

BOB SCOTT'S



TOP 100 VARS

2024

**The Mid-
Market
Faces
The AI
Revolution**



The Big ERP Letters in 2024: AI, M&A

Many companies talk about what generative AI may do for them. Boyer & Associates has no doubt about the impact—Gen AI is helping the Dynamics VAR win deals.

The impact of Gen AI had been difficult to define. But the landscape changed with the release of ChatGPT 4.0 and Microsoft Copilot, says Lou Witkop, CEO of the Minneapolis, Minn.-based. Firm. “It changed it from a theoretical thing to being able to show people the value of AI,” says Witkop.

Matt Kenney, the principal who leads RSM’s technology consulting business, has the same assessment. “I think there is a lot more clarity around what it is supposed to do and what it can do.”

Still many resellers who commented about the uses of AI in their submissions for this year’s Top 100 selection talked more about what AI will do, rather than about its immediate application to solving business problems.

Copilot’s use at Boyer is heaviest on the communications and marketing side of the business, in areas such as recording calls, summarizing meetings and providing sentiment analytics about discussions. It has been used to create job requests, generate documents and change statements of work.

“You can tell it to give me a Dynamics 365 state of work for implementing Business Cen-

tral,” he says, “and It will give you the skeleton of the presentation.”

Witkop also cites GenAI’s use for in summarizing email chains. “How often do you have to go back to the beginning of an email chain to understand what has been said,” he notes. “Copilot will take it and analyze it and tell you ‘Here is where it is now.’”

In addition, it offers a way of making search more precise. Copilot can bypass websites that would normally be found in a search and find the most relevant sites, Witkop says.

Sage Copilot, technology licensed from Microsoft, was launched in April for a limited release in the United Kingdom, where its availability is being heavily touted on the Sage UK website. It is now available in Sage Accounting, which is not sold in the United States.

The company will spread the implementation of the assistant to Sage for Accountants and Sage 50 with plans for its use with additional products and markets, but no additional details were released.

The company sees AI having wide applications in products in the future.

“Potential use cases include the use of AI to provide insights and recommendations related to carbon accounting, leveraging data from the Sage Network and Sage Earth,” says Nancy Sperry, who joined the company in May as VP of

partners sales.

Additionally, Sage envisions AI as enhancing continuous accounting and assurance processes through, she says.

The M&A Factor

AI is most discussed development in the mid-market—and essentially everywhere business and technology is talked about. However, mergers and acquisitions among resellers are also always major subject and M&A pace appears to have quickened.

That is also accompanied by changes in leadership among decades-old organizations.

Boyer took over in January from founder Jack Boyer, who founded the firm in January 1994. Annette Manias, who founded Oasis Systems in May 1991, retired from that Louisville, Ky.-based dealer in January 2023.

Meanwhile, deals involving CPA firms have been particularly noticeable. Citrin Cooperman acquired Dynamics reseller FMT Consultants in June 2023 and followed with the purchase of Mibar.net in January. CBIZ picked up Compu-Data in March.

Linda Rose, who advises firms on M&A, says there are more deals involving CPA firms.

Rose, who was an advisor when Net at Work purchased NexVue last year, says one of the things driving the interest is the CPA organizations “have a captive audience already, so they are just looking for a natural ability to upsell additional services beyond tax and accounting.”

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Lou Witkop,
Boyer & Associates



Nancy Sperry,
Sage

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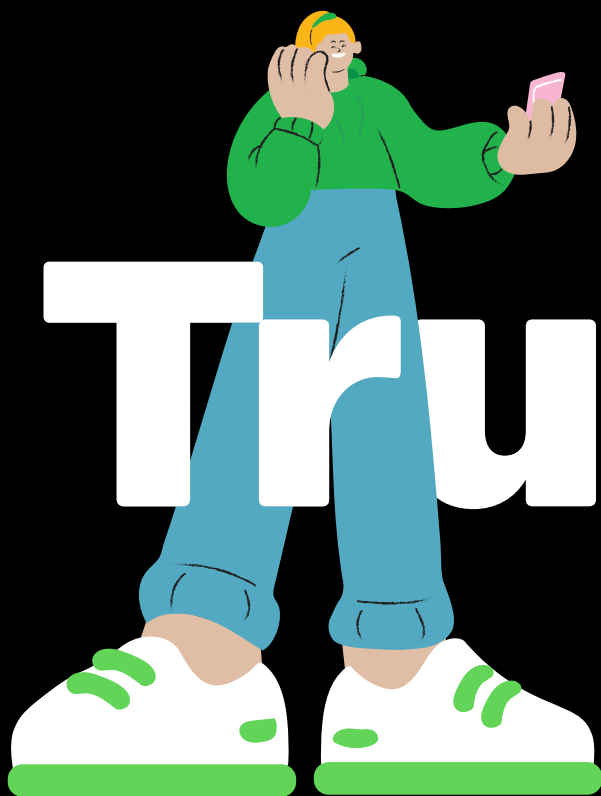
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 **Acumatica**
The Cloud ERP

