

VAR 100: More tools in the box

They're adding new products, services to better serve customers

BY SETH FINEBERG

There can be no doubt that many of this year's top accounting and ERP value-added resellers benefited from an improved economy, but adding niche-focused services and software and even new product lines helped keep them at the top and prepare them for the future.

The majority of this year's VAR 100 either began to see the benefits of products and services that they added within the past couple of years, or were making plans to dig deeper into niches where they see potential in the years to come.

As they do each year, acquisitions also helped bolster revenues in a number of cases — most notable in 2012 were UXC Eclipse, which bought Cole Systems; InterDyn BMI merging with InterDyn CFO; BAASS Business Solutions acquiring CA-Plus Inc. (and it has since merged with Deltek and Sage partners Equation Technologies and Axis Global Partners); SWK Technologies acquiring the Sage business of Hightower; and Eide Bailly entering the VAR 100 due to the firm's purchase of Schmitt, Griffiths, Smith & Co. — owners of Sage and SAP resellers SGS Technology Group.

RICHES IN NICHEs

Ultimately, though, the factor that had the greatest impact on this year's crop of top resellers was the addition of software or services. This isn't to say that other basic factors weren't at play, like staff and client retention, expansion of offices, enhanced marketing, and "pent-up" demand finally coming to fruition. But it was developing or adding software and services to better serve a particular niche or group of verticals that impacted most of our top consultants.

Altico Advisors of Marlborough, Mass., has represented Microsoft Dynamics GP since its beginning, and more recently is adding to its offerings, but found one of the greatest impacts to its practice over the past year came from "verticalization." Moreover, the firm experienced a 73 percent increase in its reported year-on-year revenue due largely to these additions. "We've developed 'micro-verticals' within the four major industries we focus on (distribution, manufacturing, software development companies, and service organizations)," said marketing director Marcia Nita Doron.

The firm is also seeing larger deals due to the addition of a business process review offering, often as a paid engagement. Doron claims this adds value and provides an opportunity to showcase the firm's business and industry expertise.

Another example of niche growth comes from Santa Monica, Calif.-based SCS Inc., which primarily represents Dynam-

ics NAV and AX, and is seeing the benefits from its expansion into the food, agriculture, high-tech businesses, made-to-order manufacturing, and service industries. This move has created the firm's "highest-ever customer adds and service hours in company history," according to SCS head Helen Russell.

TOOLS MATTER

Other firms are adding directly to their software line, which include cloud and on-premises products. Specifically, those top firms that did so one to two years ago are starting to see some positive results.

Less than two years ago, Dynamics GP and Sage 500 ERP partner BCG Systems added NetSuite to its product offerings, and the Akron, Ohio-based firm has found it to be one of its more successful areas of growth. President Mark Goodson admits that it took time and investment to get this practice up and running, but the firm was able to secure dedicated staff and identify the right customers. He stressed that having "more tools" at the firm's disposal

has been the greatest advantage.

"With NetSuite we were able to do some good deals; it took time, but two were sizable. Part of picking up a new product is realizing where problems are and the realization on products is not going to be at the same level of an on-premises system," said Goodson. "Our approach isn't to go out and sell as much of this as possible; it's about finding the right clients for it. We're now able to get lots of new business."

Sage partner SWK Technologies, which also took on NetSuite — though more recently than BCG — is seeing the benefits of increased business from Sage X3 ERP, which it added two years ago. "Sage ERP X3 has had the greatest impact on our practice, as our growth has been explosive. We've added staff and we have many projects in various stages of progress," said SWK president Jeffrey Roth. "It's been transformational, as the high end of the mid-market is quite different (and more demanding) than the bulk of our installed client base."

INTO THE CLOUD

The cloud continues to grow in importance to top VARs and their customers, and there are more firms than ever that not only have cloud products as part of their offerings, but are in the business of hosting products and offering cloud services to their customers and clients as well. In fact, 42 of the 2013

VAR 100 are showing cloud accounting and ERP products, with more on the way for next year (see chart).

For many, though, cloud means more than just product or technology, but longer-term service-based offerings. Managed services is one area being explored by a number of top VARs, including St. John's, Newfoundland-based Sage partner Atlantic DataSystems. "Our customers are very attracted to our managed services and the potential to get more for their IT expenditure by outsourcing their desktop and server support," said vice president Derek Sullivan. "We have also seen emerging demand for cloud solutions and are helping clients understand where these technologies fit in their mix."

