



White Paper:

Considering Fully Integrated versus Multi-System Solutions: Finding the Right ERP Solution for Property Management Organizations



Microsoft Partner

Gold Independent Software Vendor (ISV)
Gold Enterprise Resource Planning

The Motivation

Today, many property management companies struggle with maintaining multiple systems to manage their business, making it challenging to exert timely financial control to maximize profitability and efficiency. While running multiple systems may not be as challenging for smaller organizations, larger organizations tend to have a larger number of users spread across various departments such as finance and property management. Currently many software solutions do not have the structural design or functionality to encompass both financial management and property management features in one consolidated system.

This paper will discuss the growing trend of the property management industry's preference to use fully-integrated software solutions that offer financial control and forecasting capabilities across all aspects of a property management business. Through advancements in computer technology and the innovation of independent software developers, integrated solutions have become increasingly affordable and scalable to manage these situations. Organizations that have access and control of information from a single system spend less time compiling information and will help maximize operational efficiency; and ultimately, improve profitability. Because many property management organizations often do more than just manage properties, having a single consolidated solution enables company principals to gain an overall view of the organization's operations, as well as specific activity breakdowns.

This paper will glimpse at an example of a fully-integrated property management solution from Binary Stream called the Property Site Manager (embedded within Microsoft Dynamics GP), which addresses the need for one central solution that can manage all business processes. With a solution that combines the needed structure of a back-office financial management system coupled with traditional property management billing and leasing functionality, the Property Site Manager often exceeds the expectations of many organizations who manage a variety of properties.

Who should read this paper?

Whether you are the CEO, CFO, or Property Manager, this paper is targeted towards property management companies who want to move away from multiple software systems. Whether property management is the core of your business or just a small segment, you should read this paper if you are currently using multiple software systems to manage your business. Rather than finding the right solution that will meet your needs today, this paper will emphasize the key benefits of selecting a solution that is not only right for you today, but also scalable for growth. Following this methodology will also result in lower costs in the long-run.

Furthermore, this paper will also discuss the challenges that senior management and accounting personnel encounter on a daily basis within property management. Accordingly, this paper is suited to consultants or software vendors whose quest it is to find the right property management solution for their clients.

The Growing Property Management Industry

As the property management industry continues to grow and while tenants demand more from property managers, organizations are faced with greater responsibilities which place greater pressure upon property management staff. Transitioning from tenant-managed operations to fully-managed or outsourced operations, the strain on property managers' resources have escalated dramatically over the past few decades. As a result, many property managers have adopted the use of multiple systems to manage their growing business. This paper will look at the difference of using multiple systems versus one fully integrated system and how an integrated system addresses the critical needs of growing property management organizations.

What are the Industry Pains?

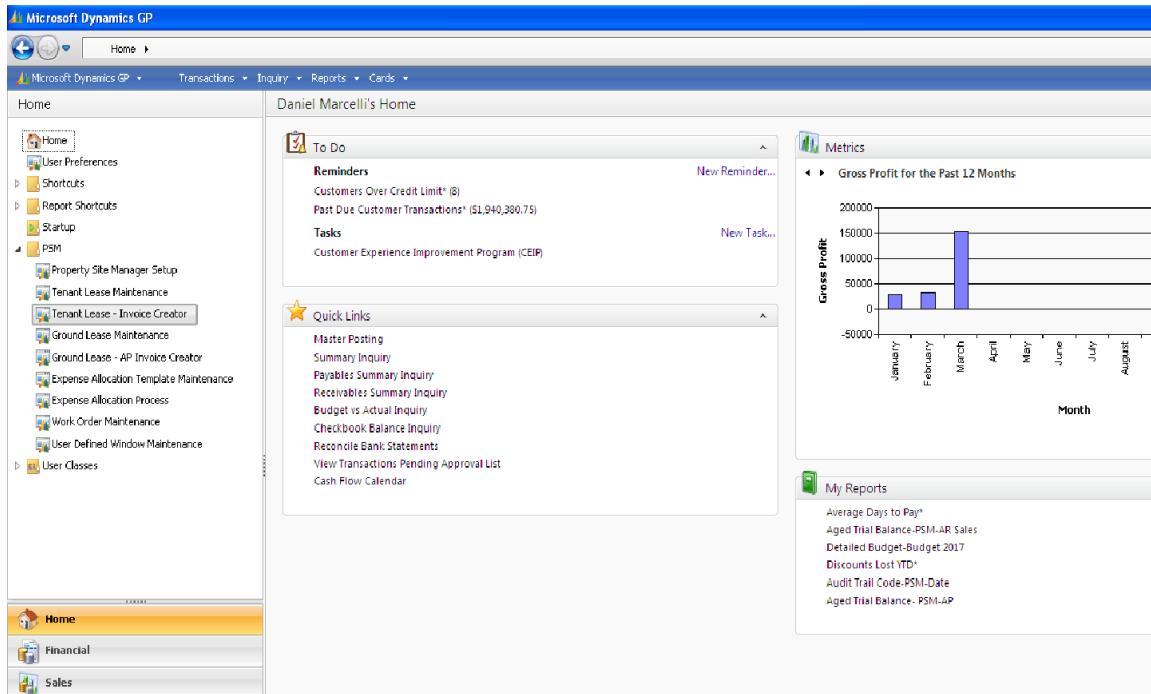
Some of the biggest challenges in today's property management industry include:

- **Billing and Leasing** -- Billing and leasing are frequently cited as the single most important and time consuming process in every property management company. While many property management companies typically have their property management system separate from their accounting system, this can cause information rifts between the disparate systems and create challenges in bringing this information together to see the whole picture. By creating and directly posting transactions to one consolidated system, whether it is an AR rent charge, parking, tax, Common Area Maintenance (CAM) or AP transactions to one chart of accounts, you can eliminate the process of integrating data from one system to another. A fully integrated solution such as the Property Site Manager (PSM) actually manages every aspect of billing and invoicing for every type of transaction and charge related to property management within one system.
- **Spreadsheets** -- The most negative aspect of running multiple systems is gathering important data from each system into a spreadsheet program to compile the information for reporting purposes. A few examples of this would be the rent roll report, charge inquiry, and lease abstracts. These are standard reporting capabilities that can be generated in minutes when originating from an integrated solution.

- **System Maintenance Cost** – One area that is greatly overlooked in multiple system set-ups is the cost and human resources needed to run and maintain multiple systems. Why maintain and manage multiple systems when you can manage just one? A common and related issue within maintenance considerations arises when an organization has had a custom system developed years ago and recently realized that it will no longer be supported by the vendor. This can inevitably end up resulting in significant maintenance costs.
- **Scalability** - Property management companies today are diversifying their portfolios to encompass multiple types of properties which typically cause them to outgrow their current systems. As these types of companies continued to grow, they would purchase systems that would meet their immediate needs. This practice of “buying for now” can create future problems since the software system is always catching up to the company’s needs, rather than anticipating future growth and expansions. By taking a “buy for the future” standpoint with a scalable solution, future needs can be better managed and anticipated.

What does having an “Integrated Solution” mean?

When we hear the term “Integrated Solution” we perceive it as an all-in-one, complex and costly solution and typically think of “tier one” applications that serve multi-billion dollar corporations. With today’s advancement in software development technologies and cost-efficiencies, we find that the software ecosystem is in quite the opposite direction. Until now, there have not been many solutions for companies wanting a fully integrated package at an affordable price. As more and more demand is placed on the property management industry, it becomes much more important to have technology in place for managing the multitude of tasks required for property management companies to remain fruitful during economic downturns as well as to provide the best service to their tenants. As a result of the growing demand, integrated solutions are now available through the innovations of independent software developers.



An example of these independent software developer innovations can be seen in Binary Stream's Property Site Manager. While Microsoft Dynamics GP offers organizations a robust and scalable financial management system, property management companies now have access to an integrated solution that offers industry leading back-office functionality as well as "front office" property management features.

