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Why Moving from Basic Accounting or Legacy Software to Cloud ERP Is Essential in the Age of AI

The Inflection Point for Modern Business Growth

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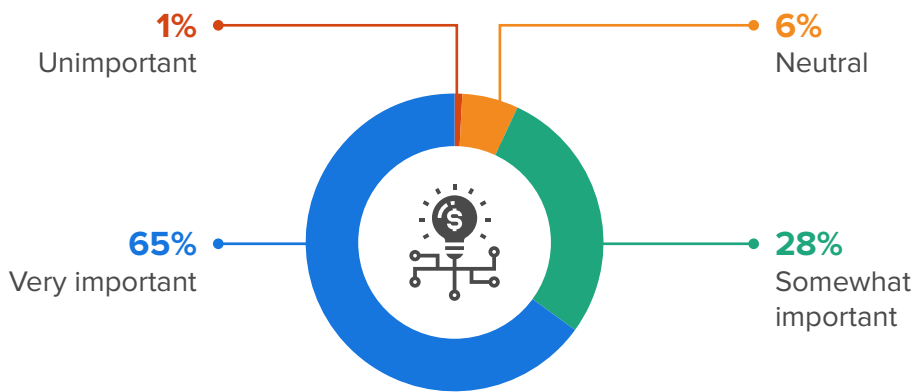
Why Moving from Basic Accounting or Legacy Software to Cloud ERP Is Essential in the Age of AI

The Inflection Point for Modern Business Growth

Many small and medium businesses (SMBs) eventually realize that entry-level accounting tools can no longer keep pace with their needs. The same holds true for outdated, on-premises legacy software. As transaction volumes rise and business models become more complex, businesses often find it difficult to maintain accurate, real-time visibility into performance. Managing multi-entity, multi-currency, inventory-based, or subscription operations becomes especially challenging. These limitations slow down decision making and increase the risk of errors.

Today's customers expect speed, accuracy, and personalization at every touchpoint, placing pressure on businesses to operate efficiently despite tight margins and rapid change. Technology is increasingly central to meeting these expectations. About two-thirds of SMBs say technology is very important to business growth, more than one-quarter say it is somewhat important, and only 1% consider it unimportant.

SMB Views on the Importance of Technology to Business Strategy



As business demands intensify, relying on “good enough” business software is often no longer sustainable. Manual processes and data silos limit productivity, complicate GAAP/IFRS compliance, and make multi-entity operations difficult.



As a result, more businesses are turning to comprehensive **ERP (Enterprise Resource Planning) solutions** for the data integration, scalability, and AI-enabled capabilities needed to compete and grow.

Basic accounting tools handle core financial tasks, such as bookkeeping, invoicing, and payroll, but were never designed to manage the full scope and complexity of a growing business.

In contrast, modern ERP systems unify and streamline a range of business functions, including supply chain management, order-to-cash processes, inventory management, CRM, human resources, intercompany accounting, and project accounting. Unlike entry-level accounting solutions, ERP platforms are built to scale. As a business grows and adds new users, branches, entities, data, or operational requirements, the system expands without compromising performance.



Before Acumatica, we probably had six different software between pictures, CRM, insurance, budgeting, QuickBooks, all the different aspects of running a business. And it was all in different spots. So, six different licenses, six different ways of doing things. It was a nightmare. It really was.

- Brad Heise, Phoenix Renovation & Restoration

Over the years, ERP systems have also evolved and become more accessible, giving SMBs capabilities once reserved for large enterprises. Integrated workflows, real-time visibility, and AI-driven insights empower smaller businesses to compete effectively and innovate at scale. **Key ERP software benefits include:**



Comprehensive functionality and real-time insights. ERP systems integrate workflows and data across departments, creating a single source of truth. This enables seamless coordination and more informed, data-driven decisions. While basic accounting tools often rely on static, outdated reports, or manual consolidation of reports in spreadsheets, ERP systems deliver real-time dashboards, analytics, and shared workflows that keep teams aligned.



ERP automates routine tasks such as data entry, invoice generation, and financial reconciliation. By connecting finance, production, inventory, projects, and sales, automation spans multiple departments, improving visibility, speeding decision making, and increasing productivity. Employees have more time to focus on higher-value analysis and customer engagement.



