ACUMATICA EXTENDS ITS POWERFUL PLATFORM AND INDUSTRY FOOTPRINT WITH ITS LATEST CLOUD ERP

ACUMATICA 2017 R2

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TEC SPOTLIGHT REPORT

TEC Spotlight Reports give you an in-depth look at leading vendors’ products, initiatives, and market position from an analyst’s point of view.
Acumatica Extends Its Powerful Platform and Industry Footprint with Its Latest Cloud ERP

Acumatica recently announced the latest release of its xRP platform, version 2017 R2, before a packed audience in Boston. Acumatica’s xRP platform is an adaptable resource planning platform built to replace legacy enterprise resource planning (ERP) solutions.

The 2017 R2 release includes enhanced usability with changes to the user interface and reporting; additional features and functions in all product areas including financials, customer relationship management (CRM), field service, and project accounting; and a number of upgrades that enable the provider to stay at the forefront of the latest cloud and mobile technologies.

Boston is just one stop in a seven-city tour, each stop welcoming more than one hundred value added resellers (VARs) and independent software vendors (ISVs) to see the latest Acumatica offering.

Mid-Size Market Focus and Global Growth

Acumatica refers to itself as the “one true cloud ERP platform designed for mid-size customers”. It’s a “true cloud” solution—it was built from day one to run as a zero footprint application from any web browser, accessible using nothing more than an internet connection. The solution also supports a broad range of ERP capabilities including CRM, order and inventory management, and the main financial capabilities needed in an organization.

The solution’s target market is mid-size organizations (5-50 users) with small IT budgets. Acumatica’s licensing model is based on system usage; not user seats, number of modules, or other hidden costs. This makes the solution ideal for budget-minded mid-size organizations.

Acumatica was founded in 2008 by ERP industry veterans John Howell, Serguei Beloussov, and Mike Chetchekonogov, and is a relative newcomer to the ERP space. In a few short years, Acumatica has become the fastest growing cloud ERP company, with more than 3,000 customers worldwide. It has a global presence, with its headquarters in Seattle, WA, its regional headquarters in Singapore, and offices in Montreal and Moscow.

The Acumatica solution is sold only through the vendor’s network of VARs, ISVs, and regional original equipment manufacturers (OEMs). Contact Acumatica to find the right provider for a particular region or industry.

xRP 2017 R2 Release Highlights

The latest release was developed around three pillars of innovation—insights, productivity, and technology. The volume of enhancements rolled out in the Acumatica 2017 R2 release shows how a modern and agile application platform can enable rapid
change on multiple levels of a software solution.

More than 75% of Acumatica’s 200 employees are dedicated to research and development (R&D) operations. Jon Roskill, Acumatica CEO, stated: “[we] would need 1,000 to 1,200 employees to support this type of effort in a classical ERP organization.”

The following sections of this report will look at advances in these three pillars.

**Insights—User Interface and Reporting Changes**

The user interface was refreshed to bring a few modern user interface practices to the forefront. Global search has moved to the top center of the screen. List view is now the default way to view records in the system. The first thing a user sees when entering a business function is a list of objects, e.g. sales orders or work orders. The user can sort and adjust this list scroll to find the desired record, and then drill down for more detail.

Customizable dashboards (figure 1) allow users to pin different widgets onto a single screen for easy access to important functions. The system currently comes with around 18 pre-configured dashboards that are easy to modify, and it’s easy to add new dashboards.

Workspaces—a set of all the transactions in a functional area—have been added in this release. They have tiles at the top and floating menus for business functions, and can be customized to support customer and user-specific processes. The workspaces help users quickly access commonly used forms and reports and can be built by the ISVs to seamlessly support any partner add-ons.

![](image)

*Figure 1. Customizable dashboards in 2017 R2*
Reporting enhancements round out this release’s improved insights. Acumatica Generic Inquiry is a facility that allows users to build their own reports without needing to know code. The latest release supports the creation of pivot tables that can aggregate data for specific time periods.

Finally, a number of changes were made to the mobile user interface, including the addition of universal search, GPS tracking, signature capture, better reporting, and an improved user experience.

**Productivity—Enriched Vertical and Horizontal Features**

Acumatica works closely with its user community to understand its users’ needs and add functionality that responds to these needs. This release brings additional features to support distribution and field service organizations, a new manufacturing product addition, customer relationship management (CRM), financials, and project accounting.

Enhancements for distributors include product class trees, alternate product identifier unit of measure (UOM) pricing, and warehouse-specific pricing. The product class trees support the creation of item classes and parent-child relationships between these classes.

For example, an electronics distributor may create an electronics parent class and have child classes for audio electronics, then further child classes for headsets and speakers. Operations can be performed on entire classes of items. Being able to set pricing by warehouse is a much needed improvement for those running multiple warehouses where cost and price vary by warehouse. The alternate IDs linked to an item can now have their own UOM. This is required for managing alternate IDs with UOMs that differ between vendors.

Field service providers benefit from the addition of advanced equipment tracking and component warranties, automated contact appointments (which set a default salesperson for certain services), a facility for cloning an appointment, and a web mapping service provided by Microsoft Bing Maps.

Acumatica released Acumatica Manufacturing Edition (AME), formerly known as JAMS, with 2017 R2. This edition joins the vendor’s other product editions including Service, Wholesale Distribution, and Retail and eCommerce.

