NUCLEUS RESEARCH

ACUMATICA IN THE MIDMARKET

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THE BOTTOM LINE

Nucleus interviewed multiple midmarket Acumatica customers across various industries, uncovering significant operational efficiencies and cost savings. Key benefits include instant visibility to critical metrics, reduction of month-end closing time from 10 days to one day, and the elimination of duplicative data entry through integrations. Acumatica supports customized workflows and forms, significantly reducing manual data entry and process times. Companies reported the ability to manage increased project volumes and geographic distribution more efficiently, with one firm reallocating resources to focus on strategic initiatives like Environmental, Social, and Governance (ESG) efforts. Users suggest a phased approach implementation that minimizes disruptions and allows for real-time adjustments.

OVERVIEW

Mid-market organizations face unique challenges that demand flexible, comprehensive solutions. The need for a unified system that supports a broad spectrum of applications—

from accounting and sales to inventory and project management—has never been more critical. This necessity is further amplified by the shift towards remote collaboration and the requirement for constant availability, all while ensuring enterprise-grade security. Cloud-based ERP solutions, designed to cater to these needs, offer the flexibility to adapt to changing business environments, whether through public or private cloud deployments. Such platforms are pivotal

Proposal generation times reduced by 60% after deployment

for businesses aiming to streamline operations across various sectors, including Manufacturing, Distribution, Construction, and Retail, by offering tailored features and integrated workflows.

ACUMATICA

Acumatica's cloud-based ERP solution caters to mid-market businesses, offering a comprehensive suite of applications that encompass accounting, sales, inventory, warehouse management, project management, customer management, and shop floor operations. The platform is built on an open, secure cloud architecture, ensuring constant availability, remote collaboration, and enterprise-grade security. Acumatica provides deployment flexibility, allowing businesses to choose between public and private cloud options to suit evolving needs. Unique to Acumatica is its licensing model, which is consumption-driven and allows for unlimited user access without additional costs. This approach supports scalability and inclusivity across organizational roles. The solution maintains a single code base across its Industry Editions.

KEY BENEFITS

Through comprehensive analysis and discussions with customers from various sectors, we have identified significant benefits stemming from the implementation of Acumatica including:

- **Improved operational efficiency:** Acumatica enhances operational efficiency by integrating custom forms and automating processes that previously required manual intervention. For instance, the transition to Acumatica allowed a construction firm to reduce the time needed for generating proposals by 50 percent, from 1 to 2 days to less than a day. This efficiency gain is attributed to the system's ability to integrate custom forms directly into the application, eliminating redundant data entry and disjointed processes.

- **Enhanced financial management:** Acumatica facilitates immediate access to financial metrics, transforming financial visibility and productivity. Where previously compiling financial data could take several hours, Acumatica provides this information instantaneously. This key benefit supports better decision-making and allows for more agile financial management. An organization reported that transitioning to Acumatica from QuickBooks resulted in significant time savings and improved financial oversight, underscoring the platform's impact on financial efficiency.

- **Optimized resource allocation:** Through automation and integration capabilities, Acumatica facilitates the optimal allocation of human resources. The platform automates processes that previously required manual intervention, freeing up personnel for higher-value tasks. For instance, an automotive parts manufacturer experienced a reduction in manual, menial tasks, allowing staff to focus on strategic initiatives such as ESG efforts. This shift not only improved resource utilizaion but also contributed to employee retention by enhancing job satisfaction.

CUSTOMER EXPERIENCES

Nucleus interviewed multiple Acumatica customers to investigate the value delivered by the platform.

US-BASED CONSTRUCTION FIRM

Before implementing Acumatica, this US-based construction firm, with a workforce of approximately 50 employees and generating $20 million in revenue, operated two separate entities focused on manufacturing and construction. Each entity utilized QuickBooks for financial management, with the manufacturing side also employing a job shop management product. The construction operations heavily relied on spreadsheets for project management. The firm faced a significant challenge in 2020, requiring them to complete two years' worth of projects within 12 months. This period of intense activity led to new opportunities and the realization of the need for a more sophisticated system to manage

larger, more complex projects and a geographically dispersed operation. The firm expanded to four companies and sought a unified system to manage separate workflows while consolidating financials.

The selection process for a new system included considerations of Procore, Sage, and Innate, but these were ultimately set aside due to pricing models, lack of manufacturing support, and a mismatch in organizational scale, respectively. Acumatica was chosen for its cloud-based platform capable of handling manufacturing processes, supporting multiple companies, and offering the flexibility needed for the firm's diverse operations. The implementation, facilitated by a reseller based out of Kansas City, focused initially on finance and payroll modules, avoiding a "big bang" go-live moment and instead opting for a phased approach to building out additional functionalities.

Reduced monthly close from 10 days to 1 day with Acumatica

The transition to Acumatica enabled the firm to integrate custom forms directly into the app, eliminating the need for manual data entry and disjointed processes previously experienced with Microsoft and Google forms. This integration has led to significant efficiency gains, notably in the proposal generation process, where what used to take 1-2 days now sees a 50 percent reduction in time required. Financial metrics, once several hours in the making when using QuickBooks, are now available instantaneously, enhancing financial visibility and productivity.

