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BSI: 2015
TOP 100 VARS

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Top 100 VARS 2015
Business is Good

The last few years have seemed to be a story of survival. But the revenue figures reported by this year's Top 100 VARs tell a much different story. They confirm what resellers have been reporting for the last few months—that business is good; so good that many are having some of the best results in their history. The increases in revenue registered by many are in double digits

One factor stands out in that trend—bigger is often better when it comes to racking up sizable increases in revenue.. McGladrey, which took over the No. 1 spot in 2014 had a 54.7-percent increase in revenue to $174 million and no other organization appears likely to challenge its lead for some time. Australian-based UXC Eclipse showed a 45.3 percent increase, rising to $86 million over its 2013 numbers, while Western Computer reported revenue of $35 million, up 59 percent.

**Craig West,
NetSuite**

The big plan to get much bigger. In February, UXC managing director Cris Nicolli said the company wanted to grow its North American mid-market business to $100 million (Australian) a year. The company is building on its purchase of the former Tectura's North American operations in December 2013. In October, the UXC told investors about its prospects in North America that, "Growth prospects in this region exceed those available to us domestically."

This growth also reflects the movement of many top VARs, particularly those carrying Dynamics AX, to a greater international focus. In February, Nicolli said Microsoft would probably make his company one of two or three world-

wide retail VARs. He has outlined the company's movement away from smaller transaction-based clients to "higher-margin annuity type services" that involve longer-term relationships and higher-value adds and moving away from lower-margin products.

The trend suggests there will be a two-tier market with the top of the market dominated by the large AX VARs.

"I think we are start to see the bigger getting better and the smaller going away," says Joe Longo, COO of the SBS Group, a Dynamics Master VAR. We have heard that prediction for a long time. But in the last 18 months, the trend is starting to look more serious.

Dynamics AX represents a major factor in growth in the Microsoft channel as the more pricey package moves into larger companies. That was true with Edison, N.J.-based SBS, which launched an AX practice "which added a lot," Longo says. The AX business went from "one or two people focused on it and now we are close to 30," he adds.

Cloud revenue also rose, Longo says, SMB business rose and revenue for offices

under the Master VAR program increased. "It's a matter of all cylinders firing," he says. SBS says it had $34 million in 2014 revenue, an increase of 13.3 percent from $30 million reported for last year's Top 100 VAR list.

The SBS approach to marketing Dynamics AX is one that businesses frequently take when they sell products that have wide differences in price and target markets. There is an enterprise sales team that is separate from other sales groups. The AX practice also

**Joe Longo,
SBS Group**

has separate locations and is operated under a different business unit.

Of course, acquisition played a major role in 2015. Armanino, which had a 17.7-percent increase in revenue, purchased Dynamics reseller Rose Business Solutions in January 2014. That company

Choosing the Top 100

The ranking of the Top 100 mid-market reselling firms is based solely on annual revenue. However, where reported revenue of candidates was equal, then the number of employees was the tie-breaker. The company with fewer employees ranked higher since it had higher revenue per employee.

Few of the companies chosen or considered are public companies that report results. These are SWK Technologies, through its parent SilverSun Technologies and Columbus, and UXC Eclipse. Other revenue figures were submitted by the companies them-

