



shift to tomorrow

WITH HOST DIRK BEVERIDGE



The New Reality: Adapting Business Models To Build Resilience

WITH GUEST

RANGA BODLA

VICE PRESIDENT FIELD ENGAGEMENT AND MARKETING, ORACLE NETSUITE

And that brings us to our fourth conversation today about shifting to tomorrow, rethinking our business models, and for that, we have our good friend, Ranga Bodla. Ranga, how you doing? Oh man, I don't know if you know this or not, but I just love this stuff.

Ranga: Would, if somebody had asked... And even if I wasn't part of this, I would have said, You know, Dirk loves this stuff. Keep them energized. To keep them going. So I do, man, and I absolutely learned all the time.

Dirk: So... Right, thanks for being with us. Let me give a fair introduction to you, if you don't mind, alright, so very loved it. I'd love to introduce you to my good, good friend, Ranga Bodla, who's the VP of field engagement marketing for NetSuite, which is a global business unit at Oracle, and Range and I have been working together, we are so damn like minded... We've been working together for eight years now, range in different ways to support the distribution segment, and I appreciate all that you do and all that we've done together, and all that we're gonna continue to do together, you know, I went through some things today, Ranga and I was looking at some things, I went all the way back to maybe the first unleash that you went to. And I found this poster coming out of the Innovation Summit, but I actually did put a manifesto statement on there, and yours was total domination. We didn't plan on this. And this is probably eight years old. When you see those words, total domination today, what comes to your mind with total domination?

Ranga: It's funny, I don't know if you remember this Dirk, but we first met. We first started working together, so I've been a necessary don't look a decade now. Which is kind of crazy. I look around and I talked to a lot of my colleagues, I'm kind of one of the griever ERAN. But when I started it in... NetSuite was in California, I know if you remember that, but we were communicating, I was in California. And I think, in fact, when that picture was taken as well as well as when that first on lease, that was... I was still out of California, and we were early on. We were still early on, we were in a growth mode, we're selling growth mode, but we were... I feel like it was a slightly different mode of where we were in our growth journey as the company and the organization that was pre-Oracle and pre-acquisition, and that total domination statement was really all about how are we gonna take the market and how we bring what we have to customers and folks, of course, we wanna continue that and we're doing it now is part of Oracle, but it's... I think what I to do is get that poster of you out so that Evan and Larry, I'll see it, because it was your commitment to total domination that brought NetSuite Oracle together because of what you created in the market...

Dirk: So Ranga let's get into this, if you don't mind, I'm really excited. I go, When I think about you, when I think about your team, when I think about the closeness to distribution that you and your team have and digital transformation and all that, I really think you have a different lens of business models, different business than others, that's why I'm really excited for this. So what do you see, how are companies adapting the business model based on this current environment right now, what do you see like...

Ranga: Well, you know, it's funny, I... When we first started chatting, one of the concept that... One of the reasons I think you and I related so well was this concept that the best ideas are not going to come

from your own industry, but looking at what other industries are doing, and one of the things that I always... I actually love about my job is the thing I love about the organization is seeing all these different industries and how these different industries are working together and how they do things differently, and how one organization, say distributor can look to a manufacturer, I can look to a retailer can even look to a software services company in the NetSuite ecosystem and learn from them and understand what they're doing and how they can adapt it to their business. So when you talk about how our companies adapting, I think what we're seeing is a lot of ideas that you started to see in pocket and distribution, for example, where there's more of a movement towards... Not more of it, there is. It's just kind of a forced function, right, that they can't just open their doors, people come in and buying the counter, by the way, in my audio...

Ranga: This notion is unfortunately, this lockdown has, has forced every company to either move online in some way, former fashion in order to get products out there, 'cause there's really no other way in which to operate, and so that's what I'm saying, how company was acting there's a couple of things that I see in pockets. One example, I actually forget the traditional side of the business, the traditional just selling product, one thing as an example is remote selling them, so every distributors out there that want... And other business as well, but just talk about distribution, but this notion of your Salesforce now is, they're gonna have to work from home and in order to do their business, and this notion of remote selling... How do you enable that remote selling, how do they make sure that everyone can still connect, how do they keep each other accountable and figure out how to get product or services to a company? So obviously, the number one is this remote selling, so I think a lot of companies aren't just saying, Okay, I can't do anything, we're gonna shut the door. They can't afford to do that. So they're all moving towards that, and we've talked to a number of companies that have...