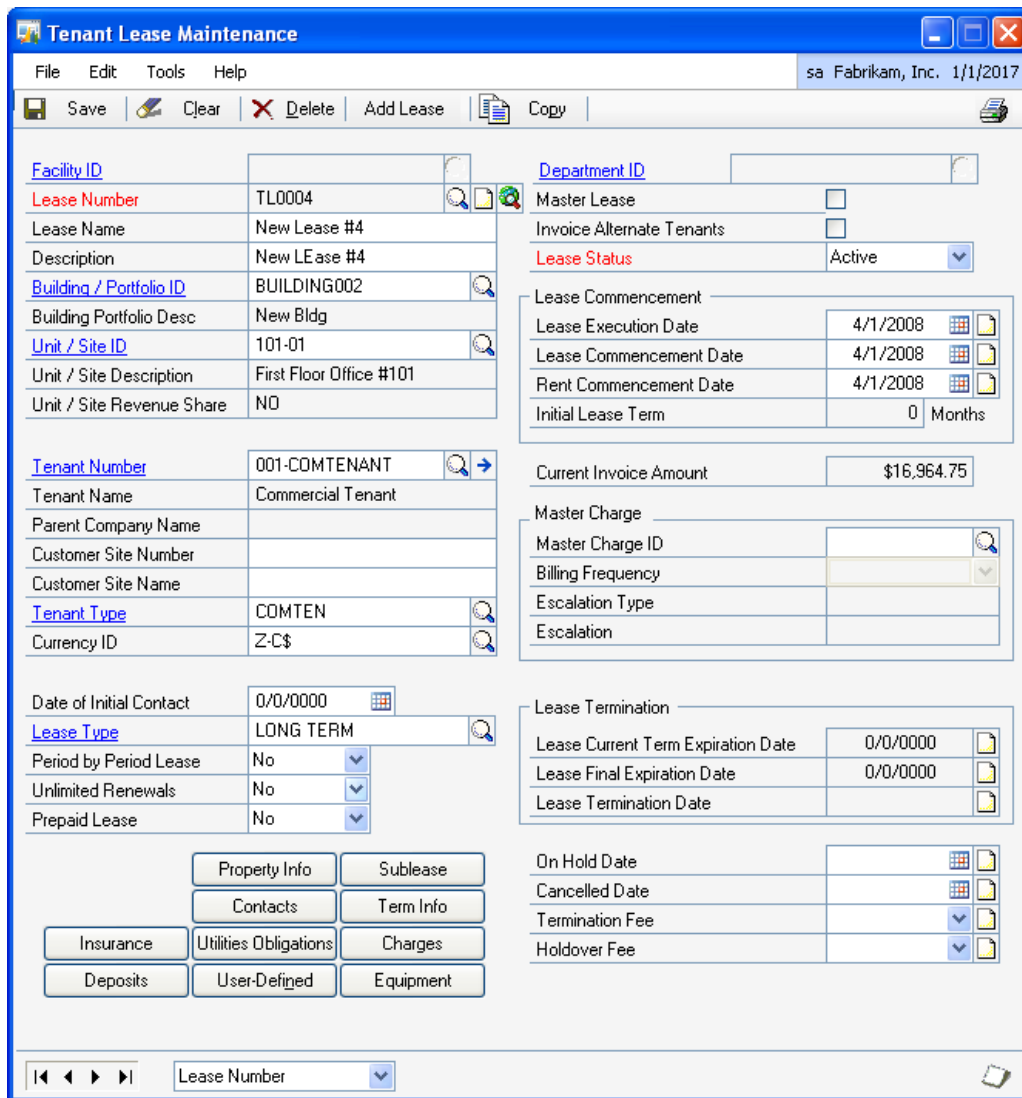
Having an integrated solution means that data integration is eliminated, access to system-wide data is readily available from a single data source (database), and costs related to IT support are reduced by requiring less time to maintain multiple servers and software updates. Thus, an "Integrated Solution" means having all the software you need within one system to dramatically simplify and streamline the organization's overall operations.

Single versus Multiple System Data entry

This is an area that contributes to a considerable consumption in time and resources, ultimately affecting productivity. In many cases when a company is supporting multiple systems they also have to contend with entering data in multiple places to track and manage information. Obviously by running an all-in-one integrated system, data is entered once in a central location. The time savings here can be considered and calculated depending upon the complexity and size of the original organizational structures.

