

AccountMate's Dierke Thinks Small

By Robert W. Scott

(May 1, 2007)—Three years ago, three managers acquired the now 23-year-old AccountMate operation from Sage Software, which inherited the business by purchasing Softline, which in turn had acquired the independent AccountMate late in 2000.

The team, CEO David Dierke, COO David Render, and chief technology officer Tommy Tan have been running the company since May 2004 with the goal of making AccountMate a small company that is easy to work with.

Dierke spent several years as marketing vice president at SBT Accounting Systems, leaving that business before it was acquired by the former Accpac International, which was in turn purchased by Sage. Dierke and many SBT veterans joined AccountMate during its Sage ownership.

In this interview, Dierke discusses management's goals and challenges, as it works to remain an independent company in a consolidated market for accounting software.

What has been the key to AccountMate's survival?

We are not afraid to talk to the business partners and say 'we made a mistake' and correct it. We listen to business partners as much as we can. Communication is absolutely key for us to survive.

What problems did you experience working for a larger company?

One problem is that you can't influence the product.

What is different about AccountMate?

With AccountMate, if you hit 'Return' on the newsletter, the email comes to me. Also, most of the business partners have my direct number. All of the top 30 have my cell phone. You have to put the business partners' profits and longevity ahead of the company. That's difficult at times. Sometimes, what they want is not in AccountMate's best interests. They may not like the answer, but if they understand how you came to the conclusion, it makes all the difference in the world.

Microsoft recently announced it will drop Visual Fox Pro, the database engine for the AccountMate line. Will this decision have a big impact on your company?

It's a big deal if you haven't been awake and listening for what's been going on with Microsoft for the last five years. We have been preparing our partners for the fact that the end was near for Fox Pro.

How is the company addressing the issue?

We are moving to Microsoft's Visual Studio, pulling our logic out of our screens and putting it into a new tier to allow our business partners to take advantage of .Net. The nice part is that it doesn't leave our older business partners behind. They can still do modifications and take advantage of their expertise in FoxPro and others can move into the new language.

Does the change help or hurt AccountMate itself?

We don't lose everything and we do gain. Our customers want to stay current with builds and new features, especially with the high level of adoption we have with life-cycle maintenance. What are the benefits of the new maintenance program? It stabilizes a lot of things. It stabilizes the business partners' income. From a company standpoint, the most important thing is a much higher adoption rate of maintenance programs. Before, longtime customers would go off maintenance and go on maintenance four years later.

Why is that good for the reseller?

Keeping customers on maintenance means they stay current and don't all need upgrades at the same time.

AccountMate is fairly expensive. How can you compete with cheaper offerings?

Our competitors are really helping to educate the customer to the worth of our solution and it's a costly solution. I had a quote going out to one end-user and it was a \$98,000 quote just to get started, and they are going to be adding another 40 seats on top of it. But they are coming up off SAP Business One. But they actually had moved to a new solution and lost 9 points on their bottom line.

Your resellers are highly specialized. Many of your competitors are emphasizing vertical markets. What do you think their experiences will be?

I think they are in for a rude awakening. When you have these large conglomerates coming in, they don't have the experience on the sales floor that they need to serve these specialized markets.