and value of inventory items can change without going through another transaction. The following is a picture of the *Inventory Adjustment*.

The screenshot shows the Oracle NetSuite 'Inventory Adjustment' form. The header includes the Oracle NetSuite logo and navigation tabs. The main title is 'Inventory Adjustment' with a search icon. Below the title, there's a breadcrumb trail: 'Inventory Adjustment'. The form is divided into sections: 'Primary Information' and 'Classification'. The 'Primary Information' section contains fields for 'CUSTOM FORM', 'REFERENCE #', 'CUSTOMER', 'ADJUSTMENT ACCOUNT', 'ESTIMATED TOTAL VALUE', 'DATE', 'POSTING PERIOD', and 'MEMO'. The 'Classification' section contains fields for 'SUBSIDIARY', 'DEPARTMENT', 'CLASS', and 'ADJUSTMENT LOCATION'. The form is marked as 'APPROVED'.

Figure 7. Inventory Adjustment

h. Inventory Count

Inventory Count is a transaction that records and controls stock tracking of physical inventory accuracy and inventory recorded in the system available at each location.

Figure 8. Inventory Count

i. Inventory Transfer

Inventory Transfer is a transaction of moving inventory from one location to another directly without recording goods in terms of item fulfillment and item receipt (goods that have been received directly to the recipient's location). The following is a picture of *Inventory Transfer*.

Figure 9. Inventory Transfer

j. Transfer Order

Transfer Order is a transaction of moving inventory from one location to another by recording item fulfillment from the sender's location and item receipt to the receiving location. The following is a picture of the *Transfer Order*.

Figure 10. Transfer Order

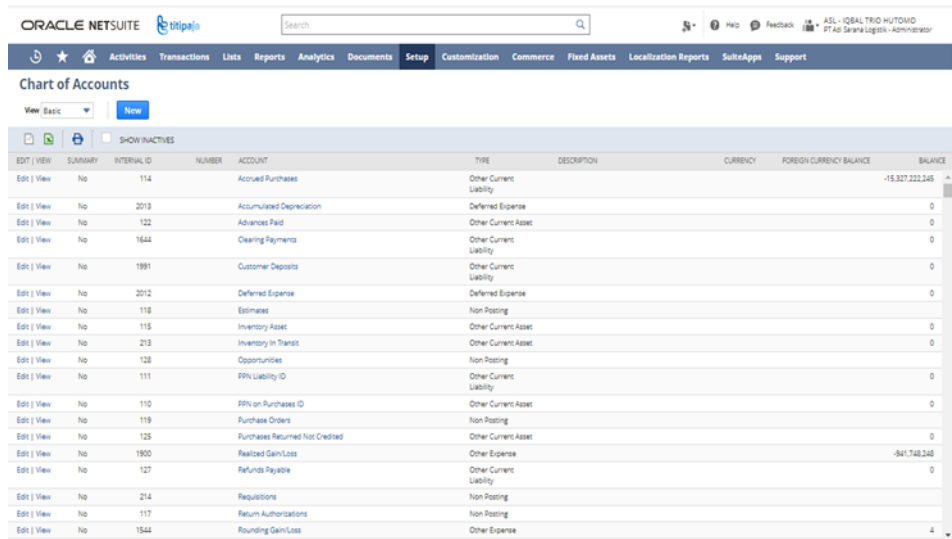
k. General Ledger

In this module, you can manage the entire series of financial reporting processes, such as journal entries to the formation of financial reports.

l. Account

A chart of accounts (COA) is a comprehensive list of all the financial accounts contained within a company's general ledger. Essentially, it serves as an organizational instrument that presents a concise breakdown of all the financial activities undertaken by a company during a specific accounting period, categorized into subgroups. Account numbering and naming will be registered in the system, while transaction details can be seen in standard Oracle NetSuite reports. Accounts will be managed separately per subsidiary. The data to be stored in Oracle NetSuite consists of:

- *Number*, is the account number to be registered
- *Name*, is the name of the account to be registered
- *Subaccount of*, is the parent account that has been registered if, the child account has been registered.
- *Type*, is the type of account to be registered
- *Currency*, is the account rate to be registered.
- *Subsidiary*, is a subsidiary of the COA



