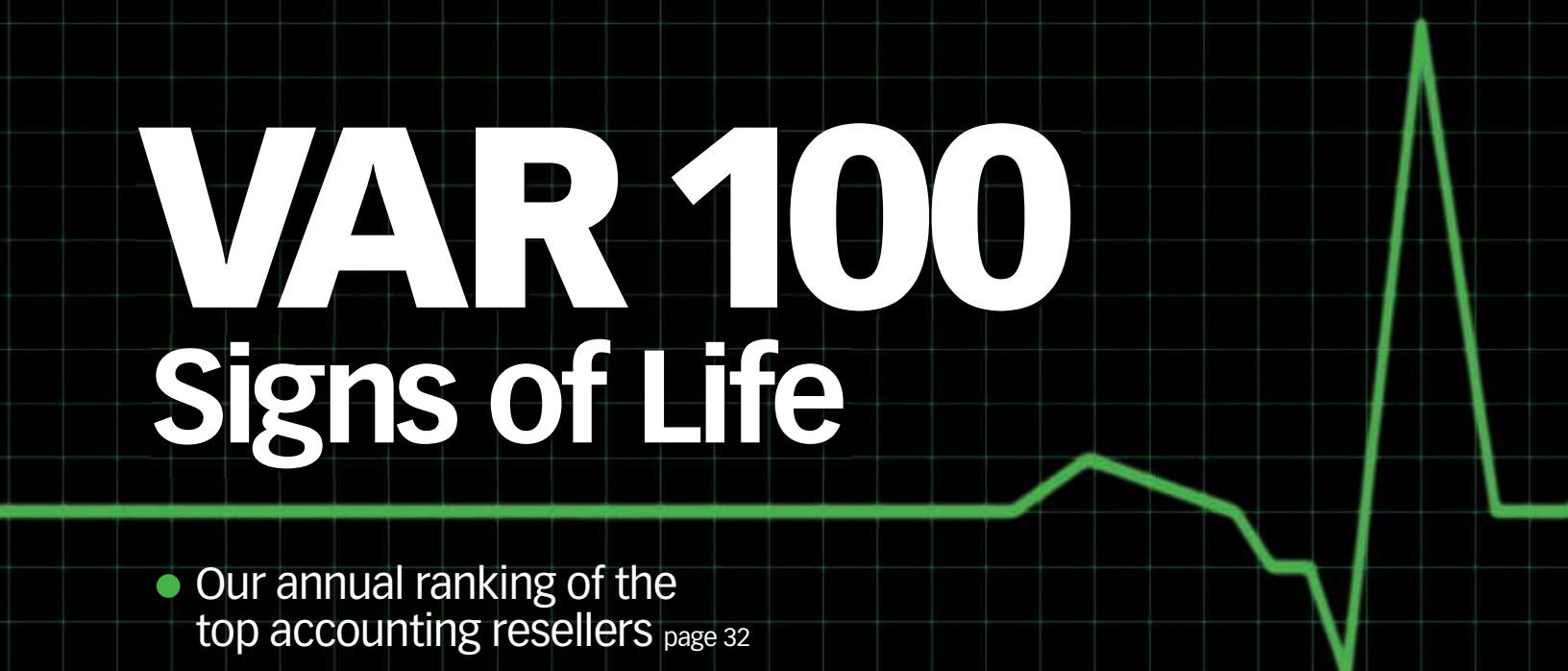


VAR 100

Signs of Life



- Our annual ranking of the top accounting resellers page 32
- Leading VARs identify the bright spots in an uneven recovery page 30

VAR 100: Some signs of life return

There's no dramatic rebound, but accounting resellers are finding some areas of growth

BY SETH FINEBERG

After nearly three years of suffering mostly declining sales, it appears there are some encouraging signs of recovery for top accounting and ERP software resellers.

As a result, a number of resellers are seeing an uptick in application purchases or reporting that customers are upgrading their long-neglected or outdated systems.

This isn't to say a full-on recovery is in effect for top VARs — far from it, in fact, as there were many resellers that continue to follow the seesaw course of the economy, showing spots of growth mixed with flat-to-declining results.

