

THE PUSH AND PULL OF ACUMATICA'S CLOUD ERP INNOVATION

COLLABORATE – INNOVATE - ACCELERATE

Acumatica by the Numbers

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
- ✓ uptime of 99.999%

Acumatica also boasts a Net Promoter Score of +21 and 97% satisfaction in customer support.

Technology vendors, particularly those that offer Enterprise Resource Planning (ERP) solutions, must walk a fine line in terms of innovation. On the one hand, they must listen carefully to their customers. Responding to customer requests is crucial to keeping existing customers happy as they push for more features and functions. But today, that just isn't enough. The most successful vendors also pull the customers along in many ways, including applying advanced technologies. While customers may not be asking for them, these technologies can improve efficiencies and provide a competitive edge.

Like many vendors, cloud ERP provider Acumatica has an “idea” website where it encourages customers to log feature requests and vote for those they feel will produce the most value. Many of those ideas make their way into the product. But Acumatica goes a few steps further. In addition to partner advisory boards and customer focus groups, executives, product managers and developers go on-site to observe how the cloud ERP is being used. They then combine their objective outsider's view with their intimate knowledge of tools and technologies to come up with new ideas for enhancing productivity. Sometimes those ideas result in what appear on the surface to be small changes, but result in innovation that makes the customers say, “Wow! That's huge! Why I didn't I think of that?”

In addition, Acumatica is testing the waters with technologies that go beyond features – like combining machine learning (ML) with natural language processing (NLP) and image recognition to produce artificial intelligence (AI). Like introducing drones into a warehouse or augmented reality (AR) into a service environment. While customers aren't (yet) pushing them in this direction, Acumatica knows it needs to stay ahead of customer demand in order to pull its customers into a competitive position in the ever-changing global, digital economy. But those customers will not be pulled in the right direction unless the technology delivered has some practical value. Elegant technology in search of a problem benefits no one.

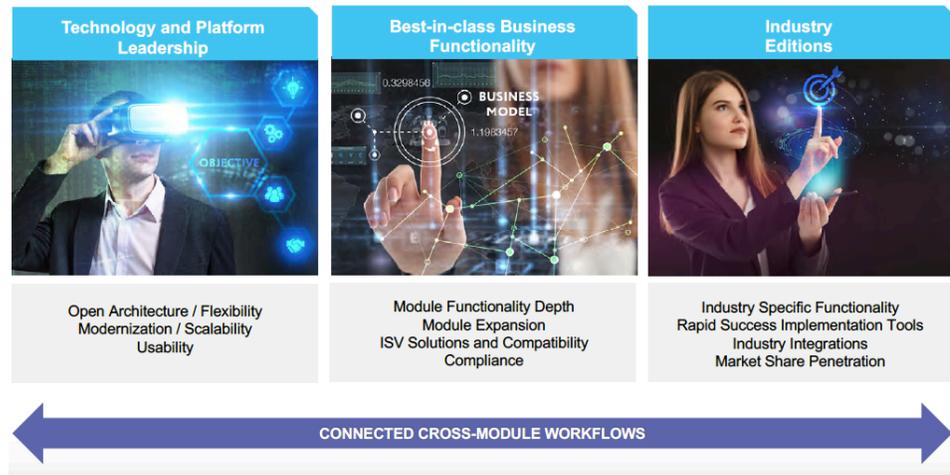
ACUMATICA'S PATH FORWARD

Acumatica's path forward (Figure 1) is stated quite simply, but then simplicity is often the key to success. Acumatica's strategy is to continue to add functionality, both from a horizontal (everyone benefits) perspective, as well as vertical features to support selected industries. The horizontal functionality is delivered in the core product and industry-specific functionality is added

Horizontal and vertical features work together seamlessly. This is made possible through Acumatica's modern, open architecture, which provides flexibility and scalability.

through its industry "editions." But the horizontal and vertical features work together seamlessly. This is made possible through Acumatica's modern, open architecture, which provides flexibility and scalability. And therefore, both the technology embedded within, as well as platform and technology partners are key.