selves. 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 included and some 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.
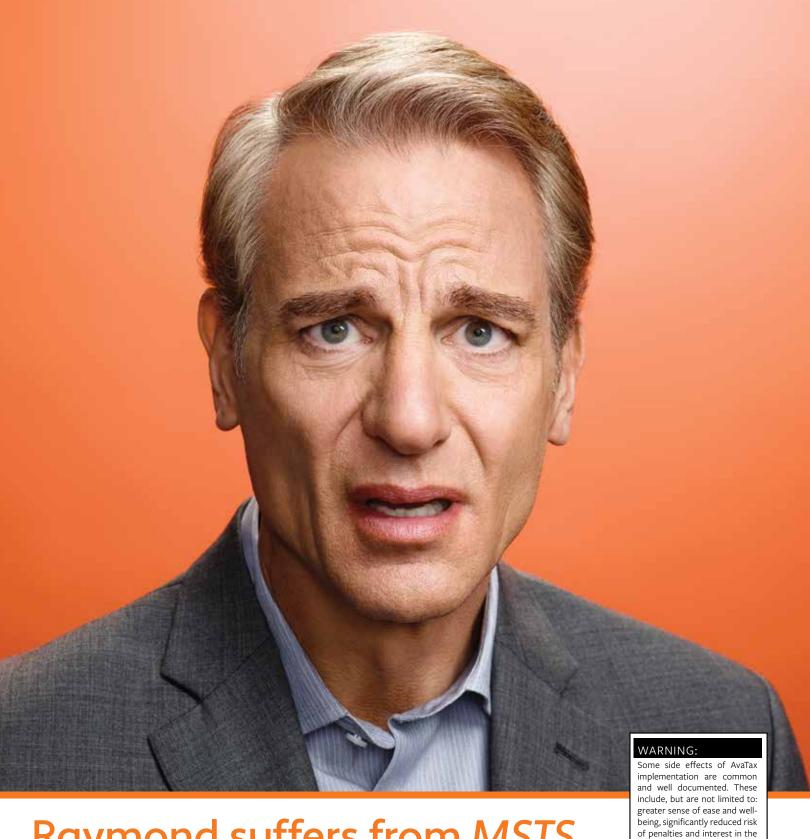
BSI's
TOP 100 VARs

	Company	Revenue ($MM)	Staff	Product Line
1	**McGladrey**, Chicago, Ill.	174	700	Dynamics AX/GP/ SL, NetSuite
2	**Tribridge**, Tampa, Fla.	130	650	Dynamics AX/GP/NAV/SL
3	**Columbus**, Copenhagen, Denmark	126	920	Dynamics AX/NAV
4	**UXC Eclipse**, New York, N.Y.	125	600	Dynamics AX/GP/NAV
5	**Edgewater Technology**, Wakefield, Mass.	113	417	Dynamics AX
6	**Crowe Horwath**, Chicago, Ill.	80.6	343	Dynamics AX, GP
7	**Armanino**, San Ramon, Calif.	65.9	211	Dynamics AX/GP, Intacct
8	**Alfapeople**, Denmark	50	400	Dynamics AX
9	**Sikich**, Naperville, Ill.	45	200	Dynamics AX/GP/NAV/SL, NetSuite
10	**mcaConnect**, Greenwood Villa, Colo.	42	185	Dynamics AX
11	**Net@Work**, New York, N.Y.	38.5	165	Abila, NetSuite, Sage 100/300/500, X3
12	**Wipfli**, Milwaukee, Wis.	37	250	Abila MIP, Dynamics AX/GP, QuickBooks
13	**Vision33**, Irvine, Calif.	35.5	109	Business One
14	**Western Computer**, Oxnard, Calif.	35	160	Dynamics AX/NAV
15	**SBS Group**, Edison, N.J.	34	270	Acumatica, Dynamics AX/GP/NAV/SL
16	**Interdyn Business MicroVar**, Minneapolis, Minn.	30	160	Dynamics AX/GP, iMis, Intacct, Opens Systems, Traverse
17	**Enavate**, Englewood, Colo.	30*	200	Dynamics GP/AX
18	**ADSS Global**, Miami,Fla.	28.5	145	Sage 100/300, X3
19	**Sunrise Technologies**, Winston-Salem, N.C.	28.2	122	Dynamics AX
20	**Blytheco**, Laguna Hills, Calif.	25	100	NetSuite, Sage 100/300/500, X3
21	**BAASS Business Solutions**, Thornhill, Ontario	24.1	125	Deltek Vision, Intacct, NetSuite, Sage 300, X3
22	**Socius**, Dublin, Ohio	24	105	Dynamics AX/GP/SL, NetSuite Sage 100/500, Syspro
23	**Ignify**, Long Beach, Calif.	24	500	Dynamics AX
24	**Rand Group**, Houston, Texas	22.1	102	Dynamics AX/GP/NAV
25	**SWK Technologies**, Livingston, N.J.	22	106	Acumatica, NetSuite, Sage 100/500, X3

