4 TIPS TO HELP PROPERTY MANAGEMENT COMPANIES PREPARE FOR 2019

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Property management companies face a wide range of new challenges daily. From maintenance requests to accounting and portfolios, they have their hands full. Add to that changes to the economy and regulations and managers have a long list of 'to-dos' to tackle before the new year begins.

Luckily, early planning helps property management companies to avoid challenges before they arise. As they prepare for 2019, here are the top four tips property managers need to know for a year of maximum growth and profitability.

Stay Up to Speed
- Read local and national real estate news, attend conferences, and stay engaged with local government for regulatory updates.

Be Proactive
- Procrastination is the quickest way to ruin customer service and lose both renters and owners.

Identify Areas to Increase Efficiency
- Everything from customer contacts to work orders can be tracked and managed through a centralized, secure, paperless system.

Have a Long-Term Growth Plan
- As you plan for the next year and beyond, evaluate processes that can be improved. Do you have the resources you need to achieve those goals?

1 STAY UP TO SPEED

The Property management industry is continuously evolving as owners and renters demand more in residential and commercial properties. External forces like interest rates, regulatory changes, and even political events have a massive impact on what's attainable and profitable. Always keep your finger on the local real estate market's pulse. Average rents rise and fall, as do vacancies. Neighborhoods become more and less popular. Staying up to speed on the local property industry gives clients the confidence that their properties and revenue are in the right hands.

In many states, property managers are licensed and require annual classes or professional development credits to maintain an active property management or broker's license. But even if further education is not needed, managers and their staff should regularly read local and national real estate news, attend training workshops and conferences, and stay engaged with local government for industry trends and regulatory updates. As a start, consider setting news alerts or joining LinkedIn groups.

If you combine professionalism with industry knowledge, your team will have what it takes to impress existing clients and earn valuable referrals. Outside of the real estate landscape, there are other areas you should stay focused on as well. For example, the technology you use to track billings, expenses, accounting records for clients, communications, maintenance requests, and all the other moving parts in your business.

Financial and communication technologies are evolving rapidly, and it's important to stay on top of them. Just as you take care to remain appraised of local rental market conditions, be sure to keep up-to-date on the tools and software you rely on for routine processes. As your team explores new platforms, remember that technology is built to improve centralization and efficiency. Modern renters and property owners are used to a world optimized for their convenience including apps with 24/7 access and near-instant responses. Think about what tech your team needs to improve the day-to-day, including security, payment processes, and reporting.

2 BE PROACTIVE

Most renters have a story about a property manager that didn't respond quickly to a problem. A prompt response may have prevented further issues. For example, waiting on a plumbing issue causes both inconvenience for the renter and added costs for the owner. It's essential to give a similar level of urgency to all parts of your property management business.

Procrastination is the quickest way to ruin customer service and lose both renters and owners. Don't leave any repairs hanging over your head coming into the new year season. Repair and maintenance staff don't want to work during the holidays, and tenants don't want to live with outstanding repairs.

Remember that when hiring outside companies or individuals for maintenance, you pay them as a 1099 worker. Unlike employees that get a W-2, you need to issue a 1099 form annually for qualifying outside vendors, which in most cases is anyone paid $600 or more in a calendar year. Also **employ the right systems to make vendor payments quick**, easy, and less expensive to process.

When it comes to move-outs, it's important to take the time to conduct thorough property inspections before each tenant moves in and when each tenant moves out. Good inspections with photos, signed by the renter, offers legal protections and can help you get units turned and re-rented with minimal vacancies
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As far as year-end finances are concerned, even property managers that own their properties must complete paperwork at the end of the year. Financial year-end processes include getting all accounting records updated, generating year-end financial reports for taxes, and other administrative tasks. With the right financial systems, this may happen in just a few clicks. Even when managing properties for tenants and handling their financial reporting, you should be able to easily generate profit and loss statements, balance sheets, tax forms, and other year-end financial reporting with ease.

