TOP 100 VARs 2019

The Cloud Rules!

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Making it in the Cloud

Microsoft could not have summed up the midmarket any better than it did last month. During a webcast for the company's third-quarter earnings, CEO Satya Nadella reported that for the first time half of all Dynamics sales are from cloud products.

Even if much of that was sales of Dynamics CRM, not ERP, it still means the market has come a long way from the refrain "when will the cloud catch on to buyers being more interested in what a product does rather than whether it is on premise or in the cloud. It's the same way homebuyers these days don't ask if a house they want to buy has electricity.

Natural disasters have been a major factor in erasing the discussion about the security of cloud systems. "If you have ever been nailed by a hurricane, you can fully understand the importance of having a system that is never down," says Geoff Ashley, VP of partner strategy and programs for Acumatica.

Geoff Ashley, ***Acumatica***

However, another issue has started to drive the move to the cloud. IT Departments, not the business side of organizations, are now pushing resellers to get them off servers for ERP software, says Jeff Goldstein, owner of Queue Associates, a Dynamics reseller based in New York, N.Y.

Where three years ago, these same players did not want cloud, now they are demanding it, telling Queue, "'We don't want a server in our server room Your server is the last server in my server room get it out of year. If you won't do it, we will find someone who will,'" Goldstein says.

Those clients are willing to spend substantial amounts for cloud migration, which includes a lot of history that needs to be migrated, he says.

A long-time Dynamics reseller, for many years Queue's line was the desktop products—Dynamics AX/GP/SL. A year ago, it took on Dynamics 365 Business Central, which is essentially NAV in the cloud. Since then, the firm has sold 15 Dynamics BC installations

Jeff Goldstein, ***Queue Associates***

"Most are people coming off QuickBooks," Goldstein says. "We are also getting some interest from existing customers."

Although Dynamics GP does not have a long future at Microsoft, business users are not rushing off the product. It is a stable package with lots of features. "They are happy with it," he says.

Acumatica's Growth

The demand for cloud products has produced growth for companies such as Acumatica.

One mark of Acumatica's growth over the last year was the number of exhibitors at its Partner Summit in January—more than 80. That compared to less than 30 at each of two Sage Summits this year. That is up from 60 exhibitors at the 2018 Partner Summit.

A key to maintaining growth for Acumatica is a productive channel—especially since Acumatica sells only through resellers. Managing a channel is about a lot more than simply recruiting new resellers and bringing them up to speed on selling a product. The other key element is improving the operations of existing dealers.

Acumatica's Ashley is working to make resellers better at what they do.

"My biggest thing is partner acceleration, says Ashley, the software company's VP of partner strategy and programs. Firms need coaching in making the transition from professional services to an annuity model as they switch from relying on software license sales to building a business that is based on subscription revenue.

That means resellers need a lot more net new customers. The money partners made in one on-premise deal need now has to come from three new cloud deals. It is a switch from relying heavily on sales to needing a more robust marketing effort.

"It's a matter of volume and velocity," Ashley says. "It's not the culture that you once used to define a VAR."

Acumatica is working to improve its channel's chances through educational efforts such as the Partner Owners' Track which is designed to help participants improve their business skills. In particular, VARs fall short in that one well-known area, marketing, which Ashley says must be more consciously designed.

"They say 80 percent of their business comes from referrals," Ashley says. But what that statement reveals is partners don't understand the source of their business and do not know where the next deal is coming from.

Improving marketing means organizations must concentrate on making good content available on their websites. It is a tough task for many as creating content is not a billable activity. But firms must "make the transition to self-service with lots of content that is appropriate to the sales cycle," Ashley continues.

Scott Kost, ***Eide Bailly***

The Web itself drives that need because customers are educating themselves about products and services they wish to buy. "Seventy percent of any prospect's decisions are made before they engage with the partner," he says. That means content must be available while they are

