NUCLEUS
RESEARCH

GUIDEBOOK
THE ACUMATICA PLATFORM

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THE BOTTOM LINE

As maturing applications and their underlying technology platforms become hindrances to business innovation and agility, many independent software vendors (ISVs) are considering new platform options that will enable them to take advantage of innovations in cloud and mobile technology. In analyzing the experiences of Acumatica customers and partners, Nucleus found the Acumatica cloud application platform offered an attractive business model for growth both from a technical and financial perspective. Key benefits of delivering business solutions on the Acumatica cloud application platform include accelerated time to market, lower developer cost, and flexibility for growth.

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THE SITUATION

The enterprise applications market is at a crossroads. Many platforms that were originally architected to address year 2000 concerns and take advantage of client-server technology are reaching near end of life. At the same time, emerging players with cloud business models are driving new delivery and upgrade expectations, and even the biggest vendors are struggling to balance their legacy application assets and customers against their new development investments. This places many independent software vendors at a crossroads as well:

- They can continue to maintain and support customers on their solutions built on aging platforms, but growth is limited and increasing competition will eat away at their installed base.
- They can abandon their business or gamble that one of the legacy players' new application investments will drive future growth (an uncertain bet, given the missteps of even the largest vendors).
- They can move their development efforts to a modern platform that offers the flexibility to meet evolving customer demands so they can continue to innovate rapidly and grow their business.

Not surprisingly, many ISVs are considering the last option. However, with a number of emerging or reinvented business application platforms on the marketplace, choosing the right platform – and partner – is not a decision to be taken lightly. To better understand the decision process and benefits driving partners to adopt the Acumatica business application platform, Nucleus conducted in-depth interviews with a number of Acumatica partners.

WHY ACUMATICA

Acumatica partners interviewed by Nucleus fall into two main categories:

- Partners that had either completely or partially abandoned their previous applications built on legacy platforms based on mainframe COBOL, Delphi, UNIX, or other outdated technology platforms to rebuild new applications on Acumatica
- New ISVs that had chosen to build their business on Acumatica.

We found there were three main reasons for their decision: flexibility, technology direction, and Acumatica's partner program.

> **Nucleus found partners had three main reasons for choosing Acumatica's cloud application platform: flexibility, technology direction, and the benefits of Acumatica's Developer Network program.**

FLEXIBILITY

For many ISVs, being able to offer a cloud solution to customers is critical for differentiating themselves in an increasingly cloud world. This is not surprising given the clear ROI benefits of cloud. However, some customers are still hesitant to adopt cloud applications to support their financial and operational data because of perceived security or accessibility risks, regulatory requirements, or other political issues. Because Acumatica supports both public and private cloud deployments and offers both multitenant and single-tenant options, partners can develop their solutions on one platform that meets each individual customers' delivery requirements, and give customers the options to change their deployment model if their needs change. Partners said:

- "*Many government organizations are wary of the security issues of the cloud. If they start on premise, it is easy to move to cloud or if they start cloud they can go on premise.*"
- "*A lot had to do with the underlying platform, how easy it was to write and rewrite applications on it. The deployment method didn't matter on Acumatica; you can do any hosting you want.*"

Nucleus found ISVs also gain flexibilty from Acumatica in the way they can brand and market their applications. Because they can pick and choose Acumatica

modules or components and white label them within their own application, they can devote their branding and marketing efforts to their own solution.

Flexibility in deployment and the ability to white label Acumatica modules within their own product were important to many Acumatica partners in choosing the platform.

TECHNOLOGY DIRECTION

In addition to deployment flexibility, Acumatica's standards-based platform and core components enable partners with .NET experience to leverage Acumatica's capabilities to rapidly build out vertical solutions to meet specific customer needs.

From a feature perspective, a common user interface, the business logic and report designer, and master pages and cascading style sheets were elements partners highlighted as particularly well architected.

Additionally, Acumatica's write-once deploy-anywhere capabilities for multiple mobile devices and Web browsers offer developers rapid time to market and the ability to focus their investment on value-added capabilities, not basic ERP infrastructure. Partners said:

- *"The advantages are partly engineering and .NET; the way it is applied is part of the genius – its ability to be customized."*
- *"The framework is brilliant technology that simplifies development and security."*
- *"When the tech team came in to review in the past we tried not to show them our old stuff, now we can show off a neat clean single-vendor solution."*
- *"The underlying technology is unique … the ability to have the reporting and security built in and no other third party goofball utilities makes it run super clean. Efficient technology is a strong argument in the sales process."*

ACUMATICA AS A PARTNER

Partners cited Acumatica's flexible and attractive pricing terms, as well as the ability to use Acumatica internally to run their own businesses, made Acumatica a financially attractive partner for ISVs. Additionally, Acumatica offers online training through Acumatica University, community support through forums, and free architectural review for all partners, and dedicated Technical Account Managers. Partners cited Acumatica's ongoing investments in training and support and its focus on helping partners be successful as important factors in their growth.

