

TOP 100 VARS

The Top 100
Picking Up After
Tough Times

Sponsored by

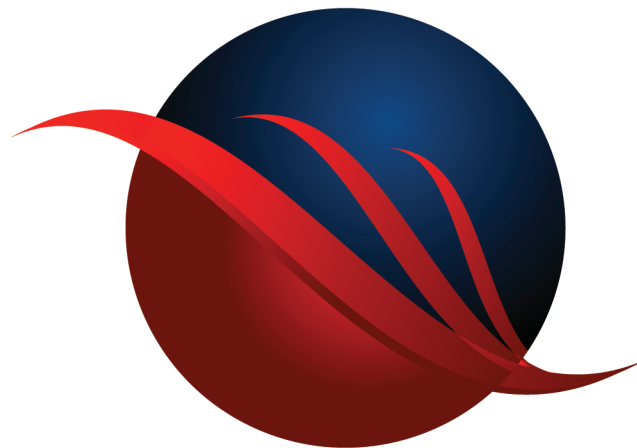
AccountMate[®]

SOFTWARE THAT FITS



CCH

a Wolters Kluwer business



Bob Scott's

TOP 100 VARS



Bob Scott has been informing and entertaining the mid-market financial software community with his email newsletters for 12 years. And he has been covering this market through print publications for 20 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 as executive editor of *The Progressive Accountant*.

A lot of money has disappeared from the reseller channel. And although many resellers report that business has improved, it is improving from a weak 2009 and early 2010. That said, the first Bob Scott's Insights Top 100 VARs features some companies that did well in the worst of times

That includes companies like Tribridge which has emerged as a Top Five firm in the last two years, fueled by its acquisition of Navint Consulting in 2009, but also by organic growth.

Then there's Ibis, the Atlanta-area powerhouse that moved from \$14 million in 2009 to \$17 million in 2010. The company last year also was one of five strong firms that formed Advanced Software Distribution Partner Group. That group is selling Advanced Distribution for Dynamics AX 2009, based on a software product from a French company, TVH Consulting. In fact all five companies made this list. The

others are Interdyn AKA, Collins Computing, Interdyn BMI, Socius and Merit Solutions are on the Top 100 list.

At the top of the heap for the last several years is Tectura with a worldwide total that makes it the largest Dynamics reseller. But that company is undergoing a lot of changes. In February, it parted ways with founder and CEO Terry Petrzelka who was replaced by then CFO Duane Bell. And it went from buying companies, to selling its German operations.

It would be logical to suspect that Tectura might consider off loading more of its businesses if Petrzelka's ouster was driven by venture capital investors as many believe. However, the company has gone from being accessible to the press to being tight lipped.

Another VAR that was built by acquisition is also on the down swing. ePartners, which was once the nation's largest reseller and still a good-size Dynamics dealer, went the other way. The company's revenue fell to \$36 million last year from \$40 million in 2009.

But outside of the fate of individual dealers, some basic facts remain about mid-market financial software sales. And one of the most notable of these is that there are a lot more large Dynamics-only VARs than there are Sage-only resellers. In fact, of the 10 largest businesses on the list, eight are Dynamics-only shops

The largest Sage-only resellers continue to be No. 9, New York's Net@Work with \$27 million and California-based Blytheco, No. 11, with \$22.5 million. And of the 50 largest, almost half sell only the Microsoft line.

Moreover, Sage products are no longer sold by a number of CPA-affiliated resellers. That includes Clifton Gunderson, which is still on the list, and BDO affiliate Synergistic Solutions, which had been on past top VAR lists.

While many resellers have added Dynamics products over the year, it's been rare for Dynamics VARs to pick up Sage's offerings. One notable exception has been the fast-growing Rand Group, No. 17, which started out as a Dynamics reseller, but over the last two years, it picked up Sage's Timberline construction software and more recently Sage's X3 manu-

facturing package. The Timberline move was made two years ago after the implosion of the former MIS Group, which had been Sage's largest reseller.

Beefing Up

With Intuit's QuickBooks Enterprise Solutions providing stiff competition on the low end, many resellers are moving upstream with more robust products that have a much higher selling price than products that these companies have historically relied on.

Strong players in the Microsoft channel are moving into Dynamics AX, which can compete effectively with the bottom of the Tier 1 financial market. The Advanced Distribution group is only one of the more ambitious efforts. And the strength of AX is showing up in many ways. At the company's recent Convergence user conference, there were about 130 exhibits featuring Dynamics GP and around 115 celebrating AX and it is likely that gap will close.

