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**NUCLEUS  
RESEARCH**

GUIDEBOOK  
**ACUMATICA PLATFORM**

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## THE BOTTOM LINE

As the cloud enterprise resource planning (ERP) software market has matured, vendors must be responsive to the changing needs of their customers. As a result, the underlying technology on which the software is built becomes a key differentiator for vendors looking to grow their product capabilities with their customers. Nucleus found that customers are leveraging Acumatica's Cloud xRP Platform to integrate applications across their operations and add flexibility to their software ecosystem. Acumatica has been proactive in developing this flexibility by aggressively expanding its partner program, with over 150 independent software vendors (ISVs) that integrate with its platform.

## THE SITUATION

Providing business flexibility to enterprise software is becoming a table stake that customers expect. The shift from customizing on-premises software to configuring multi-tenant cloud-based applications requires a shift in approach to how customers answer their business needs. The role of the partner ecosystem for ERP vendors is shifting along with the market, with partners needing to rely on fees from more value-add services and products rather than annual maintenance fees.

If an ecosystem is operating as it should, the line between ISVs and value-add resellers (VARs) should be blurred, with traditional implementation consultants establishing industry-specific specializations and useful extensions to the vendor's out-of-the-box functionality. The extent to which that is possible depends significantly on the approach taken by the vendor regarding the platform and the ease of developing and integrating on it. Without extensive internal developer resources, small and medium-sized businesses are often reliant on their partners to ensure the application functionality is configured to fit their business needs. As a result, giving the partners—and those customers with the know-how—the tools to innovate on the platform provided by the vendor becomes a key differentiator.

## THE SOLUTION

Acumatica sets the standard for usability in the ERP market. The solution is cloud-native and delivered primarily through a software-as-a-service (SaaS) subscription model. However, Acumatica does allow customers to host the software in a private cloud or on-premises on perpetual license, depending on the customer's needs. Unlike many other vendors in the ERP space, Acumatica's pricing is not on a per-user basis, and instead offers a consumption model based on transaction volume and data storage requirements. By allowing unlimited

user licenses, Acumatica encourages customers to engage every part of their business with the ERP software at virtually no marginal cost.

The vendor has been systematically expanding the industry verticals that its software addresses. The core competencies are manufacturing, distribution, service industries, retail and e-commerce, software and technology, and construction. To accelerate the time to value for customers, Acumatica has packaged industry functionality into several editions of its software including Distribution Edition, Manufacturing Edition, Field Service Edition, Commerce Edition, and Construction Edition.

Acumatica has been investing heavily in ensuring that its platform supports customers now and in the future. The modern cloud platform provides features such as mobile functionality, multi-tenancy configurations, multi-language localizations, document management, and two-factor authentication capabilities. Acumatica's applications have a modern, intuitive user interface, personalized notifications, cross-functional workflows, reporting and dashboarding, and multi-entity support. With software delivered via the cloud, Acumatica customers get the latest product enhancements with each software release which allows them to start consuming the capabilities immediately.

**"Coming from a highly-customized system, the flexibility of Acumatica to fit our use case was critical."**

In addition to opening its platform to allow ISVs to integrate easily with the Acumatica software, the vendor has established partnerships with Amazon Web Services and Microsoft Azure in order to leverage the services that are being delivered through those cloud providers. The open architecture of the platform allows Acumatica customers to take advantage of the capabilities delivered by partners, thereby extending the functionality of the software to fit the customer's business.

## **WHY ACUMATICA**

Nucleus interviewed partners and customers to determine how both groups were realizing value by using the Acumatica Platform. Customers came from a range of industries including consumer packaged goods, oil and gas, and manufacturing. While some were moving away from a combination of QuickBooks and Microsoft Excel, many customers had legacy ERP

systems that they were looking to replace. A unifying theme from customers was their need for a platform on which they could continue to grow and expand their businesses. Additionally, several customers expressed the need for a system that could adjust as their business models did, citing shifting dynamics within their industries as a driving force for them to change.

Partners fell into two categories: VARs and ISVs. Of the VARs, several resellers maintain consulting practices with other ERP vendors but show no preference in solution, opting for the software that best supports their customers. Many partners support both on-premises and cloud implementations, balancing legacy technology with the growth of native cloud platforms. ISV partners range from large providers such as SAP and Adobe to smaller companies that have built their capabilities on the Acumatica Platform and provide extensions and last-mile functionality.

Nucleus found that customers and partners selected Acumatica for several reasons including ease of use, belief in the technology, developer community, and the prospects for growth.