They may have had people come in on Mondays or Fridays to do a touch... A check base or checkpoint. Excuse me, I was gonna say touch base and check, check point, I think I mix those two up, but they're not gonna do that virtually, where you're setting up a virtual scorecard or something where you can track that progress, so that's number one intermittent thing there.

Dirk: Again, I'm not the technologist. Alright, but my understanding is that those businesses with on-premises technology versus cloud-based technology would have a lot harder time in that remote selling environment than those in the cloud. Is that fair?

Ranga: That's completely fair. I think one of the things... And I literally, I was having this conversation actually with my neighbor, my neighbor out a distance, of course.

Dirk: You have exciting conversations with your neighbor, I can tell...

Ranga: Well, no, you know, we were just chatting about how we were managing, he was working from home, and he was saying how the first... They've kinda gotten to a... We'll call a place that works, but he was saying how most of the people in their office didn't have laptops, they used to go on the other... Have PCs in the office, and they're all used to connecting the system in the office, and so when they all had to go home, people, they were having to deploy some technologies that weren't exactly what I call

scaling for this notion, which works out fine. If you got one or two people or three or maybe even four that you need to occasionally access your systems remotely, but if you've shifted it where everybody in the organization now it's suddenly having to access your information, your data, everybody from the CEO all the way down to inventory or warehouse workers. How do you do that? If everybody's access in the same systems remotely, and frankly, a lot of the systems weren't designed for that, and so the cloud systems obviously a enable... A big part of that where whether it's your phone, your tablet, your master PC or whatever, you can access it without an issue, and I think we're starting to see a shift, there were similar systems might have been fine before, because you only had a couple of people doing it, but now you got everybody doing it and you gotta be able to meet that challenge, and

Dirk: To your point, it's not built for that. Yeah, I appreciate that. Alright, super cool thing. So you were going down before I interrupted that online, that remote selling, and it sounded like you had a couple other key observations.

Ranga: Yeah, so that's one you obviously be adapting, this is forced every business to go online in some way, shape or form, now not everyone has their inventory necessarily online, so some of that has been even as simple as FaceTime meetings, where they can show their inventory while they're waiting to put up something else that's little more scalable and setting up those meetings... I think the other thing we talk a lot about this circuit, the Unleash summit, this notion of you have to be... This notion of How can distributors be a business partner to their customer, and I think even more so now than ever before, that notion is even stronger where distributors have to be... They're able to leverage that knowledge and people, frankly, they are... Because there's so much misinformation out there because there's so much... Having that trust or who they've talked to before, the loyalty is a big thing, however, it's forcing and these suppliers to quickly quickly pivot, they're having to change where they were like, Oh wait, two or three years, or even however long it is to get online, now they're like, I gotta do it tomorrow, if I don't, I'm not gonna survive. And that's one of the things we're seeing a quick, I would say a quick shift, a quick turn, a quick adaptation in their market... In the model.

Dirk: Interesting, yeah. So are you also seeing that downstream down to the end users and the customers as well, one of the things that we did some think tanks on a digital transformation with some owners of distribution, and I was going through it this weekend or this week, Ranga and the word runway was used. They said, Oh, we can... Yes, digital transformation is important, we need to pivot our business model towards digital, but we have runway... Those were the words, we have runway because you know what, our contractors aren't there yet, our customers aren't there yet, our customers still do want us to come in with donuts, we have runway. I think that runway has morphed into a drag strip right now. Do you see the same thing, and you just talked about it at the supplier level, but do you see it at the consumer level as well

Ranga: As a... Both sides where there's no other option in order to get... To get product to service, if you're a contractor and you need to sell service things at spring here in Chicago, we're starting, but the lawn is actually growing and our lawn guys coming out, right. Those contractors are... They need to get their supplies, so of course you're gonna go to their distributor, right, and they may have gone into the shop before, but they've gotta shift that now and they've gotta change how they're doing that, and so...

Yeah, I think that the shift is happening on both levels where it's forced that behavior on both sides is whether or not it's just quickly moved that runway up.

Dirk: It has a great... So as you look at those businesses that you've been exposed to and watching and working with Ranga, when you see those that are making the pivot better, more successful, easier... I don't know if that's the right word than others, what are some of the common success denominators that you see in those businesses? Well,

Ranga: Well, I see, they're combining all of the good that they've built up over the years and forcing themselves on the technology side with the other side, so I think as an example, I talked about this knowledge piece, Dirk, I think more and more people want... They still want the knowledge that a lot of our distributors and suppliers have... They value that, they want that human connection. I think that's also important. So I think it's funny, it's driving them away from say... We talked a lot about this a couple of years ago, or just even a year ago, about Amazon supply, the thing is, they might be able to get something from Amazon supply, but the people also crave that human connection and that... The thing is, the companies that are providing still that human connection with providing the service that people want and need, those are the ones I think that are more successful right now.