Bob Scott's
TOP 100 VARs *continued*

	Company	Revenue ($MM)	Employees	Financial Software
26	**IBIS**, Peachtree Corners, Ga.	21	98	Dynamics AX/GP
27	**CliftonLarsonAllen**, Milwaukee, Wis.	20	80	Intacct
28	**Clients First Business Solutions**, Holmdel, N.J.	20	83	Dynamics AX/NAV, Epicor, Sage 100, Business One
29	**Nextec**, Seattle, Wash.	19.48	92	Dynamics GP/SL, Sage 500, X3
30	**Aktion Associates**, Maumee, Ohio	18.8	102	Acumatica Deltek Vision, Infor A+, Facts, S.x3; Intacct, Sage 100 Construction, 300 CRE
31	**AKA Enterprise Solutions**, New York, N.Y.	17.5	70	Dynamics AX/GP
32	**Broadpoint Technologies**, Bethesda, Md.	17.2	85	Dynamics AX/GP/SL, iMis
33	**Archerpoint**, Atlanta, Ga.	16	80	Dynamics NAV
34	**SCS Dynamics**, Glendale, Calif.	15	60	Dynamics NAV
35	**Eide Bailly**, Fargo, N.D.	14.2	90	NetSuite Sage 100/500
36	**BKD Technologies**, Springfield, Mo.	14	44	Dynamics AX/GP, Intacct Sage 100/500, X3
37	**Central Consulting Group**, Minneapolis, Minn.	13	33	Deltek Vision, Intacct
38	**Encore Business Solutions**, Winnipeg, Manitoba	13	72	Dynamics AX/GP/NAV, Syspro
39	**Logan Consulting**, Chicago, Ill.	12.4	40	Acumatica, Dynamics GP/AX/NAV, QAD
40	**Collins Computing**, Mission Viejo, Calif.	12 (e)	38	Dynamics AX/GP
41	**Guide Technology**, Cincinnati, Ohio	12	48	Infor CloudSuite, LN, XA
42	**Navigator Business Solutions**, Sale Lake City, Utah	12	60	SAP All-in-One, Business One, Business One Cloud, Business ByDesign
43	**Sererra Consulting Group**, Irvine, Calif.	11.8	65	NetSuite, Intacct
44	**LBMC Technologies**, Nashville, Tenn.	11.2	50	Dynamics GP/SL, Intacct
45	**SIS**, Duluth, Ga.	11.2	51	Dynamics AX/SL
46	**Saratoga Technologies**, Johnson City, Tenn.	10.3	80	Dynamics GP
47	**Crestwood Associates**, Mount Prospect, Ill.	10.2	48	Acumatica, Dynamics GP/SL
48	**Cargas Systems**, Lancaster, Pa.	10.2	60	Dynamics GP, Intacct
49	**Accordant**, Morristown, N.J.	9.6	30	Sage 100, 100 Contractor, 300 CRE

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Software, GoPro, Jaspersoft, LiveVox, Digital Check, Adap
ytics, Kana, Pano Logic, Adaptive Planning, Magellan, Ho
a, ITA Software, Prudential, Xerox DocuShare, SatMetrix, Ja
nologies, Qualys, Host Analytics, Olympus, Certain Softwa
ate, Square, Wrigleyville Sports, Gawker Media, SAY Medi
Aravo Solutions, SolarWinds, Eloqua, Celigo, BioPharm, Squ
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Software, Jaspersoft, TRUSTe, Callidus, Ring Central, Kana

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Bob Scott's
TOP 100 VARs *continued*