**“The Acumatica Cloud xPR Platform is like a box of Legos: we can build whatever we need on it.”**

## EASE OF USE

Nucleus found that customers most frequently cite the software’s usability as driving value for their organizations. For some customers, Acumatica represents their first ERP software after moving away from a hodgepodge of spreadsheets and QuickBooks. As a result, Acumatica represents a paradigm shift, allowing companies to implement workflows across functional departments. Equally, for customers moving from legacy on-premises ERP systems, Acumatica provided a modern, intuitive user experience with low hurdles to adoption. The common data model and application integrations simplify data transfer from one application to the next, helping customers streamline the transition from sales order to work order and final invoice.

Customers said:

- *“The Acumatica Cloud xRP Platform is like a box of Legos: we can build whatever we need on it.”*

- *“Acumatica isn’t the first ERP we’ve had, but our users like the look and feel much better than our prior solution.”*

The benefit extends to partners who can take advantage of cross-browser support; a framework to facilitate users on smartphones and tablets; and REST (Representational State Transfer) and SOAP (Simple Object Access Protocol) APIs (Application Programming Interfaces), which allow interoperability between disparate Internet-based operating systems. Rather than needing a team of developers on a proprietary code-base, Acumatica partners can work in several common developer languages on a platform that has defined openness as one of its core objectives.

Partners said:

- *“Our developers saw the value in how the platform is built and how they could quickly start to build extensions for our customers.”*
- *“We wanted to partner with a technology provider that delivers the functionality our customers need today but one that we could see growing and evolving in the future.”*
- *“We’ve been stuck with rigid platforms and a lack of openness for years. Acumatica’s platform was just what we were looking for.”*

## TECHNOLOGY DIRECTION

Although partners and customers approach the Acumatica platform and software from different directions, a common theme expressed by both groups is the future for the technology stack and how it can benefit their businesses. The vendor has been focused on ensuring customers can take advantage of the advanced features delivered to the platform. Nucleus found that customers have bought into the technology vision for the Acumatica Platform, especially as Acumatica continues to expand its ISV partnerships. For example, by having a strategy of platform openness—rather than trying to develop every technology in-house—Acumatica is positioned to allow customers to leverage the capabilities delivered by Microsoft Azure such as machine learning and artificial intelligence.

Customers said:

- *“All the improvements and enhancements that Acumatica is bringing to the applications are things our users can start using right away.”*
- *“We like the roadmap and the trajectory Acumatica has with its software and platform.”*
- *“Acumatica is working on technologies that we aren’t even ready to use yet but will be available for when we are.”*



For partners, deciding to build software native to the Acumatica Platform or establish an integration and joint customers depends in large part on how easy it is to go to market with the product. Acumatica provides a development environment in Microsoft Visual Studio, thereby eliminating the complexity of working in multiple languages such as HTML, Java, and JavaScript. The platform enables developers with .NET experience to build out extensions for users, helping them to become the value-add partner that customers are looking for. Based on how Acumatica's technology is positioned to integrate new capabilities, it is little surprise that the vendor has become the engine powering several original equipment manufacturers (OEM) partners and their transitions to the cloud.

Partners said:

- *"When so many vendors are talking about all the advanced technologies they are bringing to their software, Acumatica is bringing practical improvements and features customers can use today."*
- *"Integrating with the Acumatica Platform was a no-brainer for us. We share a lot of customers and want to continue to expand in the verticals they serve."*
- *"We were looking for a platform that could take our business into the future. Rather than build it ourselves, which could have taken years, we found the Acumatica Platform, which allows us to get our product to market much faster than any other platform we reviewed."*

While having a coherent, achievable technology vision is critical to fostering buy-in, Acumatica has made driving adoption and utilization an additional cornerstone of its strategy. To that end, the vendor has worked to help partners and end-users customize, integrate, and build robust solutions efficiently. Nucleus found that Acumatica's Developer Community is a contributing factor to the vendor's success and an ongoing area of focus. For example, Acumatica has hosted hackathons at its annual user conference for the last three years in addition to establishing a developer track and developer-specific training for conference attendees. Acumatica has also worked to ensure that it provides up-to-date content and tools for developers to use when building integrations with and applications on the Acumatica Cloud xRP Platform.

The support Acumatica has provided to its developer community has resulted in partners and end-user developers collaborating and contributing to the developer community at large. Acumatica partners and customers contribute to blogs, publish code samples, speak at developer events, and answer developer questions on Stack Overflow. These activities and programs are designed to keep developers engaged in the ecosystem and help them produce better applications and solutions for their customers and their respective companies, which improves Acumatica's overall ability to deliver value.