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TOP 100 VARs

	Company	Revenue ($MM)	Staff	ERP Product Line
1	RSM US, Chicago, Ill.	387.8	1400	Dynamics AX/BC/FO/GP, NetSuite, Sage Intacct
2	Columbus, Copenhagen, Denmark	285 **D**	2000	Dynamics AX/GP/NAV, M3
3	Alithya (Fullscope), Montreal, Que.	279.60*	NA	Dynamics AX/365
4	Crowe Horwath, Chicago, Ill.	138.3	750	Dynamics AX/365, NetSuite
5	Armanino, San Ramon, Calif.	96.48	362	Dynamics AX/FO/GP, Sage Intacct
6	Velosio, Columbus	83	300	Dynamics BC/FO/GP/SL/NAV, NetSuite, Sage 100, Syspro
7	Sikich, Naperville, Ill.	80	325	Dynamics AX/BC/FO/GP/NAV/SL, NetSuite
8	Vision33, Irvine, Calif.	67.9	500	SAP B1, B1Cloud, B1 Hana
9	Wipfli, Milwaukee, Wis.	67	NA	Dynamics BC/GP/SL, NetSuite, QB, Sage Intacct
10	Net at Work, New York, N.Y.	51.8	188	MIP, NetSuite, Sage 100/300/500/EM
11	mcaConnect, Denver, Colo.	48	200	Dynamics AX/FO
12	Sunrise Technologies, Winston-Salem, N.C.	44.47	143	Dynamics 365 FO
13	SWK Technologies, East Hanover, N.J.	41	184	Acumatica, NetSuite, Sage 100C/EM
14	BDO Solutions, Toronto, Ont.	40	NA	Dynamics AX/BC/FO/GP/NAV
15	CliftonLarsonAllen, Milwaukee, Wis.	39	NA	Acumatica, QB, Sage Intacct
16	NeoSystems, Tysons Corner, Va.	35.6	175	Deltek Costpoint, NetSuite
17	Western Computer, Oxnard, Calif.	35	150	Dynamics AX/BC/FO/NAV
18	ADSS Global, Exton, Pa.; Miami, Fla.	33.5	130	Sage 100c/300c
19	NexTec Group, Seattle, Wash.	32	160	Acumatica, Dynamics GP/SL, Sage 500/EM
20	AKA Enterprise Solutions, New York, N.Y.	30	124	Dynamics 365 FO
20	Aktion Associates, Maumee, Ohio	30	160	Acumatica, Infor WD/ CSD/SXe/FACTS/A+, Sage CRE: 100/300, Spectrum, Vista
20	Clients First Business Solutions, Holmdel, N.J.	30	115	Acumatica, Dynamics BC/FO Epicor, SAP B1, Sage 100
20	Eide Bailly Technology Consulting, Fargo, N.D.	30	175	Dynamics GP, NetSuite, Sage 100/100C
24	Blytheco, Laguna Hills, Calif.	28.3	100	Acumatica, NetSuite, Sage 100/500/EM

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Sage Business Cloud helps you build powerful solutions for your customers, while our partner program supports you in optimizing business performance and growth. The result? More predictable revenue, increased upsell opportunities, and the flexibility you and your customers need to drive business growth.

TOP 100 VARs *continued*

	Company	Revenue ($MM)	Employees	Financial Software
25	BAASS Business Solutions, Toronto, Ont.	27	140	Sage 300, EM, Intacct
25	Stoneridge Software, Barnesville, Minn.	27	140	Dynamics AX/BC/FO/GP/NAV
27	RKL eSolutions, Lancaster, Pa.	24.7	104	Sage 100c/300c/500/EM, Intacct
28	Encore Business Solutions, Winnipeg, Man.	21.6 **T**	109	AX/BC/FO/GP/NAV
29	Archerpoint, Atlanta, Ga.	21	100	Dynamics BC/NAV
30	Cargas Systems, Lancaster, Pa.	19.77	127	Dynamics BC/GP, Sage Intacct
31	Copley Consulting Group, Woburn, Mass.	19	65	Infor Industrial Cloud Suite
32	LBMC Technology Solutions, Nashville, Tenn.	18.8	70	Dynamics BC/GP/SL, Sage Intacct
33	Navigator Business Solutions, Salt Lake City, Utah	18.4	65	SAP B1/B1 Cloud/ByD, VIridian
33	Paradigm Technology Consulting , Allentown, N.J.	18.4	48	Acumatica, Dynamics BC/GP
35	BroadPoint, Bethesda, Md.	18.2	88	Dynamics BC/GP/NAV, Serenic
36	SSI Consulting, Vienna, Va.	18	185	Dynamics BC/GP/SL, Sage Intacct, Unanet
37	Central Consulting Group, Minneapolis, Minn.	17.5	48	Deltek Vantagepoint, Sage Intacct
38	Logan Consulting, Chicago, Ill.	16.8	40	Acumatica, Dynamics AX/BC/FO/GP/NAV, QAD
39	Crestwood Associates, Mount Prospect, Ill.	16.1	54	Acumatica, Dynamics BC/GP/SL, Greentree
40	Acct Two Shared Services, Houston, Texas	15.97	106	Sage Intacct
41	FMT Consultants, Carlsbad, Calif.	14.4	69	Dynamics BC/GP, NetSuite
42	SIS Software, Atlanta, Ga.	13.5	60	Dynamics SL/365 (built for construction)
43	Cre8tive Technology & Design, San Diego, Calif.	12.5	75	Epicor
44	Collins Computing, Mission Viejo, Calif.	12.3**	36	Acumatica, Dynamics GP
45	DSD Business Systems, San Diego, Calif.	12	150	Acumatica, Dynamics 365, Sage 100/300/500, Intacct
46	Godlan, Clinton Township, Mich.	11.72	60	Infor CloudSuite Industrial
47	Accordant, Morristown, N.J.	11.2	30	Acumatica for Construction, Sage 100 Contractor, 300 CRE
48	BKD Technologies, Springfield, Mo.	11.04	40	Dynamics AX/BC/FO/GP, Sage 100c/300c/500, Intacct
49	Guide Technologies, Cincinnati, Ohio	11	50	Infor CloudSuite Aerospace and Defense Automotive, Industrial, Infor LN, XA