Improved regulatory compliance. As businesses grow, compliance needs become more demanding. ERP software includes built-in controls to help organizations meet tax, reporting, and industry-specific requirements. Standardized processes and centralized data ensure accuracy, auditability, and confidence in proper controls.



Before Acumatica we didn't know our costs accurately. We didn't have part numbers and most of the visibility on sales orders was via Excel files. It was very task oriented and really hard to keep track of the status of orders.

- Luis Burgos, Director of Operations,
Q-PAC



Cloud ERP is more than a technology choice—it's a strategic enabler. Unlike traditional on-premises systems, cloud ERP solutions eliminate heavy upfront investments and ongoing maintenance headaches to reduce capital expenses, enable remote access, and deliver continuous innovation with built-in enterprise-grade security. The result is faster growth, greater agility, and a resilient foundation for staying competitive in today's fast-paced business world.

Benefit	Details
Cost effectiveness	On-premises ERP solutions require large upfront investments in hardware, licensing, and IT infrastructure. Cloud ERP systems operate on a subscription model, reducing initial costs and providing predictable monthly expenses. Maintenance and upgrades are handled by the provider, easing the financial and operational burden on internal teams.
Accessibility and mobility	Cloud ERP solutions support remote work and multi-location collaboration by enabling secure access from any device with an internet connection.
Automatic updates and continuous innovation	Cloud platforms give organizations access to the latest features, security enhancements, and innovations, without disruptive manual upgrades.
Reduced IT burden	Maintenance, patches, and troubleshooting shift to the provider, allowing IT teams to focus on strategic initiatives rather than system upkeep.
Enhanced security	Cloud ERP providers invest heavily in advanced security protocols, such as encryption, MFA, and audit logs, to protect business data from cyber threats.
Disaster recovery and business continuity	Cloud systems offer built-in redundancy, automated backups, and disaster recovery capabilities that protect against outages, hardware failures, and disasters.
Scalability and flexibility	Cloud ERP can scale instantly to support new users, departments, business models, or locations—without costly hardware investments.



Cloud-based was paramount. When you're small, you just don't have the infrastructure in human capital to have a full server set up and all the things that have to go with it. One of the things that I really like about Acumatica is that it was built from the ground up cloud-based. They didn't start in a traditional client-server base and then convert it.