	Company	Revenue ($MM)	Employees	Financial Software
50	**TM Group**, Farmington Hills, Mich.	9.4	48	Dynamics GP/NAV/SL, NetSuite
51	**FMT Consultants**, Carlsbad, Calif.	9.2	55	Dynamics GP, NetSuite, SAP ByD
52	**RKL eSolutions**, Lancaster, Pa.	9.1	60	Sage 100/300/500, Sage X3
53	**BCG Systems**, Akron, Ohio	8.7	48	Dynamics GP, NetSuite
54	**Microaccounting/xkzero**, Dallas, Chicago	8.5	41	Intacct, Sage 100/500, X3
55	**DSD Business Systems**, San Diego, Calif.	8.41	75	Acumatica, Sage 100/300/500
56	**Stoneridge Software**, Barnesville, Minn.	8.4	45	Dynamics AX/NAV
57	**Stambaugh Ness Business Solutions**, York, Pa.	8	30	Deltek GCS/Vision
58	**Altico Advisors**, Marlborough, Mass.	8	37	Dynamics GP, NetSuite
59	**Godlan**, Clinton Township, Mich.	8	45	Infor Cloudsuite Industrial (SyteLine)
60	**ABC Computers**, Waupaca, Wis.	7.9	50	Dynamics NAV
61	**Explore Consulting**, Bellevue, Wash.	7.9 (e)	55	NetSuite
62	**Demand Solutions Group**, Los Gatos, Calif.	7.8	45	NetSuite
63	**ERP Guru**, Montreal, Quebec	7.59	75	NetSuite
64	**White Owl Solutions**, Miami, Fla.	7.47	60	Dynamics AX/GP/Intacct
65	**BCS ProSoft**, San Antonio, Texas	7.3	38	Deltek Vision, Dynamics GP, NetSuite, Sage 100
66	**Turnkey Technologies**, St. Louis, Mo.	7.2	45	Dynamics AX/GP
67	**Mibar Computer Services**, New York, N.Y.	6.9	28	AccountMate, Dynamics GP, NetSuite
68	**Copley Consulting Group**, East Greenwich, R.I.	6.8	34	Infor SyteLine
69	**Arxis Technology**, Simi Valley, Calif.	6.6	25	Intacct, Sage 100/300/500
70	**WAC Consulting**, Northborough, Mass.	6.5	50	Abila, AccountMate, Alere, Dynamics GP, Peachtree Quantum, Sage 100/300/500, Pro, SAP Business One, ByD
71	**CompuData**, Philadelphia, Pa.	6.4	33	Epicor, Intacct, Sage 100/500
72	**e2b Teknologies**, Chardon, Ohio	6.31	42	Epicor, Epicor Express; Intacct, Sage 100/500, X3
73	**Raffa**, Washington D.C.	6.2	27	Dynamics GP/SL, Intacct
74	**Kerr Consulting & Support**, The Woodlands, Texas	6.2	38	Abila, Cyma, Dynamics NAV, Sage 300, X3

NETSUITE Avalara Acumatica

had reported $5.2 million in revenue for 2013, the last time it appeared in the Top 100 as an independent firm.

One deal stands out, but had no impact on this year's results—the purchase of Interdyn BMI by Copenhagen, Denmark-based Columbus, which was trying to salvage its business in the United States. Columbus had $21.4 million in revenue in North America in 2014, much of that based on the operations of the former First Tech Direct. BMI had $30 million in 2014 sales, up 48.8 percent from the prior year. Minneapolis, Minn.-based BMI picked up three other resellers last year—Interdyn Remington Consulting, which operated largely on the West Coast in February; Commerce Systems Group in the Mid-Atlantic Region in June; and Chicago area-based Interdyn Lanac Technology in November.

Douglas Deane, DSD Business Solutions

BMI took over the prior Columbus operations and the deal was a good one for the overseas firm as the Interdyn VAR was responsible for all of the top-line increase for the first half ended March 31.

On the merger side, another Dynamics AX player emerged. That is Enavate, initially called Project AX, which put together the former MBS Dev and Celenia last year. That company has plans to become a major AX force and leaped into existence with $30 million in revenue.

The Stack Sells

Another fact stands out in this year's list--Microsoft VARs generally performed better than historical Sage VARs. Maybe that is because Microsoft emphasizes that its resellers should sell its stack of products, not just the Dynamics ERP offerings.

Sage has been loudly criticized by resellers about its attitude and treatment of the channel and the recent announcement of the new Sage Life cloud product, with no forewarning to the dealers, only made the situation worse. But Sage says it continues to depend on and value the channel.

