



Moving in new directions

The 2011 Pacesetters are moving beyond traditional revenue paths

BY SETH FINEBERG

For years, the members of our Technology Pacesetters list of topflight accounting and ERP value-added resellers remained nimble, often adapting to change sooner than later.

More recently, they've begun to usher in one of the larger evolutions in the sector — prompted by the sluggish economy and the onset of new technology platforms — by offering expanded product lines including cloud or hosted solutions and, in some instances, providing more consulting services than traditional software reselling.

For some of our 2011 Technology Pacesetters, offering cloud products or hosting software is opening up more doors, and they see it as a large future revenue stream. Moreover, those involved agree that even if they are not yet booking cloud business, they will be, and want to be prepared.

McLean, Va.-based SSI Consulting has been a Dynamics GP and SL reseller for years, but like many others, has been feeling pressure to reduce costs for clients. Being able to offer them a subscription model in the form of hosted software is becoming big business.

"We see a strong push toward hosting and software rental these days, as opposed to traditional on-premise projects. Business opportunities look different, but business still is working hard to improve efficiency through technology," said SSI president Bill Aiton. "SSI is pursuing a strong effort to provide software rental at a monthly cost using

hosted servers. By reducing the substantial upfront cost of traditional on-premise systems, we hope to increase volume, reduce sales costs and generate more recurring revenue. This part of our business is growing at over a 100 percent annual rate."

Others, such as Chardon, Ohio-based e2b Teknologies, have been expanding their product lines through other publishers, most recently adding SaaS-based ERP software SAP Business ByDesign. Though cloud business is still relatively new for e2b, it is expected to grow rapidly, and the firm wants to be prepared, according to chief executive Bill Henslee.

"We've seen a dramatic increase in demand for cloud-based business applications in just the past two years. We also refocused our e2b custom software development business on custom cloud-based business software development," said Henslee. "The investments we've made are already starting to pay off, but we understand that re-inventing your business takes time and we are focused on continued growth in the cloud. It's a simple fact — we've seen interest in cloud-based ERP double in just a few years.

More and more companies are considering cloud-based ERP, while others are demanding it up front."

'CLOUDY' OUTLOOK

While e2b and other Pacesetters develop their cloud businesses while continuing the on-premises product support, there are some, such as Tempe, Ariz.-based TrueCloud, that are designing their entire business around the burgeoning cloud delivery platform.

The firm, which primarily represents NetSuite, claims that current revenue is up over 1.5 times the prior year and client interest in cloud products has grown "nearly 400 percent" over the same period, according to co-founder David Rice. This growth, he said, is based on a combination of NetSuite product demonstrations, implementations, cloud-consulting engagements, and direct inquiries from customers expressing an interest in cloud products.

"It's hard to assess, but as near as we can tell, the poorer economy seems to be driving more companies to the cloud," said Rice. "From a business development perspective, we're continuously evaluating the cloud landscape in terms of adding complimentary cloud services from newly arriving [independent software vendors]. We've also just this year added several new clients from vertical industries we hadn't previously engaged, including education and nonprofits."

Beyond the cloud or hosting, some Pacesetters are expanding or changing their product offerings overall to meet growing and changing client needs.

For example, Monterey, Calif.-based ie Solutions, which has long represented QuickBooks Pro and Premier, is starting to look at higher-end software, including Sage MAS 90 and 200, and QuickBooks Enterprise, so the firm can work with larger clients.

At the same time, Columbus, Ohio-based Delphia Consulting — a top Sage Abra HRMS partner — has added four new services over the past year: HR Actions University, Paperless Form I-9, Payroll Debit Cards and Employee Community.

ECONOMIC NECESSITY

The current sluggish state of the economy has caused many Pacesetters to make strategy adjustments.

