



Cloud Based End-to-End Solution for Companies to Manage their Businesses



Lucas Vear
General Manager

About Klugo

Klugo is a software and marketing services provider that helps businesses transform by providing a complete, end-to-end, 360-degree view of your company's vision.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Vear, what is the concept at Klugo? What does the company do?

Mr. Vear: We are a cloud based solution provider offering companies an end-to-end solution to manage their businesses. We are a NetSuite developer, a NetSuite distributor and most importantly, a NetSuite user. As a result, NetSuite is the core platform that we use to sell to businesses for our cloud based software solution.

CEOCFO: What do you like about NetSuite?

Mr. Vear: It is a very open package, and it is on the cloud. If we trace back to why we chose NetSuite in the first place, our parent entity (Headland Machinery) was the reason we initially searched for a one-system solution, to get one defined view of the business.

Headland operates throughout Australia and New Zealand, with a large remote workforce. Because of this, it meant that managing infrastructure with IT was awkward, and difficult to keep up with at times.

Connection was often difficult when Service Engineers were out in the field. After evaluating multiple software Vendors, we found that NetSuite was the ideal platform for Headland because it is on the cloud, and because connection is simply a case of clicking onto the Internet.

CEOCFO: Would you tell us a little bit about your client base? Who is using your services today?

Mr. Vear: Klugo itself is only a new entity, the journey resulting out of the parent entity Headland's requirement. Once Headland decided to implement NetSuite, subsequently, we looked at the requirements of the business, and found that it needed a field service system.

Initially purchasing a third party module, Headland managed for a period of time.

However, it still meant that we had two different systems to run the business, and not quite the transparency we required, resulting in a ton of duplication and effort in running multiple systems.

Therefore, we started to build the field service management system ourselves, that is what I meant earlier when I said we are a NetSuite developer.

We built the requirement for ourselves and we thought, "We couldn't be the only business out there that needs to this solution."

We conducted some background commercial investigation on whether there was a market for it.

Approaching NetSuite, they encouraged us to release the software, which we now call NextService, into the market.

All of this only happened in July of last year, which is also when we set up Klugo. At the same time, we became a solution partner with NetSuite, and also an accredited SDN (SuiteCloud Developer Network) partner via NextService's 'Built for NetSuite' verification.

Currently, there are two businesses running NextService, and another customer we have sold NetSuite to, with a ton of interest in the pipeline.

CEOCFO: *How are you generating interest for your services?*

Mr. Vear: Part of the Klugo product portfolio is its marketing offering. We happen to be quite a strong sales and marketing focused business.

Just two weeks ago we exhibited at SuiteWorld, NetSuite's annual conference in San Jose. We were overwhelmed at the amount of interest we had, from those coming up to our booth and enquiring about the product, to the general NetSuite network that were present.

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CEOCFO: *There is a ton of competition for cloud services. Why use your program? What do you fundamentally understand excites a prospective client to want to do business with Klugo?*

Mr. Vear: Our key value proposition is that we are fully integrated with NetSuite, which is the leading cloud ERP system in the world.

And yes, while there are many cloud offerings, there are probably not too many around like NetSuite that are a pure multi-talented arrangement built from the cloud.

The word 'cloud' is what they use. Some of it is just hosted, whereas NetSuite is a true cloud product.

NextService is embedded within the NetSuite architecture itself. There is competition, particularly from infield services, but we know from our own experience that you do not get an end-to-end view of the business.

Typically speaking, if you are using separate systems, to get a view of the service system, you actually have to log out of one, and into the other, which could cause duplication in information transfer.

There might be some financial information transferring, but not to the granularity that you are after.

If you want to look at a true customer perspective, then the sales person can actually see what service activity is on the go.

The finance team can actually get full disclosure on what is happening.

Management can see exactly what the outcomes of the service business are; whether it is utilization, escalations, or caseloads, they have true visibility throughout the whole business itself. This is what our unique proposition on the cloud is – a fully transparent view of the customer.

CEOCFO: *Are there particular types of companies or sizes of companies that tend to be more interested? Are you finding a common thread?*

Mr. Vear: I think the tipping point is typically somewhere approaching 50 employees in a business.

Once you start to delve deeper into their requirements, you tend to find that smaller packages can suffice and that cost is actually a barrier to them buying a full end-to-end CRM package.

However, I would not preclude small companies entirely. The company Klugo recently sold NetSuite to was a business with 20-30 users.

They were able to justify quite readily because it meant that their business efficiency was greatly improved by having the single system, instead of having disparate systems.

CEOCFO: *How would an implementation work for you? What are the steps?*

Mr. Vear: There is a defined methodology. Typically speaking, our team will go in and undertake a business process questionnaire with the customer.

