

Bob Scott's

# 2023 VAR STARS

## The Mid-Market and AI: How Much Impact?

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# AI and the Mid-Market

## How Big an Impact?

At its SuiteWorld Conference in October, Oracle NetSuite issued 12 press releases. One reporter in attendance counted 218 instances of the phrase “AI” in those documents.

It is impossible to avoid discussions of artificial intelligence, particularly regarding generative AI, in all areas of technology and that includes mid-market ERP.

There are areas in which generative AI has had an immediate impact.

In CRM systems, generative AI “speeds the response to consumers. It can really accelerate research,” says Matt Kenney, principal and business applications leader, who heads the reselling and consulting business for RSM US.

But on the financial side, he notes, “It is hard to see where it’s solving business problems.”

Then, there is the issue of accuracy with the well-publicized occurrence of Gen AI producing incorrect information—called hallucinations. In a prior interview, Kenney noted ChatGPT, “is accurate 92 percent of the time. We can’t afford to be wrong 8 percent of the time.” The duty of accounting firms remains. “It’s your responsibility to make sure your responses to clients are correct,” he says.

### CoPiloting with AI

But AI is dominating technology world discussions and the giant of the software world, Microsoft, is making an enormous push for AI with its Copilot, its chatbot, which enables users to interact with software through natural language,

That technology is being introduced across the company’s product line, which started with embedding Copilot in Microsoft 365 and spreading the Dynamics line throughout the year product by product, including Dynamics 365 Sales, Field Service, Customer Insights and the technology is being introduced into Procure Technologies’ construction software.



Amy Knust,  
Eide Bailly

“Because of our Microsoft practice and Copilot, it’s

going to be impactful in the short-term in our technology solutions division,” says Amy Knust. “We are waiting for ERP to adopt some of those technologies and embedding and all for the office technology.”

Knust is a partner in the technology consulting service practice of Fargo, N.D.-based Eide Bailly, where she is responsible for new business development.

Knust’s comments outline a theme that emerged through reseller comments on their submission for VAR Stars—that the use of AI, at least generative AI, remains to be seen in financial software, but is being rapidly adapted in areas such as CRM that involving generating communications.

The firm sells NetSuite and Dynamics software, having exited the Sage business with the sale of its Sage 100 practice to Net at Work during the summer. She notes the Dynamics app and NetSuite “fit similarly sized customers.”

“We are relatively new to the Dynamics space” notes Knust. The product line being sold includes Dynamics 365 Business Central, Sales and CRM, along with the company’s Power Platform.

Eide has been highly successful with NetSuite, being named North America Solution Provider Partner of the Year, after a year’s absence. Before that gap, the firm won the title for five consecutive years.

Eide is expanding its relationship with NetSuite and is authorized both as a Solution Partner (reseller) and an Alliance Partner. Knust notes the firm sees great opportunity in participation in the Alliance program, whose members implement, but do not sell the product.

Eide also utilizes NetSuite in its business process outsourcing to offer outsourced accounting services. “It’s a huge growing area,” she says. “There is a trend toward outsourcing accounting she says.”

### RSM Stays Hot

RSM continues on a hot on a hot streak with all of its three cloud ERP products.

For the eighth consecutive year, it won NetSuite’s Worldwide Partner of the Year Award this

year. It also was named to Microsoft’s Inner Circle again for sale of the Dynamics product line and last fall was named Intacct Growth Partners of the Year and named to that company’s Presidents Club.

Software companies remain an important target market for NetSuite, Kenney says. He notes “Software is still huge for us.” The company has also sold NetSuite into the media and consumer products segments.



Matt Kenney,  
RSM US.

Historically, RSM has used NetSuite for businesses operating in multiple countries and needing multi-language and multi-currency capacities and the ability to handle an array of tax laws.

Intacct is highly suited for nonprofits that resemble tradition businesses. “They have products, maybe publications,” Kenney notes. The software is also a good fit for larger organizations and international nonprofits organizations needing multi-language and multi-currency capabilities.

“Nonprofit is far and away where we have the most success,” Kenney says about Intacct. This includes smaller organizations with complex financial needs, and family offices, where there are wealthy families that own many different businesses.

RSM is also starting to see interest form the real estate and construction markets. Sage, he says, is “starting to build some of the Timberline feature stack into the Intacct product. Sage acquired the former Timberline, which is the basis of Sage 300 Construction and Real Estate, in 2003. But still, Kenney says, “The name everybody knows is Timberline”.