If you are an organization with thousands of tenants, vendors, buildings, and units, the processing efforts required to carry on day-to-day are numerous and in

a decentralized set-up the consolidation and reconciliation of these accounts must certainly be cumbersome and time consuming. The larger the operations, the more data must be transferred in these activities and the chance of clerical errors increases with the sheer mass of information being transferred. Based on this, we can surmise that some of the challenges that arise in property management occur because the structure of multiple standalone systems have separate databases making them independent of each other.



Facility ID		Department ID	
Lease Number	TL0004	Master Lease	<input type="checkbox"/>
Lease Name	New Lease #4	Invoice Alternate Tenants	<input type="checkbox"/>
Description	New LEase #4	Lease Status	Active
Building / Portfolio ID	BUILDING002	Lease Commencement	
Building Portfolio Desc	New Bldg	Lease Execution Date	4/1/2008
Unit / Site ID	101-01	Lease Commencement Date	4/1/2008
Unit / Site Description	First Floor Office #101	Rent Commencement Date	4/1/2008
Unit / Site Revenue Share	NO	Initial Lease Term	0 Months
Tenant Number	001-COMTENANT	Current Invoice Amount	\$16,964.75
Tenant Name	Commercial Tenant	Master Charge	
Parent Company Name		Master Charge ID	
Customer Site Number		Billing Frequency	
Customer Site Name		Escalation Type	
Tenant Type	COMTEN	Escalation	
Currency ID	Z-C\$	Lease Termination	
Date of Initial Contact	0/0/0000	Lease Current Term Expiration Date	0/0/0000
Lease Type	LONG TERM	Lease Final Expiration Date	0/0/0000
Period by Period Lease	No	Lease Termination Date	
Unlimited Renewals	No	On Hold Date	
Prepaid Lease	No	Cancelled Date	
		Termination Fee	
		Holdover Fee	

To look at this in more detail, consider some issues directly related to managing an environment with multiple databases.

- Organizations with multiple databases tend to operate as separate entities or silos. Acting with a single database receptacle would allow organizations to operate more centrally. With all of the data in one place

and all rule sets / security centralized into one database, a higher level of organizational control can be achieved.

- Operations, administration, and decision-makers do not have overall data access and control at any time. This problem is overwhelmingly and easily overcome with one centrally shared database where all users and transactions are monitored against a standard set of rules.
- The cost of maintaining numerous databases is significant. Additional accounting costs and staff are needed to maintain these processes from different locations.
- Regular reporting from multiple databases is very time consuming and tedious due to the fact that they may have different financial accounts. Entities and information in a single database with all data compiled under one set of financials greatly simplifies end of period reporting and saves critical report compilation time.

In larger and more complex situations, a single database structure containing all data from all locations offers organizations a better solution to proactively improve operational efficiencies and control over the traditional multiple system approach.

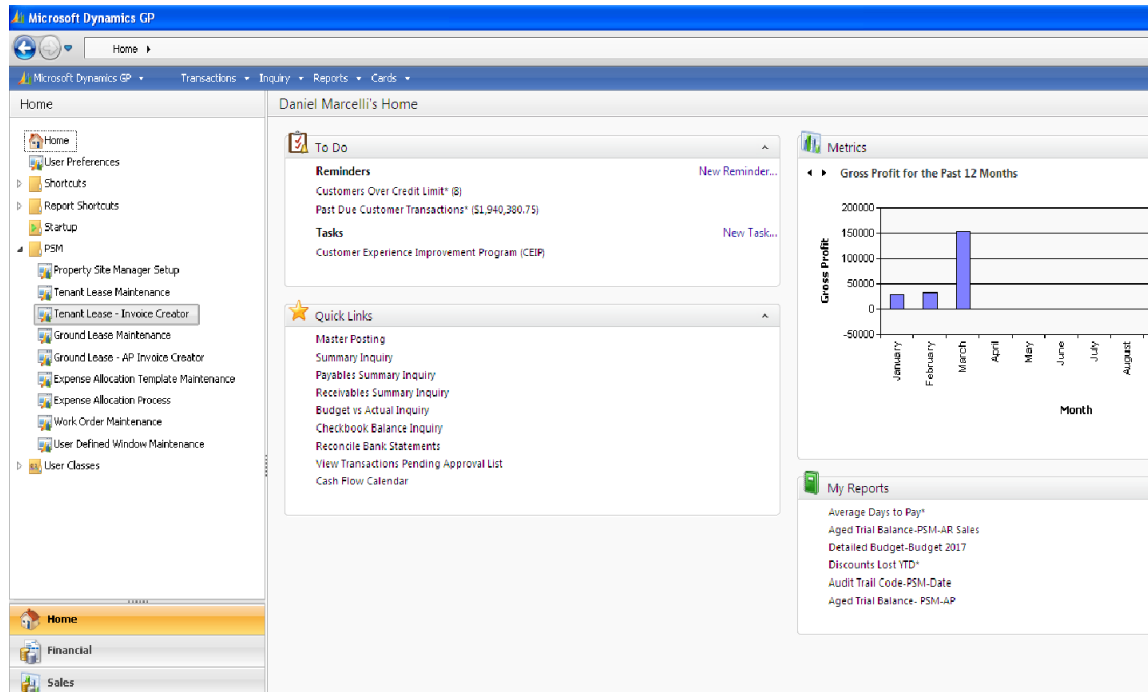
Why choose an Integrated System?

