CINC systems

BUYER'S GUIDE

Association Management Software

Introduction

Finding the right association management software solution to power the long-term growth of your association management company can be overwhelming. That being said, the predicted growth of HOAs in the US creates a huge opportunity for a business like yours. That is why association managers are quickly realizing how imperative it is to invest in software that is capable of not just scaling, but accelerating growth.

Selecting the best software solution for your company starts with understanding where your business is today in its growth journey, and more importantly, where you strive to be 5 years from now. To help prepare you for the purchase, we created the Association Management Software Buyer's Guide. In this guide you'll learn:

1.	2.	3.
What you should know before you get started	**Features and functionality of a best-in-class, growth-enabling solution**	**What to consider before making your decision**

Association management software has evolved tremendously in recent years, finally addressing pain points that have long challenged the industry. Finding the right solution for your business could be the only thing standing in the way between your company and an accelerated growth trajectory.

You certainly have options when it comes to association management software, but not all software is the right fit for your growing organization. Answering these key questions upfront will not only save you considerable time down the road, but it will also provide you with a solid framework upon which to present your recommendation for final organizational buy-in.
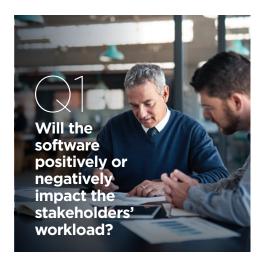
351,000
Total HOAs in the United States
Comprising 40 million households

53%
Homeowning Americans live under an HOA
Comprising 100+ million individual residents

$250/mo
Average HOA fee for a single-family home
Varies greatly by services offered + location

$95.6 Billion
Estimated yearly collections of all HOAs
Fees rose 32.4% between 2005-2015

WHAT YOU SHOULD KNOW BEFORE YOU START
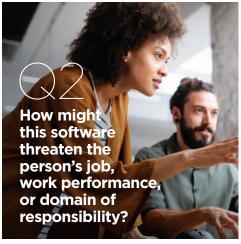
Who Are the Key Stakeholders?

Stakeholders To Consider

- **Users**
- **Budget Holders**
- **Senior Managers**
- **IT Managers**
- **Procurement Managers**
- **Financial Managers & Accountants**
- **Legal/Compliance Officers**

Identifying and effectively managing stakeholders — the people affected by the decisions and/or charged with carrying it out — early in the process will most likely not only improve the quality of the decision but contribute to a smoother buy-in process and project success. Take time to understand the needs and concerns of each stakeholder both from a business and emotional perspective by answering two critical questions. This is especially important when you are purchasing such mission-critical software.

Q1 Will the software positively or negatively impact the stakeholders' workload?

Q2 How might this software threaten the person's job, work performance, or domain of responsibility?

5 Things to Consider Before Starting the Buying Process

1 Average size of your HOAs/COAs

2 Local state laws for HOAs/COAs

3 Current reporting needs

4 Overall productivity and profit goals

5 Feedback from your employees on efficiencies and time-consuming tasks

What's Your Vision for Growth?

Clearly define your five-year growth goals and gain internal alignment among key stakeholders. In addition to defining the vision, it is very valuable to go through the exercise of identifying current and potential roadblocks and challenges to achieving your goals. Consider macro factors such as economic outlook, competitive landscape, growth of the market as well as company-specific factors like access to capital, ability to hire and retain necessary staff, and scalability of current systems and operational infrastructure.

A valuable framework to use in assessing your growth vision a simple SWOT analysis. Identify your company's current strengths and weaknesses as well as potential opportunities and threats as it relates to your growth goals.

What Are Your Pain Points?

What challenges face your company today, or what potential roadblocks to growth do you see down the road? It is important to clearly define the current organizational pain points you are trying to solve today - as well as anticipated growth challenges in the future - with software. Is month-end reporting never-ending and always late? Do you want to grow your portfolio, but hiring additional personnel would make your margins that much thinner?