Dirk: Are there's any distribution or otherwise come into your mind, somebody who's really balancing that high digital connection with a high human connection. Anybody come to your mind?

Ranga: Oh, there's been a lot of... I don't know if I can name any off-hand that I can specifically quote, but I was gonna say is what I find interesting is all these apparel companies would have been great actually, is all these apparel companies, they've really changed where they've added... They're moving on now, they're making masks, they're making PPE, they're making product, and then they're adding that to their... And what that's enabled them to do is enable them to remain essential, and then they are, but they sold the rest of their business as well, so I think that is... So I don't wanna name any specific companies in that example, but I've seen some of those examples in our customer base that seeing some folks doing that where they're able to make sure and maintain their existing business... Obviously, it's not quite the same, I'm never gonna be the same. But they can maintain their business while also adding this as well, I did want... The companies that were ahead of this Dirk on the supplier side, their businesses are also exploding, there's a company and one of the companies that we do business, they sold it...

Ranga: I had to make sure I give this quote to you it... 'cause I just totally blew my mind. Siete company to infect a... All kinds of products in that space, and they sold... When they started, they sold a year's worth of toilet paper in three days. Wow. Yeah, and then obviously they're having trouble keeping up with making sure they can stop that up, but... Yeah, really kind of amazing when you think about... 'cause they were at... They had it all online, they had an online presence in a business there that people could go to...

Dirk: I see. There's a good lesson there. Right, and that ties into the acceleration, I've heard the concept that a lot of the trends are going to disappear, they are going to accelerate, and so what you just said

there is, We know digitization is there, we know e-commerce is there, we know, right? That our customers are going to want to get... You talked about the knowledge that distributors have more and more, they're gonna wanna get that online, I think what this covid 19 is doing, it's taking those trends and simply accelerating them, and it really is causing this, I believe, and this is, I guess, core belief that I have I really believe that this is a moment in time that's going to force us in business to take digitization really seriously, that the Runway has become a drag strip, and we have to absolutely. Find a way to commit to it. I have up on the wall this quote from John Chambers, a former CEO of Cisco, and he says It's time to reinvent the business or be left behind. I don't think that's platitude, and he says, we have to use this moment to transition to digital, 'cause the trends are just accelerating

Ranga: And... Absolutely, I absolutely believe that. And I think that's what's interesting, Dirk is none of this is necessarily... They're not new trends. I think that's the thing, it's just hastening things that we've all been talking about for a while now, about moving the business online, but also bringing that... Bringing the business online does not mean taking away what has made distributor so great all these years, I think that's one thing that this is proven is... And you haven't asked me yet, Dirk, but we have a lot of... Yeah, I was gonna say, there's a lot of... Yes, Amazon has become critical during this time period for a lot of people, but I think there's also a lot of push back and blow back on Amazon as well, and a lot of people feel like it's what they have, they gotta do it, but they'd rather not necessarily give their business to Amazon that they can... So if there's another option out there, they will... And so I think the example here is, and we've had many of these conversations at these unleashes in the past, is how do I as a distributor bring some of what's great and my employee's heads and Hi, that was online to bring the best best forward, and I think people are...

Ranga: They're almost being forced and not almost, unfortunately, they are being forced to figure that out on the fly now, and I see. So I think what you'll see out of this tech is people look at that worked... This work. So we're gonna make some changes. This didn't work. Okay, so we know that. So the gotta do things differently, and so I think you're gonna see is... I don't think you're gonna see that digitization only your season, those trends go away, but what I think you'll see is... And I am listening to all the brands conversations, but I've heard a lot about experimentation, right. I think we're in a forced experiment right now where you have an opportunity to try different things and seeing what sticks and what's gonna come out of it, and I've been involved in a number of conversations with across different communities across the country, and some of those conversations, there's obviously the com discussions about cash flow and how do I make sure and get a business insurance and business continuity and some of those things, but the one that really struck me was this whole conversation around real estate and what are we gonna do with our offices at hand.