Bob Scott's TOP 100 VARs

	Company	Revenue (\$MM)	Staff	ERP Product Line
1	RSM US, Chicago, Ill.	639	2555	Dynamics 365 BC/GP/F&SCM/NAV/SL, NetSuite, Sage Intacct
2	Argano, Plano, Texas	412	2050	Certinia ERP Cloud, Dynamics F&SC, Oracle ERP Cloud, JDE, SAP S/4 Hana
3	Alithya , Montreal, Que.	367.8*	3600	Dynamics AX/F&SC, NetSuite, Oracle Fusion
4	Columbus, Copenhagen, Denmark	220.3D	2000	Dynamics AX/GP/NAV/365, M3
5	Quisitive Technology Solutions, Toronto, Ont.	187	800	Dynamics BC/F&SC/GP/SL, Sage Intacct, Unanet
6	Armanino, San Ramon, Calif.	179	646	Dynamics AX/BC/F&SC/GP, RealSteel, Sage Intacct/Intacct Const., Workday
7	Velosio, Columbus, Ohio	151.4	475	Dynamics AX/BC/F&SC/GP/NAV/SL, NetSuite
8	Sikich, Naperville, Ill.	144	388	Dynamics AX/BC/F&SC/GP/NAV, NetSuite, OpenAir, Oracle Cloud
9	Crowe, Chicago, Il.	125.6	667	Dynamics AX/365, NetSuite
10	SA Global, Brussels, Belgium	110	1000	Dynamics BC/GP/F&SC/NAV/SL
11	Wipfli, Milwaukee, Wis.	105.5	650	Dynamics BC/GP/SL NetSuite, QB, Sage Intacct
12	Baker Tilly Digital, Houston, Texas	100	250	IFS Cloud, Sage Intacct, Oracle
13	Stoneridge Software, Barnesville, Minn.	88.2	355	Dynamics AX/BC/F&SC/GP/NAV
14	Enavate, Tampa, Fla.	86	375	Dynamics AX/BC/F&SC/GP/NAV/SL
15	Sunrise Technologies, Winston-Salem, N.C.	83.8	357	Dynamics 365 F&SC
16	Net at Work, New York, N.Y.	81.3	295	Acumatica, MIP, NetSuite, Sage 100/300/500, Intacct, X3
17	Aktion Associates, Maumee, Ohio	80.3	240	Acumatica Con/Dis/Mfg, Deltek VantagePoint, Infor CloudSuite Distribution, Sage 100 Contractor/300CRE, Intacct CRE
18	mcaConnect, Denver, Colo.	80	300	Dynamics 365 F&SC
19	BPM, San Francisco, Calif.	76.1	NA	NetSuite, Sage Intacct
20	CLA, NA	69.1	NA	Acumatica, QB, Sage 100/500, Intacct
21	Copley Consulting Group/Judge, Wayne, Pa.	60	200	Infor Industrial Cloud Suite (SyteLine), CloudSuite Distribution (SX.3)
22	Eide Bailly Technology Consulting , Fargo, N.D.	55	225	Dynamics BC, NetSuite
23	SWK Technologies, East Hanover, N.J.	54.5	205	Acumatica, Sage 100c, Intacct
24	Marcum Technology, Melville, N.Y.	52	260	Acumatica, Dynamics GP/ SL, QBO, Sage Intacct



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Trustpilot



TrustRadius

Bob Scott's TOP 100 VARs *continued*

	Company	Revenue (\$MM)	Employees	Financial Software
25	LBMC Technology Solutions, Brentwood, Tenn.	51.2	119	Dynamics BC/GP/SL, Sage Intacct
26	Vision33, Irvine, Calif.	50.9	436	SAP B1, B1Cloud, B1 Hana, Sage Intacct
27	Western Computer, Oxnard, Calif.	50	150	Dynamics BC/F&SC
28	ADSS Global, Miami, Fla., Exton, Pa.	48	194	Sage 100c/300c, Intacct
29	Citrin Cooperman, New York, N.Y.	46	NA	Dynamics BC, NetSuite
30	WM/Synergy Resources, Central Islip, N.Y.	45	160	Acumatica, Infor CloudSuite Industrial Syteline, Visual
31	JourneyTeam, Draper, Utah	43.8	165	Dynamics BC/F&SC/GP/NAV
32	Cargas Systems, Lancaster, Pa.	43.7	191	Dynamics BC/GP
33	Blytheco, Irvine, Calif.	42.7	105	Acumatica, Sage 100, Intacct
34	AME Group, Vincennes, Ind.	37	194	Acumatica, SYSPRO
35	SIS (Strategic Industry Solutions), Duluth, Ga.	36	340	Dynamics 365 F&SC
36	ArcherPoint, Atlanta, Ga.; Mississauga, Ont.	34.9	179	Dynamics BC/NAV
37	RKL eSolutions, Lancaster, Pa.	33.8	113	Sage 100/500, Intacct, X3
38	Accordant, Florham Park, N.J.	31	100	Acumatica Con./ Sage 100 Contractor, 300 CRE, Intacct
39	Strategic Information Group, Rock Hill, S.C.	30.5	140	NetSuite, QAD
40	Forvis, Springfield, Mo.	30	120	Dynamics AX/BC/F&SC/GP/NAV, NetSuite, Sage Intacct
	GSI, Atlanta, Ga.	30	95	JD Edwards, NetSuite
42	Logan Consulting, Chicago, Ill.	28.6	60	Acumatica, Dynamics AX/BC/F&SC/GP/NAV, QAD
43	DSD Business Systems, San Diego, Calif.	28	160	Acumatica, Dynamics 365, Sage 50/100/300/500, Intacct
44	Godlan, Clinton Township, Mich.	25.5	93	Infor CloudSuite Industrial (Syteline) ERP
45	NexTec Group, Seattle, Wash.	25	133	Acumatica, Dynamics GP/SL, Sage 500, X3
46	ScaleNorth, Walnut, Calif.	24.8	84	NetSuite
47	Innovia Consulting, Onalaska, Wis.	24.5	80	Dynamics BC/NAV
48	Alta Vista Technology, Royal Oak, Mich.	23.5	53	Dynamics BC, Sage Intacct, 100 Contractor, 300 CRE
49	Encore Business Solutions, Winnipeg, Man.	23.3C	100	Dynamics AX/BC/F&SC/GP/NAV
50	KTL Solutions, Frederick, Md.	21.4	32	Dynamics BC/GP/SL