Those that did show signs of improvement claim a variety of factors affected their business, ranging from increased client purchases and the introduction of new products, to improved marketing efforts and, as in years past, taking advantage of acquisition opportunities.

Santa Monica, Calif.-based Microsoft Dynamics AX and NAV reseller SCS Inc. saw a slight bump in its revenue from 2009, to \$15 million, despite what chief executive Helen Russell still views as a "questionable economy." She sees her firm continuing to do well due to renewed marketing efforts and service, rather than just software sales.

"Our sales team has been virtually unstoppable, we really feel we've done an excellent job at that, but looking forward, it comes down to more targeted marketing and reaching our verticals with messages that let [clients] know we are here to help them improve their business," said Russell. "Secondly, and most importantly, is continuing to deliver a superior technical product, and provide excellent service. If you aren't delivering what's promised and more, then you'll be out of business down the road."

Alpharetta, Ga.-based OmniVue Business Solutions experienced a near 15 percent lift in revenue from 2009, climbing to \$8 million. But it also sees the down economy and uncertainty of its recovery as having the greatest impact on what

and how its clients will buy as well.

"The dramatic shifts [in the economy] have all of our clients seeking ways to increase their business agility, which enables them to see their business more clearly and react quickly to changing business environments," said OmniVue vice president of marketing Stuart Wingate. "The move to the cloud will have the greatest business impact over the next year because more companies are looking to reduce IT costs and have their IT departments focused on core needs. So, outsourcing the hardware and software for ERP solutions makes the transition more affordable when combined with predictable costs."

UNIONS ABOUND

Growth from some firms came in the form of acquiring new products as well as other firms, and for those in a capital and strategic position to do so, that trend looks set to continue.

Over the past year, Lancaster, Pa.-based Sage reseller RKL eSolutions — an offshoot of CPA firm Reinsel Kuntz Leshner — added Sage ERP X3 to its list of ERP product offerings and purchased long-time Sage partner Waterview IT in October. RKL president Joe Noll said these moves "created a positive buzz for us that has allowed us — a very technical and customer-focused company — to get [the kind of] marketing hype that a lot of our competitors have spent much time and resources on."

Other significant mergers over the past included the join-

ing of InterDyn BMI and InterDyn Progressive; national CPA and consulting firm RSM McGladrey's purchase of Caturano & Co., both of which had significant reseller businesses; the union of Jewel & Associates and Innovative Solutions Group to create Acumen Advisors; and Net@Work's acquisition of The Fitzgerald Group and later Forepoint, which made Net@Work a national VAR.

Also growing significantly through acquisition was Dynamics GP and AX and Intacct reseller Armanino Consulting, of San Ramon, Calif., which nearly doubled its 2009 revenue due in part to its August 2010 purchase of 1 Source Solutions — also known as Fullscope West.

Armanino Consulting partner-in-charge Tom Mescall, however, saw other factors contributing to its growth. "The

improving economy also provided the opportunity for many companies to invest some of their cash reserves into much-needed capital projects such as ERP implementation," he explained. "Corporate growth has come back in the high-tech, medical device and pharma-

ceutical industries. We see these industries growing through acquisitions and growing quickly via new products and markets, and we've experienced an increased demand for IT consulting and services."

NOT ALL GOOD

Still, despite noted improvements from a year ago — and even the past couple of years — many top VARs continue to struggle. In fact, 22 percent of this year's VAR 100 were off from last year, and several more who had appeared on past VAR 100 lists did not make the cut.

Sage and NetSuite reseller Hightower of Skokie, Ill., saw its revenue drop from 2009, citing economic conditions that continue to negatively impact its clients.

"As software manufacturers find it tougher to make their quarterly and annual net income goals, they will continue to squeeze their channel on margin and tier requirements," said Hightower chief executive Jeffrey Rosengarden. "It's tougher to make sales but we've been lucky, recruiting highly qualified and experienced individuals to our consulting and sales teams."

Open Systems and Sage reseller Applied Business Services of Gaithersburg, Md., also saw a dip in its revenue from 2009, as the unstable economy has prompted many of its clients to remain cautious about new software purchases.

