

## ACUMATICA 2019 R2 LEVERAGES PLATFORM CAPABILITIES FOR MORE INNOVATION

ACCESSIBLE, PRAGMATIC TECHNOLOGY WITH A CUSTOMER FOCUS

### About Acumatica

Acumatica is a leading provider of cloud ERP software for small and mid-size businesses. Built on the robust and flexible xRP cloud platform, Acumatica delivers a suite of fully integrated core modules, including Financials, Distribution, CRM, Project Accounting and industry “editions” including Field Service, Manufacturing, eCommerce and Construction editions.

Working exclusively through partners (VARs, OEMs and ISVs), Acumatica signed on 1,200 new customers in 2018, bringing the total to over 5,200. As a result, Acumatica supports:

- ✓ 160,000,000+ transactions per month
- ✓ 103,000,000 logins per year
- ✓ 99.5% uptime per its service level agreement (SLA) but has actually delivered 99.999%

Acumatica also boasts a Net Promoter Score of +33 and 97% satisfaction in customer support.

In the recent Mint Jutras report [What to Look for in Your Next ERP: It’s All About the Platform](#), we encouraged those shopping for a new Enterprise Resource Planning (ERP) system to pay close attention to the platforms on which solutions being evaluated are based. While fit and functionality are just as important as they have always been, in today’s fast-paced, ever-changing global, digital economy, agility - the ability to easily innovate, evolve and change – is even more important than current functionality. For that you need the right approach to innovation and the right architecture and platform to support it.

In this report we put the spotlight on Acumatica, a cloud ERP solution provider that takes this approach very seriously, providing an open platform to accelerate innovation. Acumatica collaborates with customers to plot a product roadmap, often working with partners to fill gaps and provide specialized functionality. Figure 1 provides us with a visual representation of its stated path forward.

Figure 1: Acumatica’s Path Forward



Source: Acumatica

Here we highlight how Acumatica 2019 R2, its most recent release, leverages many of the platform capabilities we outlined in our prior report to deliver a wide range of general and industry-specific features and functions, along with technology, applied pragmatically to make it attractive and accessible to all.

The release is impressive. The release notes are 600 pages long and the company shows no signs of slowing down. We expect the cadence of two

### About EQT

*EQT is a Swedish private equity firm that invests for the future. Its mission is to take good companies from across the world and develop them into great and sustainable companies. Its portfolio of companies includes:*

- ✓ Dunlop
- ✓ SUSE
- ✓ Kodiak Gas Services LLC
- ✓ E.I.S. Aircraft
- ✓ Global Connect
- ✓ BBS Automation
- ✓ IFS AB
- ✓ Acumatica

### About IFS AB

*IFS AB, also based in Sweden, is a well-known ERP solution provider. IFS has 3,700 employees and more than 400 partners, supporting over 10,000 customers primarily in the following industries:*

- ✓ Distribution
- ✓ Manufacturing
- ✓ Energy, Utilities, Resources
- ✓ Commerce
- ✓ Field Services
- ✓ Software & Technology
- ✓ Construction, Engineering & Infrastructure
- ✓ Aerospace & Defense

*Estimated revenue for 2019 is \$711 million.*

*releases per year to continue, but we also expect the level of innovation to rise with the recent acquisition by private equity firm EQT Partners.*

## THE IMPACT OF EQT

And so, that is how we begin – with an example of how the power of Acumatica’s platform, combined with the resulting alliance with sister company IFS (also an EQT company), has already produced some impressive results.

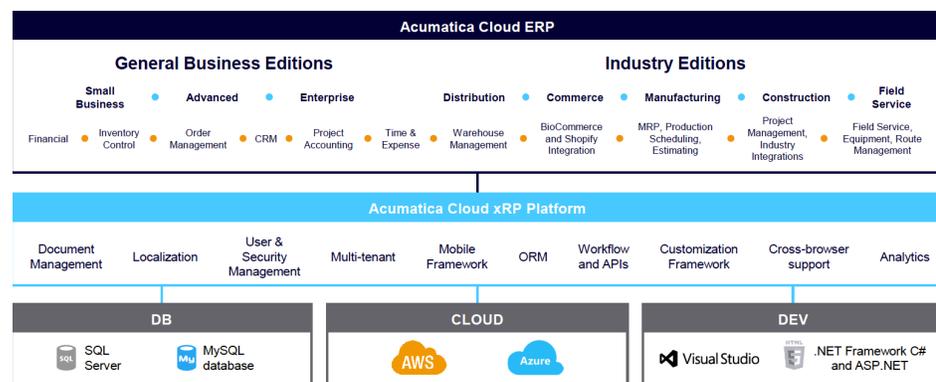
Within three weeks of the deal actually closing, the development team at Acumatica had already added new functionality to automate field service scheduling and route optimization. The purpose of this new functionality is to automate the dispatching of service technicians so that employees (the supervisors or dispatchers) can be used for higher-value tasks, while also maximizing the utilization of the technicians. Components of the new feature include:

- Optimizing appointments assigned to a technician
- Assigning and scheduling appointments across multiple technicians
- Handling last-minute appointments

The feature leverages new, advanced technology, like location-based tracking, machine learning and intuitive visualization tools. Presenting a list of appointments scheduled quickly confirms all have been assigned. But if you switch to a map view that also estimates travel time, you can easily spot whether or not the sequence and route are optimal. Is the technician back-tracking during the day? Would it be more optimal to split the work between two different technicians based locally?

The feature is embedded within Acumatica’s Field Service module, but leverages components from Workwave, an IFS company. Acumatica was able to add this in easily because of some of the platform capabilities we determined to be important in our previous report.

**Figure 2: Acumatica Cloud xRP Platform**



Source: Acumatica

At the very core of the platform is the [microservices architecture](#) on which the application is built. As a reminder: For the reader with a technical background, a microservice architecture is defined (by Wikipedia) as an architectural style that structures an application as a collection of [loosely coupled](#) services. For those nontechnical readers, think of it as constructing a solution from a set of Lego building blocks.

Think about how you build a structure from Legos. Each Lego block is attached (connected) to the other Lego blocks the same way. In many ways they are interchangeable. But by choosing different colors and sizes, and connecting them with a different design, you can make a structure that is very unique. And once constructed, if you want to change it, decoupling some of the blocks and replacing them doesn't destroy the parts that are not affected. There is far less disruption introduced than if you had constructed it with timber, a hammer and nails.

This approach elevates the importance of integration capabilities. To this end, Acumatica has made its ERP more flexible by supporting REST ([representational state transfer](#)) APIs (application programming interfaces). The net result is a platform capability that allows developers to easily add new features and functions with minimal or no disruption to the core product. And that is exactly how the Acumatica team was able to embed Workwave functionality so easily into its Field Service module.

**Data Source**

*In this report Mint Jutras references data collected from its 2019 Enterprise Solution Study. For years this annual study has investigated perceptions, goals, challenges and status of software used to run a business, as well as the impact of these solutions on the enterprise.*

*This year the study collected responses from 464 participants, from companies of all sizes from very small to very large, representing a wide range of industries.*

**THE IMPORTANCE OF PLATFORM CAPABILITIES**

And therefore, we have already hit on some of the platform capabilities we spoke of in our prior report.

**Table 1: Importance of Platform Capabilities**

	Critical/Must Have	Important	Not important	Don't Know
Ability to add new features/functions without touching the core	35%	54%	6%	5%
Ability to tailor/personalize without needing programming skills	32%	50%	13%	5%
Ability to add new features with low code or no code	28%	58%	10%	5%
Easy integration through APIs	30%	47%	14%	8%
Multi-cloud option (able to run on public cloud of YOUR choice (e.g. Azure, AWS, etc.))	29%	42%	22%	8%
A platform that attracts lots of experienced developers (popular)	20%	49%	22%	8%

Source: Mint Jutras 2019 Enterprise Solution Study

By way of refresher, the reader will recall that participants in our 2019 Enterprise Solution Study ranked the importance of these platform

capabilities. The results of this ranking are shown in Table 1, sequenced by level of importance, with those seen as most important shown at the very top of the list.

### **ADDING NEW FEATURES**

Adding new features and functions without touching the core of the application takes that top spot, with the vast majority (89%) assigning it some level of importance. In adding this scheduling and routing optimization feature, the Acumatica development team did in fact touch the core product, but in a minimally invasive way, making it “low code,” which was also deemed important or critical to 85% of our survey participants.