From a Sage point of view, the most promising tool for building the size of its resellers is its X3 ERP manufacturing package, which plays in the same space as Microsoft Dynamics AX and Epicor 9.

There was a strong showing by those carrying X3 out of a relatively small channel. The best indication of the potential came in February, when Livingston, N.J.-based SWK Technologies said it had closed a X3 sale in which the value of the software licenses alone was more than \$700,000. This is the one package that Sage has that could produce revenue growth on a

SELECTION OF THE TOP 100

The ranking of the Top 100 mid-market reselling firms is based solely on revenue for 2010. However, where revenue of candidates was equal, then the number of employees was used as the tie-breaker. The company with fewer employees ranked higher since it had higher sales-per-employee. Only three of these companies, Columbus IT, Fullscope and SWK Technologies are owned by publicly held companies. SWK represents all of the revenue of Trey Resources, Fullscope, which is owned by Edgewater Technology, was not separately reported this year and an estimate of its revenue has been made. All actual results were provided by the companies. In those instances in which companies declined to provide revenue, an estimate was made based on number of employees, along with the product lineup as the selling prices of these can vary widely.

Company	Number of Employees	Lines Carried	Revenue (\$MM)	Rank
Tectura San Mateo, Calif.	1600	Dynamics AX/GP/NAV/SL	300	1
Columbus IT Partner Copenhagen	893	Dynamics AX NAV	167.9	2
RSM McGladrey Minneapolis Minn.	272	Dynamics AX/GP/ SL	286	3
Tribridge Tampa Fla.	300	Dynamics AX/GP/NAV/SL	65	4
Professional Advantage Fargo N.D. (U.S. HQ)	214	Dynamics AX/GP Infor SunSystems	40	5
Crowe Horwath Indianapolis Ind.	155	Dynamics AX GP	38.1	6
ePartners Dallas	175	Dynamics AX/GP/SL	36	7
Fullscope Athens Ala.	85	Dynamics AX	29E	8
Net@Work New York N.Y.	146	Accpac Pro ERP MAS 90/200/500	27	9
Wipfli Milwaukee Wis.	155	Dynamics AX/GP	25.2	10
Blytheco Laguna Hills Calif.	120	Accpac BusinessWorks MAS 90/200/500 MIP Sage Pro X3	22.4	11
Western Computer Oxnard Calif.	100	Dynamics AX/NAV	22	12
Sikich Information Technology Aurora Ill.	90	Dynamics GP/NAV/SL MIP SAP Business ByDesign	20.44	13
ADSS Global Miami	96	Accpac MAS 90/200, MIP	19.8	14
BKD Technologies, St. Louis	94	Dynamics AX GP MAS 90/200/500	18.3 E	15
Broadpoint Technologies Bethesda Md.	63	Dynamics GP iMIs Oracle Financials	17.5 E	16
Rand Group Houston Texas	67	Dynamics AX/GP/NAV X3 Timberline	17.2	17
IBIS Norcross Ga.	70	Dynamics AX/GP	17	18
Socius Columbus Ohio	77	Dynamics AX/GP/SL MAS 90/200/500 Syspro	16.56	19
SCS Santa Monica Calif.	56	Dynamics AX/NAV	15	20
Clients First Business Solutions Holmdel N.J.	76	Dynamics AX/NAV MAS 90 Epicor	14.1	21
Advanced Systems Integration, Lake Forest Calif.	25	Dynamics AX	12	22
Collins Computing Mission Viejo Calif.	43	Dynamics AX/GP	11.9 E	23
Sunrise Technologies Winston-Salem N.C.	54	Dynamics AX	11.85 E	24
Clifton Gunderson Technology Solutions Peoria Ill.	60	Accpac Deltek Vision Dynamics GP MAS 90/200 MIP QBES	11.8	25