Based on our experience in the industry, we know that common challenges facing growth-oriented association management companies include the following:

accuracy

Addressing increased competition

Hiring and retaining necessary talent and staff

Achieving adequate visibility and communication among all stakeholders

relationships
Building and maintaining strong relationships with the boards

Delivering accurate and on-time month-end reporting to a growing number of associations

Increasing operational efficiency and productivity while maintaining quality of service

balance
Balancing expectations to be on-site with the need to move day-to-day responsibilities forward from the office

★★★★★
Effectively conveying the value and impact of your management services to build rapport and drive retention
retention

homeowner satisfaction
Managing endless property-related tasks and workflows effectively to maintain board and homeowner satisfaction

What Are the Latest Must-Have Industry Innovations?

There has been tremendous innovation and growth in the association management software space over the last several years, resulting in some noteworthy trends and capabilities:

SaaS-Based Solutions: Not only is this modern "pay-as-you-go" model more cost efficient and scalable than an on-premise solution, but getting started and staying up to date with the latest releases is significantly easier. While many legacy on-premise systems are shifting to the cloud, the process is expensive, messy, and inconsistent.

Robust All-in-one Solution: Centralization saves considerable time and money for organizations. Instead of stitching together multiple platforms to meet the needs of your association management organization, look for solutions that enable you to manage everything in one place on one platform — accounting, financial reporting, banking, property management, workflow management, communications, and more.

Remote Working Capabilities: Given the overall shift toward telecommuting, having a solution that your entire staff can access remotely without capacity constraints is critical. This is especially important for property managers who are increasingly pressured to be on-site but are also expected to maintain high levels of productivity. A reliable mobile app that delivers software access while on property could relieve a potentially big pain point.

KEY PRODUCT FEATURES & FUNCTIONALITY IN A BEST-IN-CLASS SOLUTION

Key Product Features

Now that you've reviewed the process of engaging stakeholders, articulating growth goals, and identifying pain points you are seeking to eliminate, it's time to start digging into available solutions. Before you start scheduling software demos, you may find it valuable to learn more about what a best-in-class association management solution looks like and how you know if a solution is built for growth. Having this context and knowledge prior to sales meetings will not only enable you to get more value out of the demos, but it will make it easier for you to compare across solutions.

We'll discuss features and functionality in 3 main categories:

1.	2.	3.
Financial Control & Reporting	**Visibility & Communication**	**Property Management**

Basic Financial Control & Reporting Features & Functionality

- Monthly Reporting
- Effective Internal Control & Security
- Invoicing & Billing
- Accounts Receivable
- Accounts Payable Processing
- Banking Operations
- Collections
- Annual Operational & Reserve Budgeting

Financial Control & Reporting

One of the most critical and challenging aspects of association management is ensuring that the boards you manage are maintaining fiduciary responsibilities to the homeowners that elected them. In addition to maintaining the proper oversight and controls, you are responsible for month-end financial and operational reporting, billing, payments, budgeting, and so much more. Having to do all of this for each and every association within your portfolio every month quickly becomes one of the biggest obstacles to scaling your business profitably. Sure, you can use your team of existing accountants to manage your current portfolio or even the next 10–20 new associations. But what happens as when you add 50 new associations? 100 new associations?

Unless you are leveraging software that unleashes significant efficiencies when it comes to accounting, you may quickly find that the headcount growth follows too closely with association growth. Look for these specific features and functionality to avoid having to double your accounting headcount when you double your portfolio size:

Deep Banking Integration

Closing the gap between accounting and banking increases speed and accuracy. Not only does it cut down on the number of platforms you have to log into and errors that result from manual entry, but software automation powers daily reconciliations.

Automated Daily Reconciliations

In addition to a transformative decrease in the turnaround time of month end reporting, daily reconciliation allows fraud to be detected in a timelier manner, mitigating losses and other financial damage.