TOP 100 VARs *continued*

	Company	Revenue ($MM)	Employees	Financial Software
50	Kerr Consulting, The Woodlands, Texas	10.8	70	AccountMate, MIP, Sage 100/300/500, EM, Intacct
51	CompuData, Philadelphia, Pa.	10.7	44	Epicor, Sage 100/500, Intacct
52	Turnkey Technologies, St. Charles, Mo.	10.6	42	Dynamics BC/FO/GP
53	Stambaugh Ness TechSolutions, York, Pa.	10.5	28	Deltek GCS/Vantagepoint/Vision
54	Optimus Business Transformation, Miami, Fla.	10.3	120	Acumatica. Dynamics AX/GP/NAV/SL, JDE
55	White Owl Solutions, Miami, Fla.	10	93	Blackbaud, Dynamics AX/GP, Sage Intacct
56	Warren Averett Technology Group , Montgomery, Ala.	9.9	44	Dynamics BC/GP/NAV, Sage 100/100c, QBES
57	Business Technology Partners, Deerfield, Ill.	9.7	47	Sage Intacct, Syspro
58	Guru Solutions, Montreal, Que.	9.25 **T**	100	NetSuite
59	TM Group, Farmington Hills, M ich.	8.9	42	Dynamics GP/FO/SL, Sage Intacct
60	BCS/ProSoft, San Antonio, Texas	8.65	42	Deltek Pro Services/Vision, NetSuite, Sage 100/500
61	BrainSell, Topsfield, Mass.	8.5	48	Sage 100/300/500, Intacct
62	Answer Company , New Westminster, B.C.	8.3 **T**	92	Acumatica, Sage 100/300/500, EM, Intacct
63	Mibar.net, New York, N.Y.	8.18	28	Acumatica, Dynamics GP, NetSuite
64	Faye Business Systems Group, Woodland Hills, Calif.	8.1	32	Acumatica, Sage 100
64	JMT Consulting Group, Patterson, N.Y.	8.1	35	MIP, Sage Intacct
64	T3 Information Systems, Washington D.C.	8.1	30	Dynamics BC/GP/SL, Sage Intacct
67	e2b teknologies, Chardon, Ohio	8	52	Epicor, Intacct, Sage 100/500
67	Innovia Consulting, Onalaska, Wis.	8	40	Dynamics BC/NAV
69	Silverware, Phoenix, Ariz.	7.5	35	Dynamics BC,/NAV, Silver Leaf CBC Cannabis ERP, Sage Intacct
70	Six S Partners, Waterloo, Ont.	7.45 **T**	60	Epicor
71	Technology Management Concepts, Los Angeles, Calif.	7.21	30	Dynamics BC/GP/NAV/SL
72	Dean Dorton, Louisville, Ky.	7.17	37	Dynamics GP/365, QuickBooks, Sage 50, Intacct
73	Fourlane, Austin, Texas	6.9	35	Acumatica, QBES
74	Third Wave Business Systems, Wayne, N.J.	6.8	38	Dynamics GP, SAP B1, B1 Cloud
75	Accountnet, New York, N.Y.	6.4	19	Dynamics BC/GP/SL

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making those decisions.

