VENDOR NOTE

ASCENTERP:
THAT "OTHER" CLOUD ERP VENDOR

By P.J. Jakovljevic, TEC Principal Analyst
February 2015
www.technologyevaluation.com

AscentERP—That “Other” Cloud ERP Vendor

When one thinks of truly cloud enterprise resource planning (ERP) solution providers for midsize manufacturers and distributors, Plex, NetSuite, or Acumatica might come to mind. If one then adds to that salesforce.com’s ecosystem at the AppExchange marketplace, Rootstock Software or Kenandy might also be thought of, but ironically not AscentERP by Precisio Business Solutions, although the latter has many more customers than its two aforementioned talked-about peers combined. (FinancialForce.com can be a competitor in theory in non-manufacturing environments, but it is not unlikely for AscentERP and FinancialForce.com to partner for some opportunities.)

The AscentERP founders started the company in 2006 and launched it at the Dreamforce 2007 conference. At that time, the company only had one screen that showed inventory visibility. Its founders like to say that the company was born from the mud of the marketplace. AscentERP (the name suggesting “ascending into the cloud”) is not an older outdated system that was converted to the Force.com cloud platform. It wasn’t an accounting system that customarily added on inventory and manufacturing features either. The founders created AscentERP from scratch and designed it for the Force.com cloud platform (now the Salesforce platform). The three co-founders are second-generation business owners in manufacturing and distribution with an eye for innovation through technology. They took 85 years of combined knowledge and created AscentERP.

Figure 1. AscentERP look-and-feel

Currently, AscentERP has customers in 11 countries, with about half the customer base outside of the U.S. Most of its early customers came via personal connections of the founders and were unhappy customers of older versions of Microsoft Dynamics ERP products. Bosma Enterprises, a non-profit distributor of medical supplies and Indiana's largest employer of people who are blind or have vision loss, is one of AscentERP's customers (its video testimony can be seen here).

Lately AscentERP has been seeing its share of larger deals, which include several in the range of 200 users, quite a jump from its typical user count in the past. The product supports multiple currencies and is written in English and Mandarin as base languages, but the vendor has begun converting to Spanish with French completion slated for the first half of 2015. AscentERP certified partners have been instrumental in its global growth, with partnerships in the United Kingdom, Benelux, Australia, Singapore, and the U.S. The vendor is adding other certified partners in strategic locations and claims to be very stringent about any overlap and intra-ecosystem competition. AscentERP is as loyal to its partners as they are to the vendor.

AscentERP Co-founder Reveals the Best Kept Secret in the Market

To further discuss the obscure vendor's current state of affairs, we recently met and spoke to Shaun McInerney, co-founder and president. McInerney has 22 years of sales and marketing experience in the high tech arena. He spent over 10 years at Avnet, Inc. in various sales and management positions. His contacts in both the software and hardware industries have been instrumental in AscentERP's growth and product integration.

TEC: Please describe your install base (number of customers) and any generic profile (size, geographic region, industry, average number of users, etc.); in other words, what would be the "sweet spot" customer?

SM: We keep our exact numbers private, but look at the AppExchange: 60 customer reviews and growing. We did not build AscentERP for one specific customer but for many different industries. We have wholesale distribution business to business (B2B) and business to consumer (B2C) customers, engineer to order (ETO), and assemble to order (ATO) manufacturing clients (see Figure 2 below for our current product scope). We span many markets, including electronics, garments, medical devices, consumer goods, farm to fork, and rental. Our primary market sizes follow salesforce.com's classification of emerging small business, small to medium business (SMB), and mid-market.

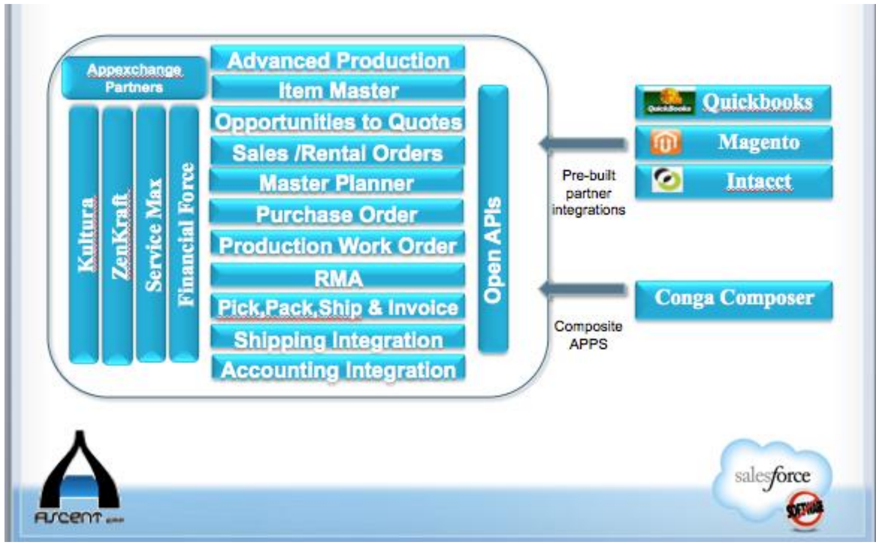

Figure 2. AscentERP product scope

TEC: What is your mobility and business intelligence (BI)/analytics strategy (i.e., anything added by you to the Force.com tools)? What's your take on the upcoming Salesforce Wave and Lightning tools?