"Many are delaying decisions based on the economy, so the close time is longer and also, many prospects are looking for longer payment terms," explained Applied Business Services president Maureen Williams, who nonetheless remained optimistic about the future. "Our customer service is appreciated much more due to the fact the larger firms are having cutbacks of their support services, and we are getting many new clients from other business partners' poor service. We've been hiring, not cutting back. We also have ramped up our marketing efforts. In the long run, I believe the small companies like ABS will excel." AT



BEYOND THE VAR 100: Ones to Watch

While our main list of the VAR 100 appears on pages 32 and 33, below are some firms that, though they did not make this year's list, are significant resellers who will bear watching in the future.

VAR / Location	Accounting software
Grassi & Co. / Jericho, N.Y.	Sage MAS 90/200/500, Timberline
InterDyn CFO Consulting / Orlando, Fla.	Dynamics GP, NAV
CAL Business Solutions / Harwinton, Conn.	Dynamics GP
Pannell Kerr Forster of Texas / Houston	Dynamics NAV
Explore Consulting / Bellevue, Wash.	NetSuite
Knaster Technology Group / Centennial, Colo.	Dynamics GP
Paradigm Technology Consulting / East Windsor, N.J.	Dynamics GP
Axis Integrated Solutions / St. Louis	Sage Accpac, Pro ERP, MAS 90/200, Peachtree
Templeton & Co. / West Palm Beach, Fla.	Dynamics GP, SL