Figure 1: Acumatica's Path Forward



Source: Acumatica

PRODUCT ROADMAP

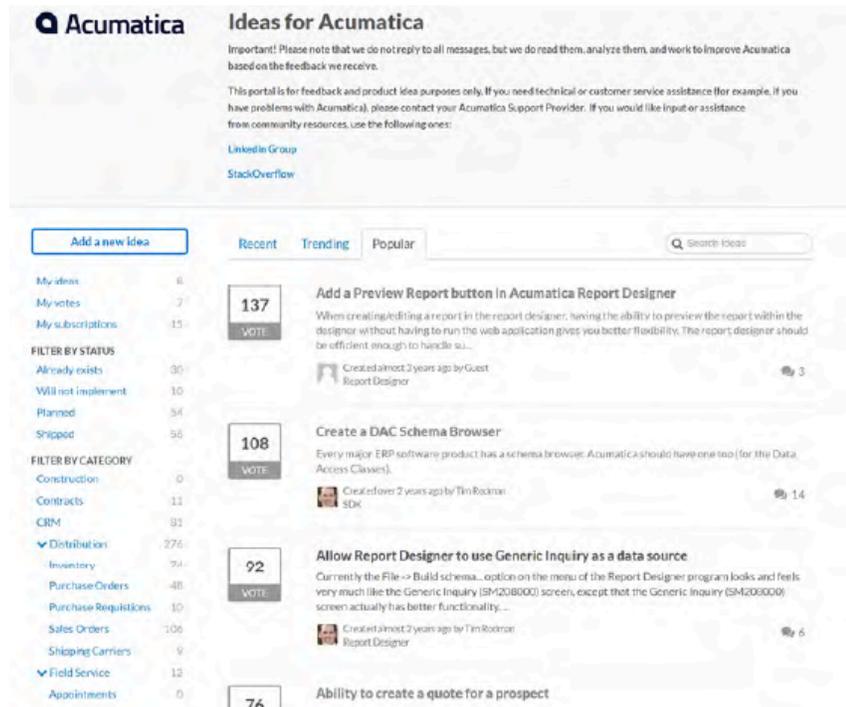
So how does Acumatica determine the roadmap? First of all, regulatory and compliance requirements are a given. But beyond that, it has formed a partner advisory board, which is particularly important since the solution is sold exclusively through partners. This approach not only puts more feet on the street and ears to the ground, but also allows Acumatica to dedicate more resources to research and development. Acumatica recognizes the importance of funneling this feedback back to the developers.

Yet, in spite of selling exclusively through channels, Acumatica maintains a close relationship with the customers that actually use its solution.

LISTENING TO CUSTOMER FEEDBACK

Acumatica is constantly reviewing support cases and provides an "Ideas for Acumatica" website where customers can log new requests for enhancements and vote for those already logged. While this is certainly not unique in the industry, the level of participation throughout the customer base is impressive. Note the vote counts shown in Figure 2.

Figure 2: Ideas for Acumatica Site



Source: Acumatica

But what makes it somewhat unique: Acumatica doesn't just review these requests from its ivory tower. It also forms Focus Groups and visits customers. Product managers, and sometimes top-level executives (Chief Product and Chief Technology Officers) also bring along developers to watch how the product is actually used in a real customer setting. This often inspires innovation that might at first glance seem rather simple but can have a far-reaching impact. Two such enhancements serve to prove this point.

The first was delivered back in 2016, but bears repeating what Mint Jutras [noted](#) back then. It is Acumatica's CRM Plugin for Microsoft Outlook.

"What happens when you get an email from someone who is not (yet) in your customer relationship management (CRM) system? If you are like most you think, "I really need to add this person to my contacts." But you don't have the application open and you don't want to take the time to switch out of email and fire up the CRM. And even if you did, you would probably have to re-type everything or attempt a clumsy copy and paste from text into specific fields. You think, "I'll do it later." But you don't.

What if you had a button right in your tool bar in Microsoft Outlook that would let you immediately and easily add the person to your contacts in CRM? That's exactly what the Acumatica CRM plugin to Outlook allows you to do. It might seem like a simple thing but think of the time it would save

What if you had a button right in your tool bar in Microsoft Outlook that would let you immediately and easily add the person emailing you to your contacts in CRM?

you now in getting the contact all set up and the time you won’t waste later searching through your emails for that one email.”