Chicago-based Axis Global Partners, which has a major office in Miami, has seen unemployment rates still a couple of percentage points higher than the national average, and founding partner Manny Buigas does not expect to see short-term improvement. As a result, the firm has taken the opportunity to become more consultative with its clients in this current business climate by helping them find ways to stay competitive — in Buigas' case, by offering business intelligence services. "The tough economy has required us to expand our core business offerings in order to maintain our long-term client relationships, and caused us to become more proactive in discovering greater opportunities to improve or find new revenue streams for our clients or help them reduce costs so that they can maximize profits," said Buigas. "We are managing more of their data and providing business insight that is timely and relevant to assist them with their business decisions."

Birmingham, Ala.-based L. Kianoff & Associates, a long-time Dynamics and Sage reseller, is turning more to consulting than software sales to aid clients — as well as its own business. "We have spent time tweaking and changing how we deliver our services to clients to allow fast ramp-up and easier adoption. This often means breaking work into more phases and directing clients to not take on more than they can successfully accomplish," said company president Lisa Kianoff. "We are investing in growing our internal knowledge of business intelligence tools, including a variety of operational and financial reporting tools, dashboards, and workflow. It is all focused on getting information to people quickly and in an easily digestible format." AT

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Name / Headquarters	Rev. (\$m)	Staff	Chief executive	Primary accounting or other software
Accountnet Inc. / New York	5.60	24	Anne Claire McCallister	Dynamics GP, SL; Acumatica
Applied Business Services Inc. / Gaithersburg, Md.	4.10	15	Maureen Williams	Open Systems Traverse; Sage MIP Fund Accounting, FR50
Armano McKenna IT Solutions / San Ramon, Calif.	9.80	65	Tom Mescall	Dynamics GP, AX; QuickBooks; Intacct
Arxis Technology Inc. / Simi Valley, Calif.	5.20	22	David Cieslak	Sage Accpac, MAS 90/200/500; QB Enterprise; SAP Business ByDesign
Axis Global Partners / Chicago	5.00	20	Manny Buigas	Sage Accpac, Pro ERP
Axis Integrated Solutions / St. Louis	3.00	11	Kelly Hummel	Sage Accpac, Pro ERP, MAS 90/200, Peachtree
Blytheco / Laguna Hills, Calif.	22.40	116	Stephen Blythe	Sage MAS 90/200/500, BusinessWorks, X3, FAS, MIP Fund Accounting
CAL Business Solutions / Harwinton, Conn.	3.20	19	George Mackiewicz	Dynamics GP
CS3 Technology / Tulsa, Okla.	2.00	11	Gary Crouch	Sage MAS 90/200/500, BusinessWorks
Delphia Consulting / Columbus, Ohio	4.00	22	Brian Delphia	Sage PFW ERP, Abra HRMS
Demand Solutions Group / Los Gatos, Calif.	4.70	35	Todd Fitzwater	NetSuite
DWD Technology Group / Fort Wayne, Ind.	2.70	17	Robert Kohlmeyer	Sage MAS 90/200, BusinessWorks, Peachtree, MIP Fund Accounting
e2b Teknologies / Chardon, Ohio	4.76	32	Bill Henslee	Sage MAS 500; Epicor 9; SAP Business ByDesign
ERP Guru Inc. / Montreal	1.70	30	Martin McNicoll	NetSuite