NetSuite also appeals to nonprofits, but a different kind. “We are seeing interest from the nonprofit community, but larger nonprofits,” says Kenney. In addition, interest for that product is picking up in the consumer product market.

*continued on page 12*

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 **Acumatica**  
The Cloud ERP

Company	Headquarters	Product Line	Employees	Revenue \$M
Accordant Co.	Florham Park, N.J.	Acumatica, Sage 100, Contractor/300 CRE, Intacct	95	25
Ace Micro	Vero Beach, Fla.	Dynamics BC/GP	17	2.78
Acumen Information Systems	Orlando, Fla.	Sage Intacct, 300	34	9.7
ADSS Global	Miami, Fla.; Exton, Pa.	Sage Intacct, 100/300	170	45
Aktion Associates	Maumee, Ohio	Acumatica Cons/Dis/Mfg/eCom, Deltek Vantagepoint, Infor CloudSuite Distribution/ SX.e/ FACTS/ A+, Sage 100 Contr; 300 Const.	182	66
Alithya	Montreal, Que.	Dynamics AX/365, NetSuite, OracleFusion	2600	522.7 C
Alta Vista Technology	Royal Oak, Mich.	Dynamics BC/ GP, Intacct	34	13.9
Answer Company	New Westminster, B.C.	Acumatica, Sage Intacct, 100/300/500, X3	140	27.9C
Archerpoint	Atlanta, Ga.	Dynamics BC/NAV	172	29
Argano	Plano, Texas	Dynamics 365 F&SCM, Oracle ERP Cloud/J.D.Edwards, SAP S/4 HANA	1800	405
Armanino	San Ramon, Calif.	Dynamics AX/F&SCM/GP, Sage Intacct, CRE, Workday	636	181
BAASS Business Solutions	Toronto, Ont.	Dynamics BC/F&SCM, Sage Intacct, 300, X3	145	29C
Baker Tilly	Houston, Texas	Sage Intacct, Deltek, Oracle, IFS	97	21.1
BCS/ProSoft	San Antonio, Texas	Deltek Vantagepoint, Vision NetSuite, Sage Intacct 100	34	8.5
Bennett/Porter & Associates	Portland, Ore.	Acumatica, Sage 100	26	6.1
Blytheco	Laguna Hills, Calif	Acumatica,Sage 100/Intacct	105	38.2
Boyer & Associates	Minneapolis, Minn.	Dynamics BC/F&SCM/GP/ SL	57	13.3
BPM	San Francisco, Calif.	NetSuite, Sage Intacct	269	59.7
BrainSell Technologies	Danvers, Mass.	QBES, Sage Intacct, 100/300/500	60	12
Business Solutions Partners	Great Neck, N.Y.	NetSuite	43	13.2
Business Technology Partners	Deerfield, Ill.	Infor CloudSuite Industrial, Sage Intacct, SYSPRO	58	16.8
Cargas Systems	Lancaster, Pa.	Dynamics GP/BC, Sage Intacct	193	36
Central Data	Farmington Hills, Mich.	Acumatica, Infor Cloud Distribution	55	8.8E
Citrin Cooperman (FMT Consultants)*	Carlsbad, Calif.	Dynamics BC/GP, NetSuite	83	24.3
CliftonLarsonAllen	NA	QB, Sage Intacct, 100/500	NA	65