Dynamic Board Reporting Capabilities

It's one thing to create month-end reports for every single association within your portfolio; it's another highly time-consuming process to generate and distribute board packages. Software that adds automation to avoid missed deadlines is a plus. Software that adds association-level branding to the monthly board package and enables digital access through a dedicated online portal is a definite bonus (and a real differentiator).
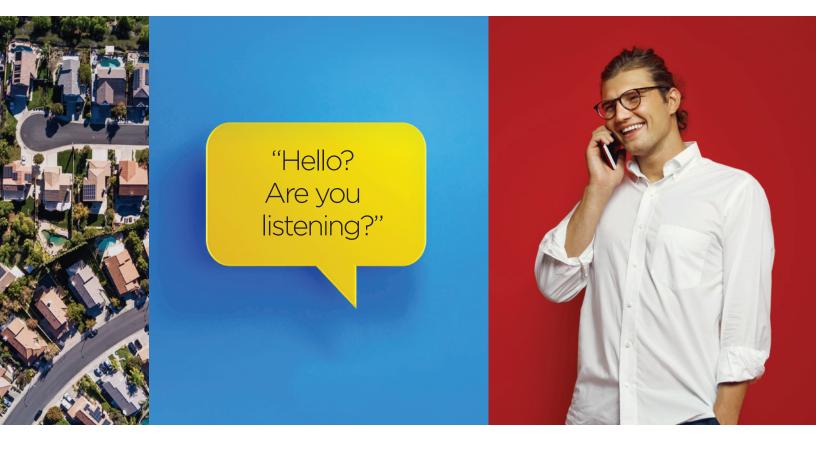
Multiple Payment Options

People like choice and businesses like to get paid quickly, so multiple payment options for homeowners is a win-win. Look for software that supports a variety of payment types such as ACH, eChecks, and credit card while also offering valuable convenience factors such as recurring billing setup or quick, real-time online payments. Ask about payment processing times – best-in-class software providers often offer a dedicated lockbox and services to guarantee same-day credits to the homeowner's account.

Streamlined Accounts Payable Process

Save time each month by leveraging technology to do time-consuming tasks related to paying invoices on behalf of your clients. For example, you'll benefit from choosing software that facilitates invoice imaging, digital approvals, and recurring payments.

Visibility & Communication

"Hello?
Are you
listening?"

One of the biggest complaints about HOA management companies is lack of communication. Common complaints from homeowners and their respective board members include outstanding workorders, inability to access critical reporting on time, and lack of follow-up to vendors.

Poor communication can deteriorate customer relationships very quickly, leading to customer attrition and a potentially tarnished reputation. For community managers who are often asked to take on more responsibility as the management company grows, it seems nearly impossible to get the day-to-day work done while also finding the time to adequately update and communicate with various stakeholders. This is where the right association management software can create a significant advantage for your business.

When selecting software to enable growth, the features and capabilities described below can give you a tremendous advantage over competitors when it comes to building and maintaining customer relationships. Some solutions also offer tools that the HOA can use to improve communication and information sharing among the community.

Here are some powerful tools that can foster transparency and visibility in a scalable way.

Branded Association Website

Being able to offer each of your customers a branded website that can be used to share important community information and documentation not only provides a user-friendly entry point for homeowner online account access to facilitate better communication, but is also a compelling selling point for the HOA board.

Homeowner Online Access

Giving homeowners direct access and control is an easy way to increase transparency without placing a heavier burden on the management company. Homeowners can log into the portal to check payments, track workorders, and see the status on an application. Additionally, the portal facilitates more effective 2-way communication between the homeowner and the management company, leading to faster issue resolution and less frustration.

Board Web Portal

The biggest point of frustration from the board is a lack of real-time, on-demand visibility into the operational and financial status of the association. Without the right software, month-end reporting takes weeks and ad-hoc requests for reporting are turned around very slowly, if at all. However, software that provides a portal for board members to directly access information as needed, often to make time-sensitive decisions, delivers a very valuable sense of transparency and control.

Automated Workflows and Task Management

When homeowners are able to see workorder and ACC requests updated in real time, they are far more satisfied that their needs are being addressed. This will alleviate communication lags and frustration from both sides.

Broadcast Email and Texting

HOA boards often need to communicate quickly and effectively. While it's sometimes as inconsequential as last-minute reminders about upcoming social events, it could also be an alert to ensure the safety and health of the community. Software that comes with the capability to reach homeowners via a variety of channels (email, text message, website) is a great value-add for your customers.

Property Management

Property management is a grueling job, especially for those who manage growing portfolios. To be successful requires managers to build trust and transparency with the boards and homeowners they work with. This takes a tremendous amount of energy and time. As you add more associations to your portfolio, having software built for growth becomes a critical factor in success.