We would then formulize a business review document, which is the general scope of the project, fitting the system into the requirements of the business, then configure the system, train the users, convert the data, and test the system for the final time before going live.

CEOCFO: *I have certainly heard many horror stories of people implementing a system that just ultimately did not work. How are you able to get it right?*

Mr. Vear: I have learned from experience, having gone through the process of implementing NetSuite, and not getting it right ourselves.

When we are discussing NetSuite implementation with future customers, we always advise to keep it simple to start with, and then grow with the package once you are completely operational.

Businesses tend to have what we deem a 'wish list', and not all the features are necessarily core priorities they require at the time.

I think that the more wishes you put in there, the more complex you make the system, which then means the set up, adoption and training becomes more difficult as well.

Based on our professional experience, we will advise our clients on the easiest implementation process, and then provide continual support as we take the process into phase two of deployment.

CEOCFO: *What is the plan for the next six months to a year? How will you be continuing to roll out?*

Mr. Vear: We are madly following up all active enquiries (which there are a lot of!), and we are working with partners in the US to ensure NextService is well represented in the International market.

We are thrilled with the introduction we received at SuiteWorld. Even yesterday we had a great discussion with a distributor, a software business in the US. They really came to represent and support us, and support the end user.

We think we have the right ingredients to build our product further, and the development and evolution of the product is something we want to focus on.

We know we have a very defined road map. Some things we can get short term wins on and some things are going to take us a little bit more than that. We have to a lot in front of us and we are looking forward to it.

CEOCFO: *When you are talking with a potential partner, someone who could implement your system for example in the US, how do you evaluate whether they really are up to the task and they are the right partner for you?*

Mr. Vear: We tend to leverage off NetSuite as much as possible. In general, the partners that NetSuite has have already gone through their astringent evaluation of their competencies, and support distribution in terms of location etc.

Any partners we associate with are already existing NetSuite partners who have past experience with the software system.

As I mentioned earlier, our field service management system NextService is built on the NetSuite platform, so any potential partner will already have rudimentary understanding of the system. This is our main strategy: to target those partners who are already NetSuite distributors.

We know that they are trained on the system already, and we know that they have strong competencies and skills in an area that could represent us well.

CEOCFO: Are you funded for the steps that you would like to take next? Will you be seeking funding or investment in the firm?

Mr. Vear: We are trying to. The parent entity is the funder to date. We are trying as best to keep it that way. If we are inundated and we have to step up a few gears very quickly, then we do have some other seed funding from private investors that we have talked to in the past.

However, largely speaking we are trying to manage our own destiny and hang on to the control of the entity itself and what we do. To date, we have been fortunate enough to fund the business internally. The hope is that we can continue to do this.

CEOCFO: What do you bring from your accounting background? What do you bring to the table managing the company?

Mr. Vear: Traditionally, the CFO in a business has responsibility for IT. In bigger businesses, you have a CIO and there is a segregation of duties. However, certainly in the small or medium space you tend also be responsible for both.

Working with business systems and implementation in the past, I am able to interpret and speak from experience to people at the same level. It's a very easy conversation for me and I'm able to assist them in their decision-making process.

Having this background has worked extremely well for me, as I am able to know exactly what they are after. Having been there and done that, I can deliver the necessary support throughout the process.

CEOCFO: What surprised you since the company has started?

Mr. Vear: I am an extreme optimist, so I believe that we are going to win everything that we undertake.

The reality in sales is that you do not get one hundred percent success rate, however, I have not changed my outlook.

The sales process is probably longer than I had anticipated, considering NextService requires NetSuite to operate, and initially, I believed that selling NextService would not be as complex as it possibly could be.

However, the process is simplified to all our prospects that already have NetSuite, and are looking for a solution to manage their field service operations.

CEOCFO: Why should people pay attention to Klugo?

Mr. Vear: We are a young, dynamic business. We believe we have great solutions that businesses are after, and we are continually developing the product as the market potential grows.

We are sitting within the leading cloud ERP system in the world, for an efficient and easily deployable system. Managing the software is no longer a problem because the Vendor, in this case, NetSuite itself, manages it.

As far as I am concerned, the software is the best in the market at the moment. We certainly believe we have a strong proposition to offer to prospects.

BIO Lucas Vear:

Motivated by how smart business works, and drawing inspiration from seeing constant improvements in day-to-day-business savings, Lucas's main focus is on the utilisation of IT to maximise productivity, done through viable business strategy and sound financial recommendations.



Klugo

95 Highbury Rd
Burwood VIC 3125
Intl' +61 3 9244 3595
www.klugogroup.com