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Company	Headquarters	Product Line	Employees	Revenue \$M
CompuData	Philadelphia, Pa.	Sage 100, Intacct/Con.	61	16.1
ComTec Solutions	Rochester, N.Y.	Epicor	60	8.2
Copley Consulting Group/ Judge Consulting	Wayne, Mich.	Infor CloudSuite Industrial/Distribution	200	60
Cre8tive Technology and Design	San Diego, Calif.	Epicor	75	15
Crestwood Associates	Maitland, Fla.	Acumatica, Dynamics BC/GP/SL	60	21
CS3 Technology	Tulsa, Okla.	Acumatica, Sage 100	16	3.2
Cumula 3	Frisco, Texas	NetSuite	31	12.6
DeRosa Mangold	Hewitt, Texas	Sage 100, Intacct	10	2.8
DSD Business Systems	San Diego, Calif.	Acumatica, Dynamics 365, Sage 50/100/300/500, Intacct	155	25
DSWI	Houston, Texas	Dynamics BC/NAV	24	5.1
DWD Technology Group	Fort Wayne, Ind.	Sage 50,/100, Intacct, BW	28	7.5
Eide Bailly	Fargo, N.D.	Dynamics BC/GP, NetSuite	225	55
EisnerAmpner	New York, N.Y.	Sage Intacct, 100	9	1.2
Enavate	Denver, Colo.	Dynamics AX/BC/F&SCM/GP/NAV/SL	365	86
Encore Business Solutions	Winnipeg, Man.	Dynamics AX/BC/F&SCM/GP/NAV	107	28.5C
Epicenter	Westfield, Mass.	Epicor	52	7
Equation Technologies	Encinitas, CA	Sage 300/Intacct	15	4.4
ERP Success Partners	Laval, Que.	NetSuite	70	6.3C
EthoSystems	Scottsdale, Ariz	Sage 100/300/Intacct/Con/RE	33	9
Evron Computer Systems	Markham, Ont.	Acumatica, Spire ERP	40	8C
Fourlane	(Virtual)	QuickBooks	87	16.05
Global Systems Integration	Atlanta, Ga.	Oracle NetSuite/J.D Edwards	95	30
Godlan	Clinton Township, Mich.	Infor CloudSuite Industrial, NetSuite	81	23.2
I-tech Support	Ocoee, Fla.	Acumatica	41	11.1
Innovia Consulting	Onalaska, Wis.	Dynamics BC/NAV	83	17.9

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Company	Headquarters	Product Line	Employees	Revenue \$M
Intellitec Solutions	Wilmington, Del.	Dynamics BC/GP/SL, Sage Intacct	34	8.4
JMT Consulting	Nashville, Tenn.	MIP, Sage Intacct, 300	49	11.9
JourneyTeam	South Jordan, Utah	Dynamics BC/F&SCM	160	36.7
Kerr Consulting & Support	The Woodlands, Texas	Sage 100/300/500/100 Cont./300 CRE, X3 Intacct/Con.	130	19.2
Kopis	Greenville, S.C.	Dynamics BC/GP/NAV	77	9.5
KTL Solutions	Frederick, Md.	Dynamics BC/GP/SL	36	16.3
LBMC Technologies	Nashville, Tenn.	Dynamics BC/GP/SL, Sage Intacct/Con.	115	42.7
Logan Consulting	Chicago, Ill.	Acumatica, Dynamics AX/BC/F&SCM/GP/NAV, QAD	50	21.8
Martin & Associates	Cincinnati, Ohio	Acumatica, Dynamics GP, Sage 100/500, Intacct	24	6.6
mcaConnect	Denver, Colo.	Dynamics 365 F & SCM	280	70
Mendelson Consulting	Ft Lauderdale, Fla.	Dynamics BC, QBES QBO Advanced	19	4.3
Mibar.net	New York, N.Y.	Acumatica, Dynamics GP/365, NetSuite	29	12.6
Microaccounting	Dallas, Texas	Sage Intacct, 100	33	10.7
Net at Work	New York, N.Y.	Acumatica, MIP, NetSuite, Sage 100/300/500, X3	290	73.8
NexLan	Danville, Ill.	AccountMate, Acumatica	12	2.8
NexTec Group	Seattle, Wash.	Acumatica, Dynamics GP/SL, Sage 500, X-3	133	25
Oasis Solutions	Louisville, Ky.	NetSuite, Sage 100, Intacct	36	10.2
Paradigm Technology Consulting	Langhorne, Pa.	Dynamics BC/GP	75	9.6
PC Bennett Solutions	Richardson, Texas	Acumatica	30	4.8
Phoenix Systems	Portland, Ore.	Dynamics BC/NAV, JDH, SYSPRO	37	8.4
Queue Associates	New York, N.Y.	Dynamic BC/F&SCM	60	12.5
Quisitive Technology Solutions	Irvine, Texas	Dynamics BC/F&SCM/GP	900	187
Revive ERP (formerly Somerset Technology Consulting)	Indianapolis, Ind., Vancouver, B.C.	Acumatica	23	5.1
RKL eSolutions	Lancaster, Pa.	Sage 100c/300c/500/100 Cont/300 CRE/ Intacct/Con./X3	106	29.8
RSM	Chicago, Ill.	Dynamics BC/F&SCM/GP/NAV/SL, NetSuite, Sage Intacct	2432	628