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Bob Scott's TOP 100 VARs *continued*

	Company	Revenue (\$MM)	Employees	Financial Software
51	Kerr Consulting & Support, The Woodlands, Texas	21.2	130	Sage X3, Intacct, Intacct Const, Sage 100/300/500, 100 Contractor, 300 CRE
52	BAASS Business Solutions, Toronto, Ont., Miami, Fla.	21.1C	145	Dynamics BC/F&SC, Sage 300, Intacct, X3
53	Crestwood Associates, Mount Prospect, Ill.	21	65	Acumatica, Dynamics BC/GP/SL
54	Stambaugh Ness Tech Solutions, York, Pa.	20.8	44	Deltek Vantagepoint/Vision
55	CBIZ CompuData, Philadelphia, Pa.	20.2	62	Sage Intacct, Intacct Con, 100, SDMO
56	Answer Company, Vancouver, B.C.	19.6C	60	Acumatica
57	Navigator Business Solutions, Salt Lake City, Utah	19	35	SAP B1//ByD/S/4 Hana public edition
58	Dean Dorton Technology, Lexington, Ky.	18.3	55	Dynamics BC/GP, QBO, Sage Intacct
59	Cre8tive Technology & Design, San Diego, Calif.	18	75	Epicor
	Fourlane, Austin, Texas	18	75	Acumatica, QBE, QBO
61	Business Technology Partners, Deerfield, Ill.	16.8	59	Sage Intacct, SYSPRO
62	Technology Management Concepts, Los Angeles, Calif.	16	50	Dynamics BC/GP/NAV
63	Vested Group, Plano, Texas	15	65	NetSuite
64	JMT Consulting, Nashville, Tenn., Melbourne, Australia	14.3	48	MIP, Sage Intacct, 300
65	Queue Associates, New York, N.Y.	14	72	Dynamics 365 BC/F&SC
66	Protelo, Folsom, Calif.	13.8	45	NetSuite
67	Kopis, Greenville, S.C.	13.5	80	Dynamics BC/GP/NAV
68	Boyer & Associates, Minneapolis, Minn.	13.4	52	Dynamics BC/F&SC/GP/NAV/SL
	Business Solutions Partners, Great Neck, N.Y.	13.4	54	NetSuite
70	Cumula 3 Group, Frisco, Texas	12.5	35	NetSuite
71	Collins Computing, Mission Viejo, Calif.	12.4E	38	Acumatica, Dynamics GP
72	BrainSell, Danvers, Mass.	12.3	60	QBE, Sage 100c/300/500, Intacct
73	Microaccounting, Dallas, Texas	12.2	34	Sage 100, Intacct
74	Oasis Solutions, Louisville, Ky.	12	39	NetSuite, Sage 100, Intacct
75	Turnkey Technologies, St. Charles, Mo.	11.3	29	Dynamics BC/F&SC/GP
76	Warren Averett Technology Group, Montgomery, Ala.	11.2	34	Dynamics BC/GP, Sage 100/100c, QBE



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Bob Scott's TOP 100 VARs *continued*

