

**NUCLEUS**
RESEARCH

ACUMATICA EXTENDS ITS SMB LEAD

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THE BOTTOM LINE

Nucleus interviewed Acumatica customers and found that users can expect tangible benefits including improved reporting and visibility, increased automation, and enhanced scalability and agility. Quantitative benefits cited include reallocated FTEs through automation and an over 80 percent reduction in Days Sales Outstanding (DSO) following deployment. Looking ahead, organizations seeking to adopt an ERP solution in the current economic climate should prioritize vendors with a strong value proposition. Acumatica has long delivered a strong ROI case for Small and Medium-sized Businesses (SMBs) and recently assured this case through introducing value-centric product updates at its most recent Summit. As such, Nucleus is confident that the ERP system will continue to be embraced by SMBs in the coming years.

OVERVIEW

Organizations seeking to adopt an ERP system must prioritize vendors that consistently deliver value-centered product enhancements based on user feedback. By doing so, companies can ensure they are getting the most value out of their technology investment in the long term. Consistent customer-informed updates ensure access to new features and capabilities that are directly relevant to business needs and are updated with evolving customer requirements. Acumatica, the cloud-based ERP software provider, recently announced significant product enhancements during the Acumatica Summit in January 2023. The latest updates include usability features that benefit various industries, including manufacturing, construction, wholesale, retail, and distribution.

Acumatica's manufacturing module now offers an enhanced production order screen that displays the next available action and a new side panel that enables users to make edits to the bill of materials before release. Users can also see critical components and view cost variances and quantity completion through the dashboard. Acumatica's wholesale module has improved counter sales channels, enabling sales representatives to handle purchases and returns on the same order transaction through one screen. Additionally, retail users can now customize item classes and variant attributes, and matrix items can be deployed on Shopify. The construction industry also benefits from new features, including project Work In Progress (WIP) reports that simplify adding fields and columns to add financial information such as costs and profit. Acumatica's Retail Edition provides features allowing implementors and digital agencies that work with retailers to enhance customer experiences (CX) and improve SEO to help buyers find products faster, and convert in a simple buying experience. Acumatica helps users resolve back-office issues, offers ERP-based automations with partners, and provides automated payment reconciliation for all currencies in one central location.

**Shorten DSO by over
80 percent with
Acumatica**

ACUMATICA

Acumatica is a cloud ERP provider focusing primarily on serving mid-market companies in the construction, distribution, retail-commerce, services, and manufacturing sectors. The vendor's unified platform combines financial management, project accounting, customer management, field service management, and payroll capabilities. Acumatica's modular



architecture enables both developers and citizen developers to configure business logic, integrate third-party applications, and create new report types with the help of low-code/no-code technology. This value proposition enables organizational agility and empowers businesses to tailor the ERP solutions to specific needs.

KEY BENEFITS

Nucleus conducted interviews with Acumatica customers and found quantified benefits surrounding improved reporting and visibility, increased automation, and enhanced scalability and agility.

INCREASED AUTOMATION

Acumatica provides a range of workflow automation features that help businesses streamline their operations, increase productivity, and reduce the need for manual data entry. Acumatica can automate business processes including inventory management, order processing, and financial management, freeing up time for employees to focus on core business activities. Automation of routine and repetitive tasks also reduces errors and ensures data accuracy. Users can expect 100 percent time savings in processes including compiling spreadsheets and extracting and manipulating data. Automated issue reminders have improved one organization's Days Sales Outstanding (DSO), reducing it from 52 days to ten days. A non-profit organization projected that workflow automation and remote check signing will streamline its operations and enhance process efficiency.

IMPROVED REPORTING AND VISIBILITY

Acumatica allows users to generate customized reports, monitor key performance indicators, and manage financial data without technical requirements. With Acumatica, businesses can have a consolidated view of their financial information, leading to more informed decision-making. Additionally, Acumatica's reporting and analytics capabilities enable businesses to gain insights into and project sales, production, and costs. A furniture provider and a non-profit organization highlighted the improvement in reporting and visibility as one of the key benefits of deploying Acumatica, improving organizational decision making.

ENHANCED SCALABILITY AND AGILITY

Acumatica's cloud-based architecture provides businesses with the storage scalability required to expand. Organizations can additionally configure the software to fit their specific



needs and workflows, adding or removing modules as necessary to facilitate organizational agility. Acumatica's flexible pricing model, based on usage rather than the number of users, helps growing or seasonal businesses save on IT costs. Acumatica's scalability and flexibility were highlighted as key selection criteria by a non-profit organization and a SaaS technology provider.

CUSTOMER EXPERIENCES

Nucleus interviewed Acumatica customers to better understand the tangible value of deploying the ERP solution.

HEALTHCARE NON-PROFIT

This organization is a non-profit specializing in organ donation matching and logistics. It has approximately 200 employees. It required a cloud solution that would overcome the limitations of its previous system, Sage 100. The main challenges faced by the organization with Sage 100 were the absence of remote access, slow performance, limited reporting capabilities, and a poor user interface. Furthermore, as the organization grew rapidly, it became evident that Sage 100 could not facilitate growth. In 2020, the organization decided to deploy Acumatica as its new ERP solution. The implementation process took place between April and August 2020 and was completed faster than anticipated.

