



Bob Scott's 2020 VAR STARS

Resellers Face a Cloudy Future



2020 VAR Stars

The Outlook: Cloud and Cloudy

The Year 2020 has been a year like none in the memory of most people alive. That has certainly been the case in the mid-market software reselling business as traditional models have been shaken with the prospect that even when the COVID-19 virus is brought under control, significant changes in the way business is conducted are likely to remain.

COVID-19 has changed a lot—from the near absence of business travel to the relocation of massive numbers of employees to their homes. For many owners and managers, COVID-19 also forced them to put new emphasis on caring for their staffs.

“It’s been something I didn’t count on working on for the better half of 2020. It’s something we should be working on anyway,” says William Vespe, owner of San Antonio, Texas-based BCS/ProSoft, which sells Sage 100 and the Deltek product line.

Vespe says he changed his role as an owner, giving employees more attention. That included changing the monthly meetings weekly after the pandemic began.

“I wanted to be as transparent as possible I felt transparency would give some level of comfort to everything,” he says. About two weeks before the interview, Vespe reverted to monthly meetings but found many employees liked the more

frequent sessions.

“This is probably something we are going to change going forward,” Vespe says.

The year standard out differently. As with many in the mid-market financial software business, BCS/ProSoft was looking forward to a great year driven by the move of businesses from on-premise software to the cloud.



William Vespe,
BCS/ProSoft

“Q1 was one of the best quarters we have ever had,” says Vespe. From there, BCS did not experience much of a slowdown although, “We didn’t keep up with the trajectory we had in Q1.”

That message of greater attention to employee well-being emerged repeatedly from the firms that submitted applications to be considered for selection as VAR Stars.

Some firms provided direct aid to employees. DSWi has been reimbursing employees for the cost of COVID-19 testing. With more than half its workforce having school age children, Fourlane offered assistance so they could have in-home care, tutors or other means to allow them to continue working while children were

at home.

“It was a significant financial burden to the company,” wrote owner Marjorie Adams.

Express Info Systems, based in San Antonio, Texas, experienced an uptick in those utilizing an employee assistance program that offers mental health services along with healthy lifestyle tips. “We’ve seen more employees take advantage of this program in 2020 than in previous years,” the company said.

Employee training has also received more emphasis. Faye Business Systems Group set a goal of having each employee achieve at least one new certification by the end of the second quarter.

Sage has responded to requests for training from partners. “They have asked for significantly more training classes. They have time,” says Taylor Macdonald, SVP of channel sales for Sage Intacct. Sage has helped the channel replace in-person sales training and it is also offering information on improving the operation of reseller businesses overall.

“We spent a lot of time talking about how to build referral networks; how to sell during a pandemic,” Macdonald says. This all requires a change in outlook because partners needed to learn “How do you change from something

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Company	Headquarters	Product Line	Employees	Revenue \$M
Accordant Co.	Morristown, N.J.	Acumatica, Sage 100, Contractor/300 CRE, Intacct	30	11.3
AccountNet	New York, N.Y.	Dynamics BC/GP/SL	14	6.1
AcctTwo Shared Services	Houston, Texas	Intacct	105	25
Ace Microtechnology	Atlanta, Ga.	Dynamics BC/GP	31	6.7
Acumen Information Systems	Orlando, Fla.	Sage Intacct, 300	19	4.1
ADSS Global	Miami, Fla.; Exton, Pa.	Sage Intacct, 100c/300C	175	35.5
Aktion Associates	Maumee, Ohio	Acumatica; Infor CloudSuite Distribution, SXe, FACTS; A+; Sage Intacct	182	41
Alithya	Montreal, Que.	Dynamics 365	2000	189
Alta Vista Technology	Southfield, Mich.	Dynamics BC/GP, Sage Intacct	26	6.2
AMR Group	Toronto, Ont.	Deltek Vantagepoint, Vision	8	3.4
Answer Company	New Westminster, B.C.	Acumatica, Sage Intacct, 100/300/500, X3	73	14C
Archerpoint	Atlanta, Ga.	Dynamics BC/NAV	111	21.7
Armanino	San Ramon, Calif.	Dynamics AX/F&SCM/GP, Sage Intacct, Intacct CRE	356	117.4
BAASS Business Solutions	Toronto, Ont.	Dynamics BC/F&SCM, Sage Intacct, 300, X3	145	29C
BCS/ProSoft	San Antonio, Texas	Deltek Vision, Deltek for Professional Services NetSuite, Sage Intacct, 100	35	8.7
Bennett Porter & Associates	Tigard, Ore.	Acumatica, Sage 100	23	4.6
Big Bang	Montreal, Que.	FinancialForce, Intacct, NetSuite, Rootstock	105	8.1C
BKD	Springfield, Mo.	Dynamics AX/BC/GP/FO, Sage Intacct 100/300/500	44	14.5
Blytheco	Laguna Hills, Calif	Acumatica, NetSuite, Sage 100, X3,	100	31.2
Boyer & Associates	Minneapolis, Minn.	Dynamics BC/GP/NAV/SL	22	6.1
BrainSell Technologies	Topsfield, Mass.	QBES, Sage Intacct, 100C/300C/500	56	8.5
Broadpoint	Bethesda, Md.	Dynamics BC/GP; Broadpoint BC Fund Accounting	101	19.2
Business Technology Partners	Deerfield, Ill.	Sage Intacct, Syspro	49	11.3
CAL Business Solutions	Harwinton, Conn.	Acumatica, Dynamics GP	29	6.5
Cargas Systems	Lancaster, Pa.	Dynamics GP/BC, Sage Intacct	151	24.4