As more tenants move into managed properties, the demand on property managers increases as does the amount of data and transactions. With the increased need for corporate accounting data transparency and the ability to quickly access organizational wide data hitting an all time high, this particular area is one where resources are being asked to do more as time goes on. The primary benefit to integrating all your business processes into one solution is the fact that all data is kept in one central location, making it much easier for everyone to access and share information. Holding information centrally will ensure a proactive approach to maintaining this corporate information and ensure proper data control standards can be enforced.

In general, property management has become much more sophisticated and complex. Property management companies now do more than just manage properties. In order to increase profits and control market share, many are turning to construction and development. For these organizations, having a system that not only integrates these processes, but also being able to create sophisticated reports becomes imperative since there is so much more at stake than just pure property management operations.

In the software industry, it is not uncommon to find companies that acquire a competitor to discontinue or stop supporting the competitor's application which

forces the customer to move to the acquirer's software. Rather than being forced to purchase another application, choosing an integrated solution that offers all the possible modules ever needed by property management companies will alleviate such headaches and the cost of moving from one system to another.



What are the Benefits of an Integrated Solution?

A substantial benefit of running one integrated solution to manage all business processes would be the fact that all transactions are posted to one set of financial records and information is tracked in one database. Imagine having the ability to generate an AR or AP trial balance for any and all data not to mention a multitude of financial or profit & loss reports with a few clicks of the mouse.

With Microsoft Dynamics GP and Property Site Manager, users can access real-time financial data on any property at their fingertips.

Screen Output - BSSJ_Tenant_Lease_Rent_Roll

File Edit Tools Find Help sa Fabrikam, Inc. 1/1/2017

Print Send To Modify 100% Completed 1 Page Page 1

System: 2/10/2009 11:13:06 AM User: 1/1/2017 Page: 1 User ID: sa

Fabrikam, Inc.
TENANT LEASE RENT ROLL

Previous Date: 12/1/2006 From Tenant: From Site: From Building / Portfolio:
Current Date: 1/1/2009 To Tenant: To Site: To Building / Portfolio:

From Tenant Lease: From Site Status: Due Diligence From Site Acquisition Date: 0/0/0000 From Lease Status: Prospect
To Tenant Lease: To Site Status: Escrow To Site Acquisition Date: 0/0/0000 To Lease Status: Terminated