Ranga: And so what you're gonna see is, even with the space reopening of the country, what you're gonna see is, it's obviously space, it's gonna be months before everybody is open, and you're gonna see very shift on that, but in that process, as some... You're gonna have to think about phase, return into offices as well, just because of the country or just because the state or county reopen it doesn't mean everyone's gonna suddenly go back in the office, you're gonna maybe have a third of the people go back in the office, for half or whatever it is. And as people figure that out, when they're gonna go in, and you're gonna have to mesh that with some of the different ways of how we do in remote selling,

how are we doing remote buying, how are we going to service our customers and do it effectively? I think you're gonna see a lot of lessons learned out of this, the people that can apply to how they can scale that up for the future, those are gonna be the winners.

Dirk: Without question, they were starting to get up on to the clock here, a range, but if anybody has any questions for Ranga, please go ahead and put it in there and we'll get to it soon.

Dirk: Taking everything that we've been talking about and that you're seeing and thinking about, all the distributors out there are in different journeys, digital transformation journey, some are further along than others that... So I'll try to ask this question, understanding that, but knowing that the trend towards digitization is accelerating, and let's say if I've been behind... Let's use that as the baseline. If I've been behind where and how would you coach us to get started so that we can be a part of this acceleration rather than get pass by the acceleration?

Ranga: One of the things that we often talk about is this whole notion of a stairway approach to doing this, you gotta put in place a foundation first and build upon that foundation, and part of that solid foundation is really getting your financial and inventory online first. I think that's first and foremost, and it has to be those two things tied together, because what we are seeing is if you don't have clear visibility in your business, first and foremost, and you can't make the agile changes you need to in order to move quickly and I think that you get your financials inventory online first, then that that's the first pillar that in that solid foundation, you can build on that, and there's a lot you can build on top of that, whether it's better enabling your most Salesforce that are enabling better... Your e-commerce channel, we're having that e-commerce channel, but I think if you do any of the day, our e-commerce channel and isolation without thinking about that baseline, you don't know where you are in terms of inventory, you don't know where you are in terms of... Am I going too far In front of my skis, I think that's one of the big pieces there.

Dirk: Okay, cool, thank you. So the take away there is, if we've been behind on this digital transformation, the first place to start is look at the financials and inventory that gives us the foundation for which we can then lead the rest of that digital transformation. I appreciate that. And then if somebody wants to learn about this star, I keep screwing it up Stairway, there are... In the stairway.

Ranga: We've got most of this all on NetSuite, so NetSuite dot com is the first place I'd go, you can actually just go to NetSuite.com, multi-distribution. We talk a lot about the stairway and what we have there, but we have a number of resources at NetSuite dot com around this whole notion of business now, how we're helping people manage their business right now and how they can... We've been doing similar conversations like you Dirk, with a lot of folks that's... Seen a lot of fun, actually. It

Dirk: Is, so... And then real quick, 'cause as we wrap this up, you do... You guys have pivoted and you've got three new programs, can you just real quick, tell everybody about those three new programs... Business now is one of them, right?

Ranga: Business now is one of them. So we've been doing this whole program down with NetSuite,

which has actually just been fun, we've got a number of customers in folks like school, a rock or the creativity Foundation, and our dog is good, and they've been doing these fun events where people can just go... You get an hour and you get some entertainment. We've been doing this whole business now series, which is all about the series of about how different business leaders are going after this and pivoting their businesses and changing them and really managing through through what's going on right now, and then we've been doing some new series around just the fundamentals, we call sweep fundamentals, and it's really down into the product, but things like How do you do revenue recognition or how do you do multi-dimensional accounting, and it gets fairly fairly defy, but that's what people want right now, and they're at home and they... While they're working remote, it's a good time to do that learning...

Dirk: You bet wrong, I love it. You know what, I think you've heard me tell the story. On March 13th, when I decided to pivot, Bethany on my team and I, we decided for things that we wanted to go out and hug the industry, we wanted to provide inspiration, insight and connectedness, and it sounds like your business now, and the other two... With the fundamentals and how do you manage to it, you're really doing the same thing, and I think that's a good lesson for everybody on here in our world, our society, our customers, I think we all need to be hugged, you can be inspired, we need insight of how we're gonna get through this and we're all longing for connectedness, and I know you guys are doing all that as well as NetSuite. Roger, this has been absolutely amazing, I really appreciate it, man. Thanks so very, very much thanks for giving a part of your Sunday to us and we were in a loan shark. Thank you, buddy. Have a great Sunday. Okay, you too. Yeah, thanks. Thanks, Thanks to everybody. Thank you, simple. Very much. What a great two hours and I really appreciate you all hanging in there with me.