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Company	Headquarters	Product Line	Employees	Revenue \$M
Central Data	Farmington Hills, Mich.	Acumatica, Infor Cloud Distribution	34	7
CliftonLarsonAllen	None	QB, Sage Intacct, 100/500, X3	120	39
Collins Computing	Mission Viejo, Calif.	Acumatica, Dynamics GP	38	12.7E
CompuData	Philadelphia, Pa.	Epicor, Sage Intacct, 100	47	11.7
ComTec Solutions	Rochester, N.Y.	Epicor	45	7.2
Copley Consulting Group	Woburn, Mass.	Infor CloudSuite Industrial	58	17.5
Cre8tive Technology and Design	San Diego, Calif.	Epicor	75	12
Crestwood Associates	Mount Prospect, Ill.	Acumatica, Dynamics BC/GP/SL Greentree	66	16.1
Crowe	Chicago, Ill.	Dynamics AX/BC/F&SCM, NetSuite	597	91.8
CS3 Technology	Tulsa, Okla.	Acumatica, Sage 100	15	3
Dean Dorton Allen Ford	Lexington, Ky.	Dynamics GP, Sage Intacct, 50, QB	40	11.9
DSD Business Systems	San Diego, Calif.	Acumatica, Dynamics 365, Intacct Sage 50/100/300/500	150	13.1
DSWi	Houston, Texas	Dynamics BC, NetSuite	23	3.8
DWD Technology Group	Fort Wayne, Ind.	Acumatica, MIP, Sage 50/100, Intacct	25	6
e2b teknologies	Chardon, Ohio	Epicor, Sage 100/500, Intacct	50	8.4
Eide Bailly	Fargo, N.D.	Dynamics GP, NetSuite, Sage 100/500	225	39
Enavate	Denver, Colo.	Dynamics AX/BC/FO/GP/NAV/SL, NetSuite	365	54.5
Encore Business Solutions	Winnepeg, Man.	Dynamics AX/GP/NAV, 365 BC/FO	108	29C
Express Info Systems	San Antonio, Texas	Dynamics BC/GP; Sage Intacct	16	6
Faye Business Solutons	Woodland Hills, Calif.	QB, Sage 100	75	9.8
FMT Consultants	Carlsbad, Calif.	Dynamics BC/GP, NetSuite	72	16.2
Fourlane	Austin, Texas	Acumatica, QBES	50	7.9
Godlan	Clinton Township, Mich.	Infor CloudSuite Industrial	67	13.9
govirtualoffice	Waunakee, Wis.	NetSuite	42	5.4
Guide Technologies	Cincinnati, Ohio	Infor CloudSuite Automotive/Aerospace & Defense/Industrial, Infor LN, Infor XA	50	10.5