SM: When we talk about mobile we think barcode scanning inside the four walls. We have very comprehensive features and functions within AscentERP that optimize the warehouse operations with wireless scanning. From rugged Android devices to our latest breakthrough: true barcode scanning with iOS devices. It is an iTunes app that turns Apple iOS devices (iPod Touch 5th generation, iPhone 5, and iPad Mini) into true high-speed barcode scanners, through use of a scanner sled available from Honeywell. This plays well with AscentERP's roots in warehouse data collection and is a key element in many of our customer case studies.

We think the Salesforce1 mobility platform and Lightning user interface (UI) building tool are great advances, and we will take full advantage of both. We are still only watching the Wave cloud analytics platform for its capabilities and pricing down the track.

TEC: Why do you think the market is in need of yet another cloud ERP provider like AscentERP?

SM: We believe there is no other ERP cloud product like AscentERP—we are built from the ground up on Force.com, making us the most sustainable, extensible, and flexible solution on the market. The aforementioned cloud ERP competition at AppExchange is fine with us (if not even validating). In fact, FinancialForce.com and Intacct are great accounting partners that offer a synergistic sale (as we don't offer accounting capabilities).

TEC: Are manufacturers ready and amenable to Salesforce Chatter-based social collaboration? What have your experiences been?

SM: Ready and amenable, perhaps, but are they using Chatter for the operational side, not really. We see Salesforce Community licenses having a more important role in opening and connecting the entire supply chain. Partner and customer community licenses are an inexpensive way to connect your suppliers and your customers directly into your ERP, whereby customers can place orders, look up inventory, track shipments, request returns, etc.

If you outsource your manufacturing and you do not give your contract manufacturer/assembler a partner license, then there is lots of double entry and a lag in data. Why not send your purchase orders and releases to the contract manufacturer with a license instead of an email or fax? Then, the contract manufacturer can update you directly as to the shipment and tracking numbers, etc., to eliminate your team entering that data. Salesforce Communities can enable seamless integration of the supply chain.

TEC: What were the major highlights in 2014 for you (customer, partner, and functionality-wise), and what do you expect in 2015 and beyond regarding demand for your solutions across different territories and industries?

SM: 2014 saw exponential growth of our business, we continue to focus our R&D efforts on features and functions that enhance our core product. We have released integration with QuickBooks and Magento. Both products have helped us earn new business. Our iOS development has only begun to create new revenue streams.

We also launched the first and only rental solution on the AppExchange for companies that rent or loan out equipment. We are already seeing interest from current customers in the construction industries, but event organizers and medical equipment rental businesses are also prospective customers here. We rolled out the use of voice to run a picking operation and our iOS capabilities are going to change the face of enterprise mobility.

We expect 2015 to be the strongest year yet. Salesforce.com has created the demand and the market for enterprise class software in the cloud. AscentERP is poised to support an ever demanding global customer base. Stay tuned for more ground breaking supply chain technology in the Force.com cloud.

TEC: Is there anything you are at liberty to volunteer on the company's future moves, i.e., new functional scope, verticals, etc.? Or simply, is there anything you would like to add?

SM: Our customer base is very wide, and our 2015 goals are to drive deep, meaning we will focus on some very strategic verticals such as the rental marketplace, the flooring industry, farm to fork, and a few others that I am not at liberty to discuss at this stage. We are constantly innovating and I promise you will not be disappointed with some technology advances coming soon.

About Technology Evaluation Centers

Technology Evaluation Centers (TEC) provides insight and expertise in offering impartial resources and services to minimize the costs, risks, and time associated with software selection. Over 3.5 million technology decision makers visit TEC's Web sites each month, to find information on hundreds of solutions, and to access articles, white papers, and podcasts.

TEC's decision support system (DSS) and analyst data assist with the evaluation, comparison, and selection of enterprise solutions and services. TEC's offerings include in-depth research, detailed product information, and software selection services for any industry or company size.

Technology Evaluation Centers Inc.
740 St. Maurice, 4th Floor
Montreal, Quebec
Canada, H3C 1L5

Phone: +1 514-954-3665
Toll-free: 1-800-496-1303
Fax: +1 514-954-9739
E-mail: asktheexperts@technologyevaluation.com
Web site: www.technologyevaluation.com

ASCERP20150203

Technology Evaluation Centers