E = Estimate made by Bob Scott's Insights
 **Translated from Canadian dollars

Company	Number of Employees	Lines Carried	Revenue (\$MM)	Rank
Interdyn Business MicroVar Roseville Minn.	64	Dynamics GP SL iMis Opens Systems Traverse	11.7	26
Interdyn AKA New York N.Y.	50	Dynamics AX/GP	11.5	27
Cole Systems Consulting New York N.Y.	50	Dynamics AX/GP	10.7 E	28
LBMC Technologies Nashville Tenn.	48	Dynamics GP SL	10.5	29
Aktion Associates Maumee Ohio	100	Deltek Vision Intacct MasterBuilder Timberline	10.1	30
SBS Group Edison N.J.	75	Acumatica Dynamics AX/GP/SL MAS 500 Sage PFW	10	31
NexTec Operating Corp. Seattle Wash.	42	Dynamics GP/SL MAS 500 X3	9.6	32
BCG Systems Akron Ohio	38	Dynamics AX/GP MAS 500	8.6	33
BAASS Thornhill Ontario	50	Accpac X3	8.59**	34
Aztec Systems Dallas	57	Dynamics GP/NAV/SL MAS 90/200	8.14	35
Acumen Advisors Reston Va.	23	Deltek Premier Vision	8	36
Omnivue Business Solutions Alpharetta Ga.	28	Dynamics AX/GP/NAV	8	37
SIS Duluth Ga.	33	Dynamics SL	7.8	38
Merit Solutions Wheaton Ill.	38	Dynamics AX/GP	7.6 E	39
FMT Consultants Carlsbad Calif.	40	Dynamics AX/GP	7.5 E	40
Saratoga Technologies Johnson City Tenn.	60	Dynamics GP QuickBooks Pro	7.5	41
SWK Technologies Livingston N.J.	45	BusinessWorks MAS 90/200/500 X3	7.49	42
Symbiant Technologies Maplewood Minn.	22	Dynamics NAV	7.3	43
MIG & Co. New York N.Y.	35	Dynamics GP/NAV/SL	7.25	44
Central Consulting Group St. Paul Minn.	28	Deltek Vision Intacct	7	45
First Tech Direct Royal Oak Mich.	42	Dynamics AX/GP/SL	7	46
CompuData Philadelphia Pa.	23	Epicor MAS 90/200/500 QBES	6.8	47
Grace-Hunt Hudson Mass.	30	Dynamics GP/NAV/SL	6.7 E	48
TM Group Farmington Hills Mich.	32	Dynamics GP/NAV/SL	6.2	49
Demand Solutions Group Los Gatos Calif.	33	NetSuite	6.2	50

E = Estimate made by Bob Scott's Insights
 **Translated from Canadian dollars

Company	Number of Employees	Lines Carried	Revenue (\$MM)	Rank
Interdyn Cargas Systems Lancaster Pa.	44	Dynamics AX/GP	6.2	51
Mibar Computer Services New York N.Y.	29	AccountMate SQL Dynamics GP/RMS	6.1	52
WAC Consulting Northboro Mass.	24	Sage Pro SAP Business ByDesign	6	53
SVA Consulting Madison Wis.	25	Acumatica Dynamics GP/NAV/SL	6	54
Interdyn Lanac Technology Chicago Ill.	29	Dynamics GP	6	55
C3 Business Solutions Santa Ana Calif.	30	Oracle E-Business Suite	6	56
Accordant Whippany N.J.	35	MasterBuilder Timberline	6	57
Accountnet New York N.Y.	24	Acumatica Dynamics GP/SL	5.9	58
DSD Business Systems San Diego Calif.	61	Accpac Deltek Vision MAS 90/200/500 QBES	5.9 E	59
Armanino McKenna Consulting San Ramon Calif.	30	Dynamics AX/GP Intacct	5.85 E	60
Reinsel Kuntz Leshar IT Services Group Reading Pa.	30	Accpac MAS 90/200/500 X3	5.8	61
AVF Consulting Baltimore Md.	29	Dynamics NAV Serenic Navigator	5.75 E	62
NexVue Stamford Conn.	22	Dynamics GP SL	5.7 E	63
ABC Computers Waupaca Wis.	29	Dynamics NAV	5.65	64
Technology Management Concepts Los Angeles Calif.	21	Dynamics GP	5.6	65
Alliance Solutions Group Brandon Fla.	29	MasterBuilder Timberline	5.25 E	66
BCS ProSoft San Antonio Texas	35	Deltek Vision Dynamics GP MAS 90/200/500 QBES	5.2	67
Navigator Business Solutions Pleasant Grove Utah	50	SAP All-in-One Business One Business ByDesign	5.2	68
Arxis Technology Simi Valley Calif.	23	Accpac MAS 90/200/500 SAP Business ByDesign	5.07	69
Queue Associates New York N.Y.	25	Dynamics AX/GP/SL	5	70
Equation Technologies Encinitas Calif.	26	Accpac Dynamics NAV NetSuite	5	71
Rose Business Solutions San Diego Calif.	22	Dynamics GP	4.9	72
Practical Software Solutions Concord N.C.	22	MAS 500 Timberline	4.9	73
JMT Consulting Group Patterson N.Y.	23	Intacct MIP	4.9	74
NextLevel Information Solutions Miami	24	Accpac Sage Pro	4.9	75