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Company	Headquarters	Product Line	Employees	Revenue \$M
ScaleNorth	Covina, Calif.	NetSuite	260	71E
Sikich	Chicago, Ill.	Dynamics BC/F&SCM/GP/NAV/SL, NetSuite, OpenAir	326	134
SIS	Duluth, Ga.	Dynamics F&SCM	306	39
Six S Partners	Waterloo, Ont.	Epicor	NA	10.1C
Sockeye Consulting	Anchorage, Alaska	Sage Intacct, 100CRE, 300CRE	55	11
Stambaugh Ness TechSolutions	York, Pa.	Deltek Vantagepoint/Ajera	42	14.3
Stoneridge Software	Barnesville, Minn.	Dynamics AX/BC/F&SCM/GP/NAV	350	67.4
Strategies Group	Atlanta, Ga.	Acumatica	30	7.5
Strategic Information Group	Rock Hill, S.C.	NetSuite, QAD	140	30
Sunrise Technologies	Winston-Salem, N.C.	Dynamics F&SCM	352	78.1
SWK Technologies	East Hanover, N.J.	Acumatica, Sage 100c/Intacct	185	45
Technology Management Concepts	Los Angeles, Calif.	Dynamics BC/GP/NAV	47	12.5
Third Wave Business Systems	Wayne, N.J.	SAP B1	38	7.6
TM Group	Novi, Mich.	Dynamics BC/GP/SL	43	9.7
Trinsoft	Lexington, Ky.	Dynamics BC/GP/NAV	25	3.5
Turnkey Technologies	Chesterfield, Mo.	Dynamics AX/BC/F&SCM/GP/NAV	31	9.6
VARC Solutions	Friendswood, Texas	QuickBooks	19	4
Velosio	Dublin, Ohio	Dynamics BC/F&SCM/GP/NAV/SL, NetSuite	450	129.8
Vested Group	Plano, Texas	NetSuite	64	15.7
Vision33	Irvine, Calif.	SAP Business One, ByD, HANA, public edition. Sage Intacct	439	52.1
Websan Solutions	Toronto, Ont.	Dynamics BC/GP	50	13C
WM/Synergy	Houston, Texas	Acumatica, Infor CloudSuite Industrial/Visual/XQ	150	40
Wipfli	Milwaukee, Wis.	Dynamics BC/GP/SL/365, NetSuite QuickBooks, Sage Intacct	534	105.5
xKzero	Lincolnshire, Ill.	Acumatica, Sage X3	18	4.4

C: Canadian \$; E: Estimate by Bob Scott's Insights; \*Figures for FMT in 2022

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Microsoft's desktop products still hold large installed bases, although there is migration. GP customers are moving to Dynamics 365 Business Central. However, "It's a slow steady process. GP is a great product," he says,

As far as using AI internally, RSM has adopted Big Chat Enterprise and joined the Microsoft 365 Copilot Early Adoption Program. In its VAR Stars submission, the company noted, "our internal use of AI has allowed us to quickly assess what regulations a client's compliance management system must support from the myriad of regulatory bodies and rules across governments and industry standards.

## Building a Channel Structure

SYSPRO USA has been making more noise in the market, including ramping up its channel program with a new recruitment effort and new company personnel.

The company has created a more structured channel program, says Lou Sassano, the company's VP of channels. For example, previously, there was not a formal account system for existing customers.

The program has "become much more focused," says Sassano. "We have very experienced partners managers." Managers are assigned to specific partners and "their job in life is to grow the business of that specific partners."

Sassano's organization has tripled in size and the company added five new resellers in the last year. Because some of larger dealers acquired smaller or service-only VARs, the total stayed at 36 in the United States and Canada.

Sassano is working to increase sales and service capacity and recruit where there are gaps in reseller coverage. But he also wants to improve "any and all processes within the business partner channel".

Known for its manufacturing software SYS-PRO's success often comes from customers that used products for which "they weren't getting the functionality, products that go broad but not very deep." SYSPRO offers depth for manufacturing

and distribution, he says. "The more complex the installation, the higher our close rates are," he says.

## A Channel Grows Up

Acumatica has moved beyond growing its channel to maturing its channel.