Partnering with other firms, both within their "traditional" channel and outside, has also become a growing trend as partner margins are shrinking, and the need for services, or sometimes access to products VARs don't offer, is on the rise.

McLean, Va.-based Dynamics and Intacct partner SSI Consulting is one of many that are looking to other partners to better serve their client base. "Microsoft SL has been a great fit for project-driven firms in the Washington, D.C., and Baltimore metro areas and continues to be a significant positive contribution to our growth, but the Microsoft partner program has significantly reduced our margins and caused us to revise the way we sell software," said firm president Bill Aiton. "We also are looking at partnering with other technology firms to share the fixed costs of being in this market."

The growth of Master VAR programs and other, non-vendor-sanctioned partner programs is helping to meet the demands of firms that require more than they currently offer on their own. One example that emerged over the past year came from top Sage partner Net@Work, which formed its Alliance Program last summer. It is geared toward VARs from all channels and even accounting firms and other professional service firms looking to partner with the firm, share resources and possibly align for a future merger or acquisition. "In years past, we focused deal by deal — now we focus on the relationship with our Alliance Partners," said co-president Alex Solomon. "Instead of just supporting the end user, it's supporting the end user and the partner. This is our future." AT

INTO THE CLOUD

Members of the VAR 100 carrying cloud accounting/ERP products



VARS TO WATCH

1. **Merit Solutions** / Chicago (Dynamics GP, AX)
2. **Isis** / Richmond, Va. (Dynamics GP, SL)
3. **NextLevel Information Solutions** / Miami (Sage 300 ERP/NetSuite)
4. **Synergy Business Solutions** / Portland, Ore. (Dynamics SL; Intacct)
5. **Acuity Business Solutions** / Reston, Va. (Deltek Vision, GCS)
6. **Practical Software Solutions** / Concord, N.C. (Sage 100 ERP, 500, X3, 100 Contractor, 300 Construction/RE)
7. **Boyer & Associates** / Minneapolis (Dynamics GP, SL, AX)
8. **Strategies Group** / Suwanee, Ga. (Sage 300 ERP, 300 Construction/RE, 100 Contractor)
9. **Paradigm Tech Consulting** / Allentown, N.J. (Dynamics GP)
10. **Stanley Stuart Yoffee & Hendrix Inc.** / Orlando, Fla. (Dynamics NAV, SL, GP; Acumatica)