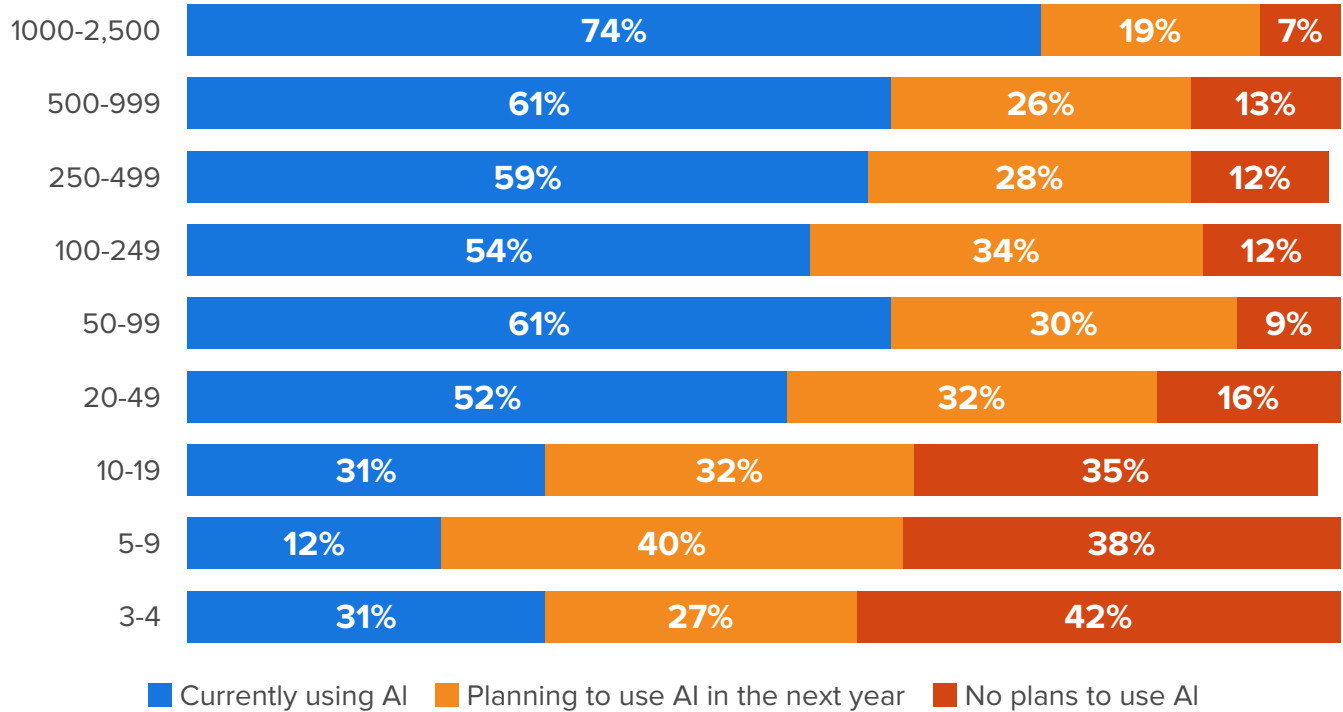
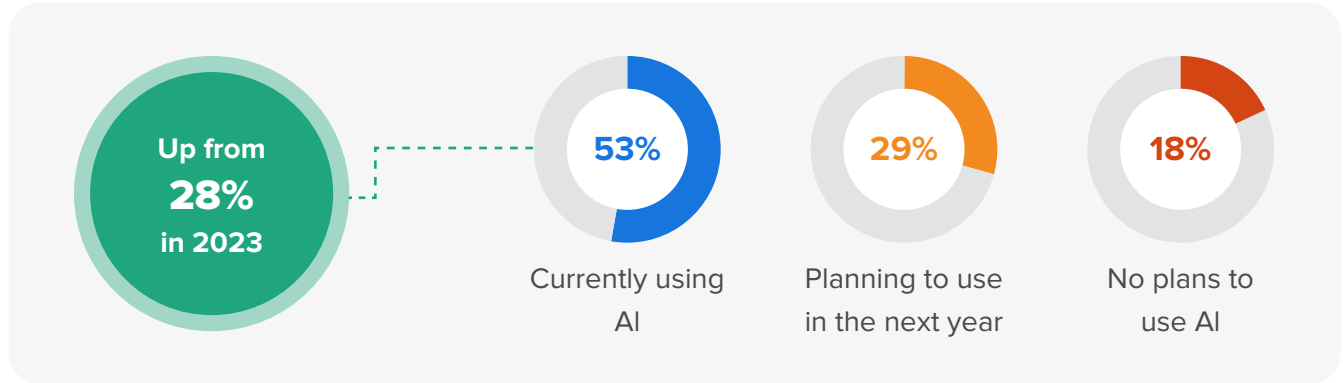
- Bob Scott, CFO, Carma Group

Cloud ERP systems combine scalability, security, and continuous innovation, enabling businesses to operate with agility, reduce operational burdens, and concentrate on growth and maintaining a competitive edge.

AI's Transformational Value Across SMB Operations

AI is quickly reshaping how SMBs operate, compete, and grow. SMB adoption has been rising rapidly over the last few years. Currently, 53% of SMBs indicate that they already use AI, up from 28% in 2023. Adoption increases dramatically with company size.

SMB AI Adoption (2025)