KEY BENEFITS

Acumatica partners were able to take advantage of Acumatica's flexibility, technology direction, and support to rapidly build modern applications that showcased their strengths and vertical industry expertise. Key benefits they achieved included faster time to market, greater customer retention, and greater profitability.

FASTER TIME TO MARKET

The .NET-based architecture, support for multiple mobile device and Web browsers, and core building blocks of the Acumatica platform enable developers to reduce much of the time associated with developing, testing, and bringing core ERP capabilities into production, enabling them to deliver initial products more rapidly. Additionally, as Acumatica adds more capabilities to the platform over time, partners can more rapidly adopt those innovations into their core applications with less friction. This enables partners to amortize their investment in moving to Acumatica sooner, while gaining a competitive edge. Partners said:

- *"Some of the things that we are able to do with their product and platform would have taken a year in prior lives and now takes a month."*
- *"With its Web services and flexibility, it is easier to develop for specific customers and installations."*

INCREASED CUSTOMER RETENTION

Many existing ISVs have a broad and loyal customer base. However, the maturing nature of many business application platforms and the challenge and disruption of upgrading older applications means customers may be reaching the end of life of their application or be many upgrades behind. ISVs building on the Acumatica platform have the opportunity to present a new, modern solution to their existing customer base so they can maintain that relationship and revenue stream while providing new innovations to customers. They can also offer customers a cloud transition strategy should they choose that deployment option. This enables them to more effectively compete against other emerging cloud application vendors that are aggressively marketing to their installed base.

GREATER PROFITABILITY

Nucleus also found that the nature of Acumatica's platform enabled partners to drive greater profitability by reducing three core cost areas: recruiting, training, and developer hours per project.

REDUCED RECRUITING COSTS

Because Acumatica is built on an industry-standard .NET architecture instead of a proprietary platform, Acumatica partners can recruit from a broad and deep pool of developers that are already have the required skills to be successful. As a result, partners can spend less on recruiting talent because of a ready supply of developers that can come up to speed on Acumatica quickly.

REDUCED TRAINING COSTS

Acumatica has recognized the importance of training in bringing partner teams to full productivity with the platform, both from a technical and business perspective, and has accordingly made significant investment in training to cover all the technical aspects of the platform as well as offering training and resources in areas such as marketing and business development. These investments are available to all levels of Acumatica partners, and can both reduce training costs and accelerate time to productivity for new employees.

REDUCED DEVELOPER HOURS

Taking advantage of Acumatica's investments in the cloud application platform and its .NET foundation, as well as its investments in project templates, APIs, report designer, user interface components, and business logic, enabled Acumatica partners to reduce the time spent on core capabilities at all stages of the application development life cycle. It also enabled them to reduce the friction and disruption associated with upgrades and enhancements, reducing the total number of developer hours required to build and support their applications. Instead, those hours can be focused on building differentiating features that are unique to their product and industry – and deliver greater value for customers.

Partners can also take advantage of the investments Acumatica has made in its partnerships with Amazon Web Services and Microsoft and its adoption of the latest innovations coming from those partners (such as the Acumatica Content Pack for Microsoft Power BI).

BEST PRACTICES

Nucleus found partners were most successful in their business efforts with Acumatica when they followed a few common best practices:

- They took advantage of the technical account management capabilities of Acumatica to guide them in building future-proof applications that leveraged their domain expertise to meet the growing demand for microvertical applications.

- They took advantage of the Acumatica training capabilities – both from the technical and business perspective.
- They participated in partner forums and communities.
- They invested in marketing the value both of the Acumatica platform and their own vertical-specific value message.
- They took advantage of the Acumatica user interface, business logic, report designing, project templates, and other components to accelerate their development and testing process and avoided "reinventing the wheel."
- They took advantage of Acumatica's investments in partner technologies such as those from Microsoft and Amazon Web Services.

CONCLUSION

Many ISVs are at a crossroads today, because their existing business and business applications are based on maturing platforms that don't meet the modern demands of customers. Investment in a new platform is a significant business decision, and ISVs can mitigate risk by ensuring they select a platform that is aligned with their development skills and resources, has adequate support for technical and business requirements, and provides them with the most flexibility to meet customer needs. Nucleus found that Acumatica's standards-based architecture, core ERP platform investments, attractive partner model, and support and training resources made it an attractive choice for ISVs seeking to build or grow their business with a modern foundation for both cloud and on-premise deployments.