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The 2011 VAR 100

	Company / Location	Revenue			Top executive(s)	Accounting software
		(\$ mns)	Offices	Staff		
1	Tectura ¹ / San Mateo, Calif.	300.00	45	1,600	Duane Bell	Dynamics GP, AX, SL, NAV
2	Columbus IT Partners ² / Copenhagen	168.00	41	883	Thomas Honore	Dynamics AX, NAV
3	RSM McGladrey ³ / Minneapolis	104.50	90	374	Jon Caforio	Dynamics GP, AX, SL; Intacct; Deltek; NetSuite
4	Tribridge / Tampa, Fla.	65.00	13	300	Tony DiBenedetto	Dynamics GP, AX, SL, NAV
5	Professional Advantage / Fargo, N.D. (U.S. HQ)	40.00	7	215	Derek Rippingale	Dynamics GP, AX; Infor FMS SunSystems
6	Crowe Horwath / Oak Brook, Ill.	38.10	26	160	Joe Santucci	Dynamics GP, AX
7	ePartners / Irving, Texas	35.00	13	175	Michael McCarthy	Dynamics GP, AX, SL
8	Net@Work / New York	27.00	9	147	Alex & Edward Solomon	Sage MAS 90/200/500, Accpac Pro, X3
9	Wipfli / Milwaukee	25.00	20	157	Rick Dreher	Dynamics GP, AX; QuickBooks; Sage MIP, Peachtree
10	Fullscope ^{A4} / Athens, Ala.	23.65	4	85	Russell Smith	Dynamics AX
11	Blytheco / Laguna Hills, Calif.	22.37	10	116	Stephen Blythe	Sage MAS 90/200/500, X3, BusinessWorks, MIP, FAS
12	BKD Technologies / Springfield, Mo.	22.20	29	80	Mike Bulew	Dynamics AX, GP; Sage MAS 90/200/500, X3
13	Sikich / Aurora, Ill.	20.44	5	91	Jeff Rudolph	Dynamics GP, NAV, SL; Epicor; SAP Business ByDesign; Sage MIP
14	ADSS Global / Easton, Pa., and Miami	19.80	30	96	Robert Campbell	Sage Accpac, MAS 90/200, MIP, Pro ERP
15	Western Computer ^A / Oxnard, Calif.	19.60	6	90	Tom Bardos	Dynamics AX, NAV
16	The Rand Group / Houston	17.20	2	62	Ron Rand	Dynamics AX, NAV, GP; Sage Timberline, X3
17	BroadPoint Technologies / Bethesda, Md.	17.00	3	85	Lee Raesly	Dynamics GP
18	I.B.I.S. Inc. / Norcross, Ga.	16.70	3	74	Andy Vabulas	Dynamics GP, AX
19	Socius / Dublin, Ohio	16.56	5	81	Jeffrey Geisler	Dynamics GP, AX, SL, NAV; SysPro; Sage MAS 90/200/500
20	SCS Inc. / Santa Monica, Calif.	15.00	3	60	Helen Russell	Dynamics AX, NAV
21	Infinity Info Systems / New York	14.50	5	75	Yacov Wrocherinsky	Integrations to Dynamics GP, NAV; Sage MAS 500; SAP ERP
22	Clients First Business Solutions / Holmdel, N.J.	14.10	6	76	Sheldon Kralstein	Sage MAS 90/200/500; Dynamics AX, NAV; SAP Business One; Epicor
23	Sunrise Technologies / Winston-Salem, N.C.	13.96	4	80	John Pence	Dynamics AX
24	LBMC Technologies ^{A5} / Nashville, Tenn.	12.87	3	43	See note	Dynamics GP, SL
25	Advanced Systems Integration ^A / Lake Forest, Calif.	12.04	1	25	David Payne	Dynamics AX
26	InterDyn BMI ⁶ / St. Paul, Minn.	12.00	5	65	John Hendrickson	Dynamics GP, SL, AX; Open Systems OSAS, Traverse
27	Clifton Gunderson Tech Solutions / Milwaukee	11.80	12	60	Kris McMasters	Sage MAS 90/200, Accpac; Intacct; Dynamics GP; Deltek; QuickBooks
28	Collins Computing Inc. ^A / Mission Viejo, Calif.	11.60	1	36	Randy Forkner	Dynamics GP, AX
29	InterDyn AKA / New York	11.50	3	50	A. Kahn & J. Ades	Dynamics GP, AX
30	SBS Group / Woodbridge, N.J.	11.00	15	75	James Bowman	Dynamics GP, SL, AX; Sage MAS 500; Acumatica
31	Aztec Systems / Carrollton, Texas	10.83	6	60	Andrew Levi	Dynamics GP, NAV, SL; Sage MAS 90/200
32	Cole Systems / New York	10.00	1	45	Dave Weiner	Dynamics GP, AX
33	Armanino Consulting ⁷ / San Ramon, Calif.	9.80	5	65	Tom Mescall	Dynamics GP, AX; QuickBooks; Intacct
34	NexTec Group Inc. / Seattle	9.26	6	49	Eric Frank	Dynamics GP, SL; Sage MAS 500, X3
35	Aktion Associates Inc. / Toledo, Ohio	9.20	6	60	Scott Irwin	Sage Timberline, Master Builder; Deltek Vision; Intacct; Infor
36	BCG Systems / Akron, Ohio	8.60	3	38	Mark Goodson	Dynamics GP, AX; Sage MAS 500
37	Grace-Hunt ^A / Hudson, Mass.	8.58	2	26	Kevin Comerford	Dynamics GP, NAV, SL
38	Vision33 Inc. / Irvine, Calif.	8.34	10	40	Anthony Whalen	SAP Business ByDesign, Business One
39	BAASS Business Solutions / Thornhill, Ont.	8.20	7	52	Joseph Arnone	Sage Accpac, X3, BusinessVision
40	Omnivue Business Solutions / Alpharetta, Ga.	8.00	1	35	Jeff Pyden	Dynamics GP, AX, NAV
41	Acumen Advisors / Reston, Va.	8.00	1	34	J. Jewel & K. O'Connor	Deltek Vision, GCS Premier
42	SIS Software / Duluth, Ga.	7.80	3	33	Steven Mulka	Dynamics SL
43	SWK Technologies Inc. / Livingston, N.J.	7.50	7	42	Jeffrey Roth	Sage MAS 90/200/500, X3, BusinessWorks
44	Saratoga Technologies / Johnson City, Tenn.	7.45	5	67	David Temple	Sage MAS 90/200; Dynamics GP
45	Symbiant Technologies / Maplewood, Minn.	7.30	1	22	David Hutchinson	Dynamics NAV
46	MIG Group / New York	7.25	1	35	Eric McGuardian	Dynamics GP, NAV, SL, AX
47	DSD Business Systems / San Diego	7.24	27	64	Doug Deane	Sage MAS 90/200/500, Accpac, Peachtree
48	First Tech Direct / Royal Oak, Mich.	7.00	3	43	John Silvani	Dynamics GP, AX, SL
49	Central Consulting Group / Minneapolis	7.00	4	30	Jim Falkanger	Deltek Vision; Intacct
50	CompuData / Philadelphia	6.80	1	27	Angela Nadeau	Epicor; Sage MAS 90/200/500; QuickBooks Enterprise