Lease Number	Site ID	Portfolio ID	Site Name	Tenant Number	State	Region	Frequency	Previous Amount	Current Amount	Difference	Monthly Rent Roll	Annual Rent Roll
TL0001	AAA-UNIT	BUILD001	unit a	01-AAATENANT			Monthly	\$3,500.00	\$4,218.80	\$718.80	\$0.00	\$0.00
TL0002	000-01	BUILD001	ground floor west office	001-COMTENANT			Monthly	\$125.00	\$175.00	\$50.00	\$0.00	\$0.00
TL0003	000-01	BUILD001	ground floor west office	001-COMTENANT			Monthly	\$0.00	\$225.00	\$225.00	\$0.00	\$0.00
TL0004	101-01	BUILDING002	First Floor Office #101	001-COMTENANT			Monthly	\$0.00	\$450.00	\$450.00	\$0.00	\$0.00
TL0005	000-02	BUILDING002	First Floor Office #101	000-COMTENANT2			Monthly	\$0.00	\$1,225.00	\$1,225.00	\$0.00	\$0.00
TL0006	000-02	BUILDING002	First Floor Office #101	000-COMTENANT2*			Monthly	\$0.00	\$2,250.00	\$2,250.00	\$0.00	\$0.00
TL0007	000-02	BUILDING002	First Floor Office #101	001-COMTENANT			Monthly	\$0.00	\$2,250.00	\$2,250.00	\$0.00	\$0.00
TL0008	000-WEST	000-AIRPORT	West retail bldg	00-CATERING	NEWYORI		Monthly	\$0.00	\$3,020.00	\$3,020.00	\$0.00	\$0.00
TL0009	000-03	000-AIRPORT	airport	00-CATERING	TERRITORNW		Monthly	\$0.00	\$2,250.00	\$2,250.00	\$0.00	\$0.00
TL0011	000-03	000-AIRPORT	airport	00-CATERING	TERRITORNW		Monthly	\$0.00	\$2,250.00	\$2,250.00	\$0.00	\$0.00
TL0012	000-03	000-AIRPORT	airport	00-CATERING	TERRITORNW		Monthly	\$0.00	\$2,300.00	\$2,300.00	\$0.00	\$0.00
TL0013	000-03	000-AIRPORT	airport	00-CATERING*	TERRITORNW		Monthly	\$0.00	\$2,300.00	\$2,300.00	\$0.00	\$0.00
TL0014	000-03	000-AIRPORT	airport	00-CATERING*	TERRITORNW		Monthly	\$0.00	\$2,300.00	\$2,300.00	\$0.00	\$0.00
TL0015	000-03	000-AIRPORT	airport	00-CATERING	TERRITORNW		Monthly	\$0.00	\$250.00	\$250.00	\$0.00	\$0.00
TL0016	NE-100	CHAR-MALL	North East Entrance	AME-EAG			Monthly	\$2,974.28	\$3,778.38	\$804.10	\$0.00	\$0.00
TL0017	101818BLRE	SOU-EAST REG	10x8x10 Blast Resistant	01-AFB	TERRITOR		Monthly	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TL0021	COMI-120	COMPLEX 1	unit 120 complex 1	001-COMTENANT			Monthly	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TL0025	AAA-UNIT	BUILD001	unit a	01-AAATENANT			Monthly	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Report Total:								\$8,599.28	\$29,242.18	\$22,642.90	\$0.00	\$0.00

Within most organizations, there are many different types of roles and responsibilities of employees. This means that users will want the ability to create or manipulate data differently from one another depending on what's most important to them. Granted this can be done in multiple systems; however, the time needed to do this is substantially greater, resulting in more downtime and less focus on the core business.

Enquiry/Reporting

While security and access rules set on a database determine the upfront control aspect for an organization, reporting allows management the ability to make critical business decisions quickly based on the most current financial data. It is no secret that some users spend days compiling monthly reports from multiple systems for management teams.

Reporting within organizations is generally a function of how a company is managed. There are many departments within a property management company as well as many roles. Each employee is responsible for certain tasks; therefore, the faster an individual can have access to vital role-related reports, the more efficient their day-to-day procedures become.

So it is safe to say that by providing senior management with accurate and timely reporting capabilities, organizations can be managed more effectively in this increasingly competitive vertical.