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Company	Headquarters	Product Line	Employees	Revenue \$M
Gurus Solutions	Montreal, Que.	NetSuite	90	12C
Innovia Consulting	Onalaska, Wis.	Dynamics BC/NAV	65	12
Intellitec Solutions	Wilmington, Del.	Dynamics BC/GP/SL, Sage Intacct	22	6.1
I-tech Support	Ocoee, Fla.	Acumatica	31	6.5
JMT Consulting	Patterson, N.Y.	MIP, Sage Intacct, 300	55	10.3
JourneyTeam	South Jordan, Utah	Dynamics BC/GP/NAV	79	14.5
Kennedy Vomberg	Toronto, Ont.	Deltak Vantagepoint, Vision	4	1.4C
Kerr Consulting	The Woodlands, Texas	AccountMate, Sage 100/300/500, 100 Const/ 300CRE, Intacct, X-3	120	11.7
LBMC Technologies	Nashville, Tenn.	Dynamics BC/F/GP/SL, Sage Intacct	107	28
Logan Consulting	Chicago, Ill.	Acumatica, Dynamics AX/BC/FO/GP/NAV, QAD	40	17.6
Maner Costerisan	Lansing, Mich.	Dynamics BC/GP, Intacct	22	6.6
Marcum Technology	Melville, N.Y.	Acumatica, Dynamics GP/SL, Jamis Prime, Sage Intacct	75	37
Martin & Associates	Cincinnati, Ohio	Acumatica, Dynamic GP, Sage 100/500	24	5.3
Mendelson Consulting	Ft Lauderdale, Fla.	Dynamics BC, QBES QBO Advanced	12	1.1
Mibar	New York, N.Y.	Dynamics GP/365, NetSuite	28	9.4
Microaccounting	Dallas, Texas	Sage Intacct, 100/500	29	10
Navigator Business Solutions	Salt Lake City, Utah	SAP All-in-One, Business 1, Business 1 Cloud, Business ByDesign; Viridian Sciences (Cannabis)	65	17.5
Net at Work	New York, N.Y.	Acumatica, MIP, NetSuite, Sage 100/300/500, X3	190	53
NexLan	Danville, Ill.	AccountMate	10	2.4
NexTec Group	Seattle, Wash.	Acumatica, Dynamics GP/SL, Sage 500, X-3	141	35
Nexvue Information Systems	Stamford, Conn.	Acumatica	15	4.9
Oasis Solutions	Louisville, Ky.	NetSuite, Sage 100c	22	7.5
Out of the Box Technology	Tigard, Ore.	QB Enterprise, Online, Pro, Premier	45	4.8
Paradigm Technology Consulting	Allentown, N.J.	Dynamics BC/GP	50	16.5
PC Bennett Solutions	North Bend, Wash.	Acumatica	20	3.03



Company	Headquarters	Product Line	Employees	Revenue \$M
Postlethwaite & Netterville	Baton Rouge, La.	Sage Intacct, 100	8	0.72
Practical Software Solutions	Concord, N.C.	Sage X3, 100CRE, 300CRE	23	5.9
Queue Associates	New York, N.Y.	Dynamics BC/F&SCM	51	6
Rand Group	Houston, Texas	Dynamics AX/BC/GP/NAV, NetSuite, SAP ByD	81	25.3
RKL eSolutions	Lancaster, Pa.	Sage 100c/300c/500, Intacct X3	96	26
RSM US	Minneapolis, Minn.	Dynamics BC/F&SCM/GP/NAV, NetSuite, Sage Intacct	1500	464.5
Sikich	Naperville, Ill.	Dynamics BC/F&SCM/GP/NAV/SL, Sage Intacct, NetSuite, OpenAir	325	98
Silver Edge Solutions	Schaumburg, Ill.	Deltek GCS, VantagePoint, Vison,	7	3.7
Silverware	Phoenix, Ariz.; Seattle, Wash.	Dynamics BC, Silver Leaf CBC	33	7
SIS	Duluth, Ga.	Dynamics F&SCM/SL	122	18.5
Stambaugh Ness Business Solutions	York, Pa.	Deltek GCS, Vantagepoint, Vision	29	11.7
Stoneridge Software	Barnesville, Minn.	Dynamics AX/BC/F&SCM/GP/NAV	197	33
SuiteCentric	Carlsbad, Calif.	NetSuite	12	1.9
Sunrise Technologies	Winston-Salem, N.C.	Dynamics F&SCM	167	53.7
SWK Technologies	East Hanover, N.J.	Acumatica, Sage BusinessWorks, 50/100c/300c, X3	170	38.5
Technology Management Concepts	Marina Del Rey, Calif.	Dynamics BC/GP/NAV/SL	30	8.3
TM Group	Farmington Hills, Mich.	Dynamics BC/GP/SL	39	8.4
VARC Solutions	Friendswood, Texas	QuickBooks	13	2.5
Velosio	Dublin, Ohio	Dynamics BC/F&SCM/GP/NAV/SL, NetSuite	350	88
Vision33	Irvine, Calif.	Business One, Business One Cloud, Business One Hana	375	43.6
WAC Solution Partners	Northborough, Mass.	Acumatica, MIP, Sage 50/100/300. Sage Pro, NetSuite, QBES	25	4
Warren Averett Technology Group	Montgomery, Ala.	Dynamics BC/GP, QBES, Sage 100/100	40	10.4
Websan Solutions	Toronto, Ont.	Dynamics BC/GP/NAV	40	9.5C
Western Computer	Oxnard, Calif.	Dynamics AX/BC/F&SCM/NAV	140	30
Wipfli	Milwaukee, Wis.	Dynamics AX/GP/SL/365, QuickBooks, Sage Intacct	316	48