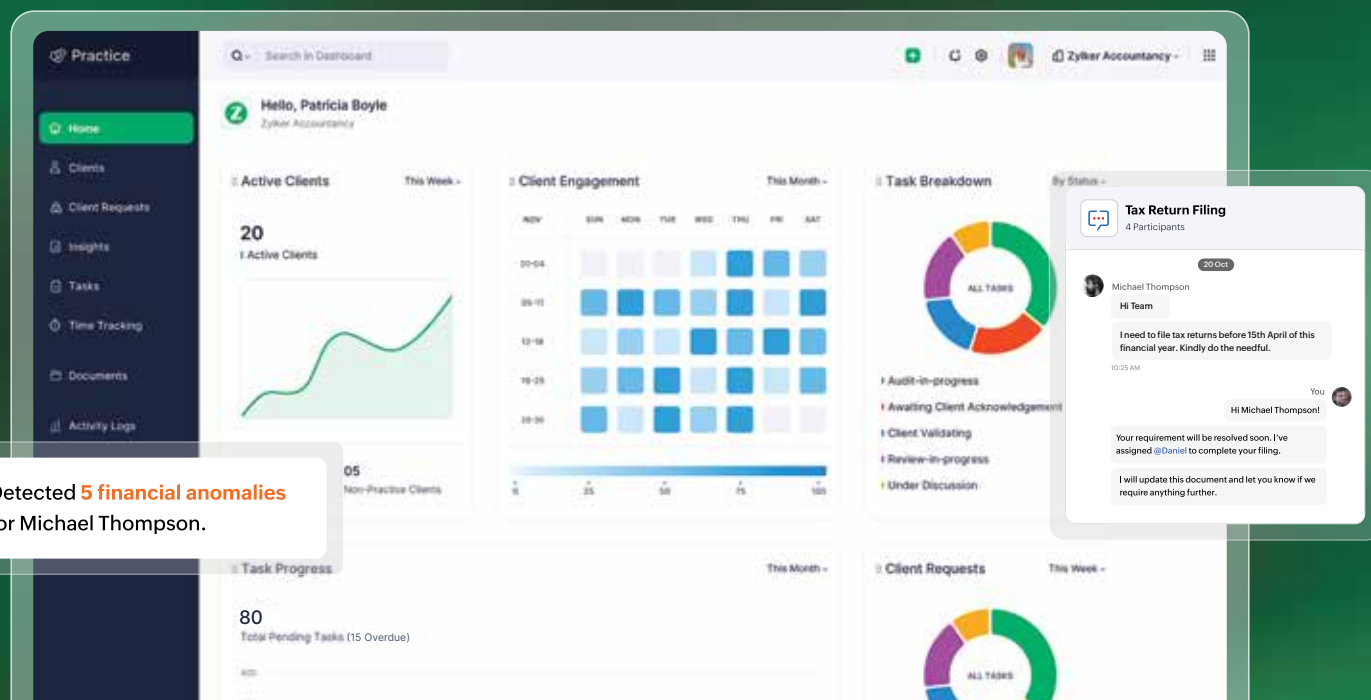
	Company	Revenue (\$MM)	Employees	Financial Software
77	Guide Technologies, Indianapolis, Ind.	11.1	40	Infor CloudSuite Industrial (SyteLine) ERP, XA
78	Out of the Box, Oregon City, Ore.	10.9	63	QBO, QB Accountant, Desktop, Diamond, Enterprise,
79	TM Group, Farmington Hills, Mich.	10.8	46	Dynamics BC/GP/SL/NAV
80	I-Tech Support, Ocoee, Fla.	10.2	47	Acumatica
81	Acumen Information Systems, Orlando, Fla.	10.1	38	Sage Intacct, 300
82	Paradigm Technology Consulting, Langhorne, Pa.	10	60	Dynamics BC/GP
83	Intellitec Solutions, Newark, Del.	9.6	31	Dynamics BC/GP/SL, Sage Intacct
84	WebSan Solutions, Toronto, Ont.	9.2C	55	Dynamics BC/GP
85	BCS/ProSoft, San Antonio, Texas	9.1	34	Deltek Vantagepoint, Sage 100, Intacct
86	Aprio, Atlanta, Ga.	9	13	Acumatica, NetSuite, Sage Intacct
	EthoSystems, Scottsdale, Ariz.; Lisle, Ill.	9	36	Sage 100CRE, 300CRE, Intacct Const./CRE
	Phoenix Systems, Portland, Ore.	9	38	Dynamics BC/NAV, SYSPRO
89	Central Data Systems, Farmington Hills, Mich	8.9E	56	Infor CloudSuite Distribution
90	GoVirtualOffice, Waunakee, Wis.	8.8	55	Acumatica, NetSuite, Practice ERP
91	Cloud 9 ERP Solutions, Stamford, Conn.	8.7	30	Acumatica
92	Accountnet, New York, N.Y.	8.6	14	Acumatica, Dynamics BC/GP/SL
	Six S Partners, Waterloo, Ont., Greenville, S.C.	8.6C	62	Epicor
94	DWD Technology Group, Fort Wayne, Ind.	8.5	30	Sage BWorks, 50/100, Intacct
	Express Information Systems, San Antonio, Texas	8.5	17	Dynamics BC/GP, Sage Intacct
96	Third Wave Business Systems, Wayne, N.J.	8.2	40	SAP B1
	Comtec, Rochester, N.Y.	8.2	60	Epicor
98	ASWi, The Woodlands, Texas	8	22	Acumatica
99	CAL Business Solutions, Harwinton, Conn.	7	21	Acumatica, Dynamics GP/BC
	EpiCenter, Westfield, Mass.	7	52	Epicor Kinetic
	Strategies Group, Duluth, Ga.	7	37	Acumatica

Notes: E, Estimate by Bob Scott's Insights; C, translated from Canadian Dollars; D, translated from Danish Kroner; *Reflects Alithya's fourth quarter ended March 31, 2023 plus the three quarters ended December 31.



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Guide to Software Products Listed

Here is the key to products listed in this chart by vendor. When abbreviated, the abbreviations are listed first with the fuller name in parenthesis. In many cases, the name of the company is also the name of the basic product.

Product lines have been expanding with both Acumatica and Intacct adding editions—both have Construction and Manufacturing Editions. While the Dynamics line continues to expand, most of the action is on the CRM side.