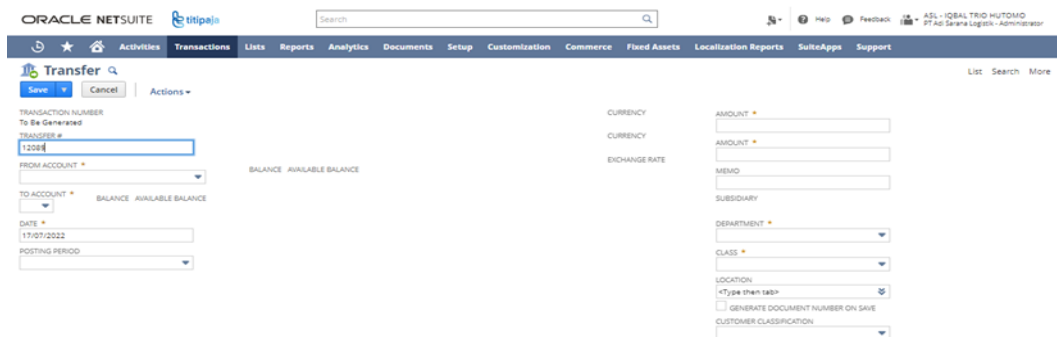
EDIT	VIEW	SUMMARY	INTERVAL ID	NUMBER	ACCOUNT	TYPE	DESCRIPTION	CURRENCY	FOREIGN CURRENCY BALANCE	BALANCE
Edt View	No	114			Accrued Purchases	Other Current Liability			-15,927,222.248	
Edt View	No	2013			Accumulated Depreciation	Deferred Expense			0	
Edt View	No	122			Advances Paid	Other Current Asset			0	
Edt View	No	1644			Clearing Payments	Other Current Liability			0	
Edt View	No	1991			Customer Deposits	Other Current Liability			0	
Edt View	No	2012			Deferred Expense	Deferred Expense			0	
Edt View	No	118			Estimates	Non Posting			0	
Edt View	No	115			Inventory Asset	Other Current Asset			0	
Edt View	No	213			Inventory in Transit	Other Current Asset			0	
Edt View	No	128			Opportunities	Non Posting			0	
Edt View	No	111			PPN Liability ID	Other Current Liability			0	
Edt View	No	110			PPN on Purchases ID	Other Current Asset			0	
Edt View	No	119			Purchase Orders	Non Posting			0	
Edt View	No	125			Purchases Returned Not Credited	Other Current Asset			0	
Edt View	No	1900			Realized Gain/Loss	Other Expense			-841,748.248	
Edt View	No	127			Refunds Payable	Other Current Liability			0	
Edt View	No	214			Regulations	Non Posting			0	
Edt View	No	117			Return Authorizations	Non Posting			0	
Edt View	No	1544			Rounding Gain/Loss	Other Expense			0	

Figure 11. COA

m. Transfer Funds

Transfer Funds is a transaction to record the transfer of funds between two bank accounts, either from a bank in a foreign currency or between banks with the same currency. For bank transfers that are still in transit, a separate COA (Bank-In Transit) will be created. The information that must be filled in is:

- *From Account*, is an account that sends money
- *To Account*, is an account that receives money
- *Amount*, is the amount of money transferred.
- *Amount*, is the money received. If there is a currency conversion, it will follow the foreign currency.
- *Date*, is the date of making the transfer of funds



ORACLE NETSUITE

Search

Activities Transactions Lists Reports Analytics Documents Setup Customization Commerce Fixed Assets Localization Reports SuiteApps Support

Chart of Accounts

View Basic

SHOW INACTIVES

TRANSFER

TRANSACTION NUMBER To Be Generated

TRANSACTION # 12004

FROM ACCOUNT * TO ACCOUNT * BALANCE AVAILABLE BALANCE

DATE * 17/07/2022

POSTING PERIOD

CURRENCY CURRENCY EXCHANGE RATE

AMOUNT * AMOUNT * MEMO

SUBSIDIARY DEPARTMENT * CLASS * LOCATION * *Type then tab*

GENERATE DOCUMENT NUMBER ON SAVE

CUSTOMER CLASSIFICATION

Figure 12. Transfer Funds

n. Deposit

Deposit is a transaction to record incoming money from the bank. Receiving funds can be through existing transactions or receipts that are not related to payment transactions. The information that must be filled in is:

- *Account*, is a bank/cash account that receives money
- *Payments*, is a transaction where the funds have not been received, such as a check or giro from a customer.
- *Other Deposit*, is the recording of money receipt transactions without being related to other payments. This transaction requires the name of the beneficiary and the total price.
- *Cash Back*, is a record of deductions obtained from the results of bank/cash transactions. It requires the account name and the amount received.
- *Date*, is the deposit date.

