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# ACUMATICA SHOWS NO SIGNS OF SLOWING

ANALYST

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## THE BOTTOM LINE

At its recent annual conference, Acumatica Summit 2019, Acumatica discussed the progress it has made over the last year and what customers can expect from the vendor moving forward. After surpassing the 5,000-customer mark in 2018, the vendor demonstrated the steps it is taking to continue its momentum and bring further enhancements to the product. Usability continues to be a focus for Acumatica, striving to make its software accessible to small and medium-sized businesses while offering scalability to answer the needs of larger organizations. Although further expansions of the partner ecosystem are promising for customers that are looking for flexibility and additional functionality, ensuring the quality and competence of its reseller community will be a challenge for the vendor moving forward.

## THE ANNOUNCEMENTS

With “Collaborate, Innovate, Accelerate” as the theme of the conference, Acumatica discussed developments in the product and ecosystem since the last Summit. Having won 1,200 new customers in 2018, Acumatica executives took the stage to discuss what went well in the prior year and what customers can expect from the vendor moving forward. Key announcements at the conference included:

- Expanding ecosystem. In addition to its expanding customer base, Acumatica has focused on adding new Value Added Reseller (VAR) and Independent Software Vendor (ISV) partners. The vendor announced 47 new VAR partners as well as increasing its ISV community to over 150 in 2018. Delivering results at scale will be an ongoing effort for Acumatica as it looks to serve larger customers and maintain the performance that customers have come to expect.
- Focus on construction. Since releasing Construction Edition, Acumatica has progressively increased the functionality it delivers out of the box. In a relatively underserved market segment, Acumatica is looking to capitalize on its first-mover advantage and capture additional market share. The vendor discussed the rapid release cycle it is planning for its construction clients in order to add capabilities more quickly and deliver the integrations with ISVs with whom Acumatica is partnering.
- Cegid partnership. Acumatica announced a partnership with Cegid, a France-based business management software provider. To extend its global reach Acumatica has partnered with several international distributors in countries such as Germany, Australia, Norway, and Canada. The agreement helps Acumatica gain access to the French midmarket and gives Cegid a cloud-based enterprise resource planning (ERP) offering that it can deliver to customers faster than if it were to try to build the technology itself.
- Usability improvements. Central to Acumatica’s value proposition, ease of use continued to be a key driver of capabilities included with 2019 R1 Release. On the reporting and business intelligence front, Acumatica highlighted how it is making it easy for customers to leverage services like Power BI and Tableau directly or through its ISV community. The vendor also discussed the initial deployments of artificial intelligence/machine learning that it is shipping with the latest release of the software. Focused on improving the accuracy of help queries, the technology uses natural language processing (NLP) to deliver the system’s best guess of what is responsive to the user’s inquiry combined with a feedback loop to learn if the results answered the user’s issue.

Bringing more cutting-edge technologies to its platform presents the following delicate balancing act which Acumatica must navigate: staying at the forefront of what enterprise technology can deliver in terms of capabilities, while doing so in a way that resonates with small and medium-sized businesses. Without charting a clear path for how organizations of all size and sophistication can utilize technologies like machine learning or NLP, customers will dismiss the capabilities as not applicable to their business. While this balancing act is not exclusive to Acumatica, its initial steps to help customers adopt and become more comfortable with these technologies are promising.

## CUSTOMER REACTIONS

With over 1,500 attendees to Acumatica Summit 2019, the event was Acumatica's largest to date, exemplifying how the vendor is growing at a rapid pace. Nucleus spoke with several attendees to better understand what brought them to Acumatica as a solution and where they are driving value for their organizations with the software.

### CONSTRUCTION CUSTOMER

As a private-equity-backed organization, the company had moving to the cloud as an imperative as part of its growth strategy. Additionally, its operations are spread out around the country making the accessibility of Acumatica's cloud even more attractive. The company started with moving its back-office processes onto Acumatica, using the open-APIs to integrate with its existing front-office tools. The customer is currently implementing Acumatica's construction module to help with its contract and sub-contract management.

The customer said: *"For a business our size, what we had wasn't working for us. We were operating off a combination of an old ERP that nobody used. Our project costing was done through rule-of-thumb, back-of-the-envelope calculations. With Acumatica, we can do much more accurate costing calculation, which is greatly improving our profitability."*

### MANUFACTURING CUSTOMER

The company moved to Acumatica from a competing cloud ERP vendor that it had been using for several years. Relying on online sales, the customer was hamstrung by its prior ERP, which couldn't integrate well with its e-commerce solution. Additionally, the ERP was constantly breaking due to the plethora of customizations that the vendor had implemented to match the customer's requirements. Tired of paying for change orders, the customer moved to Acumatica so it could more easily integrate its existing tools.

The customer said: *“Coming from a system that couldn’t integrate with anything, the open-architecture of Acumatica was a breath of fresh air. We’ve been able to eliminate a bunch of shadow IT systems that were created due to the lack of usability of our prior system. Acumatica has been incredibly easy to learn and use for our employees. We’re taking advantage of the unlimited usage subscription model, so we don’t need to worry about paying for an additional seat for employees that only need to log into the system a couple times of month.”*

**“Coming from a system that couldn’t integrate with anything, the open-architecture of Acumatica was a breath of fresh air.”**

## MANUFACTURING CUSTOMER

The company was operating on a heavily-customized legacy ERP system before moving to Acumatica. Despite the implementation taking longer than initially planned, the customer believes in the quality of the Acumatica product and has plans to expand its implementation to include customer relationship management and human capital management. The scalability of the system to fit to the customer’s needs was one of the biggest selling points when selecting Acumatica, after the customer reviewed several cloud solutions that were not going to be able to handle an organization of its size.

The customer said: *“We needed a system that we could run end-to-end since we do the manufacturing, transporting, and selling of our products. Coming from a highly-customized system, the flexibility of Acumatica to fit to our use case was critical. Although it’s taken longer than we expected, our VAR understands our business, so we’ve stuck with them.”*

## CONCLUSION

As it continues its aggressive expansion and brings on new resellers and partners, ensuring its customers receive the same high-level of service that has helped the vendor be successful thus far remains of paramount importance. Based on our research, diluting the quality of its partner community and accumulating customers who’ve experienced implementation cost or timeline over-runs is the most likely way Acumatica’s growth will be

stifled. Luckily for the vendor, customers' belief in the product's ability to answer their business challenges remains strong even in scenarios where their implementations weren't as smooth as initially promised. Turning failed implementations into reference customers isn't exclusive to Acumatica, but it demonstrates that the customers see the product's capabilities as worth the effort.

Learn how Acumatica can work for your business by visiting us online at [swktech.com](http://swktech.com) or by calling 877.979.5462.

