Mint Jutras

Making Enterprise Business Systems Pay Dividends

THE FORCE WAS STRONG AT ACUMATICA SUMMIT 2016

"THERE HAS BEEN AN AWAKENING. HAVE YOU FELT IT?"

Mint Jutras recently questioned whether cloud, mobile and social features, combined with rich analytical capabilities and broader and deeper functionality of Enterprise Resource Planning (ERP) could awaken the Force in your business. Next generation ERP has the potential to empower a business, amplifying human capabilities with added speed and improved reflexes. Yet while the Force is a universal power available to all, it is used by only a few.

This year's Acumatica Summit, its largest ever, bringing together over 600 attendees, carried a very similar theme: Accelerate Business. Over the past 18 months Acumatica has been busy developing functionality, improving the connectivity and technology of its platform and engaging with its partners and customers. In other words…awakening the Force. And it has paid off big time. In that 18 months it has accelerated its own business, doubling its customer base from 1,000 to 2,000 companies. What have these new customers seen to draw them in?

A recent three part series, Can Next Generation ERP Awaken the Force? spoke at length about two specific aspects of next generation ERP that can help: the right functionality, delivered in a way that is easily consumed, and the power of the cloud. Read on to learn how Acumatica has attacked both.

THE RIGHT FUNCTIONALITY, EASILY CONSUMED

As we noted in our 3-part series, ease of use of software has gained importance over recent years. But when forced to stack rank all the different criteria for selecting a solution to run your business, functionality rules. "Fit and functionality" is at the very top of the list, followed by the completeness of the solution. It is not enough to deliver a complete solution that must be pieced together. An end-to-end solution is preferred.

The Acumatica solution already extends beyond the basic core tenants necessary to provide the transactional system of record that defines ERP (see sidebar) and is continuing to grow. According to Acumatica, 100% of its customers have deployed its financials; 81% use its distribution suite and 51%

have deployed customer relationship management (CRM). Acumatica also offers project accounting, intercompany accounting, fixed assets and a deferred revenue module. A partner (JAAS Systems) provides additional modules for manufacturing in such a way that it is impossible to tell where Acumatica leaves off and its solution (JAMS) picks up.

But Acumatica is not showing any signs of stopping. Indeed it has picked up on a key lesson we can learn, not only from the movie Star Wars, but also the movie franchise itself. As Ajoy Krishnamoorthy, General Manager and Head of the Cloud Platform Division at Acumatica writes in May the Platform Be With You: ERP Lessons to Learn from Star Wars:

> *The real success and genius of the Star Wars franchise is that it was built as a movie "platform".… By designing the movie franchise with a vision of the future and establishing a platform which allows the adoption of new visual and sound technologies, the creators of Star Wars have built a living entertainment entity which adapts and grows. Such is the importance of an underlying platform; businesses needing one would do well to learn from the example of Star Wars.*
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> *Too often, when businesses are selecting and looking to implement or upgrade their systems, the focus is on the functionality provided by the software. While the functional fit of software such as ERP to **current** business processes is important, the underlying platform on which the software is built is critical in providing **current AND future** capabilities.*

Mint Jutras agrees that the platform is an important element in delivering current and future capabilities. An ERP implementation should be a living, breathing representation of your business, and we all know that business conditions and even business models need to continuously evolve and change.

And we have also observed the footprint of ERP growing to a point where it is getting more and more difficult to determine where ERP ends and other applications begin. That's a good thing. Customers demand more functions be automated. They demand more features. And they don't want to be jumping from one application to the next and creating redundant data that might get out of sync.

And yet the customer doesn't want to be steering a battleship. The customer needs to be nimble and quick. The platform is important in that it helps the software publisher (in this case Acumatica and perhaps some of its partners) deliver new functionality in a way that makes it easier to consume.

While Acumatica releases upgrades on a quarterly basis, Acumatica 5.3, the latest release announced at the Summit, demonstrates how Acumatica has delivered more functionality, while continuing to blur the boundaries without sacrificing agility. Here are some highlights:

- New sales order reporting includes analysis of sales and profitability by customer, sales person, order, item class, customers class and date

- New native Mobile Apps are purpose built for on-the-go submittal and approvals (time, expense, sales orders)

- General ledger reclassification of transactions during month end closing with full auditing and history tracking, removes tedious manual reversal and adjustments.

- Deeper integration with Microsoft Exchange: Acumatica makes it possible to synchronize data and records—including email, contacts, tasks, and appointments—with Microsoft Exchange and Office 365 accounts. Users can access CRM right from an email (shown as a tab in the email itself) even when the contact is not in the system.

- Marketing Automation: Synchronization between Acumatica and Hubspot to connect outbound marketing activities with CRM lead flow and processes, allowing you to finally close the loop on marketing campaigns.

- A new Payroll module to pay employees and manage tax filings.

- New Web services APIs are easier to use, replacing dozens of lines of code with a single line of code.

- Performance improvements, including a 40% improvement in page loads.