The 2013 VAR 100

	Company / Location	Revenue (\$ mns)	Offices	Staff	Top executive(s)	Accounting software
1	Tectura ¹ / Pleasanton, Calif.	220.00	45	1,400	Duane Bell	Dynamics GP, SL, NAV, AX
2	Columbus IT Partners ² / Copenhagen	155.00	40	872	Thomas Honore	Dynamics NAV, AX
3	Tribridge / Tampa, Fla.	110.00	14	475	Tony DiBenedetto	Dynamics GP, SL, NAV, AX
4	McGladrey / Chicago	89.94	75	428	Brian Becker	Dynamics GP, SL, AX; Deltek Premier; Intacct; NetSuite
5	UXC Eclipse ³ / New York City (U.S. headquarters)	85.00	14	410	David Weiner	Dynamics GP, AX
6	Crowe Horwath / Chicago	61.10	28	270	Joe Santucci	Dynamics GP, AX
7	Armanino / San Ramon, Calif.	46.00	6	41	Tom Mescall	Dynamics GP, AX; Intacct
8	Professional Advantage / Fargo, N.D. (U.S. HQ)	42.00	7	225	Derek Rippingale	Dynamics GP, AX; Infor FMS SunSystems
9	Edgewater Fullscope ^A / Athens, Ala.	33.30	4	90	Russell Smith	Dynamics AX
10	Net@Work / New York City	33.00	13	152	A. Solomon / E. Solomon	Sage 100 ERP, 300, 500, X3; Fund Accounting 100
11	Sikich / Naperville, Ill.	29.50	9	125	Jeff Rudolph	Dynamics GP, NAV, AX
12	Wipfli / Milwaukee	28.00	22	223	Rick Dreher	Dynamics GP, AX; Sage 50; Fund Accounting 100; QuickBooks
13	Western Computer ^A / Oxnard, Calif.	24.00	14	140	Tom Bardos	Dynamics NAV, AX
14	Blytheco / Laguna Hills, Calif.	24.00	8	100	Stephen Blythe	Sage 100 ERP, 300, 500, X3; NetSuite
15	ADSS Global / Exton, Pa., and Miami	23.50	52	120	Robert Campbell	Sage 100 ERP, 300, X3
16	Sunrise Technologies / Winston Salem, N.C.	23.24	5	120	John Pence	Dynamics AX
17	SBS Group / Edison, N.J.	22.00	35	175	James Bowman	Dynamics GP, SL, NAV, AX; Acumatica
18	I.B.I.S. Inc. / Peachtree Corners, Ga.	20.01	3	88	Andy Vabulas	Dynamics GP, AX
19	Socius / Dublin, Ohio	19.50	21	95	Jeff Geisler	Dynamics GP, SL, NAV, AX; Sage 100 ERP, 500; Syspro
20	CliftonLarsenAllen / Minneapolis	19.00	14	80	Gordy Viere	Sage 100 ERP, 300; Dynamics GP; Deltek Vision; Intacct
21	Clients First Business Solutions / Holmdel, N.J.	18.40	10	79	Sheldon Kralstein	Dynamics AX, NAV; SAP B1; Epicor 9; Sage 100 ERP, 500, X3
22	BKD Technologies / Springfield, Mo.	17.70	31	56	Mike Burlew	Dynamics GP, AX; Sage 100 ERP, 500, X3
23	Rand Group / Houston	17.30	2	74	Ron Rand	Dynamics GP, NAV, AX
24	InterDyn BMI ⁴ / Minneapolis	16.46	8	87	John Hendrickson	Dynamics GP, SL, NAV, AX
25	Broadpoint Technologies / Bethesda, Md.	16.10	2	90	Lee Raesly	Dynamics GP, AX
26	SCS Inc. / Santa Monica, Calif.	16.00	4	65	Helen Russell	Dynamics NAV, AX
27	Aktion Associates / Toledo, Ohio	15.40	7	95	Scott Irwin	Sage 300 Const./RE, 100 Contractor; Deltek Vision; Infor; Intacct
28	Vision33 / Irvine, Calif.	14.64	14	75	Alex Rooney	SAP B1, ByD
29	BAASS Business Solutions ⁵ / Toronto	14.50	9	83	Joe Arnone	Sage 300 ERP, X3; Deltek; NetSuite
30	NexTec Group Inc. / Seattle	14.14	9	75	Eric Frank	Sage 500 ERP, X3; Dynamics GP, SL, AX
31	Aztec Systems, a TAS company ^{A 6} / Carrollton, Texas	14.04	6	70	Marcelo França	Dynamics GP, NAV; Sage 100 ERP
32	SWK Technologies Inc. / Livingston, N.J.	13.17	7	68	Jeff Roth	Sage 100 ERP, 500, X3, BusinessWorks; NetSuite
33	Eide Bailly ⁷ / Fargo, N.D.	13.00	6	79	Scott Kost	Sage 100 ERP, 500; NetSuite; Intacct; SAP ByD
34	ASI ^A / Lake Forest, Calif.	12.65	1	25	David Payne	Dynamics AX
35	Collins Computing Inc. / Mission Viejo, Calif.	12.20	1	45	Randy Forkner	Dynamics AX, GP
36	AKA Enterprise Solutions ^{A D} / New York City	11.11	1	55	A. Kahn / J. Ades	Dynamics GP, AX
37	LBMC Technologies / Nashville, Tenn.	10.70	3	48	Stacy Schuettler	Dynamics GP, SL; Intacct
38	Saratoga Technologies Inc. / Johnson City, Tenn.	10.03	3	80	David Temple	Dynamics GP
39	Diamond Municipal Solutions / Edmonton, Alberta	9.80	4	50	Ron Begg	Dynamics GP
40	Central Consulting Group / Minneapolis	9.50	3	30	Jim Falkanger	Deltek Vision; Intacct
41	SIS / Atlanta	9.00	6	40	Steven Mulka	Dynamics SL, AX
42	DSD Business Systems / San Diego	7.90	28	75	Doug Deane	Sage 50, 100 ERP, 300, 500, BusinessWorks, FAS; NetSuite
43	BCG Systems / Akron, Ohio	7.80	3	33	Mark Goodson	Dynamics GP, AX; Sage 500 ERP; NetSuite
44	MIG Group / New York City	7.70	2	34	Eric McGuardian	Dynamics GP, SL; NetSuite
45	Crestwood Associates / Mount Prospect, Ill.	7.60	2	40	B. McGuckin / T. Thompson	Dynamics GP, SL; Acumatica
46	InterDyn Cargas Systems / Lancaster, Pa.	7.40	2	50	Chip Cargas	Dynamics GP; Intacct
47	TM Group / Farmington Hills, Mich.	7.40	2	43	Judy Thomas	Dynamics GP, SL, NAV
48	Accordant Co. / Morristown, N.J.	7.30	5	30	Robert Sandelands	Sage 100 Contractor, 300 Const./RE
49	SVA Consulting ^A / Madison, Wis.	7.11	2	28	John Baltus	Dynamics GP, SL, NAV; Acumatica
50	WAC Consulting / Northborough, Mass.	7.10	16	48	Robert Distler	Sage 100 ERP, 300, Pro; B1, ByD; NetSuite; Fund Accounting 100