Acumatica: Acumatica, Com (Commerce), Con (construct) Dst (Distribution), Mfg. (Manufacturing)

Community Brands: MIP (MIP Fund Accounting)

Deltek: Vision, Vantagepoint

Epicor

Infor: Infor Cloud Industrial Suite, WD (Wholesale Distribution): CSD/SXe/FACTS/A+, M3

Intuit: QB, (QuickBooks), QBES (QuickBooks Enterprise Solutions), QBO (QuickBooks Online)

Microsoft Dynamics: AX, GP, NAV, SL, 365, BC (Business Central), F&SC (Finance and Supply Chain Management)

Oracle: Oracle Cloud, Fusion, JDE (J.D. Edwards), NetSuite, OpenAir

QAD

Unanet

SAP: B1 (Business One), B1 Cloud, ByD (Business ByDesign)

Sage North America: BWorks (BusinessWorks), Sage 50, Sage 100, 100c (100cloud), Sage 300, 300c (300cloud), Sage 500, Sage 100 Contractor, Sage 300 CRE (Construction and Real Estate), Pro (SagePro ERP), X3. Intacct, Con (Construction),

SYSPRO

Workday Financials

She has previously noted that VARs are not as attractive candidates for acquisition as Managed Services Providers, but that interest in this market, including that from private equity investors increasing.

As usual, four of the Top 10 VARs are CPA organizations as are 11 of the top 30 and that is likely to change as more deals are made. Forvis, which ranked No. 41 this year, acquired Mazars, which was building a substantial Dynamics practice, late last year and that is likely to push Forvis sharply up the list next year and more deals are likely to

accentuate the trend.

There are also the private equity investments, such as an investment of undisclosed size by Lowell Minick Partners into New York, N.Y.-based Net at Work, which already had a history of acquiring resellers and plans more deals.

Another factor in the pace is likely that the move to subscription has delivered on its promise of making firms more saleable by providing them with a more predictable revenue stream than was possible when revenue derived heavily from one-time license sales.

Acquisitions have also given some long-time VARs a chance to exit. After Evergreen purchased SAP reseller Third Wave Business Solutions in 2021, CEO Korey Lind, who found the firm in October 1993, returned two years later. The same was the case for Tom Bardos, who founded Western Computer, in 1988 when Evergreen purchased the organization in July last year.

But pushing owners out of their jobs is not Evergreen's goal.

Keeping talent is important in a market "where customer intimacy is important," says Katie Maley, who is a member of the Evergreen M&A team. Founders can choose to retire, but Evergreen is not shoving good ones out the door.

Maley says it is important that "Founders can continue running their businesses; the team stays together, the brand stays together."

The Evergreen Initiative

Evergreen has acquired seven VARs, invested in another and is still on the lookout for more acquisitions. The firm has formed the Pine Services Group as the parent of these resellers and recently hired a CEO and CFO for the unit.

Evergreen does not intend to eventually sell the group of VARs and permits the organizations keep their names and separate operations. "This is not a roll up strategy," says Maley. In fact, Evergreen's webpage sports the headline, "A Permanent Place for Your Business and Leaders."

Evergreen reached the ERP market after purchasing businesses in the MSP space. The company owns more than 60 MSPs and MSPs are among its most recent purchases. These are Centered, based in Canberra, Australia, in March and United Kingdom-based Digital Origin in April with the press release announcing the latter deal saying Evergreen has acquired more than 80 IT services organizations.

As mentioned, the first VAR to join the Evergreen fold was Third Wave Business Solutions, in 2021. Last year, Evergreen picked up Alta Vista, Digitek Solutions, Strategic Information Group and Western Computer. So far in 2024, it has acquired KES Systems Solutions (formerly Kraft Enterprise Solutions) and I-Tech Support.

In 2023, Evergreen also invested in Sage Construction VAR, Alliance Solution, which operates independently within the Pine Services Group. 2023

One notable thing is that these VARs are not selling the same vendor's software. They carry ERP products that span the market: Acumatica,

Dynamics, NetSuite, Sage and SAP.

"It is nice to have complementary offers," says Katie Maley, who is a member of the Evergreen M&A team. One reseller can refer customers to a VAR in the Pine family that carries a different product, giving the group a broader possible customer base.

Pine is encouraging cooperation and learning among its firms. Evergreen also provides firms the opportunity to post job openings via its webpage.

Maley says Evergreen is definitely looking for more VARs to buy and it also has an eye on independent software vendors, but purchases in that area are not for the immediate future.

"ISVs are intriguing," Maley says.

Armed with its investment from Lovell Minnick Partners, Net at Work is on the acquisition trail. "We have a pretty sizable one (deal) coming up on the Acumatica front," he says. "We are going to scale our Acumatica business."

It last acquisitions were two in October—NexVue, an Acumatica VAR, and PMO Solutions, a Sage reseller.

Besides purchasing other resellers, Net at Work serves more through its Alliance Partnership program, which president and co-founder Alex Solomon says will continue to expand. That program enables resellers continue operating segments of the business in which they excel, but hand off other operations to Net at Work, which reported revenue of \$81.3 million in this year's Top 100 selection.

Increasingly, smaller operations struggle to meet vendor and customers' demands. "To be the true trusted advisor, they have to do more than one thing," Solomon says. "Almost none of them are big enough. Nor should they be."

While ERP VARs turn to Net at Work for services they cannot handle, managed services providers do the same. In this case, "a lot of MSPs are leveraging us for business applications."

Net at Work carries Acumatica, NetSuite and Sage Intacct and legacy products and is one of Sage's largest resellers. Because the products appeal to companies in different industries, there is little chance of two more of these products appealing to the same buyer, according to Solomon. "It's very rare for one to step on the other's toes," Solomon says. "We are able to approach prospects without leading with any one product."