Acumatica made a major impact in the last year with the introduction of its Construction Edition. The company pointed to the older financial products in this market as leaving customers with the choice of "legacy Timberline, legacy Viewpoint, Legacy Dexter-Chaney." All major Sage construction VARs signed on for the Acumatica product, including Acordant and Aktion Associates on this list.

In addition, companies needed to augment on-premise construction products with other applications, he said. "They needed three or four systems to get anything done," Ashley says.

The cloud is catching on quickly because of the nature of the construction business. Many organizations in the business are not sophisticated and the fact that Acumatica runs on a phone meets the needs users have to be in the field.

Craig West, *Oracle NetSuite*

Content must also focus on industry sectors, not on broad areas such as distribution.

"You need to be industry-focused," Ashley says. Resellers need to be able to speak the vernacular of a business, along with addressing compliance issues particular to each industry.

He sees the need for three levels of content on web pages. "We all used to sell to the C Suite," Ashley says. Now, marketing only to the C suite means resellers are missing 66 percent in influencers in a prospect's operations.

Changing Channels

Acumatica may be in the middle of improving its channel, but channels come and channels go. Channels also change and in the last year there are instances of all of these possibilities.

On the going list this year was Macola. That product, along with JobBoss and Max, all manufacturing products, was formerly owned by Exact and transferred to ECi Solutions Software in 2017. Exact is owned by Apax Partners, which acquired ECi. ECi cancelled its reseller contracts in May 2018, although law suits by 13 former Macola VARs led it to authorize them to continue serving their Macola installed base.

Coming is FinancialForce. FinancialForce, which has been talking about building a channel for two or three years, has begun doing so, hiring Dynamics veteran Jeff Edwards to recruit the staff needed.

Edwards, director of ERP channel strategy at partnership for Microsoft from 2007 through 2017, was hired by FinancialForce in October as senior director of global channels. Although the company is not ready to discuss specific plans, in April, Edwards posted on LinkedIn that he is seeking a director of partner marketing. FinancialForce is also seeking an ISV Alliance Program Director to build a global ISV program.

Meanwhile, Oracle NetSuite is in the changing channel category with the addition of its Alliance Partner Program in 2018.

The program is designed for "consultancies who value their independence," says Craig West, the Oracle NetSuite VP of channel sales. West says these firms "don't like to look like they are beholding to someone." The eighty members shown on NetSuite's website list international systems integrators, currently at eight, including Accenture and Deloitte Digital, along with 73 regional SIs.

Jeff Edwards, *FinancialForce*

The company's Solution Provider program also continues to grow, especially internationally. It has doubled its South American channel in the last year.

Like Acumatica, NetSuite is also trying to increase the efficiency of its existing channel, working to get resellers into production quicker than previously. West described the new approach as "switching to more of a stairway approach." The goal is to make consultants more productive more quickly. That includes "Getting them up to speed on basic finance," he says. That will reduce time to revenue for partners.

The result has been not only an increase in revenue but also growth in the percentage of sales contributed by the channel. That rose to more than 60 present, up from 50 percent last year. "I think that will continue to grow," West says.

Overall, NetSuite sales have done extremely well under Oracle's ownership.

For the second quarter ended November 30, Oracle reported adding at least 1,000 NetSuite ERP customers, bringing the total to more than 16,000. The parent company did not reveal customer numbers for the third quarter ended February 28, but said that NetSuite had 30-percent revenue growth over the prior year.

That translates into some good times for NetSuite resellers. "We are growing faster than we have ever grown," West says.

CPA Firms Prosper

Over the last few years, NetSuite has recruited several multi-office accounting firms: Baker Tilly, Cherry Bekaert, Eide Bailly, Moss Adams and RSM US and in general, CPA firms have come back to reselling in some numbers because of cloud software.

They have done quite well as part of the Solution Provider program with RSM and Eide taking home top partner awards two years in row each with RSM named global Partner of the Year consecutively and Eide doing the same as the top American reseller.

Each has grown both organically and through acquisition. RSM went from $308.6 million in 2018 to $387.8 million this year. Eide Bailly's Technology Consulting has grown from $20 million to $30 million over a year.