Notes: C Canadian \$; E BSI Estimate

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that has been a standard for 20-plus years,” he notes.

He also stresses, the key to successfully addressing markets is knowing the clients’ businesses. “You need to approach people with knowledge of their industry, speaking their language, having referrals and having case studies,” he says.



Geoff Ashley,
Acumatica

The New World

Eight months after the first lockdowns, some trends are becoming clearer as the business world adjusts to a new way of doing business. The move to the cloud accelerated, dictated by the move of a massive part of the work force out of offices and the dramatic reduction of business travel.

Some of these developments are likely to stick—at least in part. That was outlined by Anton Chilton, CEO of QAD, during a webcast for earnings for the third quarter ended October 31.

“With the success of our remote working practices, for example, we do not anticipate a return to prior spend levels in travel. We are also in the process of a comprehensive review of facilities and office capacity and foresee opportunities to reduce expenses in those areas in the future too,” Chilton said.

“It’s clear you will see lots of partners sharpen their pencils and get by with less,” says Sage’s Macdonald. “They will do hoteling” agreeing that even when conditions merit a return to offices “It doesn’t imply everybody who is the office will go back.”

For many consulting firms, the switch to remote work was easier than the task faced in many other business sectors since many already

had significant numbers of workers operating outside the office.

Vespe said 10 percent of BCS/ProSoft workforce was remote before the pandemic. “But everything was in place to be virtual. It was very easy to shut the offices,” he said and there were many firms with a far greater percent of their workforces already off-premises.

A significant portion of the workforce of Houston, Texas-based AcctTwo was already working remotely. “Technologies like video conferencing, cloud-based office applications, cloud based accounting and ERP systems had already transformed the business landscape by proving flexibility and agility, but the pandemic has proven these technologies to be more than a luxury—they have become essential,” the company wrote.

New Sales Vanish?

Not everyone has had a growth year. New sales came to a screeching halt in March and not everyone resumed strong growth after the end of the first round of shutdowns taken to combat the virus outbreak.

DeRosa Mangold of Waco, Texas, reported revenue was off 15 percent to 20 percent, but at the same time expenses were dramatically lower because of the shutdown of business travel.

For several years, vendor emphasis has been on having resellers sign new customers, not merely service the installed base. But the COVID-19 pandemic has brought a renewed value to having an installed base, according to Geoff Ashley, VP of partner strategy and programs for cloud-software vendor Acumatica.

“We have partners that didn’t do anything with us



Patricia Bennett,
PC Bennett

in 2019 that are hitting it out of the park in 2020,” Ashley says. He noted that change in the focus on new customer acquisition because “there isn’t new customer acquisition.”

VARs must change their processes and especially they need to stop acting simply as order takers. Resellers must “stop selling ERP,” Ashley said. “You have to help them [customers] sell widgets”.

That latter advice has been another standard in the reselling business for many years. VARs need to understand their customers’ businesses, speak and language and utilize the metrics that set each business segment apart from other markets.

Paradigm Technology Consulting, based in Allentown, N.J., described the market in similar terms to those used by Ashley. With new sales hindered by the pandemic, “we have focused instead on engagements with our existing customers,” the company wrote. “In many cases, consulting projects that had been postponed due to a lack of bandwidth among client staff were able to move forward.”

Ashley notes Acumatica adjusted its operations to address the pandemic. The company did not raise prices or change margins, and talks to both customers and resellers as often as possible. It has also been offering relaxed payment terms to customers.