The organization currently uses Acumatica to manage its finances, with plans for donor family services, logistics, clinic operations, and philanthropy management. The system provides financial analysis at the donor level, helping the organization make informed decisions on what leads to pursue. Acumatica helped the organization generate customized reports and format its accounts payable, accounts receivable, balance sheets, and general ledger. The integration of TrueNorth and Acumatica has helped to streamline reporting and avoid double data entry inefficiencies. The organization noted that usage-based pricing led to an overall lower TCO than NetSuite or Great Plains.

In the coming years, the organization projects that the deployment of Acumatica will bring significant additional benefits. Remote access capabilities are expected to save time and enhance productivity for distributed users. Through improved reporting and an easy-to-use UI, the organization projects acceleration in its monthly closes. The organization is also considering Acumatica for inventory digitization. The organization anticipates further headcount savings, as it plans to continue using allotted consulting hours to handle the new system without needing additional staff. The organization estimates it will be able to reallocate approximately 29 percent of its FTEs performing financial analysis. Additionally,

workflow automation and remote check signing are projected to help the organization streamline its operations.

FURNITURE PROVIDER

This retailer specializes in high-end outdoor furniture. It generates approximately \$7 million in revenue. The organization has experienced significant growth over the past five years, increasing its employee count from seven to 25. It struggled with manual document management and order processing, which hindered its fulfillment efficiency. With a drop shipping model for most products and a small warehouse, the company needed a solution to digitize and manage its retail and e-commerce sales. It lacked process visibility and reporting capabilities for production, sales analysis, and cost reporting. In early 2019, the company began an RFP process and selected Acumatica as its solution. The implementation included the financials, manufacturing, and sales modules, focusing on the manufacturing module's product configurator, area rug pricing, and sales management capabilities. The implementation began in November 2019 and was completed by June 2020.

**One organization will
reallocate 29% of
financial analysis FTEs**

One of the most substantial benefits since deployment has been an improvement in reporting and visibility of sales activity, as the company sells hundreds of unique orders with thousands of customized Swatches per week. Automated order processing has eliminated the need for manual order management, freeing time for sales personnel to focus on customer interactions. The company has now gone paperless, eliminating paper costs and the document management footprint for sales, accounting, and operations. Acumatica has enabled the ability to create user-defined fields for tracking and task management, leading to better data tracking and accuracy. The consolidated view of financial information has allowed the sales team to enter orders and review monthly sales performance, helping to explain inconsistencies and improve data quality. With the integration of PowerBI, the company has also been able to perform better analysis and track company goals. The deployment of Acumatica has additionally resulted in FTE reallocations in several areas, including in accounts reconciliation, the sample room, and one salesperson. The company is looking to do more for sales and sampling automation in the future.

SAAS TECHNOLOGY PROVIDER

This organization provides SaaS workforce optimization solutions. It generates approximately \$30 million in revenue and has 85 employees. It was recently acquired by a

larger, more mature company and was put through a revamp process in 2019 as a result. This revamp process included requiring a change in its legacy ERP system that 60 percent of the firm's revenue ran through: a 35-year-old highly customized SYSPRO product managed by a full-time consultant. The company sought to upgrade this system and eliminate its associated on-premises servers. The company's central technical requirements for a new cloud system were configurability and ease of use. The company evaluated several ERP systems, including SAP, Dynamics, Infor, NetSuite, Sage Intacct, and Acumatica. The company found that SAP has excess functionality for its needs and that the demo for Dynamics DXC was unsatisfactory. Acumatica was ultimately chosen as the best fit for the company due to its intuitive UI and usage-based pricing model. The implementation was led by a local team and was aimed to fit the standard deployment as much as possible, with minimal customizations made. The project took 15 months to complete.

Since the implementation, the company has reaped several benefits from using Acumatica as its ERP. The organization has achieved more consistency in reporting, better control and visibility into spending, and improved accuracy in accounts reconciliation. Additionally, the company was able to digitize its employee gift and delivery fulfillment program. The integration of BigCommerce, enabled by Acumatica, was completed in two weeks following the go-live, allowing for broader e-commerce reach. The implementation of Acumatica has also positively impacted the company's accounts receivable. Automated issue reminders have improved the company's DSO reducing it from 52 days to ten days. The company is integrating with customers and suppliers and intends to add credit card processing. The next step is launching a customer portal.

LOOKING AHEAD

Organizations seeking to adopt an ERP solution must focus on vendors with a substantial value proposition and a commitment to product agility as functionality needs within the space shift. SMBs are especially vulnerable to the aforementioned macroeconomic headwinds, magnifying these priorities. Acumatica has long delivered a strong ROI case for SMBs, particularly in the domains of improving process efficiency and driving down costs. (Nucleus Research T104 – Guidebook – Acumatica Platform – July 2019) At this year's Acumatica Summit, the vendor also renewed the competitiveness of its platform by introducing value-centric updates. These enhancements, in conjunction with positive customer reports citing improved reporting and visibility, increased automation, and enhanced scalability and agility, make Nucleus confident in continued Acumatica adoption in the SMB space.