

# Accounting software hitting its numbers

ACL Services expects tougher accounting rules to benefit sales, which are already hovering around \$27 million

Glenn Drexhage

The numbers continue to add up for a much-lauded auditing software firm.

Vancouver-based **ACL Services Ltd.** is set to enjoy another increase in annual revenues, a sign that its revamped strategy is paying dividends.

Final numbers aren't yet available, but president and CEO **Harald Will**, 37, estimated that revenues for the fiscal year ended July 31 will be about \$27 million, representing low double-digit growth over the previous year.

"I don't think there's been a year that we haven't grown revenues," Will said of the private company. The firm is also profitable and hasn't relied on outside funding since beginning in the 1980s.

"When we started, [the money] came from blood, sweat and tears," Will recalled, adding that profits were reinvested back into the company over the years.

Today, ACL has 152 employees, most of whom are based in Vancouver. Other employees toil in its Belgium office. It also works with about 50 contractors around the world.

The firm has established itself as a leader in auditing software. In the August issue of *Internal Auditor*, a magazine for the U.S.-based **Institute of Internal Auditors**, ACL was handily chosen as the leader

for various functions.

Industry insiders also lauded the result.

"It's more confirmation that they are 'it' right now," said **Rich Lanza**, the founder of the specialist Web site *Auditsoftware.net*.

Lanza, based in New Jersey, also works in the audit department of toy retailing giant **Toys "R" Us**, where he uses software from ACL and other manufacturers.

He highlighted the speed of ACL's auditing product and the company's strong reputation.

"I would definitely say [that] in the audit market, they're it," he added.

About three years ago, ACL decided to widen its approach into "business assurance." Essentially, this is a broader application of auditing functions, bringing together all kinds of data to ensure a client's compliance with various internal and external requirements.

"It is about the integrity of the transactions in the business, but it's not just financial transactions," Will said, adding that ACL took this direction as a natural extension of its audit business and as a way to ensure growth.

Lanza applauded ACL's standing in this area. "They seem to be the only one out there doing it," he said.

There are other firms offering software for the auditing commu-

nity, such as Toronto's **CaseWare IDEA Inc.** Standard desktop products, notably from **Microsoft Corp.**, also present competition.

So far, customers seem to like ACL's offering. The firm has more than 150,000 licensed users in over 130 countries, ranging from top corporations to national, regional and local governments.

In B.C., clients include the provincial ministry of finance and the Big Four accounting firms, Will said.

Will expects recent accounting scandals to improve his company's stature. An environment of corporate austerity has developed following the collapses of **Enron** and **WorldCom Inc.** and the ensuing introduction of legislation such as the Sarbanes-Oxley Act in the U.S.

Will noted the increased awareness of compliance issues in this setting. "What we do and what we've always done has always been at the core of good corporate governance," he said.

However, he added that software, or any other tool, can only do so much. "[With] things like WorldCom, no technology is going to stop that type of abuse."

That said, upgrades in the software world never stop. ACL is no exception. At the end of June, it introduced the latest version of its audit offering at a Las Vegas conference.

"It's a good software," Lanza



STUART DAVIS

**Counting: For ACL Services CEO Harald Will, software revenues add up**

commented. "I find it much more user-friendly than past solutions."

More products are planned for the remainder of this year, along with partnership announcements,

Will said.

In the spring, Will also became the chair of **AceTech**, the local academy for technology chief executives.

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