2017 R2 was developed and implemented in partnership with JAAS Systems over several years and adds a new industry edition to the vendor’s product line. This edition adds bill of material (BOM) and routing management, material requirements planning (MRP), and production management to support manufacturers.
Manufacturing edition—feature highlights

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<th>Bill of materials</th>
<th>Material requirements planning</th>
<th>Production management</th>
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<td>Integrated BOM/routing</td>
<td>Full regeneration</td>
<td>Labor tracking</td>
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<td>Multi-level BOM/routing</td>
<td>Master production schedule purchase</td>
<td>Material tracking</td>
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<td>Activity-based costing</td>
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<td>Fixed and variable overhead</td>
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<td>Effectivity/expiration dates</td>
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<td>Flexible copy BOM</td>
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**Figure 2**: Acumatica Manufacturing Edition feature highlights

Acumatica can easily integrate with other CRM systems such as Salesforce CRM, but smaller businesses still prefer to have CRM functionality delivered as an integrated module within an ERP. This release is focused on extending the software’s marketing capabilities and brings more features to the CRM module. Dynamic and static marketing lists and campaigns can now be tracked in the system and analyzed.

Acumatica has added an integration for the two Amazon fulfillment processes: Fulfillment by Amazon (FBA) and Fulfillment by Merchant (FBM). Transactions for these two fulfillment routes enter the system via different processes. FBM comes in as a sales order for packing or shipping, whereas FBA just comes through and only needs to have an invoice processed. For small vendors, managing these processes can be hugely time consuming, to the extent that some smaller vendors can’t even sell through Amazon.

A significant amount of effort went into building Acumatica’s Project Accounting application, supported by the xRP platform. The vendor changed the fundamental project structures to support revenue, cost budgeting, and profitability analysis at the task level. Other features include project commitment tracking, a more flexible billing workflow, Proforma invoice support, and simplified rate configurations. The project accounting features are some of the most requested and anticipated of this release.

**Technology—Advances in Acumatica’s xRP Platform**

A significant inflection point happened in the technology sector around 2006 and 2007, when Amazon launched Amazon Web Services (AWS) and Apple announced the first iPhone. Technology companies that started after this time seem to look at the world through an entirely different lens and build cloud-based solutions that can be accessed by all kinds of connected devices.
As one of these companies, Acumatica built the xRP cloud platform to leverage new technologies by running on top of Amazon and Microsoft’s cloud infrastructure services. The platform’s open architecture allows Acumatica partners and third-party ISV tools to integrate with the solution seamlessly.

Acumatica continues to keep its solution up to date with the latest technologies. The vendor enhanced its representational state transfer application programming interfaces (REST APIs) to support the latest OpenAPI 2.0 specification, formerly known as the Swagger Specification.

The OpenAPI description format is a fantastic tool for developers as it provides a full description of an entire API, including all available operations. For example, a developer can easily see the full description of an object like a sales order in Acumatica and all available operations such as insert, update, and delete.
Another technology enhancement is a new GPS location framework for mobile applications, which can be used to automatically view an appointment on a map or point within a CRM or field service application. This release also added native push notifications that can be sent from Acumatica to a user’s phone.

**Ready for Cloud ERP Market Acceleration**

Acumatica is poised to be a market leader in the movement of ERP systems from on-premise to the cloud. The earlier part of this decade saw the adoption of many CRM systems and human resources (HR) systems in the cloud.

Companies have been more hesitant to move the critical back office ERP systems to the cloud, but this will change over the next few years. Cloud-based ERP adoption has been slow and steady, but its value is evident. Just look at the price Oracle and Sage paid for NetSuite and Intacct, respectively. Other top ERP providers such as Infor have spent the last few years completely re-engineering their top ERP solutions for the cloud. Even ERP industry giant SAP acknowledges that “unlike previous transitions, the move to enterprise cloud computing is a seismic shift driven not by the IT sector, but by business users faced with the need to innovate and stay ahead of the competition as the digital transformation unfolds.”

The previous release of Acumatica (version 6.1), launched in the summer of 2016, focused on product stability and scalability. (Note: Acumatica has decided to move to bi-annual releases, named by the year of release followed by R1 (Release 1) or R2 (Release 2.) Acumatica easily supports large volumes of transactions (tens of thousands of orders) and orders with hundreds to thousands of line items. Many ERP providers can’t support such transaction volumes.
Acumatica has been designed from day one to be a participant in the future of connected cloud applications. In the future, there will be no centralized ERP system to support all of an organizations software needs. In fact, as TEC discussed in a recent article foreshadowing the death of ERP, there never really was a single application that supported all of a company’s needs.

As shown in figure 4, Acumatica’s solution is architected to be part of a larger, connected ecosystem of solutions. Acumatica’s architecture, powered by the xRP platform, can leverage the latest technology solutions that are being delivered at an increasingly rapid pace in all areas of business. Any business ready to move its ERP system to the cloud should evaluate latest release of Acumatica.
About the Author

Ted Rohm is a research analyst at TEC focusing on ERP manufacturing solutions. He has over 20 years of experience in large-scale selection, design, development, and implementation projects, primarily in the biotech/pharma industry.

Prior to joining TEC, Rohm worked for a number of companies including Oracle, Syntex, and Genentech (now part of The Roche Group). Rohm worked with Genentech for 13 years, starting as a senior programmer analyst responsible for building custom applications using the Oracle Tool suite in support of sales and marketing and product distribution. He then became senior manager of commercial systems, where he directed the development, deployment, and operations of enterprise-wide applications for the sales and marketing departments. Rohm was the principal systems architect during his last few years at Genentech, focusing mainly on the implementation of SAP ERP and its integration with other systems.

Rohm holds a bachelor’s degree in electrical engineering from Columbia University and a bachelor’s degree in physics from Allegheny College.
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