

Technology: The Competitive Edge

In a tough economy, where vacancy may have increased and revenues may have shrunk, the focus on the bottom line becomes much more acute. While waiting out the economic storm, both property managers and property owners should look for ways to maximize efficiency and the bottom line now, and even more importantly look for ways to be best poised to lead the market when the upturn comes.

Technology is a core part of business operation, so it stands to reason that how a real estate manager utilizes technology will have a direct impact on the efficiency and success of the business. Therefore, in times of trouble property managers and owners should not completely cut IT budgets and initiatives, but rather reforecast them, and pursue technology that will enable them to be as competitive as possible both in the short-term and the long-term.

Commercial and multifamily real estate executives seeking to gain the most value from every dollar and the most efficient use of their time have an ally in today's most advanced business software. Compelling technologies that offer significant opportunities for new business, cost savings, efficiency and sustainability—and which are easily integrated with existing property management systems—include:

- Portals that use the Internet to promote dynamic integration between property websites and property management documents and data. Advantages for commercial property operators include paperless storage and distribution of property management documents, exposure of available space to the public or to selected brokers, online maintenance request processing, instant access to tenant ledger information, building security pass systems, revenue through concierge services, and a repository for evacuation plans and other emergency information.

For multifamily managers, portals also provide dynamic marketing of properties and unit availability, online applications and credit checks. Online services available to residents include payments, service requests, and lease renewals, among many others.

Portals have become a key technology because they integrate with the core property management and accounting system. For example, records are updated in real-time, availability is dynamic and automated, and service requests appear instantly on the maintenance manager's dashboard. Online payments auto-apply to resident and tenant charges, post directly to the GL and AR, and facilitate auto-deposits to the bank account via EFT.

One portal user, Westdale Real Estate Investment and Management, offers insight into the technology's value. "Integration with the property management system as really a key for us," said Jaymz Yates, Westdale's director of Information Technology. "Letting our community managers track availability and effective rents and enter specials in the property management software, which then automatically reflects on the website, is huge." (*Units* magazine, 2009 Technology Supplement)

- Automated rent payment and invoice processing systems that cut costs, errors and labor and maximize cash flow. Electronic rent processing systems convert checks to electronic transactions, with automated workflow. They automatically update resident ledgers and the general ledger and make same-day EFT deposits to the bank, maximizing cash flow. Third-party interfaces are no longer needed

- Similarly, electronic invoice processing solutions automate workflow through the approval process, all the way to payment. Property managers gain benefits in the form of lower cost for paper, mailing and storage, fewer errors produced by redundant data entry, late-fee avoidance, and early-pay discounts. Drill-down to transaction data via a review dashboard are other features of such systems.

Rent and invoice processing systems both leverage the core property management system's data integrity, workflow, and automation, and they store images for easy retrieval

- Integrated business intelligence solutions that provide visibility into growth and profit opportunities and drive fast, confident decisions by pulling real-time data from a single, centralized database. Analytics on such key performance indicators as occupancy, lease renewal rate and NOI are presented in dashboards with user-configurable single-screen overviews, will full drilldown capability. With the means to easily identify portfolio-wide inefficiencies and strengths, owners and managers can make smart, proactive decisions, mitigate risk, and respond quickly to changing conditions

These are only a few of the advanced software technologies currently available to the property management industry. Many property managers and owners are either taking advantage of technologies like these, or are exploring the options. As an industry, it will only strengthen all of us to ensure that all are informed and educated about the technology that can help make our businesses better. By hearing from some IREM members about their technology initiatives, we hope you were able to gain insight into how you might leverage technology to help improve efficiencies and make your business better, particularly in these difficult times.