Since the beginning, its channel has been largely smaller VARs. Among Bob Scott's Top 100 VARs for 2023, there were no Acumatica dealers in the top 10 and only two—Net at Work and Aktion Associates—are in the top 25.

But that is starting to change, says CJ Boguszewski, the company's VP of partner programs and strategy,

"We have several partners whose book of business is approaching the \$10-million level," says Boguszewski.

It helps that Acumatica continues on a sharp growth track—40 percent a year.

One tool for changing channel dynamics has been the creation of services-only partners. Not specifically designed to encourage smaller VARs to exit reselling for services, Acumatica has authorized two dozen services-only partners, who can subcontract with VARs.

That was one of the big changes to the program announced in January. Another put pressure on smaller organizations—Acumatica eliminated its Silver certification level, requiring all to qualify for the Gold level, which requires increased training.

A more recent change is that the channel program is being more generous with enabling VARs to reach their levels. Boguszewski noted that all new dollars will now help dealers achieve their goals.

Among the biggest growth area has been Acumatica's industry editions.

While Acumatica authorizes resellers for the industry editions, that is not the most important qualification interesting buyers, according to Boguszewski. "What we are finding is people



CJ Boguszewski,  
Acumatica

doing picking for the project are asking for references and experience as much as they are for credentials," he says.

Currently, the breakdown on sales of editions has about 40 percent coming from distribution, 25 percent each from manufacturing and construction and 10 percent from general business and other segments.

Acumatica continues to try new ways of helping resellers deal with the shortage of consultants. The latest effort is Boot Camps for training candidates.

"The way the Boot Camp will work is that we will, throughout 2024, run one per industry edition on a rotating basis "We're starting with our first one in Q4 this year, on construction," Boguszewski says.

Acumatica works with VARs who are top sellers of each industry addition, "to attract reseller level candidates from other publisher ecosystems, Boguszewski says. He continues, the vendor works with VARs to take the consultants on staff and "provide them the three months ramp up to trustworthy project leadership on our industry editions that the VARs are requiring."

## Scaling the Business

This has been a big year of New York, N.Y.-based Net at Work. The company has been acquiring VARs and individual product practices for several years and has grown its market through its Net at Work reseller network.

In the last 18 months, it has acquired two Acumatica VARs, ProServe in April 2022 and NexVue in September. On the Sage side, it purchased Sage 300 and X-3 reseller, Innovation ERP and in March, another Sage 300 VAR, Paragon Consulting Group, and during the summer, the Sage 100 customer base of Baker Tilly.

But it has plans for larger deals.

"We want to start acquiring some of the larger dealers," says co-president Alex Solomon. "I want to be what Deloitte is in the Enterprise space."

That desire led Solomon and co-president Ed Solomon to receive an investment from private equity firm, Lovell Minnick Partners. The size of the investment has not been disclosed and Solomon declined to say whether it gave LMP a majority or minority ownership.

In the ERP business, Net at Work handles three cloud lines—Acumatica, NetSuite and Sage Intacct and is offering multiple offerings in other product categories. It added Creatio to a CRM lineup that includes Sage CRM and Dynamics and Rippling to its HR portfolio, along with Criterion and Sage HRMS.

Solomon favors having product choices for



Alex Solomon,  
Net at Work

## Selecting the 2023 VAR Stars

The selection of mid-market accounting software resellers for Bob Scott's VAR Stars rests on 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 for the honor.

Criteria for selection include vendor resellers have received, 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. In some cases, numbers submitted for Bob Scott's Top 100 VARs were used.

# AI: Views from Firms

Everyone is talking about artificial intelligence. So we asked firms submitting VAR Stars forms to discuss the impact on their businesses and their clients' operations.

A noticeable number of firms said there has been little impact while others primarily mentioned marketing and areas involving communication. There was also significant discussion of AI already in technologies on the market—before the discussion of generative AI went into overdrive.

## Baker Tilly

Baker Tilly Digital is working with customers to safely maximize AI for their businesses, including assessing risk of using and securing data, outlining use cases specific to their industry and applications for pilots, evaluating the effectiveness of in-use AI. Implementation of new generative AI tools, and new use cases to pilot. We've been working alongside our vendors alliances, as well as with our customers, to build the use-cases and implement the related AI capabilities. We have been able to implement AI processes into our marketing automation work flows so that we can better and more efficiently respond to inbound website inquiries.