“We have a lot of customers that need it,” says Ashley. “We have a lot of customer that have needed it and come back and paid us back.”

On the other hand, Acumatica reseller PC Bennett Solutions of North Bend, Ore., had a better year than normal. “This virus has been really good to us, which sounds terrible,” says Patricia Bennett, owner of PC Bennett.

Bennett’s organization focused on manufacturing and distribution of aftermarket auto parts and has created a list of customizations “that have kept growing and growing,” she says. The company has been busy that it has not had time to do demos.

The virus has forced the firm into one major change—the lack of business travel. Bennett has customers throughout the United States and Canada and a few in Europe.

“Before COVID, I tried to visit every customer every year,” she says.

Which Cloud?

While companies want to get to the cloud, that does not mean they necessarily want to switch to native cloud applications, according to Mario Nowogrodzki, owner of Mendelson Consulting.

“If at all possible, people don’t want to change



Taylor Macdonald,
Sage Intacct

Selecting the 2020 VAR Stars

The selection of mid-market accounting software resellers for Bob Scott’s VAR Stars rests on one basic principal: quality, not revenue, as the deciding factor in picking the 100 businesses that are selected for this honor. VARs from very small shops to the largest participants in the business have been selected in past years’ and in this year’s rendition.

A variety of criteria go into the definition of quality including awards resellers have received from vendors, such as the Microsoft Dynamics Inner Circle and the Sage Intacct President’s Circle, leadership in the industry and development and acceptance of important software products by the resellers are all factors in the selection. There is also an effort to represent as many software publishers as possible. There is no ranking within

these 100 firms.

Firms were asked to provide the number of employees and revenue. In cases in which businesses did not provide revenue, it was estimated based on the number of employees, also taking into account the general price range of the ERP applications that these firms handle. In some cases, numbers submitted for Bob Scott’s Top 100 VARs were used.

In virtually every case, resellers derive revenue from sources other than the sale of mid-market financial applications. These include infrastructure and networking services and a variety of other software products. However, all VARs considered feature accounting applications as the core around which their businesses are built.

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The Cloud Booms

The one central fact of reselling mid-market software during the COVID-19 pandemic has been the explosion of interest in cloud computing. That view is borne out by the numbers reported by software vendors that show that the strength of the trend varies widely among vendors.

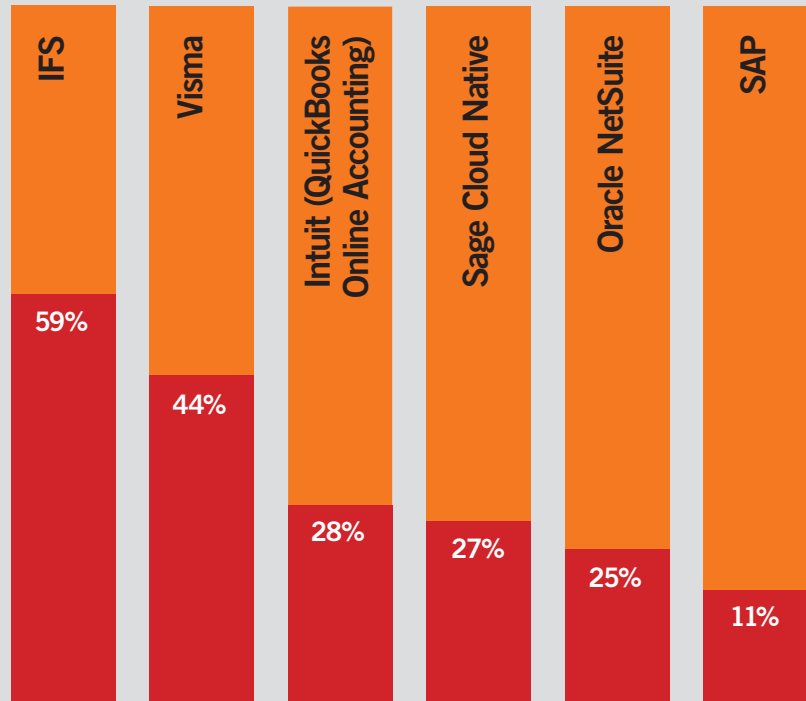
Of course, the question is “What do vendors mean by cloud adds?” There is a wide difference in definitions to keep in mind when comparing the claims companies report for the growth of their cloud businesses.

Norway-based Visma has six distinct segments under cloud computing with revenue for the overall category rising 30.8 percent for the nine months ended September 30.