FLEET SAFETY SOLUTIONS PROVIDER

Prior to implementing Acumatica, this fleet safety solution provider, based in the USA with 50 employees, managed its operations through three disparate platforms: QuickBooks for accounting, Access for data/order entry/inventory, and Act for marketing and sales. The company briefly considered NetSuite but faced challenges with its requirement to adapt thousands of SKUs to fit the new system, which would have necessitated significant changes to its operations. The transition to Acumatica began on September 1, 2022, after identifying the need for a more integrated solution that could adapt to its existing processes rather than imposing new ones.

The implementation of Acumatica covered accounting, inventory, and billing modules first, with a noted quick learning curve for the team. The company appreciated the flexibility of Acumatica, which allowed for a smoother adaptation to its specific needs without the necessity to overhaul its operational practices. This adaptability was contrasted with its experience considering NetSuite, where the need to modify its operations to fit the system

was a significant deterrent. The deployment process revealed that while the team could have gone live sooner, taking additional time to address and resolve issues was beneficial.

Post-deployment, the company experienced immediate and significant benefits from integrating Acumatica. Access to information and the ability to run reports became much more straightforward, transforming from a process that previously required emailing and waiting for responses to a simple, immediate action. This change alone saved considerable time for the company, streamlining its operations significantly. The ease of requesting and quickly receiving new reports through Acumatica's responsive support further enhanced operational efficiency. The company reported no concerns with the Acumatica system, highlighting the platform's responsiveness to its needs. Whether it involved adapting the system to better fit its processes or quickly addressing requests for new reports, Acumatica's support team was highly effective. This responsiveness, coupled with the system's adaptability and the significant time savings achieved through improved access to information and reporting capabilities, underscored the positive impact of Acumatica on the company's operations.

AUTOMOTIVE PARTS MANUFACTURER

Prior to December 2022, this automotive parts manufacturer, generating $18 million in revenue with 60 employees, faced significant operational inefficiencies. Sales orders were entered into both Shopify and Salesforce, creating a disjointed process. The transition of orders from Salesforce to the outdated Shoptech E2 system, and some financials into QuickBooks, involved extensive manual intervention. This system required a full-time employee (FTE) dedicated solely to managing the import of orders into Shop Tech E2, alongside challenges in payment matching and shipping due to lack of integration, leading to inaccurate bills of materials and escalating problems as the company grew.

After a comprehensive evaluation process involving six potential solutions, including Acumatica, SAP Mid Market, Infor, Epicor, Rootstock, and ODU, Acumatica was unanimously selected based on four critical dimensions: corporate viability, functionality, underlying technology, and implementation & support. Acumatica's superior performance in all but the implementation & support dimension, where it tied with the alternatives, positioned it as the optimal choice for addressing the manufacturer's challenges.

The deployment of Acumatica, enabled by iPaaS solution Workato, significantly streamlined operations. The employee previously dedicated to order imports was completely freed from this task, reallocating half an hour of its day previously spent on manual processes to now focus full-time on Environmental, Social, and Governance (ESG) efforts. This change not only retained valuable talent but also enhanced the company's commitment to sustainability. The shipping department saw a reduction from 2.5 FTEs, previously engaged in manual tasks, to just one person, with the others reallocated to people operations and accounting. The

production engineering team, initially burdened with creating bills of materials manually, was relieved from these menial tasks. Furthermore, the time required to close a month's financials was reduced from 10 days to 3 days, with expectations to decrease to a single day, significantly improving accounting metric visibility.

BEST PRACTICES

Through comprehensive analysis and user testimonials, the following best practices have been identified for organizations implementing Acumatica's cloud-based ERP solution to ensure optimal outcomes:

- **Technical Expertise In-House:** Ensure at least one team member possesses deep technical knowledge of Acumatica. This individual will be crucial in solving complex problems and leveraging the system's full capabilities, especially in customizing and adapting the platform to the organization's specific needs.

- **Phased Implementation Approach:** Avoid a "big bang" go-live strategy. Gradually implement Acumatica by starting with core functionalities such as finance and payroll before expanding to other modules. This approach minimizes disruption and allows for adjustments based on early feedback.

- **Leverage Acumatica's Flexibility:** Utilize Acumatica's adaptability to fit your business processes rather than conforming to the software's default settings. The platform's flexibility supports custom form creation and integration with existing workflows, significantly reducing manual data entry and improving efficiency.

- **Strategic Partner Selection:** Choose a Value-Added Reseller (VAR) or implementation partner that understands your industry and specific business needs. A partner with a strong track record in your sector can provide invaluable guidance and support, ensuring a smooth transition and effective use of Acumatica.

By following these practices, organizations can maximize the benefits of Acumatica, including improved operational efficiency, enhanced financial visibility, and the ability to scale processes in line with business growth.