## Business Technology Partners

AI is beginning to affect the way we and our customers operate, but primarily because of AI functionality being included in the software applications that we and our customers leverage. Functions such as continuous self-audit are helping us become more efficient in the way we operate by highlighting issues requiring attention. We and our clients are facing challenges with the best times to utilize (and avoid) AI in various business scenarios, especially in the area of data security when information fed into AI tools like ChatGPT becomes publicly available.

## Cal Business Solutions

We have not seen any effects of AI in our practice over the last 12 months. But we have seen our cloud solution, Acumatica, adding in AI functionality.

## Cargas

All the ERP and CRM developers we support have expanded AI functionality over the past year. Cargas has had to keep track of these changes and educate customers on these changes. We have accomplished this through the use of multiple channels, including webinars, e-newsletters, social media posts, blog articles, and videos. Our Energy Customer Support team is already using AI to solve problems quickly and more accurately.

## Equation Technologies

Areas where AI has been advantageous are in general ledger, accounts payable, cash management/bank reconciliation, accounts receivable, time tracking, and process automation. Employees are able to work smarter and more efficiently and accurately to improve the organization's planning and day-to-day functions. We have been able to quickly reveal the gains in business analytics,



reduction in manual errors, reduction and/or elimination of manual processes from reconciliations and data entry to even running and distribution of reports.

## JourneyTeam

With the introduction of Microsoft's Copilot, AI changes the way our customers work, by greatly increasing their efficiency in everyday applications like Outlook, Teams and Dynamics 365. We have shifted to highlight the features and benefits of Copilot, Power Virtual Agent and AI, and explain how it revolutionizes productivity, reduces manual tasks, and the user experience all together. We also recommend and advise on how to securely leverage AI and provide a governance framework to protect their data.

## LBMC Technologies

AI has made significant changes in how businesses in manufacturing, healthcare, and non-profit sectors operate. In manufacturing, AI helps companies make products more efficient by predicting when machines need maintenance and also helps with quality control and even financial decisions. For instance, AI can assess financial risks and investment options. In healthcare, AI helps doctors make more accurate diagnoses and treatment plans and can analyze medical images better than ever before, while chatbots are used for answering patient questions. It can optimize scheduling of appointments and managing resources. Non-profits can predict who might donate and customizing approaches for donor outreach. AI can assess the effective-

ness of projects.

## NexLan

Acumatica encourages us to use the term "Machine Learning", which is a powerful differentiator for selling modern systems into our legacy installed base as this is often the Wow Factor. We use AI to augment our marketing initiatives especially with regards to target audiences and our messaging. By establishing our market skillset as a baseline, our search for new accounts to manage is narrowed to those businesses that we best align with.

## RKL eSolutions

Customers are asking about AI features embedded in Sage to find GL transaction anomalies, expense reimbursement trends, and forecast projections. At RKL, we've had to document and enforce strict AI guidelines to protect client data, reporting, and financial disclosure statements that limit how AI is used on client engagements. Our marketing team is using AI to test market statements, comparisons to competitive sites, predictive analysis for SEO, and to suggest blog topics.

## RSM US

RSM has embraced AI tools from Microsoft internally, including Bing Chat Enterprise and we have joined the Microsoft 365 Copilot Early Adoption Program. This has enabled us to quickly assess what regulations a client's compliance management system must follow across governments and industry standards. We have also created efficiency in our internal sales

processes with AI and Microsoft PowerApps, automating the creation of presentation slides, discussion documents, and CRM entries. Microsoft Power Virtual Agents mean we can help clients automate processes, analyze past performance, predict future outcomes around sales, customers, products and finance. We are also working with clients to evaluate and incorporate AI offerings from Oracle NetSuite and Salesforce.

## SWK Technologies

We are implementing and further exploring AI tools that help customers integrate their systems, provide insights into their departmental data, and streamline their operations. Two solutions of note are Avalara and their AI-powered sales tax management and calculator plug-in and the DataSelf business intelligence software platform that uses AI to generate comprehensive data delivery and access to data silos. We are educating our customers on how to get the most out of ChatGPT prompts and solution-specific chatbots with series of webinars that cover material ranging from sales tax automation to eCommerce solutions.