"Channel is an important priority for us. We are fully committed to channel," Joo

Sohn, director of Sage's partner programs, said in an April interview. She noted the March hiring of Rich Spring as the company's chief revenue officer. Sohn said that, "Rich is very pro channel. He has had experience in the past working at a VAR."
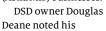
Sohn also said that the company's resellers are following the wide trend of improving sales in the last year. "We are definitely seeing that our top partners are telling us this is the best year they have had in terms of growth," says

But that is not exactly what the numbers show. Among the historical Sage VARs on this year's Top 100, those reporting revenue declines from 2013 were Bennett-Porter, Blytheco, DSD Business Solutions, Martin & Associates and WAC Consulting while CompuData was flat. The best performing historical Sage VAR—which has taken on Acumatica and NetSuite, was SWK Technologies which posted a revenue increase of 26.4 percent.

The highest-ranking historical Sage VAR No. 11, Net@Work reported an increase of 11.6 percent (No. 1 McGladrey has generally carried both Dynamics and Sage applications). The other large Sage reseller, ADSS Global, had a 10.5-increase in revenue even though it parted ways with cloud vendor NetSuite.

Deciphering the numbers is not always easy. Revenue for Blytheco rose to $25 million for 2014 from $24.38 million the prior year. However, owner Stephen Blythe says that is not the complete story. "Net revenue is actually up 20 percent," he says. "The company is in much better shape today than in 2013." Factors in the financial reporting include a change to Blytheco's approach to revenue recognition, disposing of product lines on which it does not wish to focus and a concentration on securing profitable deals instead of on the top line. The company sold off its Sage 300, Sugar CRM and Sage Nonprofit (Abila MIP) businesses.

DSD owner Douglas Deane noted his business was forced to redefine revenue recognition due to the acquisition of two partner offices that year and also due to an IRS-mandated reclassification of capital costs. The company also "downshift-

Jon Roskill, Acumatica

ed" its Sage 300 activities, which chopped $350,000 from revenue.

"We don't see much of a future for that product [Sage 300] in North America," Deane says. However, that decrease was countered by a $350,000 increase in revenue from Sage CRM, while the acquisitions kicked in $450,000.

Probably a more troubling issue was the "Lack of a compelling value proposition for Sage 100 maintenance renewals," which meant revenue from that source was down by $200,000, Deane says. The word troubling fits because in the company's webcast to report earnings for the first half ended March 31, Sage CFO Stephen Hare said price increases and upselling maintenance were the major factors in revenue increases for North America. But as with Blytheco, DSD had a much more profitable year.

Sage has also seen a loss of talent in its channel team recently. Sohn was handling the channel when the interview was conducted because Don Deshaies VP of channel management had left the company. That was followed by the nearly simultaneous departures of channel managers Roger Demers and Rick Burtt, who have long tenures in the channel business. Both left for other jobs; Deshaies did not have one lined up.

The Sage channel has also seen movement by VARs shying away from Sage 500, which is viewed as an endangered product. In November 2013, Lancaster, Pa.-based RKL eSoutions purchased the Sage 500 practice of Information Systems Management. Both are on this year's list, although the sale reduced ISM to $4.89 million in 2014 sales, down from $6.78 million the prior year.

RKL also purchased Accuvar in January, a company that has served as Clients First Business Solutions California. However, that deal involved only the Accuvar Sage practice, not the Dynamics AX business, which was retained by Clients First. RKL hit this year's list with $9 million in revenue, an increase from $7 million in 2013.

Elbowing In

Other vendors say they are profiting from the lack of true ERP cloud products from Microsoft and Sage, who still have by far the biggest reseller channels in the

midmarket.

In a recent interview, Acumatica CEO Jon Roskill said his company continues to see a stream of Dynamics and Sage VARs that are interested in adding other products. He noted that recently the 90 Minds Group of Sage resellers was having a meeting in San Diego, Calif., that was opposite an Acumatica event. Eight of them drove from San Diego to Long Beach to join Acumatica's channel.

Cris Nicolli, UXC

There has been a notable movement of VARs with excellent reputations to the cloud in the last 18 months. Acumatica signed Collins Computing. NetSuite picked up Socius and Net@Work.

Roskill says the important question is not whether a company utilizes resellers, but who owns the customer. With Acumatica, he says, end users "are the partners' customers and they use Acumatica."

Recruiting resellers has definitely not gone out of style with the advent of the cloud. New players continue to start channel programs—FinancialForce.com and Unit4, for example, although neither has formally announced the kickoff to recruiting. Meanwhile, a company that once had a sizable channel, Exact Macola, is putting attention into a long-neglected reseller effort.