This is just one example of how Acumatica is leveraging the power of its platform to provide more innovation, faster. It is also the secret behind offering industry-specific functionality to its Industry Editions, including its Field Service and Manufacturing Editions and its latest Construction Edition.

When solutions are rigid, monolithic structures, adding industry-specific functionality also adds enormous complexity to solutions. In the past, solution providers that made the mistake of trying to be all things to all prospects created a nightmare for themselves and slowed innovation. Plus, if specialized features are embedded in the mainline code, that code became a burden to all, even those not using it. Componentizing new features and functions and adding them as optional “services” is the key to simplifying “last mile” functionality without adding complexity.

Here is just a sampling of industry-specific functionality included in R2:

- **Acumatica Manufacturing Edition** is a relatively new entrant to the manufacturing ERP space but is quickly catching up to its more mature competitors and even leap frogging some, particularly those based on legacy architectures. Acumatica 2019 R2 includes enhanced Engineering Change Control (ECC), streamlining multiple change requests by optionally grouping them for approval, and displaying them in bill of material (BOM) comparisons. Do these different change requests complement one another or conflict? This serves as an early warning system to identify conflicts. And if complementary, they can be combined in order to reduce the risk inherent in introducing multiple changes into production simultaneously or sequentially. Advanced visualization tools and reports improve usability and add visibility, particularly in cost comparisons. Material Requirements Planning (MRP) also has improved forecasting and exception handling capabilities.
- **Acumatica Field Service Edition** supports new cross-module workflows in order to manage the complete customer life cycle from sales to installation to service and support. It is integrated with Project Accounting, supports service contracts, project schedules, tasks, and cost codes by service order type. Visual calendar boards feature real-time mapping and travel estimates for service appointments based on current

*Componentizing new features and functions and adding them as optional “services” is the key to simplifying “last mile” functionality without adding complexity.*

traffic information pulled from Microsoft's Bing mapping service. In beta right now (and therefore will be generally available in the future), is a new custom algorithm hosted on Amazon SageMaker for Smart Scheduling. It is currently being used by two early adopter customers to predict the duration of service appointments and thus far the model prediction has been 28% closer to actual duration than human estimation. Sixty percent (60%) of the time the model performed better and with continued use, this percentage should steadily improve.

- **Construction Edition** adds tracking of Daily Field Reports to provide all stakeholders visibility to information in real time. Enhancements to change requests help reduce profit fade by proactively managing owner change requests. And enhanced lien waiver functionality avoids accidental or premature vendor payments.

### **TAILORING AND PERSONALIZATION**

In Table 1 we purposely used the phrase "tailoring and personalization" versus "customization." Customization can mean adding new features and functions, like those we spoke of earlier, but as often as not, "customization" is simply the need to present data to the user in a way that makes it more easily understood. And today the ability to tailor or personalize how data is presented to business users is facilitated by a good development platform and should require no invasive code changes. Configuration (versus customization) should not require deep technical skills and must be carried forward as the software is enhanced.

Acumatica has invested heavily in what it calls "customization tools", which include:

- Workflow automation
- Business process monitoring
- Customization and personalization tools

*Whether you want to customize a dashboard, re-label fields with company-specific references or even create user-defined fields, with Acumatica's xRP platform, this type of configuration is easy enough for a business user to do.*

Whether you want to customize a dashboard, re-label fields with company-specific references or even create user-defined fields, with Acumatica's xRP platform, this type of configuration is easy enough for a business user to do. And with R2, those user-defined fields take on new meaning. Of course, user-defined fields have been around for decades. But typically, they are added just as placeholders for visual reference. They have no meaning in the context of the application. But with R2 you can also add attributes, such as a prospect's industry or the mailing date of an invoice to add context and meaning.

### **"MULTI-CLOUD" AND "POPULAR" PLATFORMS**

The bottom two platform capabilities listed in Table 1 (multi-cloud and popularity) impact innovation and agility more indirectly. The vast majority of companies today are moving in the direction of cloud and software as a service (SaaS), but we still live in a very hybrid world. Most legacy solutions are deployed on-premise, and while some have been web-enabled to a certain

extent, they are not running in public clouds like Amazon Web Services (AWS), Microsoft Azure, Salesforce, Google Cloud, or others, all of which provide different infrastructures as a solution (IaaS) and support different (development) platforms as a service (PaaS).