There's more paperwork to do than just financial reporting. You'll also need good organization and documentation for legal forms like leases and owner agreements. You'll also need records of things like maintenance notices, rent payment records, security deposits, and anything else that demonstrates past financial records and services provided.

Anywhere you can go paperless, you should. Paper is bad for business. Not only is it expensive to restock printers and buy ink, paper is a major security concern and takes a lot of work and space to organize and file. Paper ruins productivity and hampers efficiency, so you should **work to eliminate paper from your workflows** anywhere possible.

3

IDENTIFY AREAS TO INCREASE EFFICIENCY

Property management is a very hands-on business. It takes a significant effort to maintain properties and keep everyone happy. Anything your team can do to save time and money at the office is key to long-term success. These areas tend to offer straightforward opportunities to increase efficiency.

Do you know where your time goes during the workday? How about the time of your staff? Using project management tools like Asana and time trackers like RescueTime can help you stay organized. When it comes to automating financial tasks, you can find **high-quality tools that plug right into your existing accounting systems** for better results, transparency and lower costs. For example, AvidXchange provides an AP automation platform that automates invoice and vendor payment management. Automated processes have proven to save saving time, money and improve reporting capabilities. That's a win-win for everyone involved.

How do current tenants contact you and how do you track those contacts? If you use paper notes to track complaints and push to-do lists and work orders around the office, it is easy to drop the ball even when you have the best intentions. Online client-tenant portals often include everything you need to manage all these types of requests in a centralized, digital, efficient system.

You or a representative should be checking in on properties regularly and quickly respond when something goes wrong. If you see a trend here, you're onto something. Everything from customer contacts to work orders to other services can be tracked and managed through a centralized, secure, paperless system.

4 HAVE A LONG-TERM GROWTH PLAN

In a job interview, the hiring manager often asks a predictable question: "Where do you see yourself in five years?" As a business owner, you should ask yourself the same question. If your company has big plans to improve profits and portfolios, you need to plan and act to make it happen.

In property management, growth means bringing on new units and new properties. Managing those new units means one of two things: more staff or better efficiency. When you use automation, you can get more done with the same headcount. Adding **automation software for your payments**, for example, could be the equivalent of adding a new team member or two without the full cost of an annual salary.

Looking at your business today, **what can a computer do that a human does currently**? Do you get paper invoices, type them into an accounting system, print and sign paper checks, and drop them in the mail? That entire process can be done automatically with an AP automation system.

The first place to look for automation opportunities is paper. Anything that happens in your office with physical paper outside of contracts can be easily digitized and automated in many cases. If you choose the right renter and property management software suite, you can even turn your contracts and incoming payments into an automated and digital process.

As you plan for the next year and beyond, evaluate processes that can be improved. Do you have the resources you need to achieve those goals? If not, plan out the tools and systems that will help your team succeed. Before you know it, your business will be humming like an automated property management factory creating the best value for you and your clients.

None of this happens overnight. Write down your goals and create an action plan to get there. Following the *SMART* guidelines help you reach success (*SMART* is an acronym for specific, measurable, actionable, relevant, and time-bound). Then you can add the tools and systems to make those goals a reality.

ELIMINATE PAPER & IMPROVE EFFICIENCY

Automation offers property managers an opportunity to grow and thrive in their businesses while providing better service and increasing profits. What business owner wouldn't want that? **AvidXchange** offers solutions to help property managers take control of their AP processes with improved visibility, efficiency, control, and lower costs. If you want to do more as a modern property manager and stand out from the crowd, AvidXchange is here to help.

But your automation efforts don't have to stop there. By looking in detail at every aspect of your business, your team will be able to identify other automation opportunity and efficiency improvements. By mapping out goals and sticking to them, you can hit peak efficiency and growth for your business and properties.

Interested in learning more? AvidXchange's automation specialists would be more than happy to schedule a customized demo for you. Call us at (888) 918.2843, email the sales team directly at **sales@avidXchange.com**, or **click here** to schedule a demo today.

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