Because maintaining strong relationships is so critical, software that merely maximizes speed and efficiency at the expense of the customer experience will ultimately put you at a disadvantage; your brand and reputation will suffer and your dissatisfied customers will become prime acquisition targets for your competitors. When assessing a software, think about whether the demonstrated functionality will make your property managers work faster and smarter by asking yourself these questions:

Does your association management solution…?

Offer boards and homeowners direct access to information 24/7?
Transparency is so important in this business. Homeowners want to know the status of outstanding work orders and requests, property managers want to ensure violations are taken care of ASAP, and board members want unrestricted, timely visibility into financial and operational metrics. Software that offers online account management to homeowners, as well as a portal for board members to plug into the platform, results in less frustration, fewer phone calls, and more satisfied stakeholders.

Facilitate two-way communication across multiple channels? The modern consumer lives in an on-demand, always connected world. Simply providing access to information may not be enough – people want to choose the channel by which they consume information. Modern-day management software addresses this by empowering property managers to communicate and keep record of correspondence with homeowners across a variety of channels, including web, email, text message, printed letters, and phone.

Improve the homeowner experience?

Homeowners rarely look forward to interactions with their HOAs as it is generally to do things like pay a bill, open a workorder, or file a complaint. That's why easy and seamless communication can make a big difference. For example, being able to submit and track the status of an architectural review request to the board online may save the homeowner a trip to the HOA office as well as multiple follow-up phone calls. Receiving updates and alerts about community events and shared amenities saves time when it comes to planning.

Provide efficiency without compromising service?

Automating mundane, repetitive tasks is critical to scaling your organization. While automation can make your property managers tremendously more effective and efficient, it can also come off as impersonal and uninformative. Understand the level of personalization your software enables and whether the automated workflows accommodate off-line tasks and reminders.

Enable your property managers to work from anywhere, anytime?

Even the most sophisticated association management software can't replace the value and impact created when a property manager is onsite. However, given the limited bandwidth plaguing property managers operating within a growing portfolio, it is critical that progress doesn't stop while away from the desk. Look for a software that enables full remote platform access and functionality via a reliable mobile app.

FACTORS TO CONSIDER WHEN MAKING YOUR FINAL DECISION

Final Considerations

After getting clear on what you want to achieve with your new software and familiarizing yourself with the features and functionality in a best-in-class solution, it's time to make a decision. Go back to the exercise you completed before you started looking at software.

1. **Does the software mitigate the current weaknesses and potential threats that stand between your company and its growth goals?**
2. **What issues/concerns will your stakeholders have with your recommended solution? How can you best address these proactively?**
3. **How does the cost for the software change as your company grows in terms of users and/or associations under management?**
4. **Is any of the demonstrated functionality an "add-on" to the quoted price?**
5. **How effectively does the solution address your current and anticipated pain points?**
6. **What is the company's track record when it comes to innovation? What features or functionalities were most recently added? Can the company share a product roadmap with you of upcoming product enhancements?**
7. **Are there any capacity (or other) constraints when it comes to remote access of the software?**

Finally, an area that is often overlooked during the decision-making process is the software provider's customer onboarding protocol and your access to customer support moving forward. You can have the most sophisticated software solution in place, but if your team doesn't know how to utilize it, you will never see any return on the investment. During your demos and negotiations with a provider, be sure to ask detailed questions about what is and is not included as far as customer support and training is concerned with your software subscription. Providers often have support levels, and the higher quality tiers are often incremental to your subscription.

Now that you have a basic framework to leverage during your research and selection process, you can move forward purchasing with confidence. Best-in-class software is the key to maximizing operational efficiency, retaining financial control, and driving profitable and sustainable growth. While your current association management software may be working for your business today, it may not be the powerful, flexible, and scalable engine you need to set you up for long-term growth and success. Don't let your software hold you back. The industry is growing, the opportunity is there, and you need to make sure you pick the right partner for the ride.

CINC
systems

About CINC

CINC Systems provides transformational technology and services for the community association industry, redefining the way its clients and partners do business. Founded in 2005, CINC Systems became the first Internet-based integrated accounting and property management system for the community association industry. Since its founding, CINC Systems has experienced steady growth, with clients in 26 states and over 100 partner banking branch locations.

Learn more at www.cincsystems.com

Facebook: /CINCSystems

Twitter: @CINCSystems

LinkedIn: /cinc-systems-llc