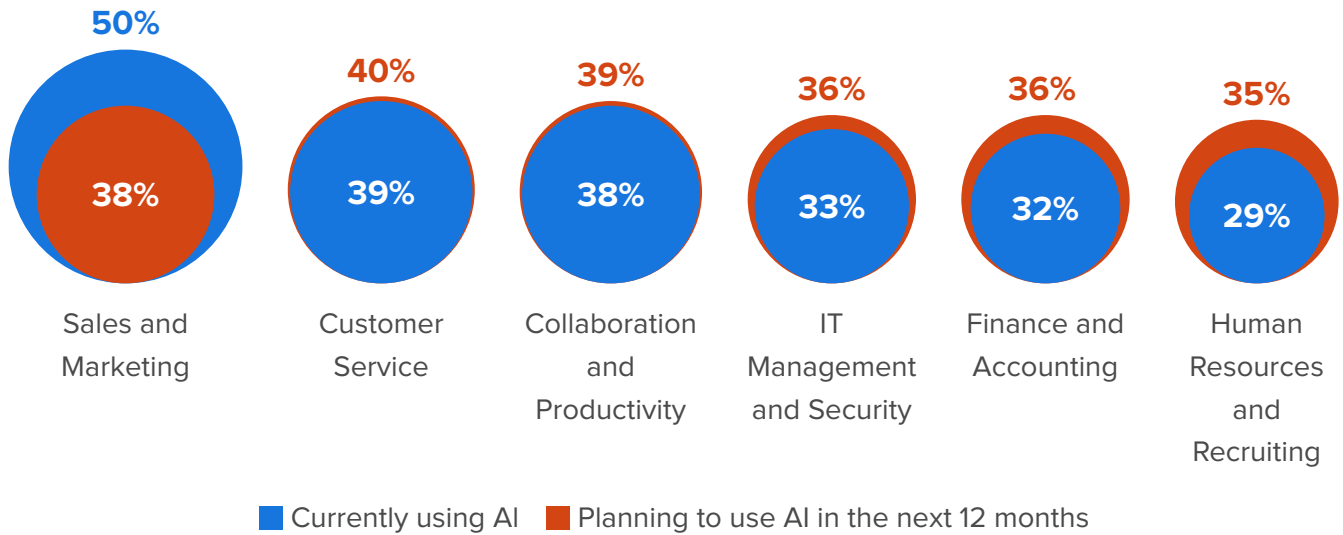


Source: SMB Group's Impact of AI on SMBs Survey Study, 2025

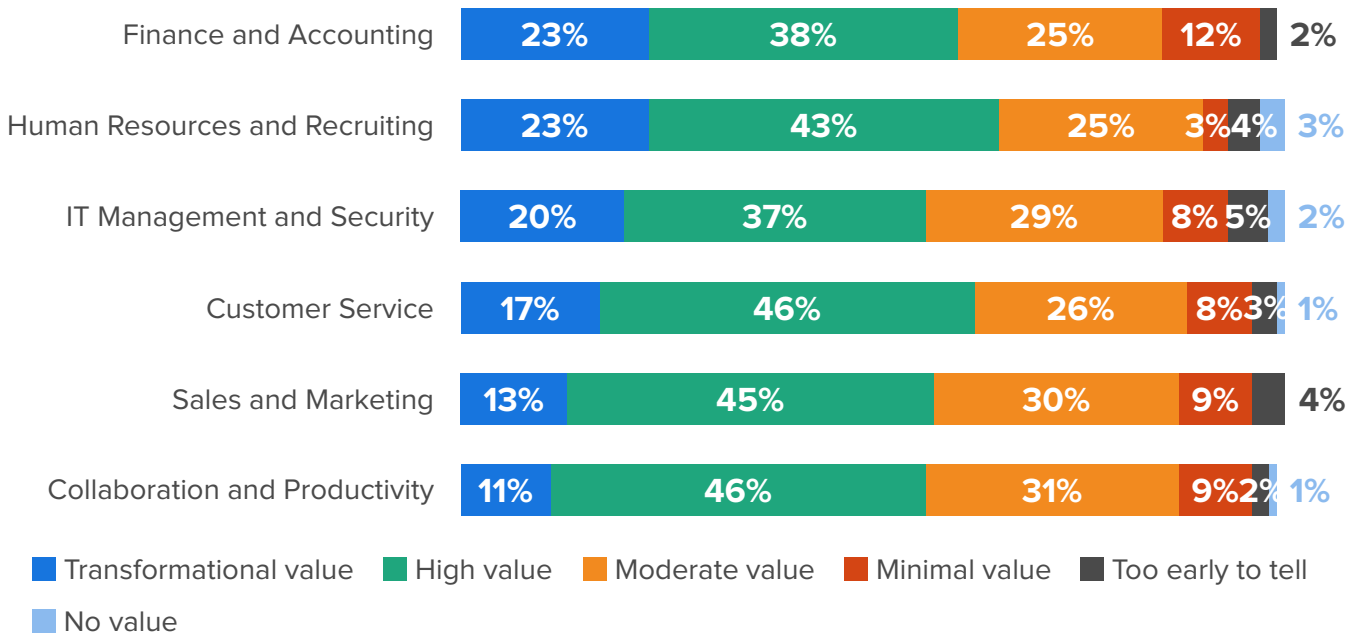
AI adoption among SMBs is already significant across several business functions, with sales and marketing leading the way. Plans to use AI in the next 12 months are strong across all functions. Overall, the data suggests that SMBs recognize AI’s potential to enhance both customer-facing and operational processes.