The latter company just hired Gayle Prokop as its director of alliances and channel development. That follows last fall's unveiling of its Unity channel program, the first such effort in many years. At the time, Exact Macola managing director Alison Forsythe said the program marked "a renewed focus on uniting with its partners and strengthening the company's indirect sales model." At this month's Evolve conference, she accented the theme with what she said was a promise: "We would lead with partners in everything we do."

The Cloud

Yes, the cloud continues to have a major impact in the market. This year, a majority of firms, 55, carry at least one cloud product. That compares to 44 in 2014. However, the number is heavily concentrated in the second half of the list. Thirteen of the last 20 firms carry cloud products while only eight of the top 20 do.

Intacct was the cloud product carried by the most VARs, 24, with NetSuite second with 21, and Acumatica with 12. Three companies reported carrying SAP's Business byDesign and two named Infor's Cloudsuite.

In the recent vendor announcements, there have not been a number of larger VARs making the move to the cloud. As with the totals in the Top 100 lists, the progress has been more a steady movement than an explosion.

NetSuite usually manages to have one blockbuster name to reveal at its SuiteWorld conference. Although at this month's show, the only VAR reported was Big Bang ERP which was nowhere near making the Top 100 list, the company says that resellers are moving from their traditional desktop businesses to selling cloud products.

"We continue to see a steady stream out of that community," says Craig West, VP of channel sales for NetSuite. Customer readiness is the main reason that resellers are showing more interest in cloud products, West says. "Customer readiness is not an if anymore," West says. The cloud, he continues, "is a checked box on everybody's requirements list."

NetSuite plans to boost its channel's ability to meet demand. At SuiteWorld, the company announced a lead nurturing campaign that enables resellers to register a lead so the company's direct sales force stays away from the prospect. It has also started a Vertical Velocity program to help VARs move in to microverticals where they should have less competition and be able to command higher prices and margins for financial applications.

While the vendors are increasing their efforts, the VARs themselves are registering their increased interest in cloud products. In its Top 100 submission Micro Accounting Solutions/xkzero said it would add new cloud products to its Sage line up. Another Sage reseller, DWD Technology said its "Special focus for the forthcoming year will be cloud enablement of existing clients." That turned out to include adding Intacct to a Sage product line up.

Axis Technology of Simi Valley, Calif., a historical Sage reseller, noted its success in the cloud market.

"We have experienced unprecedented growth in new sales for cloud solutions from customers and prospects alike," the company wrote in its Top 100 submission. Arxis cited both demand for cloud computing "the market's general dissatisfaction with legacy products, and the dramatic improvements in reporting, process efficiency, and integration offered by cloud solutions.

CPA Firms

Another trend that continued was the ability of accounting firms to hold their own in the Top 10. It should be said that reflects the upward movement of firms willing to make a sizeable investment in technology consulting and reselling.

Four of this year's Top 10 are accounting firms: McGladrey, No. 1; Crowe Horwath, No. 6; Armanino, No. 7 and Sikich, No. 9, with Wipfli checking in at No. 12.

Go back to 2012 and there were also four CPA organizations in the Top 10, McGladrey, Crowe and Armanino, and each has improved its ranking since then. Only Wipfli, No. 7 in 2012, has dropped.

The big mover over three years has been Sikich, coming up from No. 13.

Otherwise, although the CPA firms are not present in great numbers, their numbers have been increasing. There is CliftonLarsonAllen, essentially an Intacct specialist, at No. 27; Eide Bailly, No. 35; BKD Technologies, No. 36; LBMC Technologies, No. 44; BCG System, No. 53, an accounting firm affiliate; RKL eSolutions, an accounting firm affiliate, No. 52; Stambaugh Ness, No. 57; White Owl Raffa, No. 73; and Boyer & Associates, No. 79. Also making the cut was No. 97, T3 Information Systems, a subsidiary of Washington D.C.-area accounting firm, Tate and Tryon. That is 16 for 2015, compared to 10 for 2012.