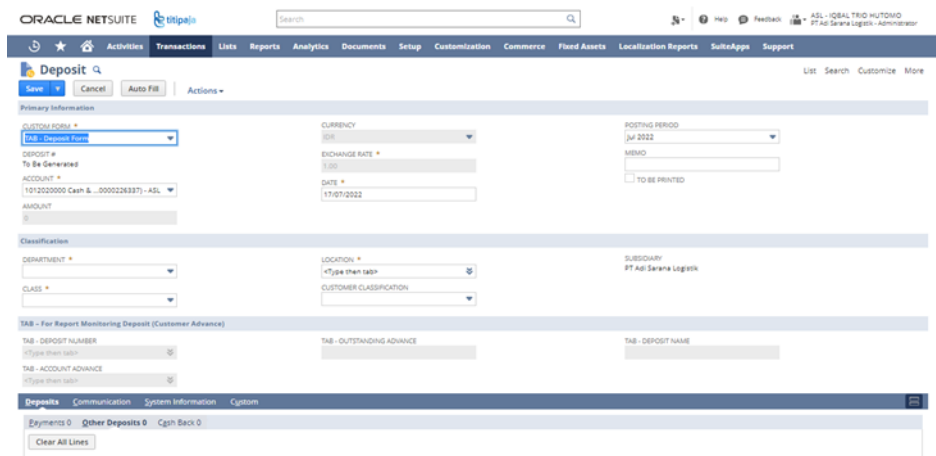


Figure 13. Deposit

o. *Write Check*

Write check is a transaction to record the disbursement of money. The information that must be filled in is:

- *Account*, is a bank/cash account for cash disbursement
- *Payee*, is the entity that receives the money.
- *Currency*, is the rate used by Write Check.
- *Exchange Rate*, is the exchange rate on the Write Check
- *Expenses & Item*, is an expense account used for money spending
- *Amount*, is the total amount of Write Checks.
- *Tax Code*, is the tax code used in Write Check.

Figure 14. Write Check

p. *Reconcile Bank Statement*

Bank reconciliation is the process of matching balances in a company's accounting records with the related information on bank statements. The aim of this process is to ascertain the similarities and differences between the two.

Figure 15. Reconcile Bank Statement

- *Match Bank Data*

Match Bank Data is a feature for importing and matching imported transactions with existing account transactions based on the rules that have been set. For the remaining unmatched transactions, the user can manually select one or more transactions from each grid to match. Similar to the bank statement reconciliation feature, users can save and complete it later.

Figure 16. Match Bank Data

- Journal Entries

Journal Entries is the process of making adjustments to account balances. In the “Logistics Company” process, Journal Entries can be used to record depreciation, amortization, intercompany transactions, and other adjustments, such as recognizing expenses for prepaid transactions, recording prepaid tax payments that occur on transactions at the end of the month and so on.

Figure 17. Journal Entry

- Standart Report Oracle Netsuite

In Oracle Netsuite, there are several reports that can support financial reporting, including the following:

Table 1. Standard Report Oracle Netsuite

No.	Report	Tipe	Purpose
1	General Ledger	Report	A report to track the list of transactions sorted by filtered period

No.	Report	Type	Purpose
2	<i>Income Statement</i>	<i>Report</i>	A reports for profit and loss for transactions made by entities
3	<i>Balance Sheet</i>	<i>Report</i>	A report of a list of assets, liabilities and equity by filtered period
4	<i>Trial Balance</i>	<i>Report</i>	A report to track the balance for each active account based on the selected date or period
5	<i>Cash Flow Statement</i>	<i>Report</i>	A report of the cash flow resulting from transactions.
6	<i>Transaction Detail</i>	<i>Report</i>	A report to track all transactions made in an accounting period
7	<i>Realized Exchange Rate Gains and Losses</i>	<i>Report</i>	A report to track realized exchange rate gains and losses on transactions in the filtered period
8	<i>Unrealized Exchange Rate Gains and Losses</i>	<i>Report</i>	A report to track unrealized exchange rate gains and losses from transactions in filtered periods
9	<i>Cash Statement</i>	<i>Report</i>	A Report to track movements for each bank/cash account

q. *Fixed Asset Management*

In this module, you can manage all assets owned by "Logistics Company".