## GROWTH PROSPECTS

For customers, Nucleus found one of the primary reasons they picked Acumatica was the ability of the software to grow with their businesses. Acumatica has invested heavily in improving the performance and reliability for customers with larger compute and data workloads, although it is intended for primarily small and medium-sized businesses. With no additional marginal cost to add a new user to the system, customers don't have to worry about license fees getting in the way of expanding their businesses. The result is that customers can grow with the confidence that the solution will continue to aid their businesses rather than hinder them.

Customers said:

- *"I was looking for a solution that could scale with our company and our growth plans."*
- *"We know that Acumatica is going to work with our business for years to come. We've stretched it to its limits, but the Acumatica team has always risen to meet our needs."*
- *"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 of times a month."*

The growth of the partner ecosystem has always been a priority for Acumatica given that it has no direct salesforce. In other ecosystems, partners have to contend with the vendor's internal sales teams, who can drive the price lower and compete directly against the partner in a potential deal. Acumatica's business model ensures that the vendor makes the financial incentives attractive for its VARs and ISVs and doesn't undercut its partners. Acumatica has also taken a number of steps to ensure partner success, which translates to customers' success, such as certification programs and access to Acumatica Open University to help accelerate training of consultants.

## KEY BENEFITS

For customers moving from existing ERP solutions, Acumatica enabled processes to be refreshed and improved, as well as eliminating costly on-premises infrastructure and associated maintenance fees. Additionally, as the first enterprise resource planning solution for many customers, Acumatica provides an unprecedented level of visibility into—and control of—business processes. Moving to Acumatica's fully-fledge applications with industry-specific functionality represents a significant upgrade in how organizations accomplish tasks and operate day to day. Nucleus found that Acumatica partners and

customers experienced benefits from using the vendor's software and platform in several different areas, including process efficiency and reduced costs.

## PROCESS EFFICIENCY

The flexibility of the Acumatica Platform ensures that customers can tailor the software to their unique businesses. The applications have already been made to fit a wide range of customers and industries with the help of knowledgeable partners. As a result, customers saw increases in efficiency and productivity in the operational areas where Acumatica was implemented. Companies could expand and seek new business opportunities without increasing personnel and operating costs.

Customers said:

- *"Coming from a highly-customized system, the flexibility of Acumatica to fit our use case was critical."*
- *"I was sure we could get the software to fit our use case; we just needed a partner that could get us there. Our VAR understands our business, so we've been sticking with them."*
- *"We occupy a very specific industry vertical, so we need a solution that can match our needs."*

## REDUCED COSTS

By using standard industry frameworks like .NET and Microsoft SQL Server, Acumatica ensures that its partners don't need to train their consultants in any proprietary languages. While other vendors' partners report shortages of trained developers due to the language restrictions, Acumatica partners can find and train talent more easily, thus reducing the cost of hiring, retaining, and training personnel. With a stable and flexible platform that averages 99.99 percent annual uptime, consultants can spend more time on billable work such as value-add extensions and functionality, and less time on unbillable support tickets.

Partners said:

- *"We run practices with other vendors that require special developer training, which makes finding ready-to-work talent difficult. We end up having to invest a lot in getting our people up to billable work. With Acumatica, we haven't had any of those problems."*
- *"The cloud has forced us to shift our model from annual maintenance to billable hours outside of support. The Acumatica Platform has helped us with that transition."*



## CONCLUSION

The Acumatica xRP Platform provides the tools that developers (for both partners and customers) can use to extend the core applications and deliver deep industry functionality. The platform is also positioned to continue to deliver value into the future as its open architecture allows for new services and capabilities to be easily integrated and consumed by customers. For partners, Acumatica enables developers to build and deploy their applications quickly, reducing their go-to-market costs and efficiently leverage their developer resource.

Customers, VARs, and ISVs are facing a market landscape that is rapidly changing to one in which technology is delivered as a subscription service and the flexibility to adapt to shifting business models is a priority. Partner organizations need to deliver more value-add services rather than relying on change orders and perpetual maintenance fees. Meanwhile, customers are looking for a platform that not only fulfills their business needs today with modern tools and functionality, but also future-proofs their technology investment. Nucleus found that Acumatica is effectively balancing the requirements of both partners and customers with ease of use and delivering value as the center of its strategy. The vendor is well-positioned to continue its rapid growth trajectory, winning customers that understand how they can partner with Acumatica to achieve their business operations objectives.



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