

# Property Management Software Review

by Tom Johansmeyer

The temptation is to see automation as an end in itself. Now more than a decade into the Internet age, most business owners and operators assume they need software to run their businesses, with the assumed need driving their decisions. The instinct is correct but incomplete. Instead of merely reducing stacks of paper and replacing them with a similar, though computer-based, workload, business software should reduce costs and improve operations. For property managers, countless details must be

tracked, particularly for firms with several buildings each containing multiple units. A solution must deliver business intelligence as much as a checklist of work orders and imminent vacancies.

The successful property management software implementation will provide an integrated view of the business—from occupants to financials—aligning every data element with a particular business need. Solution providers continue to develop their products to meet the evolving needs of the property management industry, as evident in this year's software packages. Efficiency, ease of use and flexibility continue to dominate the evolution of this sector as it continues to become workflow-centric.

Given the basic needs of the property management business, there are few factors that differentiate the software solutions offered, aside from look and feel and navigation. Any of the programs reviewed will address the basic needs of small and mid-sized property management firms in most U.S. locations. Thus, the decision to purchase a particular package will be determined ultimately by softer factors such as ease of use and difficulty of installation.

## Efficiency

The primary purpose of the business automation sector, in any industry, is to facilitate the normal flow of business. Software should make work easier without compromising the specific tasks required either for financial diligence or regulatory compliance. Essentially, a useful package will address every aspect of the workflow with minimal work-around and reduce the need for manual

intervention. Effective software should not dictate operations; it should enhance how a company conducts business.

Yardi, PropertyBoss, TenantPro, Manage-IT and Spectra all provide clear workflows, addressing the major issues that property management firms face, though they do use different screen layouts. None mimics the basic Microsoft application look and feel, which may be a bit unusual for users. But, each does provide clearly labeled buttons and menus in order to ensure that employees will find the functionality they need as quickly as possible. Thus, the learning curve flattens considerably, and employees will be able to reach a reasonable comfort level quickly. The applications are intuitive, though it will take some time for users to remember where different features are located and reach for them reflexively.

Many vendors are beginning to offer hosted and online versions of their solutions. Yardi and PropertyBoss, for example, offer such functionality for their products. As a result, the property management firm is able to reduce its IT overhead, as it is no longer necessary to keep servers on hand. Also, employees can become more productive outside business hours. Having forgotten to enter a work order on Friday afternoon no longer means a late-night trip to the office or a disgruntled resident until Monday morning. With nothing more than a web browser, the mistake can be remedied from the employee's or manager's living room in minutes, resulting in a guilt-free weekend.



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## Installation and Configuration

The installation and configuration process can be the most intimidating aspect of adopting a new property management software package. A difficult installation process can be frustrating and time-consuming, but the problems pale in comparison with the conversion of data and readying the solution for use in a “live” business environment. Particularly for smaller property managers, the engagement of information technology consultants may be cost prohibitive or simply anathema.

None of the solutions reviewed this year had a daunting installation process. Spectra, from Domin8, required almost no human interaction aside from putting the CD in the drive and initiating the install process. PropertyBoss and TenantPro also required relatively little time or configuration commitment. Of course, the process can become substantially more complex based on a particular firm’s technology environment. Property managers with multiple offices or large employee populations, for example, may require the assistance of IT professionals to help with the installation.

The availability of hosted software environments—particularly with feature-rich solutions from Yardi and PropertyBoss—indicates the commitment of property management software vendors to employee efficiency. In addition to obviating the overhead associated with installation and configuration completely—not to mention the cost and effort of maintaining a larger local IT infrastructure—most employees are already familiar with the Internet, turning the software into little more than just another website (from a training perspective).

## Ease of Use

An investment in training is only the start. Difficult programs can result in errors as employees struggle to master a new business environment. Further, firms may not discover functionality that could be useful in managing the business, making the software less productive per dollar spent. Ease of use cures employee frustration while delivering a direct bottom line benefit. It is unsurprising that intuitive screen designs have become an

increasing priority for software developers in this space over the past few years.

All of the systems reviewed this year feature effective screen designs that lower the learning curve and support accelerated employee productivity. PropertyBoss’s “PropertyBoss Today” screen provides an excellent summary of upcoming activity and a useful management dashboard. This business-at-a-glance is enhanced by a left-side navigation bar that allows users to find screens quickly. Yardi offers a plethora of useful features and remains intuitively designed, a rare combination in the packaged software world. Manage-IT is among the most effective process-oriented solutions in the marketplace, facilitating the flow of business in a manner that will resonate with property management firm employees.

