Steps for assessing new software: Upgrade guidelines to help navigate the process

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Your current property management software has served long and well, but you're finding that the system is simply no longer powerful enough to handle all the new tracking, reporting, and transparency requirements that your business demands. You know it's time for a change because your bottom line is starting to suffer - maybe you have to keep hiring new accounting staff just to handle the issues that keep popping up or critical and costly errors are happening due to your outdated system. And in the never-ending battle for capital, many of your competitors have probably already upgraded to a cutting-edge solution and are advertising their capabilities to institutional investors.

In the long run, sticking with your system would be loyal. Do you remember the pager you loved to carry on your belt? Sticking with your pager would be loyal, but you could be hamstrung by technology that is no longer supported and having to compete with industry players who had long since moved on to smart phones. Isn't this the same thing?

Once you concede the need to upgrade, what's next? Many companies seek a solution that minimizes risk, delivers a competitive edge, and serves all their needs and those of their clients and investors at a reasonable price while being accessible everywhereâ€"not just in the office.

You'll learn about current software platforms featuring fully integrated solutions that consolidate portfolio, financial, lease, and other information into one database, giving all network users instant, secure access through any Web browser or tablet anywhere in the world. That means a new software suite can help you increase accuracy, streamline work flows, mitigate risk, create transparency for users and investors, improve communications among stakeholders, and deliver enterprise-wide solutions.

Upgrading to a system that manages from property to portfolio to investor represents a smart strategic moveâ€"but it comes with execution risk. You need to make the best decision for your organization and consider the impact of an implementation on your team and their workload. Below are some guidelines to help you navigate the process, look ahead and ensure a successful upgrade.

* Plan ahead: The complexity of software systems means it's critical to approach implementation in a comprehensive manner. Creating a viable plan with a clearly defined purpose and anticipated outcome will minimize disruption to your operations. That involves defining and prioritizing your technical and functional requirements, and separating need-to-have features from nice-to-have. Also, seek expert advice. Admit you don't know everything and ask the hard questions: What systems should we upgrade, and why? What are all the options and which best meet my needs? Should I implement in phases or all at once?

* Evaluate potential suppliers: Who has the best record of success? Who offers the best value for your money? Who's well-established, financially stable, and experienced in the real estate industry?

When you ask how much disruption, training, and other adjustments the implementation of a new system entails, do you get straight answers? Do any of your candidates have a history of making midstream changes to the implementation scope or cost estimate? And, most important, as technology advances continue unabated in this industry, who can act as your technology partner as your business needs expand?

* Prioritize low risk: Keep in mind that well-designed real estate management systems diminish risk in multiple ways. Comprehensive system transparency gives managers a complete picture of investment activity across their portfolios, helping them anticipate and avoid high-risk situations. For example, dashboards can improve asset management by offering every real estate practitioner—from property and maintenance managers to top executives—an unprecedented degree of operational visibility. Likewise, automation of accounting processes eliminates errors common to outdated accounting practices, such as multiple spreadsheets and manual data entry, and provides accurate, up-to-date information for reliable risk analysis.

* Seek versatility: Your upgrade might well need to handle remote users, multiple real estate market segments, differing investment types, a diverse array of clients, different sets of accounting rules, multinational portfolios, and other complex requirements of your business. Also, can the software scale to meet your needs as they grow? How flexible is the software in terms of ability to configure or customize?

* Ask how deep you can drill: First-rate real estate software systems allow drill-down into financial data and review of accounting practices at the transaction level. Always important, this capability has assumed new urgency with Sarbanes-Oxley requirements and increased scrutiny of corporate practices. The most advanced software solutions on the market take these factors into account and track every aspect of even the most complex transactions.

* Decide on hosting—your place or mine? Are your IT folks up to handling the complex new software? If not, consider choosing a supplier that offers application hosting services. Many companies consider this choice much more cost-effective than maintaining their own IT network infrastructure and handling licensing, disaster recovery, network security, and so on.

* Consider external stakeholders' viewpoints: Which solutions enable you to provide the best reporting and services to your tenants, suppliers, and investors? Remember, your competitive edge is driven by more than best operating practices. Other key factors include your ability to provide on-line access for tenant rent payment and ledgers, electronic payables and investor reporting, as well as impressive, dynamic property marketing on your website for availability, on-line application and leasing. Choosing the right solution will shape the perception of you among clients and prospects as a technologically advanced, reliable, and efficient business. The more dynamic your new system, the more you'll be appreciated by its internal and external users and stakeholders.

* Prepare your employees, brief your clients: It's important to remember that rolling out a new enterprise-level software requires time and resources commensurate with the size and scope of your business. Furthermore, your users might also be comfortable with and loyal to your old system, making change management essential for a smooth adoption. Educate them about the advantages of a new system and help them understand how it will improve business and enhance their daily routine. Alerting your stakeholders about your new system and how it will create a better experience for them will also build enthusiasm for the project.

Plan carefully, do all of these things, accept that a new system implementation will require time, resources, and change management, and your implementation should roll out with a minimum of

hassle.

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