Solomon says the company "rebooted" its NetSuite business about a year ago. In general, the



Katie Maley,
Evergreen Services
Group



Alex Solomon,
Net at Work

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AI: VARs Outline Their Moves

Everyone is talking about AI and many resellers are doing something about it. In particular, those in Dynamics channel are talking about the use of Microsoft's Copilot chatbot which is being spread throughout the software company's product line. But VARs handling other products are learning about and utilizing AI in their businesses.

The following are selected from comments made by firms submitting information for this year's Top 100 selection.

Armanino

Armanino's AI-enabled 13-Week Cash Flow Forecast tool automates traditionally manual processes, minimizing human error and enhancing fiscal predictability. This tool uses an advanced AI-Based Transaction Classification Engine to analyze bank statement activity, providing actionable data that drives more informed decisions. Internally, we have observed a 30 percent enhancement in days payable outstanding (DPO) and cash forecast accuracy rates exceeding 95 percent for forecasts within a two-week timeframe. An in-house solution, Audit Ally utilizes has streamlined our Service Organization Control 2 examinations, reducing manual procedures. The centralized dashboard provided by Audit Ally equips clients with real-time insights into their security and compliance data.

Argano

In supporting clients, we have established multiple centers of excellence teams dedicated to learning and upskilling AI talent. In addition, we have established a cross functional Generative AI Guild focused on enabling internal initiatives as well as client focused AI enablement. Argano is currently in discussions to acquire AI assets for rapidly assessing client operations and making recommendations on which areas to prioritize to meet revenue, profitability and risk management goals.

The Answer Company

We're investing in continuous learning and training for our team to keep pace with AI advancements as we pilot projects to experiment with AI technologies in real-world scenarios.

This helps us understand the practical applications and limitations of AI within ERP systems. For our clients, we've noticed a shift in attitudes toward AI adoption in recent years. Finance leaders, such as CFOs, are now spearheading discussions to promote AI's versatility and diverse applications, ranging from reporting to error detection and analysis.

Citrin Cooperman

Approximately 50 personnel are currently enrolled in our AI Innovation Program, including members of our client services team, our internal functions team, and our technology team. The first phase of training was completed in December 2023 and the newly trained personnel are now working to develop ideas and pilot concepts for how to apply AI to our business.

Cloud 9 ERP Solutions

AI enables us to enhance Acumatica by integrating predictive analytics, machine learning algorithms, and natural language processing capabilities, empowering our clients with advanced functionalities for data analysis, forecasting, and decision-making. We are empowering employees to explore AI-driven initiatives and brainstorm creative ways to integrate AI into ERP solutions. We are also researching how AI's use can enhance Data Quality and Accessibility, helping us to ensure that the ERP collects and stores high-quality data in a structured format, making it easier to train AI algorithms and extract meaningful insights.

Crowe

Crowe has launched CroweMind, a platform for accessing generative AI tools safely. By accelerating routine tasks and, reducing busy-work, CroweMind allows people to have more time for thinking, problem-solving and purposeful human work. The firm is working with clients to "get in the game" when it comes to AI, helping them to understand appropriate use cases for AI, run pilot AI projects, and identify a roadmap to ensure they are leveraging AI to improve customer experiences, drive operational efficiencies, and increase revenue.

Encore Business Solutions

Encore is capitalizing on creating use cases and value propositions for internal users and our clients. One strategic initiative encompasses the creation of an innovation lab, where our team can make suggestions for innovative ideas. Key aspects of our AI initiative: Integration with our existing systems; Adoption of third-party AI solutions; Custom AI development; Data management and analytics; Employee training and change management.

I-Tech Support

i-Tech has been testing and actively incorporating AI tools—especially ChatGPT—into our internal workflows since early 2023 and many team members have company paid ChatGPT 4.0 accounts. We anticipate that the adoption of AI will be even more revolutionary than the transition to the cloud in the 2010s.

Kopis

We are leveraging AI to streamline the implementation process for Microsoft cloud services and custom solutions. AI-powered tools and algorithms help analyze client requirements, optimize system configuration and accelerate deployment timelines.

Internally and for our clients, we're actively developing AI proof of concept designs to showcase the potential applications of AI technology that demonstrate how AI can solve specific business challenges, drive innovation, and create value.

RKL eSolutions

RKL is thoughtfully rolling out AI to our professionals across the organization and have created a Generative AI Policy to provide guidance and best practices for our teammates. In addition, our IT team has created a safe environment, RKL Chatbot, to explore and engage with AI. During training sessions, we've prepared sample use cases, do's and don'ts, along with how and when to use AI in our daily tasks.

SIS (Strategic Industry Solutions)

In the construction software space, the integration of artificial

intelligence (AI) is revolutionizing our business operations. AI technologies are streamlining processes, enhancing efficiency, and improving project outcomes through predictive analytics, automation, and optimization. These advancements are enabling SIS to better analyze data, predict potential issues, and make informed decisions in real-time, ultimately leading to cost savings and improved project timelines for our customers.

Stoneridge Software

The first thing we're doing is taking steps to educate our clients on what exactly Copilot is and the practical ways they can apply AI and Copilot to their businesses today, and how to plan for the future. We have produced videos and blogs that CEO Eric Newell and our pre-sales architects have put together to explain it. The Stoneridge team is getting use cases from our pre-sales so we can start to build IP and be prepared for what clients are asking for and where they'll see the most value.