The second is an enhancement announced in Acumatica’s 2018 Roadshow introducing Acumatica 2018 R2 (Acumatica has two major releases a year) and enhanced and demonstrated at its annual Acumatica Summit 2019, highlighting Acumatica 2019 R1. It’s called a “side panel.”

How often are you in the middle of a transaction in ERP and you want to look something up? Maybe you are entering an invoice for a customer and want to look up any outstanding accounts receivables or payment history. Maybe you are issuing a service part from your warehouse and you want to look up any outstanding service calls for the customer or existing allocations for the part. Do you need to exit the transaction and/or open up a new window? Do you need to risk being distracted? What if you could just bring up the new inquiry without ever having to leave the transaction or the screen you are on? That’s what Acumatica’s new side panel feature allows you to do.

These are both examples of new features that never appeared as enhancement requests per se but came from observation of how the product is used. These are just two examples of how Acumatica “one-upped” existing functions and provided an added level of convenience, efficiency and productivity.

LEVERAGING TECHNOLOGY PARTNERS’ INNOVATION

Acumatica also engages with technology providers like Microsoft and Google to leverage new advanced technologies like machine learning (ML), natural language processing (NLP) and image recognition in order to add a level of artificial intelligence (AI) to its solution. This is another area where Acumatica isn’t waiting for customers to demand these technologies but is instead pulling them along.

Table 1: What level of investment have you made in these technologies?

	Invested	Planning to invest in 1 year	Planning to invest long term	Actively considering	Expect vendors to deliver	No plans/ no activity
Move to cloud/SaaS	36%	6%	13%	17%	11%	17%
IoT technologies that facilitate autonomous exchange of data	12%	5%	13%	18%	13%	40%
Natural Language Processing (voice-based) user interface	7%	5%	10%	13%	6%	59%
Location-based tracking (GPS)	10%	5%	11%	12%	8%	54%
Machine Learning	7%	7%	13%	15%	10%	48%
Artificial Intelligence	6%	6%	9%	16%	11%	52%

Source: 2018 Mint Jutras Enterprise Solution Study

In this case Acumatica customers are no different than most. Our 2018 Mint Jutras Enterprise Solution Study found low levels of investment in most of

these types of technologies. With the exception of moving to cloud and/or software as a service (SaaS), very few participants have invested or plan to do so. Apart from that one exception (SaaS), 40% to 59% have no plans to do so (Table 1). Furthermore, few of our participants indicated they expected their solution providers to deliver them embedded in enterprise applications. And yet these are exactly the technologies which Acumatica is working on delivering. Is it smart to deliver something few are expecting? Definitely!

All the technologies noted in Table 1 were chosen because they are delivered to the enterprise as embedded technologies. Think about it for a moment. Customers never asked Apple for natural language processing and machine learning (Siri). Nobody said, "I'm not buying an iPhone unless I can talk to it." But once Apple delivered it, and consumers recognized the value, it became an indispensable feature of any smart phone. There are two keys to this level of success. First of all, Apple didn't charge extra for it. Of course, every iPhone user is paying for it, but it wasn't optional. It was just included (embedded). Secondly, and probably more importantly, it was (and is) useful. Millennials immediately saw the value and now, even Baby Boomers have come around.

This is exactly what needs to happen at the enterprise level, with technologies like ML and NLP embedded within the applications used to run the business. If solution providers wait for customers to wake up to the value and ask for them, they will be too late to the party. Because it is not a trivial task to create this kind of useful application of technology. Hence Acumatica's continued investment in leveraging these kinds of technology ahead of customer demand, and the announcement of the Acumatica Alexa for Business skill.

What if you could say to your ERP, "Alexa open Acumatica. Find opportunities for less than \$10,000, with status lost."

What if you could say to your ERP, "Alexa open Acumatica. Find expense claims requiring approval." What if Alexa could respond, "There is one expense report requiring approval from [employee name] for \$238.75 for travel expenses. Do you want to approve?"

What if you could say to your ERP, "Alexa open Acumatica. Who is the contact at [Customer XYZ]?" What if Alexa could respond, "The contact at [Customer XYZ] is John Doe. Would you like to send John Doe an email?"

If you were running Acumatica 2019 R1, you would have access to this kind of natural language input to not only retrieve data from your ERP system, but take action on the spot. Think how it could immediately improve end-user productivity. This is just the tip of the iceberg in terms of the kinds of value artificial intelligence (AI) and machine learning (ML) can bring to the enterprise.