By far the biggest component of cloud computing is SaaS subscriptions, which increased by 44 percent year to year.

The rest of the category is comprised by SaaS transactions and signup fees, cloud infrastructure and hosting fees, software consulting and implementation on SaaS, managed HR services; and Fintech Services and debt collection.

By contrast, Sage has two categories Cloud Native and Cloud Connected, combining under the native Sage Business Cloud. Cloud Native revenue, which represents Sage Intacct and People, rose by 27 percent for the year ended September 30; Cloud Connected was up 31 percent over fiscal 2019.



This chart shows the percentage cloud revenue represented of total revenue for six accounting software vendors for their most recently reported financial period.

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their software and operations,” Nowogrodzki says.

That means hosting on-premise software and on an area that has expanded in managed services, particularly with QuickBooks being hosted on the Microsoft Azure platform.

“Technology is providing the ability not to change,” says Nowogrodzki, who has been active in moving clients to Azure.



Mario Nowogrodzki, Mendelson Consulting

One reason for the reluctance of some businesses to move to the cloud is that SaaS products are not as mature as the in-premise products. “Pound for pound the cloud products do not have the functionality to support the more complex businesses,” he says.

Nowogrodzki, who is the only person on the product council for QuickBooks Enterprise and QuickBooks Online Advanced, says that firms that want to be efficient “cannot leave the desktop lower midmarket.”

Overall, Nowogrodzki points to the QuickBooks desktop and QuickBooks Online appli-

cations as illustrating the difference. “They are two very distinct applications that only have a name (QuickBooks) in common,” he says, noting that Intuit is “trying to make believe the desktop versions do not exist.”

Submissions for VAR Star selection make it clear that moving to Azure has been an important way for businesses turn away from on-premise computing.

Sage’s Macdonald agrees many businesses are not turning to native cloud solutions as their first choice. “A lot of those people are on hosted solutions,” he said. “Many of them are not going for full implementations”.

Hosting has been an important tool for those whose software suppliers have not yet made it directly to the cloud, such as AccountMate users. Kevin Stroud, owner of NexLan, an AccountMate VAR based in Danville, Ill., notes the route to the cloud for that line is to put it on a hosted server “and you have a remote desktop”.

It is Stroud’s use of AccountMate’s modifiable source code that has put him in a category with no competitors in one market. It can be tailored



Alex Solomon, Net at Work

for any business “that have really weird requirements,” Stroud says.

In NexLan’s case, the specialized market was the sale of alligator hides, which require highly specialized metrics that do not come in any out-of-the-box software.

Stroud notes there are 11 different criteria for categorizing alligator hide including whether the hide is a top cut or belly cut with a quality rating of one to five. And the purpose for which the hide is used can change the characteristics of what users want.

“If you want to buy alligator hide, it’s cool to have a scar on a cowboy boot. But for a women’s purse, you want a clear hide,” he notes.

Another secret has been mining an installed base of software orphans. His markets include support for upgrades for software from the former SBT Accounting System. SBT was purchased by the former Accpac International in 2000 and Sage acquired Accpac early in 2004

“I just own the Google ad words on that,” he said of the SBT replacement business.

Stroud also benefits from outliving other AccountMate resellers. At the time of this interview, the firm had been contacted by three AccountMate orphans.

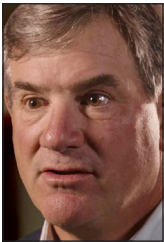
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Diversification Pays Off

Companies that specialized in narrow markets to reap greater profitability from those efforts found themselves in trouble if they were in the wrong markets. This year, having a diverse client based has paid off like never before.

“Diversification has helped us weather the storm as some industries like food and beverage, chemicals and pharma are experiencing record growth while others like entertainment and traditional manufacturing are still facing weakened demand, temporary closures, and cash flow struggles,” Sage reseller RKL eSolutions wrote.



Steve Ems,
RMS US

Despite the benefits of diversification in a soft economy, vendors continue to promote specialization and that includes Oracle NetSuite with its microvertical program.

The company currently supports more than 40 specialized markets, according to Craig West, the VP who runs channel programs for the software company.

NetSuite reports that VARS that enter microverticals grow five times faster than those which don't. Some resellers have chosen to build their specialized products on NetSuite's SuiteSuccess platform, although West notes not all have.