"Our NetSuite practice is driving the growth," says Scott Kost, the partner who runs the technology consulting operations of the Fargo, N.D-based firm.

On the M&A front, Eide acquired Tactical Cloud, a NetSuite reseller based in Southern California, in February. In April, it purchased Xerva, an Orem, Utah-based company that provides data analytics and data warehousing services. Xerva has about 25 data science personnel who can be utilized to serve the entire Eide Bailly client base. "Our clients are looking at better data management solutions to better understand the data they have," Kost says.

The data business produces opportunity both in terms of products to manage the data and classic consulting services to gain insights from that data.

A combination of factors has spurred growth. One is the support from the vendor itself.

"I think Oracle and NetSuite are doing a good job of generating demand," Kost says.

In addition, the accounting firm provides its own opportunities for sales of financial software and that is one element giving accounting firms advantages in this market.

"We are doing a good job of leveraging assets Eide Bailly brings to table in terms of geography and industry," Kost says. That gives the technology side the ability to cross-sell clients.

Eide has also expanded outside of ERP software. It is working to increase sales both of the Microsoft stack and like many resellers, it has taken on the Salesforce product line.

In the case of Salesforce, "It's the world's leading client management solution," he says. The firm is looking to serve customers with Salesforce for CRM and marketing. "We see good opportunities on the client side, with NetSuite on the business side."

With Microsoft, the firm is exploring Azure hosting and utilizing the software company's analytical tools. Kost says Eide is trying to ascertain, "where we should be in respect to products Microsoft. They are big enough where you can't ignore them."

Kost says Eide is also exploring one of the trends being emphasized by almost all financial software manufacturers—moving into highly specialized markets. "We are working hard at try to be more verticalized," he says. The firm is working with the NetSuite alliance program in order to make an entry into focused industries.

"We have some work to do," he says.

Getting Cre8tive

San Diego, Calif.-based Cre8tive Technology & Design has differentiated itself from most Epicor resellers—probably from most resellers in all ERP channels—by pursing a micro-vertical strategy.

Aaron Continelli, *Cre8tive Technology & Design*

Certainly, its strategy has had an impact on its success in the market. Cre8tive was named Epicor's Global Partner of the Year for 2018, after having been named the U.S. VAR of the year for 2013, 2015, 2016 and 2017.

The firm had $12.5 million in revenue in the last year and hopes to reach $15 million this year, according to owner Aaron Continelli. While the microvertical effort has been a big factor in the growth, Cre8tive has moved this

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TOP 100 VARs *continued*

	Company	Revenue ($MM)	Employees	Financial Software
76	Intellitec Solutions, Newark, Del.	6.2	26	Dynamics BC/GP/SL, Sage Intacct
76	Sererra Consulting Group, Newport Beach, Calif.	6.2	35	NetSuite
78	CAL Business Solutions, Harwinton, Conn.	6.1	26	Acumatica, Dynamics GP
79	Central Data Systems, Farmington Hills, Mich.	6	42	Acumatica, Infor CloudSuite Distribution/Facts/SX.3
79	ComTec Solutions, Rochester, N.Y.	6	40	Epicor
79	Njevity, Denver, Colo.	6	31	Acumatica, Dynamics GP
82	BigBang ERP, Montreal, Que.	5.96 **T**	75	FinancialForce, NetSuite, Rootstock
83	Resource Group, Renton, Wash.	5.91	25	Dynamics GP, Intacct
84	Express Information Systems, San Antonio, Texas	5.8	15	Dynamics GP/365, Sage Intacct
84	Martin & Associates, Cincinnati, Ohio	5.8	22	Acumatica, Dynamics GP, Sage 100/500
86	Alta Vista Technology, Royal Oak, Mich.	5.7	23	Dynamics BC/GP, Sage Intacct
87	Boyer & Associates, Minneapolis, Minn.	5.6	17	Dynamics BC/GP/NAV/SL
87	SouthEast Computer Solutions, Miami Lakes, Fla.	5.6	27	Acumatica, Sage 100/100c/500/EM
89	360 Cloud Soutions, Scottsdale, Ariz.	5.5	30	NetSuite
89	WAC Solutions Partners, Northborough, Mass.	5.5	35	Acumatica, MIP, NetSuite, QBES, Sage 50/100C/300C, EM, Pro
91	ACE Microtechnology, Atlanta, Ga.	5.4	31	Dynamics BC/GP
91	DWD Technology Group, Fort Wayne, Ind.	5.4	25	Acumatica, BWorks, MIP, Sage 50/100
93	Vertical Solutions, Pittsburgh, Pa.	5.23	30	Dynamics BC/GP
94	Practical Software Solutions, Concord, N.C.	5.2	21	Sage 100 Contractor, 300 CRE, EM
94	Queue Associates, New York, N.Y.	5.2	50	Dynamics AX/BC/GP/NAV/SL
96	GoVirtualOffice, Waunakee, Wis.	5.1	42	NetSuite
96	Maner Costerisan, Lansing, Mich.	5.1	23	Dynamics BC/GP, Sage Intacct
96	Nexvue Information Systems, Stamford, Conn.	5.1	15	Acumatica
99	Oasis Solutions, Louisville, Ky.	4.65	22	NetSuite, Sage 100c
100	Mantralogix, Mississauga, Ont.	4.6 **T**	25	Acumatica Construction, Sage 100CRE