- *Fixed Asset Recognition*

The categories of goods that are recognized as fixed assets in the "Logistics Company" are those that have a value and age in accordance with the applicable fixed asset policy.

The following is the process of recognizing assets in "Logistics Company" based on the type of asset:

- *Capitalize Asset* are assets that are ready to be used and depreciated. When a vendor sends goods and has been received at the location of the "Logistics Company", it will be recorded as goods received by the "Logistics Company" and recognized as fixed assets on the date of receiving the goods.
- *CIP Asset (Construction in Progress)*, are assets that are still in the process of being completed and not ready to be used. Asset recognition for CIP assets is carried out when the invoice/bill has been received by the "Logistics Company". Assets will be capitalized during the construction period, then the assets are ready for use and can be depreciated.

If there is a change in the record of an asset, it will be recorded as an asset adjustment. Examples of asset data changes are: changes in department, class, and location before being depreciated and other

additional information such as grouping types, grouping specifications.

- *Fixed Asset Location*

Fixed asset location is the physical location of each fixed asset. Location also reflects the depreciation cost of fixed assets.

- *Depreciation Method*

The Depreciation Method used in the "Logistics Company" is as follows:

- *Capitalized Asset Depreciation Method: Straight Line*
Depreciation Rules: When the asset is recorded, it is ready to be depreciated in the same month.
- *CIP (Construction in Progress):* Depreciated when completed and transferred to fixed assets.

EDIT VIEW	INTERNAL ID	NAME*	DEPRECIATION METHOD DESCRIPTION	DEPRECIATION FORMULA	FINAL PERIOD CONVENTION
Edt View	35	10% Declining Balance	10% Declining Balance	(NB-RV)(0.1)AL	
Edt View	34	12% Declining Balance	12% Declining Balance	(NB-RV)(0.12)AL	
Edt View	33	14% Declining Balance	14% Declining Balance	(NB-RV)(0.14)AL	
Edt View	32	15% Declining Balance	15% Declining Balance	(NB-RV)(0.15)AL	
Edt View	24	1500B	150% Declining Balance, to Straight Line (MACRS)	(NB-RV)(1.5)AL=(NB-RV)(AL-CP+1)	
Edt View	40	2% Declining Balance	2% Declining Balance	(NB-RV)(0.02)AL	
Edt View	31	20% Declining Balance	20% Declining Balance	(NB-RV)(0.2)AL	
Edt View	41	20% Declining Balance to 12% Declining Balance	20% Declining Balance to 12% Declining Balance	(NB-RV)(0.2)AL	
Edt View	23	2000B	200% Declining Balance, to Straight Line (MACRS)	(NB-RV)(2)AL=(NB-RV)(AL-CP+1)	
Edt View	30	24% Declining Balance	24% Declining Balance	(NB-RV)(0.24)AL	
Edt View	29	25% Declining Balance	25% Declining Balance	(NB-RV)(0.25)AL	
Edt View	10	25% Reducing Balance	Reducing Balance by 25% over the year (monthly basis)	NB*(NB)(0.75)(1/12)	
Edt View	42	250% Declining Balance	250% Declining Balance	(NB-RV)(2.5)AL	
Edt View	43	2500B	250% Declining Balance, to Straight Line (MACRS)	(NB-RV)(2.5)AL=(NB-RV)(AL-CP+1)	
Edt View	28	30% Declining Balance	30% Declining Balance	(NB-RV)(0.3)AL	
Edt View	39	4% Declining Balance	4% Declining Balance	(NB-RV)(0.04)AL	
Edt View	27	4-4-5 Calendar Depreciation	Approximate Straight Line for daily depreciation	12*(100-RV)(AL)*(DRP)	
Edt View	38	5% Declining Balance	5% Declining Balance	(NB-RV)(0.05)AL	

Figure 18. FAM Depreciation Method

- *Depreciation Rules*

The Depreciation Rule is used as a method of measuring when depreciation should be applied. The depreciation rule used in "Logistics Company" is "Acquisition", meaning that the start date of depreciation is the same period as the date of acquisition of the asset. The depreciation amount will be recognized as full rate in the month of depreciation, for example if the asset is recognized on November 28, then the depreciation amount will be calculated from November 1 until 30 for depreciation in November. The following is an example of an acquisition depreciation rule, namely:

- *Asset Type*

Asset Type is a grouping of assets that is used when recording asset recognition.