Third Wave Business Systems

Third Wave is actively engaged in developing proofs of concept to validate the feasibility and potential impact of AI-driven initiatives. These POCs serve as learning opportunities, allowing us to experiment with different AI techniques, algorithms, and technologies in real-world scenarios.

Western Computer

We have four ongoing Copilot campaigns and are engaging customers through webinars, demonstrating the tangible impact of these technologies. Internally, user group sessions focused on AI and productivity. We are utilizing Copilot throughout our implementation processes to assist with documentation and training materials and are training customers on how to use it accelerate their learning curve on BC. In addition, we are utilizing Copilot for Customer Service in our Managed Support Department to assist in case resolution and communication management and Applying Copilot within our technology landscape and incorporating Copilot into Managed Support Services roadmap sessions.

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NetSuite business “comes from people that are looking for a consulting firm that can help them with NetSuite,” he says. This is business that has largely been handled by Oracle NetSuite’s direct salespeople.

Cloud Now Merely Warm

For the last few years, the movement to the cloud has been rapid since the Covid pandemic pushed masses of employees to work remotely and forced many businesses to move away from on-premise software.

The explosive growth has cooled.

During the first year of Covid, Draper, Utah-based JourneyTeam grew 67 percent year-over-year. Last year, it saw 24-percent growth in revenue from Dynamics 365 Business Central. “It’s still good growth, but not the crazy growth it was,” says CEO Brian Tenney. “It seems customers and buyers are being more methodical and thoughtful.”



Brian Tenney.
JourneyTeam

The changing economy with companies making cutbacks and job reductions have also had an impact. Two years ago, it was difficult for most of the VAR channel to find workers. But now, staff has become easier to find, not just because of the economy but because JourneyTeam has ramped up training, Tenney says.

“I am not as worried about how I am going to find talent to staff a project,” says Tenney.

It’s a development that coincides with the spread of GenAI, which is billed as able to aid firms by handling many routine or complex tasks and avoiding the need to hire people for these roles.

Like Boyer’s, Wiktop, Tenney sees strong interest in Microsoft’s Copilot. “We use it internally a ton,” says Tenney. “My entire company is using Copilot. We use it in our sale process and our marketing process while customers are utilizing in in the contact centers.

For example, a medical device manufacturer that needs to track implants can employ Copilot to track all data involving a particular lot and know which doctor received a device.

JourneyTeam’s source of customers is a fairly normal list. People who buy the Microsoft stack are an important source for Dynamics. “If someone is invested in Office 365, Azure and CRM, BC is the logical choice.” And there is the GP installed base as with new BC clients, “a big chunk is still those legacy GP customers,” Tenney says.

The effort to reach those interested in Dynamics 365 F&SC. “We are focused on the ‘tweener’ decision makers. They are maybe on the high end of what BC can do,” Tenney says. The company is also pitching the ability to get into the higher-end product for less than \$1 million for an F&SC implementation.



Choosing the Top 100

The ranking of the Top 100 mid-market reselling firms is based solely on annual revenue. When more than one company reported the same revenue, they are listed as tied.

Few of the companies chosen or considered are public companies that report results with readily available revenue figures. These are SWK Technologies, through its parent SilverSun Technologies, Alithya, Columbus and Qusitive.

Most revenue figures were submitted by the companies themselves. In cases in which resellers declined to provide revenue, estimates were made. Factors utilized in estimating include the number of employees reported and the typical selling prices of the products they carry.

All companies considered carry products other than financial software, and revenue from those products is included in the totals reported here.

Needing Help

While Tenney points to an easing of the consultant shortage, Acumatica is still finding talent difficult to find, given its continuing rapid growth.

“If you grow by 40 percent every single quarter, people are desperate for help,” says CJ Boguszewski, the SVP who runs Acumatica’s channel.

He notes that the new services partner channel has come into play in making talent available. “Services partners are essentially subcontractors that are badged and available,” Boguszewski says. Acumatica has found 55 percent of the VARs have used services partners, who are not only based in the United States, but also in many countries. None of these operate solely in North America.

That growth has also substantially changed Acumatica’s name recognition. Boguszewski says the company has gone from being “Acu-what” to having recognition shown by the addition of former NetSuite CEO Zach Nelson and former managing director of Sage North America, Nancy Harris, to the Acumatica board.

Acumatica continues to make progress as it has expanded its product line to include different industry editions—Construction, Distribution,



CJ Boguszewski,
Acumatica

Manufacturing and Services.

Construction is the fastest growing edition. But overall, having VARs move into the industry editions has spurred growth.

“The more specialized our partners become the faster they seem to grow,” he says. He notes it is important for resellers “to speak the lingo” of the industries they serve. “If you don’t know how retainage works in construction, they are not going to hire you,” Boguszewski says.

On the AI front, one question is when its impact will be greater on the financial side. Boguszewski notes AI already operates in Acumatica software in anomaly detection and GL posting. He believes Acumatica is well poised to adopt more quickly to new technology because of its xRP architectural framework and application development platform

“We can adopt guardrails for how partners adopt AI,” he says and believes that most innovation will come from the channel.

Sage’s Sperry notes her company continues develop the Sage Academy, which was launched in 2022 and is now heading towards its fourth cohort in the United-Kingdom and Ireland.

The 12-week course offers full-time paid employment at Sage partners, along with was described as an accelerated learning program. Courses are focused on product mastery, software-as-a-service business models and professional development.