*NOTES: *Company Estimate at time of merger; ** Top 100 VARs Estimate; T, Translated from Canadian $; D, Translated from Danish Krone*

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direction without a program from Epicor.

"There are not many partners in the Epicor world that are doing what we are doing," says Continelli. "I am pushing Epicor to change; to be better at their partnering."

Cre8tive grew into its first specialized market, the aerospace and defense industry finding as it added clients it added expertise, which fed the growth in the business.

"We fully focused on developing an end-to-end industry practice from sales all the way through the delivery," he says.

That required the appropriate sales leadership "and the right people to support the change with industry change and having a strong development team that understands generating our own product to support," he says.

Mark Meller,
SWK Technologies

Firms moving into specialties must be prepared for the investment needed up front. It's a completely different revenue model. The first couple of years you are going to lose money," Continelli says.

One problem with microverticals is if a specialized market has a severe downturn, that can seriously dent a resellers' business. Continelli says the answer is to have a diversified group of niche markets, although not to try do too much.

Cre8tive moved next into the furniture market, an area in which Continelli had experience, having worked for a woodworking manufacturing for 15 years. The reseller focused on adapting Epicor software to work with woodworking software from RSA Solutions, "which is going to push us in to the furniture market," he says.

While the furniture industry has specialized industry software, none of those packages tie to ERP and many of the mills in the business "are very old school, handing inventory manually," Continelli says.

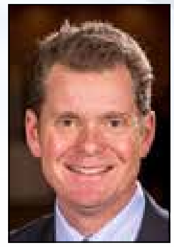
Sage has significantly changed the operation of its channel with the introduction of its Alliance program which pairs six reselling firms, called Advocates, with smaller resellers who pair with them as affiliates. It's similar in concept with Microsoft's Master VAR program which has been in operation for several years.

SWK Technologies has done well with the cloud products and continues to do well with the Sage product line, says Mark Meller, the firm's CEO. One mark of how well is in January it was named Partner of the Year by Acumatica.

Meller says Acumatica is suited for SMB distribution/manufacturing customers. "Our best success thus far has been with mid-stream supply chain companies that have both logistics and field-service requirements. We have also had some good results with light manufacturers and not-for-profit," he says.

SWK also handles NetSuite, which Meller says has appeal to customers because of the number of available third-party products. Although he acknowledges, it is a challenge to be competing with [NetSuite[direct as often as we do."

While it branched out to carry Acumatica and NetSuite, SWK is a historical Sage reseller and Sage remains an important part of its product line. Meller says the firm is having success with the Sage 100 cloud. "We are doing a tremendous business including net new customers," he says.



Scott Ehmen,
Sage

Sage has been testing the alliance program since January 2018 and Meller is pleased with results as SWK has already more than 20 smaller alliance partners as part of the Partner Alliance Program.

Meller says that such a program has to be about more than having firms with lower margins to sign up with one in a higher tier "for a couple of extra points for myself; it's not worth it to build the infrastructure."

Meller sees great value for smaller dealers, who lack time and resources, in gaining access to the advocate's sales and marketing. The results have helped all parties.

"We are increasing their sales, our sales and Sage's sales," says Meller. "It's a win-win-win."

Win-Win-Win

The win-win-win declaration appears to be the Sage mantra for the alliance program's success to date. It was a phrase also used by Scott Ehmen, VP of partner strategy and sales for Sage North America.