Key: All revenues are FY 2010, 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

Notes: 1 Figures based on published reports 2 Figures based on earnings report 3 Revenue factors in acquisition of Caturano & Co. in May 2010

4 Fullscope is a wholly owned subsidiary of Edgewater Technology Inc. 5 LBMC top executives: David Reynolds, Jeff McCorpin and Stacy Schuetzler

6 Merged with InterDyn Progressive in July 2010 7 Earnings reflect purchase of 1 Source Solutions on Aug. 30, 2010

	Company / Location	Revenue			Top executive(s)	Accounting software
		(\$ mns)	Offices	Staff		
51	Diamond Municipal Solutions ^B / Edmonton, Alberta	6.76	4	41	David Burke	Dynamics GP
52	Mibar Computer Services / New York	6.35	1	29	Bart Nachimow	Dynamics GP; AccountMate SQL
53	InterDyn Cargas Systems / Lancaster, Pa.	6.20	2	45	Chip Cargas	Dynamics GP
54	FMT Consultants ^A / Carlsbad, Calif.	6.20	2	40	Eric Casazza	Dynamics GP
55	The TM Group Inc. / Farmington Hills, Mich.	6.20	2	31	Judy Thomas	Dynamics GP, SL, NAV
56	SVA Consulting / Madison, Wis.	6.03	2	25	John Baltes	Dynamics GP, SL, NAV; Acumatica
57	Accordant Co. / Whippany, N.J.	6.00	9	40	Bob Sandelands	Sage Timberline Office, Enterprise, Master Builder
58	RKL eSolutions / Lancaster, Pa.	6.00	3	26	Joe Noll	Sage MAS 90/200/500, X3, Accpac, Pro ERP
59	Accountnet Inc. / New York	5.90	4	24	Anne Claire McAllister	Dynamics GP, SL; Acumatica
60	AVF Consulting / Towson, Md.	5.77	1	30	Andrew Fass	Dynamics NAV; Serenic Navigator
61	Achieve IT Solutions / Port Jefferson, N.Y.	5.75	5	26	Timothy Singleton	SAP BusinessOne
62	ABC Computers / Waupaca, Wis.	5.68	4	30	Donovan Lane	Dynamics GP, NAV
63	Equation Technologies / Toronto	5.60	2	22	P. Wade & E. Burles	Sage Accpac; Deltek Vision
64	BCS ProSoft / San Antonio	5.50	4	37	Clark Haley	Sage MAS 90/200/500; Deltek Vision
65	Technology Management Concepts / Marina Del Rey, Calif.	5.50	1	17	Jennifer Harris	Dynamics GP, NAV
66	Arxis Technology Inc. / Simi Valley, Calif.	5.30	4	22	David Cieslak	Sage Accpac, MAS 90/200/500; SAP Business ByDesign
67	Queue Associates / New York	5.10	2	29	Jeff Goldstein	Dynamics GP, AX, SL
68	ISM/Barsa / Portland, Ore.	5.10	4	28	BJ O'Reilly	Sage MAS 90/200/500, Accpac
69	Britec Computer Systems ^A / Calgary, Alberta	5.00	7	55	Roger Katarey	Sage Accpac, BusinessVision; Dynamics NAV
70	Axis Global Partners / Chicago	5.00	5	20	Manny Buigas	Sage Accpac, Pro ERP
71	The Resource Group / Renton, Wash.	4.96	1	22	Marty Schillaci	Dynamics GP
72	JMT Consulting Group / Patterson, N.Y.	4.90	6	23	J.Tiso & K. Hollrah	Sage Fund Accounting, MIP; Intacct