## Vested

Many of our employees utilize AI-driven tools, like ChatGPT, in their daily tasks. Recognizing the potential of AI in enhancing the user experience, we have pioneered a NetSuite support AI platform that we are calling ChatTVG. This platform is designed to offer instant answers to users' NetSuite queries, ranging from basic how-tos to suggesting solution paths for more complex issues. Though we have yet to officially launch, the introduction of our AI-powered support system aims to eliminate the tedium of traditional support ticket systems for many common NetSuite challenges.

## Wipfli

AI has had a significant impact on how we operate and go-to-market. We are learning that the key to a successful AI strategy lies in the underlying data, working closer with our clients around the organization of their data, their use cases for AI and how their data will support those. Additionally, we have learned the impact improper planning and data organization has on the roll out of an AI initiative and how it affects business operations. We are making significant investments in training and education across several platforms and software partners to align our capabilities with our client's needs.

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customers in all areas.

"It's our philosophy that when you represent that one product you are always trying to make that one product fit," he says.

The product additions are also part of Net at Work's Digital Operations Platform for industrial and equipment manufacturers, an approach that was introduced this year. The aim is to solve a client's needs end-to-end through an integrated suite of products.

With its first platform, the products are Sage X-3, that vendor's process manufacturing package, and Rippling and Creatio. However, different products may be integrated into the DOP to meet the needs of individual customers.

Through product integrations, the aim is "to have end-to-end solutions leveraging the same data," Solomon says.

Additionally, the firm's network, the Partner Alliance Program has grown to a channel of 300 resellers. "I don't compete with them. They embrace a lot of our portfolio," he says. The program offers them marketing, sales and product support, along with lead generation services.

Net at Work also reaches the market through its MSP Alliance Program platform, which is being used by about 100 Managed Services Providers and gives them access to a wide range of

business software, including ERP, CRM and HR applications.

### The M&A Trail

There have been some notable deals in the mid-market fueled private equity investments. The investment by Lovell Minnick Partners and Net at Work's subsequent purchase of Nexvue and plans for buying larger resellers illustrate the trend

While PE investment, is not common, it has driven other notable deals.

This year, Citrin Cooperman acquired FMT Consultants, a sizable Dynamics reseller, a deal made possible by the 2022 majority in the investment of New Mountain Capital in the CPA firm.

Additionally, Evergreen Computer Services has been acquiring VARs with each so far strong in a different product line. These include reseller, Third Wave Business Systems, acquired in 2021 and Dynamics reseller, Western Computer, and Sage construction software reseller, Alliance Solutions Group, this year.

An M&A advisor, Linda Rose of Rose Biz, who

was involved in the NexVue deal, notes that VARs still are not as attractive candidates for acquisition as Managed Services Provider. Typically, MSPs are purchased for 75 percent cash and 25 percent equity—with no notes or earn outs involved. Earnouts are common in purchasing resellers.

However, Rose notes, "I am starting to see more PE investors say, 'Let's pull VARs into MSP portfolio so we can do some up-sell and cross-sell.'"

### Sage in Transition

For Sage, it has been a year of transitions beyond continuing to enlist channel members selling legacy products to pick up Intacct, along with its editions, such as construction.

It also skipped 2023 as a year to hold its Transform conference—the former Intacct Advantage—to February instead of Fall. And it got new leadership after the January 6 departure of Nancy Teixeira, who led the channel program in North America. She was replaced in October by Marc Monday as VP of strategy and sales, who held the job as the interim leader on this continent.

Meanwhile, the company is replacing its Partner Summit with what it called a new event series



Linda Rose,  
Rose ASP

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“to bring together our partner and customer communities with plans to kick off in Fall 2024”. This follows discussion by Sage executives on how to provide conferences for users of its legacy conferences, and particularly its construction software customers.



Marc Monday, Sage

In May, it introduced a global Managed Services program, designed to bring Intacct to large accounting firms with mid-sized clients worldwide. Firms can offer outsourced financial accounting, client advisory, or virtual CFO services with Intacct as its engine.

### Newly Independent

The partners at Revive ERP had planned to operate as an independent firm. It’s just that the moment came sooner when the former parent, Somerset CPAs, was purchased by Cbiz. The unit was spun out and replaced the Somerset Technology Consulting name.

Managing principal David Gelula says the separation came about two years earlier than anticipated.