Ehmen says Advocates must adhere to standards of sales production and support for the smaller resellers. Providing local support is especially important for the smaller firms that don't have dedicated sales forces.

"It gives the smaller partners options," he says.

As noted by Acumatica's Ashley, sales and marketing remain a challenge for the smaller dealers. Ehmen says a great deal of the training Sage provides to the channel involves marketing and adds resources in that area have been available through Sage's Enterprise Management Summit and Sage Intacct's Business Builder's conference, which are being combined into one event next year.

Ehmen also notes the need to deal with software buyers who have done much of their research before they have contacted a VAR. "There is a new order in terms of selling software and in terms of companies buying software," says Ehmen.

Both Sage and Sage Intacct are also emphasizing microveritcals with Intacct having had a formal program for some time. Taylor Macdonald, SVP of channel sales for Intacct, noted that one of the fastest-growing Intacct VARs—Acct Two Shared Services—has achieved that status because of its vertical emphasis on such markets as mega churches and biotech companies.

Acct Two made the Top 100 list this year with $15.97 million in revenue. With a combination of organic growth and acquisitions, it reached that level after having only $4 million in revenue in 2014.

While Sage products still have a large presence in the distribution and manufacturing markets, it will be pushing the specialization message. "Sage will be rolling out more industry messaging for our products," Ehmen says.

Macdonald says the business building effort also involves helping VARs with their staffing needs. Intacct is working with firms to help them perform better in hiring and helping train personnel to support growth.

Because of the demand for personnel, especially with cloud products, Macdonald says VARs, "don't have enough people to be trained implement." Intacct is working with its Top 20 partners on training and "We are helping them find people."

Taylor Macdonald,
Sage Intacct

Whatever the program's goals of providing assistance for smaller resellers, it probably has the additional benefit of focusing more attention on Sage as most of the six Advocates carry other products.

Blytheco, Net at Work and SWK carry NetSuite while Blytheco, DSD Business Solutions and SWK also handle Acumatica with DSD having picked up Dynamics 365. Only ADSS Global is a Sage-only reseller, although Kerr Consulting's only non-Sage product is AccountMate as a legacy product.

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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 and Columbus. Alithya, which took over Edgewater and its Fullscope and Ranzal operations is also public.

Other 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.

Other publicly available sources of information were considered, and information provided for Bob Scott's VAR Star selection last fall was also used.

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

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And both SWK and Net at Work say the new program is helping spur more Sage revenue.

Net at Work has had its alliance program since 2013. It entered agreements with other resellers and described the arrangement as providing a trial marriage platform, which often lead to the acquisition of Net at Work's VAR partners.

The firm will continue to offer its existing program, while serving as an Advocate in the new Sage initiative. Tom Miller, who has led the effort since its inception, notes Net at Work also offers products from publishers other than Sage which are part of these agreements. The VAR and its sister companies have more than 150 agreements with resellers and CPA firms.

Since joining the new Sage program in June, Net at Work has 13 agreements with smaller resellers and expects to have 25 in the next two months, according to Igal Rabinovich, director of partner success, who is responsible for the program.

Rabinovich says the Sage program measures return on investment and also the amount of margin VARs receive, compared with the net new revenue products.

"It is absolutely working from a multiplier point of view, better than initially hoped," Rabinovich says.

Opening New Doors

Sara Silver has been in the reselling business for decades. She has been president of Phoenix, Ariz.-based Silverware since August 1988 and has sold succeeding generations of accounting software starting with products from the form SBT Accounting Systems and Accpac International.

About six years ago, Silverware began carrying Intacct and "ramped it up about three years ago," Silver says. Adding cloud-based Intacct opened doors into new markets "We previously would not have been in " says Silver. She cites Intacct's strong financials, including its multi-entity capabilities and its strength in intercompany transactions.

The firm can now service software companies and any organization that has need for subscription billing and recurring revenue. Silverware has performed well enough that in 2018 it was named to the Sage Intacct President's Club.

Along the way the firm also picked up Dynamics NAV and moved into the cloud-based evolution of that product, Dynamics Business Central. Dynamics BC serves the distribution and manufacturing markets that Silverware has participated in for years.

In terms of which products to pitch to which prospects, a major dividing line is whether a prospect has inventory. Those with inventory are suited for Dynamics; those without for Intacct.