SMB AI Adoption, Plans, and Value of AI Across Business Functions

SMB Use and Plans for AI



Value of AI (Current Users)



Source: SMB Group’s Impact of AI on SMBs Survey Study, 2025



50%+ of current AI users report that AI provides transformational or high value across all business functions



Most importantly, over half of SMBs using AI report that it delivers high or transformational value across all major business functions. Respondents see the most transformational impact in IT management and security, finance and accounting, and HR and recruiting—areas rich with structured data and standardized processes. SMBs are most likely to rate customer service, collaboration and productivity, and sales and marketing as delivering high value.

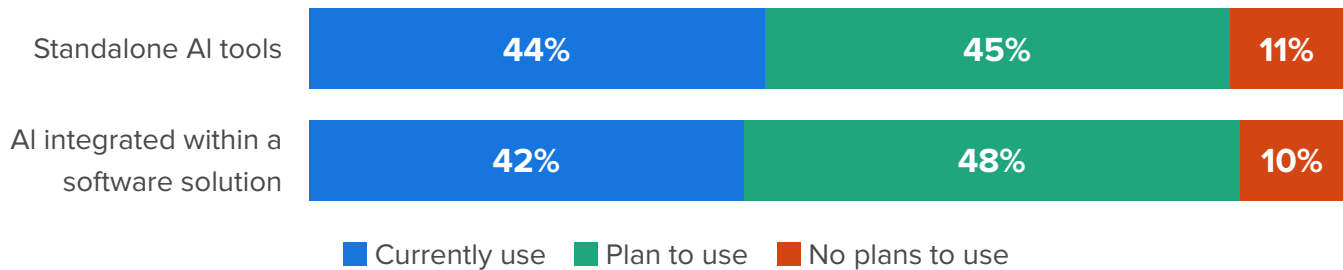


These findings validate the business case for adopting AI across a wide spectrum of functions—not just customer-facing, but also operational and administrative. Finance, HR, and IT may be slower to adopt, but these functions involve many repetitive tasks, and solutions are rapidly maturing. In addition to improving operational efficiency, AI can reveal anomalies in financial data, flag potential compliance risks, and enable smarter, faster decision-making.



Many SMBs currently use both standalone AI tools and AI integrated within business applications. Overall, most SMBs not currently using one or both of these modes plan to use them in the future.

SMB Use of Standalone AI Tools and AI Integrated Within Business Applications



Source: SMB Group's Impact of AI on SMBs Survey Study, 2025



Both options are valuable. Standalone tools (for example, OpenAI's ChatGPT, Google Gemini, Anthropic's Claude, etc.) are great for individual creative tasks, such as brainstorming, content creation, or customer service scripts. Since they don't need to be integrated with existing systems, SMBs can begin using them instantly through a browser or mobile app.



Most business applications vendors now embed AI capabilities within their solutions, making them ideal for supporting more structured business processes and workflows. With this approach, vendors integrate AI into their systems and workflows. No separate logins, APIs, or manual data entry are needed. The AI uses company-specific data from CRM, ERP, or productivity tools (alone or in tandem with public LLMs) to deliver more relevant and accurate results. **Security and privacy risks are lower** because data is kept within the existing platform's security and compliance framework. It's also easier to track AI-driven efficiency or cost savings within the context of business metrics and KPIs.



Acumatica has been quite impactful for our business. ... We've seen marked process improvements and better control over our operations ... making it an excellent choice for small to mid-sized companies like ours.