Beyond 5.3, Acumatica is already working on Acumatica 6.0 with new KPI dashboards and integrated Business Intelligence (BI), improved CRM and the integration of a new field service module, featuring functionality recently acquired from M5 Systems. But perhaps even more significant are plans to not only create quarterly releases, but also to deliver certain features as "continuous improvement." These will include improved intercompany functionality, improved project functionality, push notifications for mobile apps and a refreshed user interface. Overall Acumatica is setting out to make it easier for non-programmers to modify the solution and easier for VARs and customers to operate in a multi-cloud world.

More notably, this leads us to the other key factor in awakening the Force behind ERP: the power of the cloud.

THE CLOUD FACTOR

All ERP solution providers will provide innovation, typically delivered through upgrades and new releases. What differs significantly from vendor to vendor is the speed and volume of innovation. Traditional on-premise solutions will most likely deliver releases every 12 to 18 months. This is not only gated by

the vendors' ability to develop, test and package up enhancements, but also the customers' ability to consume them. After all, the upgrade process can be very disruptive. Releases are often skipped and customers can get woefully behind, sometimes only moving forward when the vendor stops supporting its current release.

When you move to a cloud deployment where software is delivered as a service (SaaS), your staff is relieved of the burden of the upgrade of the software. All bug fixes and regulatory requirements are taken care of and new features and functions are available for use. This is a huge plus in terms of reducing the cost and effort of upgrades and it removes one of the limiting factors that prevents your implementation from keeping pace with growth and changing business requirements.

The reduced cost and effort of upgrades is just one aspect of innovation though. An often overlooked and undervalued benefit of a SaaS environment is the possibility of **more** innovation, delivered at a faster pace. Compare Acumatica's quarterly releases to the 12-18 month cycle typically associated with a traditional on-premise solution.

Multi-tenant versus Single-tenant SaaS

Multi-tenant SaaS*:*
Multiple companies use the same instance of hosted software; configuration settings, company and role-based access personalize business processes and protect data security.

Single-tenant (or Multi-instance) SaaS:
Each company is given its own instance of the (hosted) software, but may share common services, such as an integration platform, and security.

Acumatica is most definitely a cloud ERP, and in fact it is developed as a full multi-tenant solution. Multi-tenant solutions tend to offer more innovation than single-tenant solutions. And solution providers that offer only a SaaS solution are typically able to deliver more innovation than those that offer the same solution on-premise and SaaS. Those who offer their solutions exclusively as a multi-tenant SaaS solution typically have a distinct advantage of only having to maintain a single line of code.

Interestingly enough however, even though Acumatica is developed as a multi-tenant solution… that is typically not how it is delivered. While Acumatica and its partners offer to host and deliver it as a multi-tenant solution, they also make it available as single-tenant (multi-instance) or even an on-premise solution.

Why? Acumatica will tell you it is responding to customer demand. Larger clients in particular tend to request to have the solution configured and delivered as their own multi-instance versions, often delivered in a private cloud or on-premise. Acumatica's development platform (the same platform that turns its ERP into a living, adaptable solution) supports and even encourages a level of customization that tends not to be fully supportable in a multi-tenant environment. As one industry analyst at the Summit observed, "That can be a blessing and a curse." Yet it is only through a multi-tenant SaaS solution that the true value of "continuous improvement" can be realized.

Mint Jutras believes the preference for single-tenant solutions often results from a lack of knowledge about both SaaS and the potential capabilities of next generation solutions that support tailoring, configuring and extensibility without the need for invasive code. Also, Acumatica sells exclusively through

channels and the Value Added Reseller (VAR) community has been slow to embrace the SaaS model.

But all this seems to be changing. This past year Acumatica experienced 100% growth. SaaS subscriptions were up 134% while on-premise licenses were down 9%. Many prospective buyers welcome the choice offered by Acumatica, but in reality, taking a multi-tenant SaaS solution and running it as a single-tenant detracts from the Force. And if you put it on-premise, instead of amplifying speed and improving reflexes, you put yourself in a box.

CONCLUSION

The Force, of Star Wars fame, allows Jedi to perform supernatural feats, and also amplifies human physical abilities with added speed and improved reflexes. Next generation ERP like Acumatica 5.3 is faster, more technologically enabled and more in tune with the evolving needs of the galaxy. Are you taking full advantage of new and exciting functionality? Is your implementation keeping pace with new requirements and the changing business climate? Are you taking full advantage of the cloud? Or are you slumbering along with an ERP that lacks any or all of these advanced capabilities? If so, you may be riding a moped when your competitors are riding Jedi speeder bikes.

Acumatica is doing all the right things to bring speed, flexibility and adaptability to its customers and prospective customers. It is developing its platform and application at an impressive rate. If you are a current Acumatica customer running on-premise, consider moving to a SaaS deployment. If you are not and want to accelerate your business… if you are in search of a new solution that can awaken the Force in your company, you owe it to yourself to take a look at Acumatica.

"There has been an awakening. Have you felt it?"

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 10 years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras LLC (www.mintjutras.com), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.*