E = Estimate made by Bob Scott's Insights
 **Translated from Canadian dollars

Company	Number of Employees	Lines Carried	Revenue (\$MM)	Rank
IronWare Technologies Denver Colo.	20	Acumatica Dynamics AX/GP/SL	4.8	76
Kerr Consulting & Support The Woodlands Texas	23	Accpac Cyma Dynamics NAV MIP Sage Pro SAP Business By Design	4.7 E	77
Resource Group Renton Wash.	25	Dynamics GP	4.68	78
L. Kianoff & Associates Birmingham Ala.	23	Dynamics GP MAS 90/ 20/500 Sage Extended Enterprise Suite	4.5	79
SouthEast Computer Solutions Miami Fla.	25	Accpac MAS 90/200/500	4.5	80
Information Systems Management Phoenix	26	Accpac MAS 90/200/500	4.5	81
Third Wave Business Systems Elmwood Park N.J.	36	Business One Dynamics GP	4.5	82
Hightower Skokie Ill.	30	MAS 90/200/500 NetSuite Syspro	4.4	83
Olsen Thielen Technologies St. Paul Minn.	11	Dynamics GP	4.45 E	84
Interdyn Artis Charlotte N.C.	20	Dynamics GP	4.35	85
Dynamic Methods Irvine Calif.	17	Dynamics GP	4.2	86
SGS Technology Group Salt Lake City Utah	14	MAS 90/200/500	4.1	87
Applied Business Services Gaithersburg Md.	18	MIP Open Systems Traverse	4.1	88
Synergy Business Systems Portland Ore.	21	Dynamics SL Intacct	4.1	89
SSI Consulting Baltimore Md.	22	Dynamics GP/SL	4.1	90
Brittenford Systems Reston Va.	20	Dynamics GP/SL	4.05	91
Altico Advisors Marlborough Mass.	20	Dynamics GP	4	92
Cornerstone Consulting Clearwater Fla.	22	Business One Sage Pro	4	93
Raffa Washington D.C.	20	Dynamics GP/SL Intacct	3.7	94
Isis Richmond Va.	35	Dynamics AX/GP/ SL	3.7	95
Stanley Stuart Yoffee Hendrix Maitland Fla.	16	Acumatica Dynamics GP/NAV/SL	3.5	96
Martin & Associates Wheaton Ohio	20	BusinessWorks Dynamics GP MAS 90/200/500	3.5	97
Explore Consulting	23	NetSuite Intacct Business By Design	3.43 E	98
Interdyn CFO Consulting Orlando Fla.	15	Dynamics GP/NAV	3.3	99
Interdyn Remington Consulting Portland Ore.	12	Dynamics AX/GP/NAV	3.1	100

E = Estimate made by Bob Scott's Insights
 **Translated from Canadian dollars

scale that could propel more companies into the Top 100 via a means other than merger and acquisition activity.

In fact, resellers that wish to do well are turning to products for which they can ask far-higher selling prices than they have received with garden-variety Dynamics GP and MAS 90 sales.

One reseller, who was not yet ready to discuss the deal publicly, said a recent sale of Delttek Vision was the company's first deal of more than \$1 million and "so business is good," this person commented.

Still, generally, this is a list of Dynamics and Sage resellers, although events are changing the product mix.

Exact's Macola has almost disappeared from the list while Syspro has improved its modest showing. Epicor's has also reappeared on the list, although only two firms are represented and they have picked up the product in the last year because of its hot Epicor 9 product.

But Delttek is the only other on-premise vendor to make a strong showing on this list.

To the Cloud?

One of the major questions that can't be answered this year is the impact of cloud computing on reselling, since so many large firms have signed with their vendors in the last 18 months.

In fact, there are four vendors whose VARs sell Internet-based financial applications that appear on this list. These are Acumatica, Intacct, NetSuite and SAP Business ByDesign, although Acumatica offers on-premise and cloud-based versions of the same package.

NetSuite is the longer-established company, but Intacct has come on strong since 2010 when it hired channel veteran Taylor Macdonald to recruit both CPAs and VARs and the results show in this Top 100.

Acumatica has done well in recruiting VARs that carry Dynamics SL because its product's architecture is based in the Solomon world. Business ByDesign, while stum-

bling four years ago when first introduced, started picking up steam as the product came back to the market last fall. NetSuite has ramped up its reselling operations, but has won and then lost VARs and established a reputation of being a tough company for resellers to do business with.

