Q&A: DXone Executives
A brief look at this new Acumatica-powered ERP

by: Brent Hoskins, Office Technology Magazine

Increasingly, office technology dealerships are turning to the DXone ERP as a replacement for their legacy billing and field service systems. To date, around 10 BTA Channel dealerships have fully made the transition; another 30 to 40 dealerships are in the process.

Recently, Office Technology magazine interviewed DXone CEO Alex Cribby and Executive Vice President of Business Development Gavin Williams. Below are several of the questions asked and their responses.

Alex Cribby

Gavin Williams

OT: What was the genesis of DXone and how has it progressed since then?

Cribby: It has been about four years in the making, just from a development perspective. We weren't going to build it from scratch. We wanted to partner with an enterprise ERP company that was born in this century and that was in the cloud. We were fortunate enough to get introduced to Acumatica. That's where it all started — the platform on which we were going to build DXone.

In addition, we didn't want to pay the "dummy tax," making the mistakes of the past. Combined, Gavin and I have 60 years of channel experience. I would say that the first few steps we took were strategic, including going out and understanding the pain points, the needs of the industry. We also looked at what a modern ERP looks like today and what an ERP for this industry should look like in five years, 10 years or 20 years. So, it was partnering with Acumatica, building an executive team of people who came from the industry, understanding the channel and understanding the pain points of legacy systems that exist in the channel today.

The guiding question: How can we put the dealer first in every development and operational decision that we make? If the dealer comes first in all of our decision making — whether it's development or operations or integrations or partnerships — if we put the dealer community and the channel first, then we will succeed.

So, again, it started by partnering with Acumatica and several years of development and customizing on top of the Acumatica platform. Out of the box, from a functionality perspective, Acumatica delivers 80% of what the channel needs from the core modules of enterprise accounting, financials, inventory management, warehouse management, field service, contract management, dispatch support, etc. We just needed to go in and build on top of that to customize it specifically for this industry and focus on contract billing, inventory management and field service. So, first it was a journey of development. Now it's execution time.

OT: What can you share about DXone in terms of the structure of the company, the size of the team, how it's growing, etc.?

Cribby: From an executive team standpoint, I started by bringing on Gavin, plus two or three others who have significant channel and ERP experience. We're currently in hypergrowth mode as far as the infrastructure from a resource perspective, primarily with the implementation team. We've added three implementation people in the last quarter. We're bringing in three more this quarter. So, we're scaling as we grow.

We recently added our new chief product and technology officer, who we brought in directly from Acumatica, to help lead from a development perspective, which was a huge pickup for us. He happens to have some industry experience, too, which was a reason why we targeted him. There are currently 15 people on the team; by the end of Q2, that will probably increase by about seven people.

From an investment standpoint, it's kind of a mix. We've got a few VCs [venture capitalists] involved. Plus, Acumatica made a very large investment and joined our cap table at the first of the year. They [Acumatica's leaders] believe in the opportunity and the mission of DXone. They also really support the channel. They show that every single day from a partnership standpoint and from an investment standpoint. I mean, they're making heavy investments in DXone and the office

technology channel, making sure they're showing that they stand behind DXone from a product perspective and stand behind the industry to make sure that the company brings a modern ERP to market that's going to fit the channel's needs.

OT: Will the DXone ERP do everything that e-automate does?

Williams: That's kind of a loaded question, right? Because "everything" is a big word. But, in essence, since you used the word, it does. The critical functionality for the industry is being able to accurately build a contract, manage a contract, the field service and things like that. That's all the core functionality that we have customized by way of Acumatica for this industry.

The big difference between the environment of today and where dealers can go with DXone is they're not forced to run their businesses just like every other dealership. With our product, dealers have the flexibility to have their own business processes and manage their processes the way they want to manage them, but with all the core functionalities taken care of by us that relate to the intricacies of our industry.

OT: What can you share about the time and cost associated with the conversion to DXone from another ERP?

Williams: We're not going to sugarcoat it; for any business converting any major backend system, it's not a fun experience. I mean, it has some pain in it. However, we have really focused on easing that pain for the dealer, and Acumatica itself provides tremendous functionality in that it has AI built into the data conversion process. What that means is it's not replacing a lot of that functionality, but it's using AI to analyze the data that's coming in and taking away the human element of having to look at every bit of information that's being put in, and making sure that it's accurate and correct. It can easily identify everything it knows is correct and provides alerts of "here's data that needs to be validated or should be looked at." So, that component is a tremendous time saver when it comes to conversion.

The conversion time is a bit subjective, based on dealership size, right? The larger the dealership is, the longer it's going to take because of the amount of data. We've also seen that larger dealerships have a lot more specific business processes. Those kinds of things take a little longer because they need to be integrated, making sure the business processes work correctly. So, the conversion time can be as quick as 30 days or as long as six months.

As far as a cost, we do a flat-rate engagement, so there are no hidden fees. We figure that all out ahead of time. Again,

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going back to the fact that there are a finite number of systems in the industry, we always know what we're in for when we're beginning an implementation. The only thing that can change that is if the dealer wants to go above and beyond with additional customization.

OT: What can you share about the cost of DXone ERP?

Williams: We are very up front about our pricing. So far, every dealership we've converted to DXone has seen cost savings. That's a pretty good indicator of the pricing there. We have a very different pricing model that is advantageous for our industry. We have an industry with a lot of overhead to manage in the back office. Our product was designed for that kind of environment. DXone allows for unlimited users and pricing is based on what volume the dealer is actually doing. Plus, depending on what other things the dealers are doing and what other systems they may have, some go away; they don't need them because they're built into the platform. One of the big things with DXone is that there are no up-front fees with our system. Yes, there is an implementation fee, but because of its model and being a SaaS-based platform, there are no up-front license fees.

OT: Does DXone incorporate managed IT into its ERP?

Williams: For dealers, this has been an issue in the industry since we started migrating to managed services. For dealerships that have more specific needs and want to do things themselves, there is built-in functionality within DXone for managed IT services, but for the majority of dealerships, we're working with ConnectWise. The point of the integration between ConnectWise and DXone is consolidated billing and having proper financials. Ultimately, our vision is to have a single view of sales, service, financials and inventory for managed services, traditional imaging, office supplies, furniture and e-commerce.

OT: Does DXone have a mobile app for field service techs?

Williams: Field service is one of Acumatica's big industries. That was a big check box for us when we were assessing ERPs. So, yes, there is a mobile app for field service, with built-in GPS tracking — and it's not just for field service. It's for the entire business. So, if someone is sitting on the beach and needs to access a purchase order, he (or she) can do that from his phone. ■