Multi-cloud won't be an issue if you choose a full end-to-end suite from a single vendor. But even if you do, it is highly unlikely you will be running a single application in your company. More likely you have other solutions in addition to ERP.

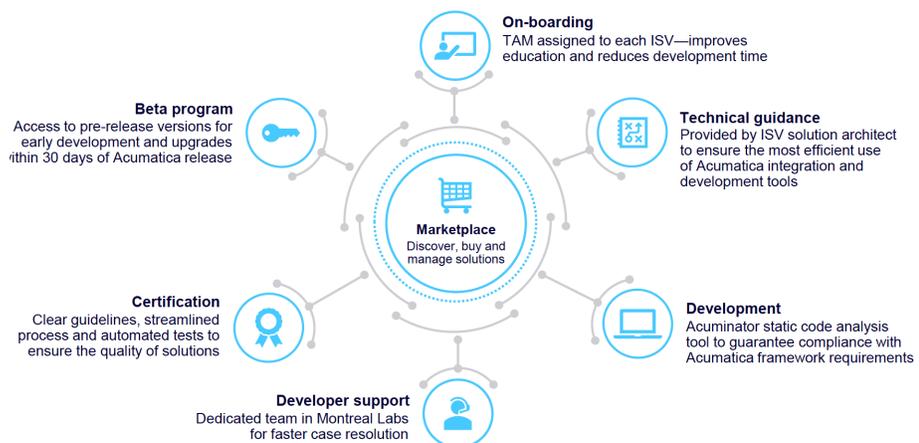
A perfect example: If you are running Salesforce Customer Relationship Management (CRM) and are in search of a new ERP solution, seek some expert guidance on the multi-cloud issue. Yes, there are ERP solutions that run on the Salesforce platform, in the same cloud as Salesforce CRM, but there are many more that do not. How easy (or hard) will it be to operate in a multi-cloud environment? Acumatica runs on both Amazon AWS and Microsoft Azure and plays very well with other cloud environments.

The reference to Salesforce is an appropriate segue into "popularity" because it has become such a dominant player in the CRM space. That dominance has carried over into the PaaS space as well, with many partners developing complementary solutions and offering them in Salesforce's online marketplace.

The more developers attracted to the platform, the more applications get developed, which ultimately can be shared. Features, functions and extensions have the potential to start to grow, if not exponentially, at least much faster than the typical linear sequence of development.

The Acumatica xRP platform has not yet reached the same level of dominance as Salesforce, but it has a very strong Developer Network Program and its Marketplace is growing steadily.

**Figure 3: Acumatica Developer Network Program**



Source: Acumatica

*“Acumatica makes it simple. No competition with the partner, always available with a default answer of ‘yes’ to any request.”*

Acumatica Partner, New York City

*“No nickel and diming. No taking customers direct. No cherry picking leads. This isn’t just a throw back to the ‘good old days,’ this is a new culture that is unique our industry.”*

Exclusive Acumatica  
Partner, Washington  
State

*In Acumatica 2019 R2 Expense reporting can be done from a mobile device using voice and image recognition. Simply tell the application you had lunch with a client and take a photo of the receipt. Artificial intelligence and machine learning capabilities will confirm this is a receipt from a restaurant and will automatically suggest the number of attendees.*

Acumatica sells exclusively through its channel partners with the following models:

- Acumatica branded Value-Added Resellers (VARs)
- Private label (OEM) business: Visma, MYOB, Acceo, Senior Software, LexWare, censof and cegid give Acumatica expanded international reach
- xRP Cloud Platform for vertical ISVs (e.g. hotel or property management, non-profit fundraising, public housing, etc.)

Acumatica encourages partners to extend the solution, requiring no fees to use the platform or to partner, and also offers partners free in-house use of the software and demo platform. It therefore comes as no surprise to find it has added 21 new Value-Added Resellers (VARs) in the first half of 2019 alone, along with 47 new ISVs and two new OEMs in the last twelve months.

## **OH BY THE WAY... NEW FEATURES ARE USEFUL!**

While our focus thus far has been on how R2 leverages the platform for agility and innovation, we would be remiss in not pointing out that some of the features are notable simply for their inherent value. There are far too many of these enhancements in R2 to cover them all, and therefore we select one in particular: corporate credit card processing.