Explore Consulting / Bellevue, Wash.	3.20	44	S. Jones, J. DeSpain	NetSuite
Forward Hindsight / Minneapolis	3.00	30	Ashish Gadnis	NetSuite
Grassi & Co. / Jericho, N.Y.	3.30	15	Geri Gregor	Sage MAS 90/200/500, Timberline
Hightower Inc. / Skokie, Ill.	4.40	30	Jeffrey Rosengarden	Sage MAS 90/200/500; NetSuite; Syspro
I.B.I.S. Inc. / Norcross, Ga.	17.00	77	Andy Vabulas	Dynamics AX, GP
ie Solutions / Monterey, Calif.	0.20	1	Ilene Eisen	Sage MAS 90/200, BusinessWorks; Quickbooks Enterprise
Infinity Info Systems / New York	14.50	75	Yacov Wrocherinsky	Integrations to Dynamics GP, NAV; Sage MAS 500; SAP ERP
InterDyn AKA / New York	11.00	45	Alan Kahn	Dynamics GP, AX
InterDyn BMI / Houston	12.00	65	John Hendrickson	Dynamics GP, AX; Open Systems OSAS, Traverse
JMT Consulting Group / Patterson, N.Y.	5.00	25	J. Tiso, K. Hollrah	Sage Fund Accounting; Intacct
Kerr Consulting & Support / Houston	4.80	23	Dave Kerr	Sage Accpac, Pro ERP, MIP Fund Accounting, Abra; AccountMate
Knaster Technology Group / Centennial, Colo.	2.75	11	Barry Knaster	Dynamics GP
L. Kianoff & Associates / Birmingham, Ala.	4.50	21	Lisa Kianoff	Dynamics GP; Sage MAS 90/200/500
Maner Costerisan / Lansing, Mich.	1.50	9	Jeffrey Stevens	Dynamics GP; Intacct
Ncompass / Atlanta	3.00	16	Daniel Edwards	NetSuite
Net@Work / New York City	27.00	147	Alex and Ed Solomon	Sage MAS 90/200/500, Accpac Pro, X3
Out of the Box Technology / Novi, Mich.	1.20	20	Lisa McCarthy	QuickBooks, QuickBooks Pro, QuickBooks Enterprise
Plus Computer Solutions / Vancouver, B.C.	2.10	17	Glen Mund	Sage Accpac ERP, Sage FAS, Simply Accounting Enterprise
Raffa / Washington, D.C.	3.70	22	Thomas Raffa	Dynamics GP, SL; Intacct
Rose Business Solutions / San Diego	4.66	12	Linda Rose	Dynamics GP, SL, AX, NAV
SBS Group / Woodbridge, N.J.	11.00	75	James Bowman	Dynamics AX, GP, SL; Deltek Vision; Sage MAS 500; Acumatica
Sikich / Aurora, Ill.	22.00	100	Jeff Rudolph	Dynamics GP, NAV, SL; SAP Business ByDesign; Epicor
SilverEdge Systems Software / Schaumburg, Ill.	1.00	7	Maria Vedral	Deltek Vision, Maconomy; Intacct
Socius / Columbus, Ohio	16.60	81	Jeffrey Geisler	Dynamics GP, AX, SL, NAV; Sage MAS 90/200/500; Syspro
Southeast Computer Solutions / Miami	4.80	23	Sonia Ferrera	Sage MAS 90/200/500, Accpac ERP
SRH Consulting / Grapevine, Texas	1.20	15	Randy Napier	Exact Macola ES, Progression, Globe
SSI Consulting / Columbia, Md., and McLean, Va.	4.75	21	Bill Aiton	Dynamics SL, GP
Steward Consulting / Tulsa, Okla.	1.70	12	Darin Steward	Sage MAS 90/200, FAS
SWK Technologies Inc. / Livingston, N.J.	7.50	42	Jeffrey Roth	Sage ERP X3, MAS 90/200/500, BusinessWorks
Tamlin Software Developers / Dallas	NA	15	Linda Bryan	AccountMate
Templeton & Co. / West Palm Beach, Fla.	2.70	12	Steven Templeton	Dynamics GP, SL
Third Wave Business Systems / Wayne, N.J.	4.60	30	Korey Lind	SAP Business One; Dynamics GP
Tribridge / Tampa, Fla.	65.00	300	Tony DiBenedetto	Dynamics GL, AX, SL, NAV
TrueCloud / Tempe, Ariz.	1.50	12	David Rice	NetSuite
WAC Consulting / Northborough, Mass.	6.40	52	Robert Distler	SAP Business One, ByDesign; Dynamics GP; Sage Pro ERP, Accpac, MAS 90/200/500, Peachtree Quantum; QB Enterprise; Alere; AccountMate
Wipfli / Wausau, Wis.	25.00	157	Rick Dreher	Sage MIP Fund Accounting, Peachtree; Dynamics GP, AX; QuickBooks