Key: All revenues are FY 2012, in U.S. dollars. In cases of ties in revenue, the firm with the larger staff was given the higher ranking. **A** Accounting Today estimate **D** Part of InterDyn ByD — SAP Business ByDesign B1 — SAP Business One Sage 300 Const./RE — Sage 300 Construction and Real Estate

Notes: 1. Based on estimated and published figures. 2. Revenue from earnings report. 3. Purchased Cole Systems in November 2012. 4. Merged in InterDyn CFO in August 2012. 5. Revenue includes purchases of CA Plus and Equation; does not include April 2013 purchase of Axis Global. 6. In December 2012, Aztec merged with Toutatis Client Services do Brasil SA to form TAS, of which it is now a component company; figures are for Aztec only. 7. Folded in SGS Tech Group in August 2012.

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51	ISM / Portland, Ore.	7.10	5	32	BJ O'Reilly	Sage 100 ERP, 300, 500, X3; NetSuite
52	OmniVue Business Solutions / Alpharetta, Ga.	7.00	1	26	Jeff Pyden	Dynamics GP, NAV, AX
53	CompuData / Philadelphia	6.70	1	29	Angela Nadeau	Sage 100 ERP, 500; Epicor
54	Mibar Computer Services / New York City	6.60	1	29	Bart Nachimow	Dynamics GP; NetSuite; AccountMate
55	Jovaco Solutions Inc. / Montreal	6.50	3	45	Jean-Claude Countu	Dynamics GP
56	Altico Advisors / Marlborough, Mass.	6.50	1	30	R. Maloney / M. Kean	Dynamics GP; NetSuite
57	BCS ProSoft / San Antonio	6.40	4	38	Clark Haley	Sage 100 ERP, 500; Deltek Vision; NetSuite
58	WhiteOwl / Miami	6.30	3	50	Stuart Rosenberg	Dynamics GP, AX; Blackbaud; Intacct
59	Britec Computer Systems / Calgary, Alberta	6.20	6	45	Roger Katarey	Sage 300 ERP, X3, BusinessVision
60	Symbiant Technologies / New Brighton, Minn.	6.10	1	16	David Hutchinson	Dynamics NAV
61	Sererra / Irvine, Calif.	6.00	4	50	Vijay Saha	Intacct; NetSuite; SAP ByD
62	FMT Consultants / Carlsbad, Calif.	6.00	1	36	Eric Casazza	Dynamics GP; SAP ByD
63	AVF Consulting / Towson, Md.	6.00	1	27	Andrew Fass	Dynamics NAV; Serenic Navigator
64	ABC Computers / Waupaca, Wis.	5.90	4	40	Mark Christie	Dynamics NAV
65	RKL eSolutions / Lancaster, Pa.	5.90	3	30	Joe Noll	Sage 500 ERP, X3; NetSuite
66	Achieve IT Solutions / Port Jefferson, N.Y.	5.86	6	26	Tim Singleton	SAP B1
67	SSI Consulting / McLean, Va.	5.60	3	25	Bill Aiton	Dynamics GP, SL; Intacct
68	Kerr Consulting & Support / The Woodlands, Tex.	5.50	7	33	Dave Kerr	Sage 300 ERP, X3; Fund Accounting 100; CYMA; AccountMate
69	Southeast Computer Solutions / Miami	5.50	2	25	Sonia Ferrera	Sage 100 ERP, 300, 500, X3
70	Demand Solutions Group / Los Gatos, Calif.	5.43	3	35	Todd Fitzwater	NetSuite
71	Accountnet Inc. / New York City	5.40	4	18	John Peace	Dynamics GP, SL; Acumatica