Intacct's platform is utilized by accounting firms to provide outsourced accounting. But most have stayed out the reselling business. Among the accounting firms carrying Intacct in this year's list, all but CliftonLarsonAllen have significant business selling products from other mid-market vendors.

One area that CPA firms appear to have an advantage in is industry focus. Resellers have long been told to serve vertical markets. Many larger accounting firms have

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Bob Scott's
TOP 100 VARs *continued*

	Company	Revenue ($MM)	Employees	Financial Software
75	**Queue Associates**, New York, N.Y.	6.1	50	Dynamics AX/GP/SL
76	**Technology Management Concepts**, Marina Del Rey, Calif.	6	27	Dynamics GP/NAV/SL, NetSuite
77	**Accountnet**, New York, N.Y.	5.8	20	Acumatica, Dynamics GP/SL, Infor
78	**Third Wave Business Systems**, Wayne, N.J.	5.6	36	Business One, Dynamics GP
79	**Boyer & Associates**, Minneapolis, Minn.	5.25	22	Dynamics GP/NAV/SL
80	**SouthEast Computer Solutions**, Miami, Fla.	5.2	25	Sage 100/300/500, X3
81	**Interdyn Artis, Charlotte**, N.C.	5.1	22	Dynamics GP, Intacct
82	**Resource Group**, Renton, Wash.	5.1	25	Dynamics GP, Intacct
83	**Synergy Business Solutions**, Portland, Ore.	5.1	25	Dynamics SL, Intacct
84	**Intellitec Solutions**, Wilmington, Del.	5.1	26	Dynamics GP/SL, Intacct
85	**Premier Computing**, Salt Lake City, Utah	5	20	Dynamics GP
86	**L. Kianoff & Associates**, Birmingham, Ala.	5	23	Dynamics GP, Intacct, Sage 100/500
87	**CAL Business Solutions**, Harwinton, Conn.	5	29	Dynamics GP
88	**Brainsell**, Topsfield, Mass.	5	52	Sage 50/100/300/500, NetSuite, QuickBooks Enterprise
89	**Information Systems Management**, Portland, Ore.	4.89	26	Acumatica, NetSuite, Sage 100/300, X3
90	**Brittenford Systems**, Reston, Va.	4.82	25	Dynamics GP/SL, Intacct
91	**SSI Consulting**, McLean, Va.	4.8	21	Dynamics GP/SL, Intacct
92	**Algorithm**, Mansfield, Ohio	4.8	23	Exact Macola ES/Progression
93	**Omnivue Business Solutions**, Alpharetta, Ga.	4.75	20	Dynamics AX/GP/NAV
94	**NexVue Information Systems**, Stamford, Conn.	4.6	16	Acumatica, Dynamics SL
95	**DWD Technology Group**, Fort Wayne, Ind.	4.5	21	Abila MIP, BusinessWorks, Sage 50/100
96	**AVF Consulting**, Baltimore, Md.	4.4	17	Dynamics NAV, Serenic Navigator
97	**T3 Information Systems**, Washington, D.C.	4.4	18	Dynamics GP/SL
98	**Martin & Associates**, Cincinnati, Ohio	4.3	21	Acumatica, Dynamics GP, Intacct, Sage 100/500
99	**JMT Consulting Group**, Patterson, N.Y.	4.2	23	Abila, Intacct
100	**Bennett Porter**, Portland, Ore.	4.12	22	Acumatica, Sage 100/500 Syspro

*Enavate formed in December as Project AX through the merger of MBS Dev and Celenia Software   E: Bob Scott's Insights estimate

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long been doing that, and that includes Minneapolis, Minn.-based McGladrey

To be fair, McGladrey's jump to $174 million for its latest fiscal year from $112.5 million had some help. Since it took over the No.1 position in the Top 100 for the first time, the firm merged its management consultant practice with its technology operations, adding revenue and about 100 consultants. The former Technology Practice is now the Technology and Management Consulting division.

But the firm still had a booming year in the mid-market, according to Steve Ems, principal and national ERP/CRM Leader.

"All of our ERP and CRM businesses are 22 percent over the prior year," EMS says.