Spectra makes navigation of the application fast by providing menus for all major features along the top of the screen in a manner consistent with most Microsoft applications. Further, the software offers tight integration with Microsoft Office applications such as Word Excel and Outlook, reducing the time spent entering data in different applications. Manage-IT and TenantPro offers several navigation methods, from task-oriented buttons (e.g. “Move In”

and “Enter Bills”) to category menus for accounting, management (e.g. tenants and buildings) and income.

Property management software providers have embraced the notion of task-oriented application design. Buttons and menus direct users to the features needed to conduct the business of tracking work orders, managing tenant payments and tracking occupancy. Financial management, always a priority, is universally intuitive and quite accurate. Accounting data entry and reporting appear to have remained priorities for software vendors, as these screens tend to be among the easiest to use. An investment in property management software does not generate a return until employees are comfortable working in the new technology environment. This year’s solutions offer a compressed time to return on investment through intuitive screen elements and workflows that follow the natural order of property management business.

## Flexibility

The fact that no two firms are the same is beyond dispute. Geography, size and area of focus (e.g., commercial, residential or mixed) contribute specific challenges. Ownership structures and living arrangements complicate matters further. Assisted living and student housing



have specific needs for management to address. Condominiums differ substantially from cooperative associations and rental residences. Compliance and operations vary, as do the property manager's obligations to the residents. Thus, the software must be flexible enough to support a broad array of concerns, especially if the property manager's portfolio consists of several types of community.

PropertyBoss provides for the customization of the system by employees and managers. Drop down menus can be populated with custom values. A wide selection of optional modules enables firms to tailor the software to their specific requirements. PropertyBoss allows firms to choose programs for managing tenant loans, managing leads and interfacing with magnetic card readers for processing payments. TenantPro offers property managers to set custom defaults (such as insufficient funds fees) through a set of quickly customizable fields. Further, it supports integration with Intuit QuickBooks.

Given that every property management firm has its own set of operational quirks, the best a software vendor can do is to provide a reasonable baseline solution that can be adjusted to meet each firm's specific needs. In order to address this requirement, the application must

be customizable from within, not calling for extensive IT programming or configuration capabilities. The solutions reviewed this year are "user-customizable." Property managers themselves can define what data fields are most important and ensure that they appear in the application. While it is impossible for a software development company to know what each implementation will look like, it can offer its clients the tools to make the solution as effective as possible. This has become the norm in the property management software sector.

### Intelligence

Tracking and management are crucial, but the importance of learning from data cannot be understated. Simply by using a software package, a property manager amasses a considerable amount of data that can improve the business through cost savings, operational improvements and fewer mistakes. Invoice tracking can enhance payment scheduling and treasury management, and work order volumes may signal that there are underlying problems to be resolved. The ability to study data, therefore, can offer a direct path to wider profit margins.

Across the various software products offered in the property management business, reporting is uniformly robust.

Each of the solutions evaluated offers copious reporting capabilities, with dozens pre-configured. TenantPro offers the most flexible reporting engine, with the ability to delve into the details of specific tenants, properties or units. Unique to PropertyBoss is the ability to run "prospect" reports, which aid in the process of attracting and securing new tenants, bringing automated opportunity management capabilities to the property management office. Yardi continues its tradition of offering reports for nearly every contingency, and Domin8's Spectra has a separate report-writing module that allows a high degree of customization. Managers can define the key metrics by which to manage their businesses and measure progress effectively.

There are two ways in which a manager can learn the details of a business, and both are crucial to effective oversight and operational effectiveness. There is no substitute for daily involvement, such as visiting buildings and taking the "pulse" of tenants. But, this provides an incomplete view of the business as a whole. Financial and operational reporting provides the overall perspective that property managers need to gauge profitability and identify areas for improvement. Reporting is the fuel of business decision making, a concept clearly grasped by the property management software market.

Many factors drive the selection of a property management software solution. Everything from the impressions developed through the purchasing process to ease of use and the availability of technical support play a role in making the right choice. Functionality is but one aspect of the selection and implementation process. It becomes increasingly less important as the vendors continue to converge on the standard practices that apply to the property management industry as a whole. Before selecting a solution, the most important step is to consider how business is conducted specifically and make sure the chosen provider addresses any unique characteristics and will meet the needs of employees. Remember: this is likely to be a business engine for years to come. 