Generally, there is only VAR for each of the approved microverticals. The company has assembled a playbook of best practices. “It is really comprehensive,” West says. “It starts with how to assess the market.” That includes a view of competitors and price points.

NetSuite has also been busy refining its channel program, expanding both the roles members play in the network and the products around which they center their businesses. “The histori-

cal NetSuite partner was ERP first,” says West.

But NetSuite has a variety of non-ERP programs and there are resellers who want to build businesses around products such as Bronto, OpenAir, and SuiteCommerce.

That led to the formation of the Associate Solution Provider Program, which the company describes as “a pathway to become an ERP Solution Provider partner.”

More recently, the software organization reorganized its accountant programs to bring them together under the umbrella, SuiteAccountants. That program is designed to help NetSuite in reaching small and medium-sized businesses after years of stressing its move upmarket.

SuiteAccountants offers some typical benefits to members. This includes one free license for each member firm, so they can support clients. A referral program offers members a 10-percent commission on the first year's license for referrals that become new NetSuite customers.

Doubling Down

The temptation in a downturn can be to cut back on expenses. Net at Work went the opposite direction when it came to marketing and generating new leads.

“We doubled down on our marketing,” says co-founder Alex Solomon. “Our strategy is when things go slow you have to speed it up yourself.”

Solomon cites a strategy that has been a staple for Sage Intacct's Macdonald when over the years he has told resellers that when business is weak, usually they do not have a sales problem, they have a marketing problem, and it is necessary to generate more leads.

“If the close ratio is worse, the only way to stay the same

is generate more opportunities.” Solomon says.

Net at Work has not been the only one to ramp up to generate leads. “We pushed our marketing into overdrive and offered more webinars than ever,” wrote Jack Boyer, president of Minneapolis, Minn.-based Boyer & Associates, a Dynamics reseller. Continued contact is also important. “We continue meeting with prospects and clients virtually and making the most of technology,” Boyer wrote.

In the Net at Work case, its approach has worked well enough that the New York-based reseller was named overall sales leader for Sage for the year ended September 30.

Net at Work has also benefited from its acquisition strategy. For several years, Net at Work has operated an alliance program that was designed to let them test a closer relationship with the VAR and in many cases that has led to Net at Work acquiring these partners, which are typically smaller Sage resellers.

In the last two months, Net at Work has acquired three VARs and the company says more are on the way.

A major appeal is Net at Work, which has \$53 million in revenue and operates several divisions, provides more services to clients than small dealers can on their own. That has helped Net at Work expand its talent pool as it brings employees from acquired operations on board along with folding in new clients.

Net at Work has a wide variety of technology businesses. Not all are doing great. Solomon says the firm's copier business was “where I felt the most pain.” On the computer side, Solomon notes, “Our hosting business is packed; our ecommerce businesses is packed; our managed services are going great.”



Craig West, Oracle
NetSuite



Kevin Stroud,
NexLan

Beating Expectations

When the pandemic began in March, the outlook for 2020 seemed bleak, according to Steve Ems, national business applications leader for RSM US.

“If you had asked me to be a forecaster and visionary eight months, I didn't have high expectations. I felt things were going to be deteriorate and it would be a long recovery,” says Ems.

Instead, when the company finished its second quarter on September 30, it had double-digit or sustained growth across all elements of its technology consulting practice, according to Ems.

RSM has done well with all of its product lines. It has been the largest NetSuite reseller for several years and was chosen as Oracle NetSuite's Worldwide Partner of the Year for the eighth

Guide to Software Products Listed

Here are the products listed in this chart by vendor. When abbreviated, the abbreviations are listed first and the fuller name is in parenthesis. In many cases, the name of the company is also shown as the name of the product. Companies which have a product with the same name as the company and no variants

AccountMate

Acumatica

Community Brands: MIP

Delttek: CostPoint, GCS, Premier, Vantagepoint, Vision Epicor

FinancialForce

Infor: Infor Distribution SX.e Infor CloudSuite Industrial Intuit: QBES (QuickBooks Enterprise Solutions) Pro (QuickBooks Pro) and Advanced

Microsoft: Dynamics AX, Dynamics GP, Dynamics NAV, Dynamics SL, Dynamics BC (Business Centra) and F&SCM (Finance & Supply Chain Management)

MYOB, Greentree

Oracle NetSuite: NetSuite

Rootstock

SAP: B1 (Business One), ByD (Business ByDesign)

Sage North America: BWorks (BusinessWorks) Intacct Sage 50, Sage 100, Sage 300, Sage 500, Sage 100 Contractor, Sage 300 CRE (Construction & Real Estate); X-3

Silver Leaf CBC

Syspro

Unanet

Viridian Sciences (Cannabis)

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straight year in 2020. It again was named to the Microsoft Dynamics Inner circle this year and more recently was selected as Growth Partner of the Year for Deals for Sage Intacct and was also named to the Intacct President’s Club.