Acumatica is investigating three different types of AI and ML:

- Zero touch automation
- Interactive assistance

- Intelligent advisor

The questions posed above are good examples of interactive assistance. But once you gain confidence in the solution’s decisions, the next step is trusting it to completely automate the process. Think about the possibilities for automating the three-way matching of purchase orders to receipts to invoices, cash application, bank reconciliation. None of these tasks are particularly difficult, but they can be tedious and time consuming, especially when you must search through high volumes of data.

And who would not benefit from having an intelligent advisor? For this, you need to make sense of growing volumes of data and perform iterative analysis. Acumatica takes advantage of Microsoft Power BI tools for this but has also recently announced a partnership with Tableau. Acumatica partner [DataSelf](#) has taken that relationship one step further and has pre-built hundreds of tiles of graphical data and pre-assembled them into dashboards for various roles in the organization. This brings the power of predictive analytics to the business decision-maker without investing in data scientists.

Predictive analytics is also representative of other advanced technologies that are not so much embedded as considered “add-on’s.” We don’t find our survey respondents any more likely to have invested in these types of technologies in general (Table 2), but we do see a higher level of interest in predictive and cognitive analysis. So, Acumatica’s efforts here might not be considered as much of a “pull.” But customers will definitely need to be pulled along to consider and adopt virtual assistants like the Acumatica Alexa for Business skill.

Table 2: What level of investment have you made in these technologies?

	Invested	Planning to invest in 1 year	Planning to invest long term	Actively considering	No plans/no activity
Blockchain (distributed ledgers)	6%	7%	13%	11%	64%
Smart Robots	9%	8%	14%	17%	52%
Virtual assistants (chatbots)	5%	7%	13%	14%	61%
RFID	11%	7%	15%	22%	45%
Internet of Things	15%	8%	22%	20%	35%
Digital Twins	5%	6%	10%	12%	67%
Beacons	5%	8%	9%	12%	66%
Drones	6%	7%	12%	10%	66%
Driverless vehicles	6%	6%	12%	9%	67%
3D printing	17%	8%	14%	18%	44%
Predictive analytics	13%	10%	18%	24%	35%
Cognitive analytics	10%	9%	15%	19%	46%

Source: 2018 Mint Jutras Enterprise Solution Study

Acumatica is also experimenting with drones, but for some very practical applications. Picture a warehouse with 16-foot ceilings and shelving that reaches into the rafters. How do you locate and confirm the correct inventory on those top shelves? Perhaps with a drone?



And Acumatica is experimenting with [Microsoft HoloLens](#), a holographic computer and head-mounted display that augments the reality the wearer sees. Imagine wearing it as you conduct a walk-through inspecting a construction site, snapping a photo with the lens to create a punch list of problems to fix. This should be of particular value to Acumatica's Construction Edition.

And last but not least (for now), Acumatica is investigating the power of image recognition. At its recent 2019 Acumatica Summit it previewed this in a demonstration utilizing Google Cloud Vision Product Search to find a pair of boots online by simply taking a picture of them through a smartphone camera. Think about the possibilities in manufacturing and field service scenarios. Not sure of the part number of a replacement part in the field? No problem! Take a photo, identify the part and (hopefully) find it in your warehouse.

In none of these cases are customers pushing Acumatica to innovate with these new technologies, but like the Acumatica CRM Plugin for Microsoft Outlook and the new side panel feature, when revealed, the reaction is one of immediate interest and excitement at the possibilities.

CONCLUSION AND RECOMMENDATIONS

Never before have we witnessed technology advancing at such a rapid pace. This kind of advancement and innovation needs to include enterprise applications like ERP. After all, they are what you use to run your business, and your business is not standing still. Many users today are content in having solutions far more technology-enabled, that provide many more features and functions, and are easier to use than ever before. While they may still ask for additional features or improvements, most fail to consider all the possibilities new technology can bring.

And therefore, the responsibility falls to the solution providers to explore and discover that full potential. Acumatica embraces that responsibility wholeheartedly, constantly looking to not only expand functionality, but also improve the user experience by making users more efficient and productive. This results in a push-pull relationship with customers that is collaborative and serves to accelerate innovation – a win-win for all.

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), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.*