- Alex Hiler, Controller, Tek-Fins, LLC



In comparison, **entry-level accounting systems offer more limited AI functionality for tasks such as transaction categorization, reminders, or anomaly detection.** But because operational, sales, inventory, customer, and service data live in disconnected systems, there is no unified dataset for deeper insights. Without shared workflows or cross-functional context, AI cannot optimize processes across the business. Inconsistent or siloed data also prevents AI from delivering real-time alerts, forecasting, or automation beyond basic accounting.



Cloud ERP systems consolidate financial, operational, and customer data into a single system, allowing AI to access the clean, connected, and real-time information necessary to produce comprehensive results. Embedded AI capabilities within business applications help automate manual tasks, surface insights, personalize experiences, and reveal new growth opportunities.



By combining unified data with AI, cloud-based ERP solutions deliver advanced capabilities that enhance decision-making, operational efficiency, and scalability. The table below highlights key AI-driven features and the benefits they provide across the organization.

Cloud ERP AI Capability	Description	Benefit
Predictive forecasting and cash-flow optimization	Uses AI to anticipate future financial trends.	Improves cash flow management and enables more proactive decision making.
Automated AP/AR matching and reconciliations	Streamlines accounts payable and receivable processes to reduce manual errors and accelerate financial closing.	Increases productivity and lowers operational costs.
Intelligent inventory planning and replenishment	Optimizes stock levels by predicting demand to minimize stockouts and excess inventory.	Improves visibility and efficiency, and helps optimize cash flow.
Personalized pricing and quoting	Tailors pricing and quotes for individual customers based on historical data and market conditions.	Enhances customer experience.
Precise anomaly detection	Uses AI-driven analytics to identify meaningful deviations from normal patterns with minimal false positives.	Flags real issues early by identifying meaningful deviations without excess false alarms.
Real-time data extraction	Continuously captures and updates data as it is generated for immediate analysis and action.	Supports faster decisions by delivering continuously updated, current data.

Cloud ERP AI Capability	Description	Benefit
Faster order-to-cash cycles	Automates and accelerates the full order-to-cash process.	Improves cash flow and operational efficiency.
AI agents for employees and customers	Virtual assistants handle routine tasks, address inquiries, and provide support.	Enhances customer experience and allows agents to focus on higher-value interactions.
Scalable operations without increasing staffing	Streamlines workflows and reduces the need for manual intervention.	Enables businesses to scale efficiently while maintaining—or even improving—service levels.
Security and compliance	AI inherits the cloud ERP security framework (for example, audit trails, access controls, and encryption).	AI maintains a consistent, secure data governance model, enabling real-time automated compliance monitoring to improve audit readiness.



With the type of work we do for F1 teams, we need to have full traceability of material certs and all those sorts of things. Trying to do that on a spreadsheet we needed to employ eight people just to do that. Acumatica has completely transformed the business and allowed us to concentrate on what we need to be concentrating on, instead of spending time filling out spreadsheets.

- Adrian Perkin, Operations Director, Venture Engineering

Successful cloud ERP adoption starts with a well-structured plan. While every organization's path is unique, the steps below outline the foundational activities necessary to support a smooth, efficient, and well-managed implementation.

Step	Purpose
Secure buy-in across leadership and teams	Gain alignment and commitment from executives and key stakeholders to ensure a smooth and supported transition.
Data cleanup and migration	Ensure all financial, operational, and inventory data is accurate, complete, and ready for import into the new system.
Process standardization	Streamline workflows across departments to align with best practices and maximize ERP efficiency.
Change management	Prepare employees and organizations through training, communication, and support to encourage adoption and minimize disruption.
Clear expectations for timeline and rollout	Establish milestones, responsibilities, and phased rollout plans so all stakeholders understand the path forward.
Define success measurements and metrics	Establish clear performance indicators and outcome targets to evaluate progress, inform decision-making, and ensure the ERP delivers the expected business impact.

Even the best-laid plans can encounter obstacles that impede adoption, delay benefits, or reduce ROI. Recognizing these common pitfalls early allows organizations to take proactive measures and achieve more successful outcomes.



One of the biggest things I say to people when they are about to take on Acumatica as a project is to get buy-in. Make sure people are comfortable using it. Make sure that multiple users are involved in the implementation and training. Once everybody starts using it the results start to speak for themselves.