- *Asset Account:* account for the acquisition value of the asset.
- *Depreciation Account:* account for accumulated depreciation of assets.
- *Depreciation Charge Account:* account for asset depreciation expense.
- *Write Off Account:* account for asset write-off.
- *Write Down Account:* account for reduction or addition of asset value on asset revaluation.
- *Disposal Cost Account:* expense account for the sale of asset.

1. *Asset Depreciation Method,* depreciation method to be used.
2. *Asset Lifetime,* estimated life of an asset.

3. *Residual Value*, the percentage value of the initial cost at which the asset will be worth at the end of its useful life.
4. *Depreciation Rules*, governs whether the asset is depreciated in the same period when it was first activated (acquisition) or in its end-of-life period (disposal).

INTERNAL ID	NAME	DESCRIPTION	OPERATING LEASE
303	Building		No
308	Building Equipment		No
702	CTR Building		No
311	Courier Equipment		No
306	Furniture		No
407	Hub & SP - Building Equipment		No
410	Hub & SP - Courier Equipment		No
405	Hub & SP - Furniture		No
409	Hub & SP - IT Equipment		No
404	Hub & SP - Leasehold Improvement		No
406	Hub & SP - Office Equipment		No
402	Hub & SP - Operational Building		No
408	Hub & SP - Operational Vehicle		No
403	Hub & SP - Owned Building Renovation		No
502	Hub & SP LSA		No
603	Intangible Assets		No
713	Intangible Assets - Acquisition Cost (4 years) - ASL		No
714	Intangible Assets - Acquisition Cost (5 years) - ASL		No

Figure 19. Asset Type

CONCLUSION AND RECOMMENDATION

In today's competitive business landscape, efficient management of resources and streamlined processes are crucial for the success of any organization. Enterprise Resource Planning (ERP) systems have emerged as powerful tools that integrate various business functions and provide real-time insights for informed decision-making. Based on the findings from the implementation of Oracle NetSuite ERP in the “Logistics Company”, several key conclusions and recommendations can be drawn.

Allocating Adequate Human Resources:

The successful implementation of ERP Oracle NetSuite relies on having sufficient human resources dedicated to the project. Allocating a competent team ensures that users receive the necessary support and training during the implementation process. Adequate resources also enable prompt issue resolution, minimizing disruptions and facilitating a smoother transition to the new system. By prioritizing human resource allocation, “Logistics Company” can proactively address any challenges and effectively leverage the capabilities of Oracle NetSuite ERP.

Streamlining Procure to Pay Processes:

Efficiency in procurement processes is essential for managing costs and optimizing inventory management. Enhancing the Procure to Pay module within Oracle NetSuite ERP streamlines the management and recording of goods transactions in the Procurement division. This optimization eliminates manual tasks and redundant workflows, reducing errors and improving transactional processes. A streamlined Procure to Pay module enables the logistics company to respond faster to procurement needs, enhancing overall operational efficiency and supporting timely decision-making.

Customization for Tailored Solutions:

Oracle NetSuite ERP offers customization features that allow organizations to tailor the system to their specific needs. If certain requirements cannot be met within the standard system functionalities, customization provides a flexible solution. By exploring and utilizing these customization options, “Logistics Company” can ensure

that Oracle NetSuite aligns seamlessly with their unique business processes, culture, and objectives. This personalized approach enhances user satisfaction and optimizes the system's effectiveness in supporting day-to-day operations.

Enhanced Collaboration with External Stakeholders:

To foster seamless collaboration and communication, it is recommended to extend accessibility of Oracle NetSuite ERP to vendors and corporate customers, if necessary. This extension enables external stakeholders to interact directly with the system, facilitating smoother transactions and efficient information sharing. By including vendors and corporate customers within the ERP ecosystem, “Logistics Company” can strengthen relationships and streamline supply chain operations, ultimately enhancing overall operational efficiency.

Evaluation of the Oracle NetSuite project

One of the key recommendations is to conduct an evaluation of the Oracle NetSuite ERP project after go-live. This evaluation serves as a crucial step in identifying areas for improvement and future enhancements. By thoroughly analyzing system performance, user feedback, and operational metrics, organizations can refine the ERP system to maximize its potential benefits. This continuous improvement approach ensures that the system remains aligned with evolving business needs and industry best practices.

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