Igal Rabinovich,
Net at Work

Silverware's verticalization has taken a very modern turn. It has written a version of Dynamics NAV called Silver Leaf CBS for the cannabis market. Silver says the company leveraged NAV's manufacturing capabilities and also built upon its experience in selling to neutriceutical companies.

"Each state is a separate implementation," Silver says. The cannabis business fits the pattern of other verticals. "Your discovery time goes down tremendously," Silver says. To deal with prospects and clients "you can have a phone call instead of three days onsite that lowers the cost of the project for customers. You become such subject matter experts."

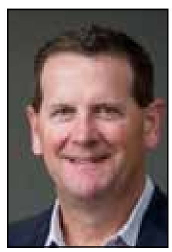
Sara Silver,
Silverware

Another Intacct reseller, RKL eSolutions was set to break out of its Sage only product line when it started negotiating to carry the cloud software in 2017. Before it was able to officially announce the new offering, Sage bought Intacct.

So even if all of RKL's ERP products come from Sage—Sage 100c/300/500, Enterprise Management and Intacct, "We have a nice diversity of products and solutions. The market place of solutions and add-ons allow us to extend the solution and keep that diversity,'" says Joe Noll, president of the Lancaster, Pa.-based reseller.

Sage 500 is considered a legacy product by most in the channel, although Sage says it is still developing for the product.

However, Sage's waffling on the product's future over the past few years means the business is selling to the installed base. "The Sage 500 practice continues to be extremely strong," says Noll. The company has had the largest base of Sage 500 customers over the last eight years. "It has continued to grow because of orphans."



Joe Noll,
RKL eSolutions

On the upper end, Enterprise Management (X-3), continues to be strong in the process manufacturing area, in particular for food and beverage. Intacct is targeted towards areas which need strong financials and Noll says that the product is strong in the professional services area.

"The entertainment industry is our strongest vertical space as they use financials only," Noll says. Intacct, he continues, "allows them to create projects and do billing against projects."

RKL brought part of that business on board through its 2017 acquisition of Arxis Technology, a Simi Valley, Calif.-based VAR that carried the broad Sage line. Noll says Lancaster has a surprisingly large number of people in the entertainment space, including Rock Litiz, a consortium that provides products and services for live events.

Guide to Software Products Listed

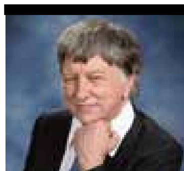
Last year's product guide represented the biggest change in names in the history of this Top 100 ranking because of changes to the Dynamics lines. This year, things are much quieter.

Confusion over naming changes by Microsoft and Sage resellers has cleared up substantially In 2018, several Dynamics VARs simply listed Dynamics 365 are being in their product line. This year, most specify they carry Dynamics 365 Business Central (basically NAV in the cloud) or Finance & Operations (AX in the Cloud).

Sage's switch from X-3 to Enterprise Management has also largely kicked in.

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.

AccountMate
Acumatica
Blackbaud: *Financial Edge*
Community Brands: *MIP (MIP Fund Accounting)*
Deltek: *Costpoint, GCS, Premier, Pro Services (Deltek for Professional Services), Vision, Vantagepoint*
Epicor
FinancialForce
Infor: *Infor Cloud Industrial Suite, WD (Wholesale Distribution): CSD/SXe/FACTS/A+*
Intuit: *(QB), QuickBooks, QBES (QuickBooks Enterprise Solutions)*
JAAS Systems: *JAAS (JAAS Advanced Manufacturing Software)*
JAMIS Software: *JAMIS Prime JobOps*
Microsoft Dynamics: *AX, GP, NAV, SL, 365, BC (Business Central), FO (Finance & Operations)*
MYOB: *Greentree*
Oracle: *JDE (J.D. Edwards)*
PowerGP Online
QAD
Rootstock
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 & Real Estate); EM (Enterprise Management, formerly X3), Pro (SagePro ERP), Sage 100 Manufacturing (formerly JobOps)*
Serenic Navigator
Syspro
Viridian Sciences: *Viridian*



Bob Scott has been informing and entertaining the mid-market financial software community with his email newsletters for 18 years. And he has been covering this market through print and electronic publications for more than 25 years, first as technology editor of *Accounting Today* and then as the Editor of *Accounting Technology* from 1997 through 2009. He has covered the traditional tax and accounting profession during the same time and continues to address that market as Executive Editor of *The Progressive Accountant*.