



Brazilian Localization for NetSuite OneWorld

The context

NetSuite is the world's leading provider of cloud-based business management software. NetSuite helps companies manage core business processes with a single, fully integrated system covering ERP/financials, CRM, ecommerce, inventory and more. The NetSuite solution is a fast growing cloud-based ERP, CRM and E-commerce solution that allows its clients to have a consolidated view of their operations regardless the number of subsidiaries.

The module NetSuite “One World” allows the consolidation of all subsidiaries around the world. The overall business trend goes towards a fully globalized business world operating 24/7 with real-time reporting capabilities. Companies operating worldwide which are willing to operate in Brazil need to adjust NetSuite to comply with the Brazilian business rules with special emphasis on the taxation system. Due to the several regulations enacted by each governmental level (Federal, State and Municipal), Brazilian taxation system is very complex and involves many different taxes and exceptions, leading to an environment in which taxpayers are required to comply with several distinct obligations, including tax collection, tax recovery and tax reporting (accessory obligations). Besides the taxes issues, it's important to highlight Brazilian management culture, which demands other NetSuite adaptations do handle other local processes.

The modules and the services presented in this document were developed by SuitePlus to help “NetSuite One World” clients run their operations in Brazil.

Modules and professional services

The SuitePlus has begun localizing NetSuite for Brazil in 2007. In this project, the company has dedicated extensive resources to allow NetSuite to attend the key requirements to operate in Brazil. Currently, there are two modules offered by SuitePlus to NetSuite One World clients, the Brazilian localization module and the Brazilian fiscal reporting module.

1. Localization module

The localization module touches virtually every point of the ERP or CRM, changing not only the standard NetSuite look and feel, but also the core processes that take place in Brazil. Here are some of its features:

- Zip-code search
- Mileage calculation for expense reimbursement
- Payment Terms and installment management
- Shorten Input Account code (código reduzido)
- Cash Requirements (based on installments of sales and purchases)
- Payment of Installments in Batch
- Receiving of Installments in Batch
- Telephone Mask
- Tax calculations of sales and purchases
- Recovery taxes based on Accrual or Cash basis
- NF-e (Electronic Product Invoice) via File Upload of SEFAZ (Secretaria da Fazenda)
- Paper service Invoice
- Tax IDs (state and federal) validation

2. Brazilian fiscal reporting module (optional)

This module supports the accounting and fiscal processes of the organization. It is required if the company is willing to have an internal accountant professional carrying out the fiscal and accounting processes using NetSuite. Here are some of its features:

- Period closing and tax calculation for all tax filling types of legal entities in Brazil.
- Creation of all tax reports and remittance forms.
- Creation of all required legal reports and registers (tax records, tax books, fiscal books).
- Creation of electronic files for the Public digital bookkeeping system - Sistema Público de Escrituração Digital (SPED) – EFD, ECD, PIS-COFINS (see in scope).

Deployment and Professional Services

Both modules are deployed as NetSuite bundles. The modules, once deployed and configured, do not affect process outside of the Brazilian Subsidiary(ies). They are not self-installed modules. Hence, they must be installed and configured by the SuitePlus team of consultants (SuitePlus professional services).

As part of the deployment of our solution we provide the following:

1. Deploy Brazilian localization module
2. Deploy scripts and configure bundle to only be applicable to Brazil's subsidiary
3. Create Roles for Brazil's SUB
4. Create Entity forms for Brazil's roles
5. Create Transaction Forms for Brazil's roles
6. Create Items forms for Brazil's item's
7. Create Views and sub lists for only for recoverable taxes).
8. Deploy Brazilian standard reports and s Brazil's forms
9. Create all tax accounts
10. Create and Configure tax codes (items, AP, AR, Sales and Purchase)

11. User Training
12. Train end users on tax maintenance
13. On going support after go-live

What we don't do:

- Create GAAP reporting
- Create or modify Consolidated Balance Sheet, Income Statement and financial reports
- Create or modify COA (except for the required TAX accounts)
- Configure/Manage Elimination Subsidiary

Additional services we can provide, not included in the standard module installation:

- Create and manage data integration with 3rd party accounting firms or bureaus (in case the fiscal module is not installed)
- Integrate Electronic Product Invoices (NE) for seamless invoicing
- Integrate Electronic Services Invoices (if the city where business is established supports integrations)
- Eletronic bank files (EFTs) for payments and receivables

SuitePlus experience project methodology

From experience, this project can be carried out within 2 to 3 months after the kick-off meeting. According to our project managers, this time discrepancy is due to:

- The maturity level of the financial processes (are they already well defined in Brazil?)
- The data that has to be imported or integrated to NetSuite (the subsidiary is already operating in Brazil?).
- The time availability of the key users of the organizations such as: Project manager, process experts of each department and the accountant who will make sure that the system will comply with the complexities of the Brazilian taxation system to the specific case of the organization.

The NetSuite implementation is composed of activities logically grouped into distinct stages, which SuitePlus believes makes it easier to provide management and control during the project lifecycle. It is also important to mention that projects are developed and delivered in sprints or phases. Each sprint delivers a set of features, which are fully functional, allowing clients to anticipate ROI because users can start operating the system before it is fully implemented.

All SuitePlus projects will always use all stages and complete all the activities outlined in this methodology. This interactive approach has been designed to be flexible enough to allow specific requirements to be properly addressed without losing control of time and scope, also reducing risks and improving communications between all stakeholders.

This description below outlines main project stages, which are implemented in modules.

	Description
Business Requirement Review	Standard business requirement review involving processes deemed in scope. BRD is based in questionnaires and interviews with key users. This BRD is usually a complement to the global or enterprise BRD. Deliverable: BRD or Scope Document
Setup and Configuration	Setup Brazilian subsidiary to meet Brazilian operations requirements. Configure subsidiary taxes, COA and all other preferences. Will follow guidelines set by Headquarters implementation.
Security and User Configuration	Define and assign up to 6 roles and permissions for users. Create customized entity, transactions and items' forms for Brazilian subsidiary. Deliverable: Customized forms to be used in Brazil for up to 6 main roles
Operation Manuals	Create and operation manual consisting of localized processes. Deliverable: PDF User Manual
Reporting and User Preferences	Deploy standard localized daily reports and assist users in the usage of KPIs, alerts, dashboard, CRM activities and mapping daily processes.
End User Training	Provide end user training for up to 6 roles (Administration, Accounting, AP, AR, Sales, Purchasing)
30 Days Production Support	Post go-live 30 day dedicated support with transition to standard support at the period.
On-going Support	Standard support to all deployed features. Support is offered in Portuguese via phone, email and customer central according to hired SLA.