The program is also available in South Africa

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with plans to expand into other geographies.

Sperry says 22 percent of participants are female, and that figure has grown with each cohort. "Additionally, a successful iteration of the program was delivered in South Africa, achieving a 50 percent participation rate of Black females," she says.

Epicor: A New Channel

While Acumatica has built its name, that of Epicor Software has been long established in the manufacturing market. Now it is setting out to ramp up a different channel than the one through which it has sold its Kinetic manufacturing software.

"We have hired a director of channel sales who is going to be focused on our distribution channel," says Brenda Noblezza, VP of the Americas channel.

The new manager, Holly Oberbroeckling, joined Epicor in April, after spending nearly seven years at Infor where she headed North American distribution channels.



Brenda Noblezza,
Epicor

The distribution channel will be the vehicle for Epicor's Prophet21 software, which has had a small channel, which focused on business with 10 or fewer users.

Overall, Epicor, which just announced it has achieved \$1 billion in annual recurring revenue, and overall plans to grow the channel which currently includes 35 resellers and service partners in the Americas.

"We are going into recruitment mode," says Noblezza. "We are going to be recruiting on both the manufacturing and the distribution side."

While some Kinetic resellers will probably have the financial strength and infrastructure to build a distribution business, Noblezza anticipates most recruits will come from outside the current network.

"I am not going to cannibalize the Kinetic channel to build distribution," she says.

SYSPRO Recruiting

SYSPRO is also in recruiting mode, but in its historical manufacturing market. That recruiting effort has been going on since December 2022 when Lou Sassano joined the company as VP of channels.

Since then, Sassano has been working to build a channel management structure and enlist new partners.

Sassano said in April the company had added six in the prior two months and it hopes to sign up an additional six to eight this year and more next year. "A lot of them are coming from competitive vendors," he says. "They are looking for another club in their bag."

He believes one appeal is SYSPRO's relatively



Lou Sassano,
SYSPRO

small channel, which means its VARs do not compete with each other frequently. For competitors, "it is not uncommon for a VAR to be in competition with three or four or more partners carrying the same product in the same deal," Sassano says.

SYSPRO claims another advantage is the deep capabilities of its manufacturing software.

Adding channel members also means hiring staff to support them.

"We hired a great channel manager, an onboarding manager and a recruitment manager," says Sassano.

In addition, SYSPRO has made a relationship with it more lucrative for its dealers. "We modified our economic model so partners can get more in recurring revenue," says Sassano.

RSM Rolls On

Despite the discussion of the impact of AI on business, RSM's Kenney points to old-fashioned issue—the impact of higher interest rates as being a major factor in business decisions.

"People are a bit more conservative and focused," says Kenney. "Customers are more conservative in their spending."

While the move to the cloud is "far from complete", Kenney says customers have become more focused in spending. There is an emphasis on making sales teams more efficient and speed up the quote to cash process, and maintaining relationships with customers, which has produced a great deal of activity in CRM. Clients also face the challenge of finding talent, which has also produced an increased interest in outsourcing products and services of all kinds.

Kenney speaks of AI as technology for which many businesses are still looking for practical uses. "For most of our clients, what seems to be gaining transaction is 'Let's have an AI workshop and figure out what workloads could be automated,'" he says. While Gen AI "is interesting to folks," Kenney continues, they are asking, "How do I actually improve my business with this?"

Like many others, Kenney reports immediate AI uses involve producing text. At RSM, that includes

generating job descriptions and the firm has developed a grant-writing AI application that can digest the information and put it in the right format.

Otherwise, RSM continues on a strong path with its product lines. In the last year, it was again chosen to Microsoft's Inner Circle and named as NetSuite's Worldwide Partner of the Year.

Oracle NetSuite has continued to show year-to-year revenue growth of more than 20 percent and RSM's experiences demonstrate what's underlying that performance.

Kenney said not only is there a stream of new customers, but the continuing addition of functions in the product has had a big impact.

"They keep adding functionality and each customer is expanding the NetSuite footprint," Kenney says. That can include adding more users, adopting NetSuite HR, or perhaps expanding procurement functionality.

On the Dynamics side, "Business Central has significant momentum," says Kenney. The Dynamics performance includes growth both in Dynamics ERP capabilities and Dynamics Customer Experience.

The Dynamics GP base continues to be a source of customers for the cloud products, although RSM also sees many new customers coming to Dynamics BC.



Matt Kenney
RSM

But there continues to be a large GP base because moving to another ERP product can be difficult, involving such issues as the customizations users have made and integrations with other products.

"Replicating (GP functions) without going backward is a big undertaking," Kenney says, and in addition, "It's very inexpensive to run that GP model" where the costs have already been incurred.

RSM is also doing extremely well with Dynamics 365 Finance & Supply Chain Management. "Our finance and supply chain practice is kind of an oil tanker," says Kenney. "It has momentum it's just cruising forward."

The firm also continues to see growth in Sage Intacct, which it uses to address the nonprofit ERP market.

Bob Scott has been informing and entertaining the mid-market financial software sector with his email newsletters for 25 years. And he has been covering this market through print and Internet-based publications for 33 years, first as technology editor of Accounting Today and then for 12 years as the editor of the former Accounting Technology. He has been executive editor of The Progressive Accountant and ERP Global Insights (formerly Bob Scott's Insights) since 2009.