“I truly believe nobody can compete against RSM when it comes to our NetSuite capability,” says Ems. That includes more than 400 consultants across all of the RSM firms.

As with other firms, RSM is seeing interest in both native cloud and hosted applications.

“Everything that we do from a business model perspective should or has a managed service component,” says Ems. This can be hosting on Microsoft’s Azure platform, or creating a support platform for clients. RSM focuses on combining applications and infrastructure as a bundled solution for client issues, he says.

With Dynamics, RSM pitches its ability to service the complete Microsoft stack. “We are one of the few Microsoft partners with all

of their capabilities to manage the workplace, Dynamics, Office, we do everything,” Ems says. In addition, there are simply a lot of businesses that want to use Microsoft products.

On the Sage side, the company uses Intacct in areas in which it has been historically strong—nonprofit accounting and core financials. RSM also provides outsourced accounting services utilizing Intacct to deliver them.



Gary Crouch, CS3 Technology

And it is looking into another area of the Sage product line. “They have a construction and real estate management platform we are looking into,” Ems says.

One area that has grown across reselling and accounting firms has been in the area of human resources/human capital management.

Businesses in need of advice about the Paycheck Protection Program have turned to advisors such as accountants about how and when to keep, furlough or recall staff.

HR is a fast growing business segment for VAR Net at Work and RSM US is actively seeking to expand that business “We are in the market to buy an HCM consulting organization,” says Ems.

He notes that NetSuite has not created a “robust HR or HCM platform” that is directly integrated into its ERP application.

CS3 Technology, based in Tulsa, Okla., has been in the market a long time and VARs cannot simply apply the tools they use in serving the ERP market, says the firm’s CEO Gary Crouch. CS3 handles Sage HRMS and Scissortail HCM, which is a white-label version of Kronos Work Force Ready.

“To succeed in this environment the reseller must have different consulting resources than ERP consultants,” Crouch says. With unique needs and language HCM “can be very foreign to the typical accounting type. It is truly a niche within the realm of ERP,” he continues.

Although CS3 already employed talent in this



Al Ansari, DWSI

area, when it picked up a newer HCM system “We still invested a minimum of \$300,000 to bring it to market,” Crouch says.

Multiple Cloud Packages

Like RSM US, Houston, Texas-based DWSI has opted to carry more than one cloud package. A historical Dynamics reseller, the firm last year added NetSuite to its lineup, that included Dynamics Business Central.

“The reason we signed up to be a NetSuite partner was because we realized that our growth goals necessitated the addition of another strong ERP offering to our portfolio,” says COO Al Ansari. The company doubled down on its investment in Business Central sales and service teams with one result that DWSI won the Eagle Award for top BC additions for Microsoft’s year ended June 30.

BC performs well in the SMB market and lower half of the mid-market, while NetSuite has stronger penetration in the high end of the midmarket. Ansari says there are also geographies where NetSuite has the stronger name recognition.

Ansari says his firm is clear that neither practice will grow at the expense of the other or cannibalize the other. DWSI has no intention of trying to lure its installed base to one platform or another.

Diversification also helped DWSI, whose markets include oilfield services. The impact on that arena was strongest in the early days of the pandemic, but the Russia-Saudi Arabia oil price war may have been more harmful on companies in this segment. However, by July and August, DWSI was seeing renewed interest with multiple oil field clients resuming work, although not to pre-pandemic levels.

Ansari says the VAR was more affected by shutdowns that affected manufacturers that had stopped producing or which were making few products. “One of our prospects shared with us that they had made less in a month in April than they’d make in ten days in a typical month,” Ansari says.



Bob Scott has been informing and entertaining the mid-market financial software community with his email newsletters for 21 years. And he has been

covering this market through print and online publications for more than 28 years, first as technology editor of Accounting Today and then as the Editor of Accounting Technology from 1997 through 2009. He has covered the traditional tax and accounting profession during the same time and continues to address that market as Executive Editor of The Progressive Accountant.