Screen Output - BSSI_Tenant_Lease_Escalation_Line_Inquiry

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Fabrikam, Inc.
TENANT LEASE ESCALATION LINES

As Of Date: 1/1/2006 Show: Uninvoiced

From Tenant: From Site: From Tenant Lease: From Charge ID: From Site Status: Active From Site Acquisition Date: 0/0/0000
To Tenant: To Site: To Tenant Lease: To Charge ID: To Site Status: Active To Site Acquisition Date: 0/0/0000

Tenant Number	Tenant Name	Site ID	Lease Number	Charge ID	Frequency	Year	Period	Start	End	Sales Amount	Discount Amount	Billable Amount	Involved Amount	Are S1
001-COMTENANT	Commercial Tenant	000-01	TL0002	MAINTENANCE	Monthly	3	1	10/1/2008	10/31/2008	\$160.00	\$0.00	\$160.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	MAINTENANCE	Monthly	3	2	11/1/2008	11/30/2008	\$160.00	\$0.00	\$160.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	MAINTENANCE	Monthly	3	3	12/1/2008	12/31/2008	\$160.00	\$0.00	\$160.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	25	5/1/2008	6/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	26	6/1/2008	6/30/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	27	7/1/2008	7/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	28	8/1/2008	8/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	29	9/1/2008	9/30/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	30	10/1/2008	10/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	31	11/1/2008	11/30/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0002	PARK	Monthly	3	32	12/1/2008	12/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	COMMRNT	Monthly	1	2	5/1/2008	5/31/2008	\$200.00	\$0.00	\$200.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	COMMRNT	Monthly	1	3	6/1/2008	6/30/2008	\$200.00	\$0.00	\$200.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	COMMRNT	Monthly	1	4	7/1/2008	7/31/2008	\$200.00	\$0.00	\$200.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	COMMRNT	Monthly	1	5	8/1/2008	8/31/2008	\$200.00	\$0.00	\$200.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	COMMRNT	Monthly	1	6	9/1/2008	9/30/2008	\$200.00	\$0.00	\$200.00	\$0.00	
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001-COMTENANT	Commercial Tenant	000-01	TL0003	PARK	Monthly	1	5	8/1/2008	8/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	PARK	Monthly	1	6	9/1/2008	9/30/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	PARK	Monthly	1	7	10/1/2008	10/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	PARK	Monthly	1	8	11/1/2008	11/30/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	000-01	TL0003	PARK	Monthly	1	9	12/1/2008	12/31/2008	\$25.00	\$0.00	\$25.00	\$0.00	
001-COMTENANT	Commercial Tenant	101-01	TL0004	MAINTENANCE	Monthly	1	3	8/1/2008	8/30/2008	\$260.00	\$0.00	\$260.00	\$0.00	
001-COMTENANT	Commercial Tenant	101-01	TL0004	MAINTENANCE	Monthly	1	4	7/1/2008	7/31/2008	\$260.00	\$0.00	\$260.00	\$0.00	
001-COMTENANT	Commercial Tenant	101-01	TL0004	MAINTENANCE	Monthly	1	5	6/1/2008	6/31/2008	\$260.00	\$0.00	\$260.00	\$0.00	
001-COMTENANT	Commercial Tenant	101-01	TL0004	MAINTENANCE	Monthly	1	6	5/1/2008	5/30/2008	\$260.00	\$0.00	\$260.00	\$0.00	
001-COMTENANT	Commercial Tenant	101-01	TL0004	MAINTENANCE	Monthly	1	7	10/1/2008	10/31/2008	\$260.00	\$0.00	\$260.00	\$0.00	
001-COMTENANT	Commercial Tenant	101-01	TL0004	MAINTENANCE	Monthly	1	8	11/1/2008	11/30/2008	\$260.00	\$0.00	\$260.00	\$0.00	

What else do you need to know about Property Site Manager?

- ⇒ Binary Stream Software's Property Site Manager is only available for the Microsoft Dynamics GP platform.
- ⇒ The Property Site Manager is sold in modules. The Core Module requires Microsoft Dynamics GP's General Ledger, Payables Management, Receivables Management and Sales Order Processing modules. Optional Property Site Manager modules include: Fixed Assets and Service Call Management (Equipment Management)
- ⇒ Property Site Manager can be implemented anytime so long as Microsoft Dynamics GP is installed.
- ⇒ Property Site Manager can only be purchased through a Microsoft Dynamics GP Value-Added Reseller (VAR). Binary Stream will be happy to answer any questions, requests, and provide demos as required.