No matter the company, most operations have not reached the point that cloud applications by themselves have a major impact on rankings.

This is especially true of the CPA firms such as Clifton Gunderson, Eide Bailly and LarsonAllen. Eide had gotten out of reselling a couple of years ago and LarsonAllen had not had a VAR practice. Some current top 100 firms also signed with Intacct: Synergy Business Solutions and Central Consulting Group.

The yardstick for this effort will be the number of these organizations that make the Top 100 next year.

The question is not just about the success of the channel in selling Internet-based products but of the re-entry of CPA firms into technology reselling. This has been helped along by Intacct's hiring of Macdonald and his friend and colleague Peyton Burch. Both are CPAs with reselling experience and they have been instrumental in bringing the accountants back to the VAR business.

The basic argument is that cloud products eliminate a lot of the need for CPA firms to be immersed in the plumbing of technology, such as the need to hire networking and SQL experts. Instead, they can concentrate on providing the advisory services that already produce a significant amount of income for them.

Consolidation

The performance of aggregators has already been noted concerning the performance of Tectura and ePartners, which were both built through the acquisitions of other resellers.

Again, one set of resellers that has done well in acquiring other organizations are the CPA firms. Perhaps it's a difference in buying

patterns. The large VARs were put together quickly from many organizations in a short time. CPA firms such as McGladrey were already more sizable organizations that have folded in other firms over a longer period.

The question of how well VARs can perform if they are formed through merger and acquisition remains. Tribridge has raised money for acquisition and jumped through the Navint deal which brought together to companies of almost equal size

And spurred by Microsoft's new channel program, other organizations are growing through combinations. Among these is the SBS Group, which has a network of affiliates and companies it has acquired. Its owners, Joe Longo and Jim Bowman, say the company is embarking on a second phase of its expansion. SBS has also retained Tectura founder Petrzela to recruit VARs and to help them develop and implement strategy.

The two have personal experience with aggregators since their company was acquired by ePartners in its early days when the company was known as TexSys RD and that company was on its way to more than \$100 million in revenue in the 1990s.

Tallan, not on the list, is a reseller that former Tectura COO Jeff Lynn hopes to use as the vehicle to build a larger organization. However, while it has purchased Microsoft resellers, they have not been ERP resellers.

There is also the possibility of new entrants in this country. One company that is making the move is Alfapeople, which sells Dynamics AX into the retail market. That company moved into the United States this month and only has eight people in this country. However, it could make next year's list with some luck. Edward Crawford, a partner in Alfapeople and its director of sales, says that the company, which has operations in South America and Europe, is the third largest reseller of Dynamics CRM in the world. Alfapeople, which was founded in 2004, got so big so fast by buying some of the reselling operations of Columbus IT Partner. That included Germany and much of South America.

Guide to Products Listed

This list is a guide to the manufacturers and their products that are carried by the 100 firms list here. If only the company name is listed, then that name represents that company's product on the chart.

AccountMate

Acumatica

Cyma Systems: Cyma

Delttek: Premier, Vision

Epicor: Epicor 9

Infor: Infor SunSystems

Intuit: QBES (QuickBooks Enterprise Solutions)

Microsoft Dynamics AX/GP/NAV/SL

NetSuite

Oracle: Oracle e-business Suite

Sage: Accpac, BusinessVision, BusinessWorks, MAS 90/200/500, MasterBuilder

MIP, Sage PFW, Sage Pro, Timberline, X3

Open Systems: Open Systems, Traverse

SAP: Business One, Business By Design, All-in-One

Serenic: Serenic Navigator

Syspro

*Bob Scott's
Insights*

Insight and Analysis for the Reseller Community

Industry Insider. Dedicated Journalist. Brutally Honest.

Are you an insider?

Get your very own subscription to Bob Scott's Insights. If you're not getting it, you're out of the loop...

- Newsletter only subscription: \$99, (48 issues.) [Registration Page](#)
- Reseller Rate \$69, 48 issues and full website access: [Registration Page](#)
- 20% Discount off a Full 1-Year Subscription: \$160, 48 issues and full website access. [Registration Page](#)

100% Guaranteed! If you are not satisfied with your subscription, we will refund the unused portion of your subscription price.

With a subscription you'll be an industry insider and keeping up on the ever-changing world of the software reselling industry and what it all means for your business.

Don't wait. Subscribe today. You don't want to miss what Bob has to say next week.

Best regards,
Kurt Martin
Group Publisher

P.S. If you are interested in site license pricing for your company, please contact me directly at kurt.martin@pmgb2b.com