73	Practical Software Solutions / Concord, N.C.	4.90	1	22	Vince Stamey	Sage MAS 90/200/500, X3, Timberline Office, MasterBuilder
74	Kerr Consulting & Support / The Woodlands, Texas	4.80	5	23	Dave Kerr	Sage Accpac, Pro ERP, MIP; CYMA; AccountMate
75	Southeast Computer Solutions / Miami	4.80	1	23	Sonia Ferrera	Sage MAS 90/200/500, Accpac ERP
76	IronWare Technologies / Denver	4.80	2	20	Brian Grote	Dynamics GP, SL
77	e2b Teknologies / Chardon, Ohio	4.76	1	32	William Henslee	Sage MAS 500; Epicor 9; SAP Business One
78	Eskel Porter Consulting ^A / Sacramento, Calif.	4.75	2	30	John Eskel	Dynamics GP
79	Demand Solutions Group / Los Gatos, Calif.	4.70	3	34	Todd Fitzgerald	NetSuite
80	NexVue Information Systems / Stamford, Conn.	4.70	1	15	Daniel Schwartz	Dynamics GP, SL, NAV
81	Rose Business Solutions / San Diego	4.66	3	12	Linda Rose	Dynamics GP, AX, SL, NAV
82	Third Wave Business Systems / Wayne, N.J.	4.60	5	36	Korey Lind	Dynamics GP; SAP Business One
83	L. Kianoff & Associates / Birmingham, Ala.	4.50	1	23	Lisa Kianoff	Dynamics GP; Sage MAS 90/200/500
84	Hightower Inc. / Skokie, Ill.	4.40	1	30	Jeffrey Rosengarden	Sage MAS 90/200/500; NetSuite; SysPro
85	OTT Inc. / St. Paul, Minn.	4.40	1	22	Eric Sheehan	Dynamics GP
86	InterDyn Artis / Charlotte, N.C.	4.30	2	18	Gary Artis	Dynamics GP
87	Synergy Business Solutions / Portland, Ore.	4.10	2	21	Stephen Toth	Dynamics SL; Intacct
88	Applied Business Services Inc. / Gaithersburg, Md.	4.10	1	15	Maureen Williams	Open Systems Traverse, OSAS; Sage Fund Accounting
89	Brittenford Systems / Reston, Va.	4.05	1	20	Shereen Mahoney	Dynamics GP, SL
90	NextLevel Information Solutions / Miami	4.02	5	24	G. Doris & M. Lehr	Sage Accpac, Pro ERP
91	Altico Advisors / Marlborough, Mass.	4.00	1	20	Richard Maloney	Dynamics GP
92	Micro Force Inc. / Huntington Station, N.Y.	3.92	3	17	Jim McCann	Dynamics GP
93	Merit Solutions / Wheaton, Ill.	3.75	2	30	Bill Burke	Dynamics GP, AX
94	SSI Consulting / McLean, Va.	3.75	2	21	Bill Aiton	Dynamics GP, SL
95	InterDyn Lanac Technology / Chicago	3.70	1	24	Dale May	Dynamics GP
96	Raffa / Washington, D.C.	3.70	2	20	Tom Raffa	Dynamics GP, SL; Intacct
97	Cornerstone Consulting / Tampa, Fla.	3.50	1	21	David Boos	Sage Pro ERP; SAP Business One, Business ByDesign
98	Martin & Associates / Cincinnati	3.50	1	20	Kevin Martin	Dynamics GP; Sage MAS 90/200/500, BusinessWorks; QB Enterprise
99	Stanley Stuart Yoffee & Hendrix / Ft. Lauderdale, Fla.	3.50	2	16	Angela Stuart Mills	Dynamics GP, SL, NAV
100	Boyer & Associates / Minneapolis	3.50	1	12	Jack Boyer	Dynamics GP, SL; Acumatica

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Notes: 8 Diamond Municipal is a division of StarDyne Technologies Inc.