72	InterDyn Lanac Technology / Chicago	5.31	1	22	Dale May	Dynamics GP
73	Explore Consulting / Bellevue, Wash.	5.30	1	49	Steve Jones	NetSuite
74	InterDyn Artis / Charlotte, N.C.	5.30	2	27	Gary Artis	Dynamics GP; Intacct
75	The Resource Group / Renton, Wash.	5.20	1	26	Marty Schillaci	Dynamics GP
76	Encore Business Solutions / Winnipeg, Manitoba	5.19	1	28	Brent Twist	Dynamics GP, AX
77	e2b Teknologies / Chardon, Ohio	5.18	1	40	Bill and Lynne Henslee	Sage 500 ERP; Epicor 9; Intacct
78	Tridea Partners / Solana Beach, Calif.	5.16	3	24	Andy Collins	Dynamics GP, AX
79	Technology Mgmt. Concepts / Marina Del Rey, Calif.	5.15	1	20	Jennifer Harris	Dynamics GP, NAV; NetSuite
80	Arxis Technology Inc. / Simi Valley, Calif.	5.10	4	23	David Cieslak	Sage 100 ERP, 300, 500, X3; Intacct; SAP ByD
81	ERP Guru / Montreal	5.00	3	65	Martin McNicoll	NetSuite
82	Queue Associates / New York City	5.00	6	45	Jeff Goldstein	Dynamics GP, SL, AX
83	eSoftware Professionals / Portland, Ore.	5.00	3	25	Jody Leoni	Dynamics NAV
84	Third Wave Business Systems / Wayne, N.J.	4.90	5	36	Korey Lind	Dynamics GP; SAP B1, B1 On Demand
85	Eskel Porter Consulting^A / Sacramento, Calif.	4.70	1	30	John Eskel	Dynamics GP
86	L Kianoff & Associates^D / Birmingham, Ala.	4.69	1	22	Lisa Kianoff	Dynamics GP; Sage 100 ERP, 500; Intacct
87	Full Sail Partners / Steamboat Springs, Colo.	4.65	4	19	Kevin O'Connor	Deltek Vision
88	NexVue Information Systems^A / Stamford, Conn.	4.55	1	15	Daniel Schwartz	Dynamics GP, SL
89	Raffa / Washington, D.C.	4.50	2	21	Seth Zarny	Dynamics GP, SL; Intacct
90	T3 Information Systems / Washington, D.C.	4.50	1	20	Matthew Adamowicz	Dynamics GP, SL
91	Atlantic DataSystems / St. Johns, Newfoundland	4.33	5	30	Derek Sullivan	Sage 300 ERP
92	Delphia Consulting / Columbus, Ohio	4.20	1	30	Brian Delphia	Sage HRMS
93	JMT Consulting Group / Patterson, N.Y.	4.20	2	20	Jacqueline Tiso	Intacct; Fund Accounting 100
94	Brittenford Systems / Reston, Va.	4.20	1	20	Shereen Mahoney	Dynamics GP, SL; Intacct
95	Applied Business Services Inc. / Gaithersburg, Md.	4.20	1	15	Maureen Williams	OSAS, Traverse; Fund Accounting 100
96	Intellitec Solutions / Wilmington, Del.	4.10	2	26	Rick Sommer	Dynamics GP, SL; Intacct
97	Martin & Associates / Cincinnati	4.10	1	20	Kevin Martin	Dynamics GP; Sage 100 ERP, 500, BusinessWorks; Intacct
98	Micro Force Inc. / Huntington Station, N.Y.	4.06	2	16	Jim McCann	Dynamics GP
99	Cornerstone Consulting / Tampa, Fla.	4.00	3	25	David Boos	SAP B1; Sage Pro ERP
100	Rose Business Solutions / San Diego	4.00	3	20	Linda Rose	Dynamics GP

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