- Dakota Mitchell, Production Manager, Event Engineering





Rebuilding flawed workflows in the new system:

Simply migrating existing processes without re-evaluating them can replicate inefficiencies and limit the potential benefits of ERP technology. Implementation should be an opportunity to streamline and optimize workflows.



Underinvesting in training:

Employees need adequate training to use the new system effectively. Insufficient training leads to errors, low adoption, and frustration, undermining overall ROI.



Treating ERP implementation as an IT project rather than a company-wide transformation:

Viewing ERP solely as a technology upgrade overlooks its broader impact on operations, decision making, and strategy. Success requires engagement and alignment across all departments and leadership levels.

Effective cloud ERP migration is as much about people and processes as it is about technology. By securing leadership buy-in, rethinking workflows, preparing employees, and defining clear success metrics, organizations can minimize risks and realize the full value of their ERP investment.



Selecting the right cloud ERP solution is a critical decision that can shape an organization's operations and growth for years to come. A thorough evaluation of key criteria, such as those discussed below, helps reduce risk and ensures the chosen system can scale with the business.

Criterion	How to Evaluate
Functional fit	Assess whether the ERP system supports your core processes and business-specific requirements.
Industry expertise	Look for vendors with experience in your sector to ensure alignment with best practices and regulatory standards.
Integration capabilities	Confirm the system can seamlessly connect with existing applications such as CRM, payroll, or e-commerce platforms.
AI roadmap	Review the vendor's plans for analytics and automation features to ensure the platform will evolve with your needs.
Security and compliance	Verify the ERP system provides robust protections, including encryption, access controls, and adherence to industry regulations.
Total cost of ownership	Consider not only licensing fees but also implementation, training, maintenance, and future upgrade costs.
Platform openness	Ensure the system allows customization or extensions without locking you into proprietary tools.
Ease of use	Evaluate the interface for intuitiveness to reduce training time and encourage adoption across teams.
Ease of doing business with the vendor	Assess responsiveness, support quality, flexibility in contracts, and willingness to partner on long-term solutions.



Nothing we were being shown was a true 360-degree ERP system that had the ability to be customized to any degree needed. What impressed us about Acumatica was its cloud-based and the manufacturing module and inventory control functions have a lot of customization features. Charging by the user would be a deal breaker for us. Not everybody is using the system at the same degree of power, but we would be very turned off by a user-based licensing model.

— Kai Earthsong, VP of Supply Chain Management, Happy Valley

Successful ERP selection involves balancing functionality, scalability, and practical factors such as ease of use and total cost of ownership. Systematically evaluating each criterion helps organizations to choose a platform that meets today's operational needs while supporting long-term growth, innovation, and adaptability in a dynamic business environment.

The Future: AI-Enabled, Data-Driven, Cloud-First Operations

In today's rapidly changing environment, the key question is: Can your business afford inaction? Delays compound inefficiencies, slow decision-making, and risk falling behind competitors already leveraging cloud ERP technology and innovative AI capabilities. Inaction carries hidden costs that can constrain growth, profitability, and long-term resilience.

Basic accounting tools such as QuickBooks offer a strong starting point, but they cannot support the speed, complexity, and intelligence required for modern growth. Legacy systems are simply outdated and don't provide the flexibility or capacity needed to help scale operations. If operational bottlenecks, inaccurate reporting, or scalability challenges are impacting performance, cloud ERP provides the visibility, control, and agility needed to drive the next phase of growth.

Cloud ERP is more than a system upgrade. It is the foundation for innovation, scalability, and AI-powered competitiveness. As AI and ERP technology evolve together, we will see increasing automation across finance and operations, AI agents orchestrating cross-departmental workflows, and continuous optimization powered by real-time data.

Forward-thinking leaders recognize that proactive investment in cloud ERP technology and AI is essential for future-ready, resilient, and scalable operations. By embracing these technologies now, organizations position themselves to seize new opportunities, adapt quickly to market shifts, and build a competitive advantage that grows over time.



About



Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.



SMB Group is a research, analysis, and consulting firm focused on technology adoption and trends among small and medium (1–999 employee size) and midmarket (1,000–2,500 employee size) businesses. Founded in 2009, SMB Group helps clients to understand and segment the SMB market, identify and act on trends and opportunities, develop more compelling messaging, and more effectively serve SMB customers.