Revive began its new life with a recently received award. In January, it was given Acumatica’s True North award, which is given to a small-to-medium-sized partner that demonstrates sales and customer service excellence against Acumatica’s metrics.



David Gelula, ReviveERP

Revive focuses on professional services businesses, project-based businesses and construction and architect and engineering organizations, companies that are project-based.

“I think our sweet spot is construction—general contractors and subcontractors, along with professional services, which makes engineering firms a big target,” says Gelula.

One factor in success in the construction and engineering markets has been having subscription pricing available, which some legacy vendors lacked.

Revive also addresses the distribution market, both hard and soft distribution, and a “small pool of software publishers,” according to managing director Jason Leveson. “We have a little bit in manufacturing and retail,” he says.

### Formalizing Processes

xKzero, a Chicago, Ill.-area Sage and Acumatica reseller, has been making its processes more formal as its product lines show significant revenue growth, along with its own xKzero Mobile Com-

## 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.

#### AccountMate

**Acumatica:** Acumatica Con (Construction), Dis (Distribution), eCom (eCommerce) Mfg (Manufacturing)

**Certinia (formerly FinancialForce)**

**Community Brands:** MIP

**Delttek:** Vantagepoint, Vision

**Epicor (Includes legacy Epicor and Epicor Kinetic)**

**Infor:** Infor Distribution SX.e Infor CloudSuite Industrial

**Intuit:** QBE (QuickBooks Enterprise) Pro (QuickBooks Pro), Advanced

**Microsoft:** Dynamics AX, Dynamics GP, Dynamics NAV, Dynamics SL, Dynamics 365 BC (Business Centra) and 365 F&SCM (Financial and Supply Chain Management)

**Oracle:** ERP Cloud, JD Edwards, NetSuite

**QAD**

**Rootstock**

**SAP:** B1 (Business One), ByD (Business ByDesign), HANA (SAP S/4HANA Cloud, public edition)

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

**SYSPRO**

**Unanet**

**Workday**

## An All-in-One System

No matter how much consolidation there is in the software industry, new entrants keep appearing—and especially in the SMB market, there is a steady flow of low-cost packages debuting.

The mid-market has fewer entrants, but it still is not closed to newcomers who think they see an opening.

“The key thing for us is to provide a robust platform for the mid-market, everything in one place,” says Joe Meyer, CEO of CentralBos, which was founded in 2014. “Every transaction goes to the general level in real time. It’s all real-time.”

The system is “Very much low-code, no-code. It’s structured based on toggling things on and off,” Meyer says. Capabilities include inventory, order, financial and field service management, CRM and HR/payroll services.

The company bills its application as an all-in-one system, which Meyer says is what customers are looking for. For example, he says retailers are moving to one system of record. “They are looking for a POS system giving them an Apple store experience,” in terms of an automated buying process, Meyer says.

Meyer says CentralBOS is performing well in wholesale distribution, e-commerce and in SaaS. The last, he says, is because of the product’s subscription billing capabilities. “That has given us a great foundation,” Meyer says.

Meyer says implementations range from roughly \$20,000 to \$100,000 with average subscriptions of \$1200 to \$4500 for a full SaaS cloud offering.



Joe Meyer, CentralBos

merce for delivery distribution and mobile sales.

The firm increased revenue by 25 percent in the last year, with only two employees added to the staff, according to co-founder, Paul Ziliak.

But that includes a shift in marketing. Formerly, the firm conducted all marketing inhouse. This year, it hired an agency and hired a marketing coordinator to work with the agency. It also given the Mobile Commerce product its own website.

Ziliak says for the first time xKzero created a sales structure for the VAR for business. “We added some new sales leadership to our team and that has made a big difference,” he says. “The sales opportunities we are getting from Acumatica, we are closing.”

In addition, xKzero is picking up business from X-3 orphans. He says many of those customers are companies that purchased the product from Sage, which halted its direct sales effort for X-3.

xKzero has also worked to educate X-3 users to help “Where they haven’t fully realized the benefit and capability of their software” through free training videos on its website.

There are about 80 of those, about three minutes to six minutes in length each, that were put together by “a very ambitious consultant of ours who seemed to do it at night,” Ziliak says.

Bob Scott has been informing and entertaining the mid-market financial software community for more than 32 years, including more than 23 years through email newsletters. His coverage started with print publications first as technology editor of Accounting Today and then as the Editor of the former 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