McGladrey was Global Partner of the Year for NetSuite in 2014 and Partner of the Year for the Americas for 2015, essentially No. 1 and No. 2 with the cloud software firm because the awards are determined by revenue. It was not just new sales that

Steve Ems,
McGladrey

drove NetSuite growth. Since McGladrey has been carrying NetSuite products for four years, it started to see significant growth from the annual subscriptions.

"You get a rollover on the annuity," he says. That helps not just with the top line, but with profitability since there little expense is associated with the revenue coming in later years of the customer life with the reseller.

Five years ago, the practice was primarily based on sales of Dynamics GP and some CRM revenue. Ems says it now rests on what "I call my four legs." Those are NetSuite, Dynamics AX, the small and medium business market which involves both Dynamics GP and SL and Dynamics CRM.

"All are highly growth-oriented practices. Almost all four of those are now equal," he says McGladrey activity markets all of those products while at the same time, sticking to its market. "We are not trying to be the Big Four, We are the No. 1 service provider in the U.S. when it comes the midmarket ."

Marketing has thrived because the firm has resources. "We have the margin to support that," says Ems, who says along

with 23-percent revenue growth, the practice had 19-percent margin growth.

Ems attributes much of McGladrey's success to its industry focus. That includes CRM sales in the health and human services area, which produced some large contract wins. The firm also addresses nonprofit, life sciences and technology companies.

Patrick Falle,
Avalara

Active cross-selling also played a role. "We have done a much better job communicating with audit partners and tax partners," Ems continues. "If a client says they are frustrated with the ERP system, our partner doesn't ask, 'What is ERP?'" Instead, partners are referring clients to the technology side.

The cloud has had also an impact via more than just the accounting products. The sales and use tax applications from Avalara have an impact, even though the Bainbridge Island, Wash.-based company acknowledges that its product plays second banana to the ERP software lines.

"It will probably never be something somebody builds their business around, but it will be a profitable part of their business," says Patrick Falle, the company's channel chief. "We refer to other products as foundational products—we know our place in the crowd."

Largely reselling firms refer their customers to Avalara, which does the work from there. However, Avalara can prove a significantly more profitable than the financial applications. "It's going to be 5 percent of a partner's revenue but 1 percent of their time," Falle says. A reseller might make 9 percent net margin on an ERP title, but nearly 100 percent on Avalara.

Falle notes that Avalara has connectors to all the major accounting and ecommerce products so that no matter what the reseller carries, their ERP package can link to the company's Avatax. And more resellers will likely become involved with indirect tax products as the cloud matures and as legislation and court decisions change the face of taxation.

"If a reseller has 500 customers, we may be in 20 or 30 of them," says Falle. "If certain legislation passes, we may be in 400 of them. It becomes a significant part of the business. "■

Guide to Products Listed

Here are the products listed in this chart by vendor. When abbreviated, the abbreviations are listed first and the fuller name is in parenthesis.

Abila: *Abila MIP (former Sage Fund Accounting 100)*
AccountMate: *AccountMate*
Acumatica: *Acumatica*
Advanced Solutions International: *iMis*
Cyma Systems: *Cyma*
Deltek: *Premier, Vision*
Epicor: *Epicor*
Exact Macola: *Exact Macola, Progression*
Infor: *Distribution A+; SyteLine*
Intacct: *Intacct*
Intuit: *QBES (QuickBooks Enterprise Solutions), QuickBooks*
Microsoft: *Dynamics AX, Dynamics GP, Dynamics NAV, Dynamics SL, Dynamics RMS*
NAV-X: *NAV-X Distribution Software*
NetSuite: *NetSuite*
Open Systems: *OSAS (Open Systems Accounting Software), Traverse*
QAD: *QAD*
SAP: *B1 (Business One), ByD (Business ByDesign) Financials OnDemand.*
Sage North America: *Business Works, Sage 50, Sage 100, Sage 300, Sage 500, Sage 100 Contractor, Sage 300 CRE (Construction & Real Estate); PFW, X3*
Serenic: *Serenic Navigator*
Syspro: *Syspro*
TIW Technology: *Alere*

Bob Scott has been informing and entertaining the mid-market financial software company with his email newsletters for 16 years. And he has been covering this market through print and Internet-based publications for 24 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 *Bob Scott's Insights* since 2009.