Employees who travel are quite often issued corporate credit cards. Regardless of whether the bill goes to the employee (who is later reimbursed), or directly to the corporation, travel expenses must be reconciled against the credit card statement. In a perfect world, the employee uses the corporate credit card exclusively for any and all business expenses, and nothing else. But we don’t live in a perfect world. Occasionally a restaurant doesn’t accept the type of card issued and the employee must use a personal credit card. Or the employee might make a personal purchase using the corporate card.

To avoid these types of exceptions, larger corporations will impose (onerous) rules and restrictions on its employees for expense reimbursement. Smaller companies might be more flexible, but these exceptions wreak havoc in expense reporting and reconciliation. The new corporate credit card processing capabilities in Acumatica 2019 R2 accommodates all these types of standard and exceptional purchases.

Expense reporting can be done from a mobile device using voice and image recognition. Simply tell the application you had lunch with a client and take a photo of the receipt. Artificial intelligence and machine learning capabilities will confirm this is a receipt from a restaurant and will automatically suggest the number of attendees.

Behind the scenes, the expense is being categorized so that when the entry reaches the general ledger it is posted to the correct account(s). And, by the

way, for those gifts you purchase for your kids using the corporate card... you won't be reimbursed for them.

## KEY TAKEAWAYS AND CONCLUSION

In this report we have focused primarily on how Acumatica has effectively leveraged its xRP Platform to deliver an impressive level of innovation. But we have hardly scratched the surface in terms what the development team has delivered. To learn more, we strongly encourage you to contact Acumatica or one of its partners for a full demonstration, specific to your needs. In that demo you will see a lot of features and functions, but you might not get a full sense of the underlying technology. That's okay, because the best technology is the technology that enhances our day-to-day activities without intruding on our lives. After all, it should be all about the value it brings and not technology for technology sake.

So, indeed evaluate the overall fit and functionality. In fact, an 80% fit should no longer be the goal. Look for that last mile of functionality to be delivered without costly and invasive customizations that build barriers to innovation and lead to stagnation.

But there is also danger in making a decision based solely on what you need today. We live in disruptive times and the pace of change is truly accelerating beyond anyone's expectations. Change and disruption can have a cascading effect on your business applications requirements, making agility – the ability to innovate, evolve and change – equally, if not more important. For that you need the right approach to innovation and the right architecture and platform to support it. Acumatica, with its open platform approach and strong and growing ecosystem, is well positioned to continue to deliver robust releases twice a year. And the infusion of capital and a new partnership with sister company IFS will only accelerate delivery of value.

In our previous report we encouraged you to pay close attention to the platform on which any new solution is based. If you don't have the technical expertise to evaluate a platform, get help from a qualified consultant. Many Acumatica partners also offer these types of services. Also, ask for references. Speak to your peers and ask them the tough questions like those below. But we've given you a bit of a head start with some preliminary **answers** regarding Acumatica.

- How easy is it to upgrade when a new release comes along?  
**Acumatica does the heavy lifting here, relieving you of the burden of the technical upgrade. New features are "opt-in" and Acumatica does a great job of documenting them (Just ask to see their latest release notes).**
- What kind of technical expertise is required to personalize the software? **Your typical business user will be able to personalize their own dashboards and power users are able to do even more.**

*Change and disruption can have a cascading effect on your business applications requirements, making agility – the ability to innovate, evolve and change – equally, if not more important. For that you need the right approach to innovation and the right architecture and platform to support it.*

- Can I start small and easily scale? **Yes!**
- Can I truly customize the solution? What is involved? **Ask for a demonstration of Acumatica's customization tools. Get creative and ask them to show you a typical scenario. Even better, put your own hands on the software, because those who demonstrate solutions for a living can make anything look easy. See what it takes for yourself, with a little handholding and guidance.**

These are just a few possible questions, really just a starting point. Don't be afraid to seek guidance from technical experts. But if you are a small to midsize, growing company, take a look at Acumatica. You be the judge.

**About the author:** *Cindy Jutras is a widely recognized expert in analyzing the impact of enterprise applications on business performance. Utilizing over 40 years of corporate experience and specific expertise in manufacturing, supply chain, customer service and business performance management, Cindy has spent the past 13+ years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras ([www.mintjutras.com](http://www.mintjutras.com)), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.*