



technology for (visionary) property and facility people.



## Tech in Check?

Use this process to keep your business in prime operating condition.

Your information technology manager gives you a ballpark estimate for adding transaction management software to your intranet. Your marketing person wants to use an e-mail blast service to target 1031 exchange clients. Your office manager tells you the color printer is on the blink - again. You're trying to close a leasing deal in another state and really could use something other than conference calls to keep

the parties connected.

Thanks to technology, it's all in a day's work for those who lead small to medium-sized commercial real estate companies. It's not uncommon for some task or request to prompt the question: Am I providing the technological infrastructure necessary to run my business most efficiently? Many executives rely on outsourced network engineers or in-house employees to handle day-to-day technology matters, but purchasing decisions as well as infrastructure needs require top-level input. How do we assure ourselves that the technology our employees use is the technology they need?

One method is to create a review process for technology purchases. This standardized decision-making format is not a technical process; rather, it is a business protocol that can help to ensure you're providing the most effective systems and products for your employees. If you perform this technology check-up internally when you are confronted with expenditure recommendations or suggestions, you always can be aware of your system's capabilities, problems, and potential.



### Size vs. ROI

Every day incredible advances occur in the worlds of automation, communications, and systems infrastructure, but it is not practical for any business, large or small, to change daily. However, given the productivity increases that technology now allows, company owners constantly must think of their next step and keep their businesses within a comfortable margin of proven methods. As technology improvements filter down much faster than in the past, today's market competition makes it necessary to stay ahead of client demands.

Technology covers a multitude of business processes and products: mobile and desktop computer hardware and software, including accounting, financial analysis, word processing, presentation, and others. But technology also extends to Web sites, e-mail, instant messaging, intranets, and other network systems, as well as personal digital assistants, cell phones, printers, and other office equipment.

Above all, the process of analyzing the cost benefit of a technology decision must have a favorable outcome to justify its purchase. If you are contemplating purchasing a piece of equipment or new software, it should be part of the company's growth plan and business strategy.

One of the biggest challenges for small to medium-sized businesses is to stop viewing purchases as discrete pieces of equipment and start seeing them as part of a process. Take for instance, a copy machine. Should you buy or rent a copy machine, or should you look at the process of document management and assess how copying figures into it? Making a copy today is almost futile as it most likely will be faxed, e-mailed, or scanned to be stored. So now you're not looking at just a copy machine, you're looking at a complete document management system.

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This presents a problem because small to medium-sized businesses' technology purchases often are overshadowed by cash flow issues, according to small-business consultant Helen Chan, an analyst with Yankee Group in Boston. Small companies expect a return on investment within six months, whereas large companies can amortize those purchases over longer periods. As a result, tighter budgets often lead small companies to purchase only what they think they need, which sometimes causes them to focus on only one piece of equipment rather than the whole process.

#### **Important Considerations**



Each potential purchase should go through a thorough examination before you decide to spend the money. Oftentimes, questions go unanswered and purchases are made without any testing, reference checks, or cost benefit analysis.

For example, free trials and/or demos are common software product offerings and many times it is worth it to use a product on a trial basis to determine how it works, how hard it is to implement, and whether it is compatible with other products.

The best information often comes from actual end-users, so visiting another user's location to see how the product performs is another helpful testing method. Contacting CCIM colleagues by e-mail or phone could provide a wealth of experiences with specific products.

Find out if a product can be implemented with little or no training, as this adds to the actual cost of implementation and must be considered. If a technology item is user-friendly and takes moments to implement, you can save the labor it would cost for training. Some products may attract users because they are affordable; however, the product may require extensive training or setup that never gets done or figured out by the employees using it.

Another critical point to consider is the evaluation of hardware purchases, namely desktop and mobile computers. Given the labor and efficiency factor, you need to determine if it makes sense to have inferior equipment that requires additional technical labor or to buy new. Today more than ever, computers are almost disposable. You can purchase a new system for less than it would cost to have a technician repair a system, suspending your employees' productivity.

Performing a comprehensive technology review can provide insight into the areas to consider before purchasing new equipment and systems. In addition, you may discover several items to keep on your short list as your business - and technology - evolves.

Using a review method may train you to look at the entire protocol instead of just one product. The following four-part technology assessment is designed to provide a standard format commercial real estate companies can use for every technology purchase. Part 1 asks four basic business questions that establish the framework of your business and services. Parts 2 and 3 assess client and staff needs. These attributes should be tailored to match your company's service philosophy. Part 4 is a breakdown of decision categories for determining the benefits, detriments, and business-wide effects of technology purchases.

If you need more assistance, contact [ManagerLabs](http://ManagerLabs.com) for a sounding board opinion, *before*, you make your next purchase or decision!  
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## TECHNOLOGY-REVIEW-TOOLS

### Part 1 - EVALUATING YOUR BUSINESS

1. What services does your company provide? Look at your main income streams such as commercial brokerage, property management, and consulting. Are you planning to add services or change this model? If so, when?
2. What is the owner's exit strategy? Consider the time frame for exiting the business, even though it may be far into the future. Will you sell the company and retire, pass the company on to family or a partner, close the doors, or pursue another strategy?
3. Is there currently a good business work flow with defined processes and procedures? This question refers to methods for processing the collection of receivables and the payment of invoices, as well as such items as the distribution of client reports and marketing materials.
4. Do the individuals involved in the technology decision-making process understand the business model? Decision makers must have a thorough understanding of the company's operations and be

aware that technology changes can result in staff reductions or re-assignments.

### Part 2 - ASSESSING CLIENT NEEDS

This list of attributes describes the services that commercial real estate clients generally expect. While those listed here may apply to most businesses, the list should be personalized to your particular clients' needs.

1. Knowledgeable, competent personnel who can utilize technology to make them the most money possible
2. Cost-efficient results
3. Responsive employees
4. On-time, high-quality reporting and data
5. Continuous, accurate information
6. Information on the marketplace as well as their own assets
7. 24/7 access to information
8. User-friendly products and systems
9. Professional image
10. Affordable fees

### Part - 3 ASSESSING EMPLOYEE NEEDS

The consensus of staff needs relates to their use of technology on the job.

1. User-friendly and/or minimal training requirements
2. Support provided when necessary
3. 24/7 access to information
4. Services that provide staff-applicable data
5. Structure and a template-style environment provided
6. Tools that help commission employees make the most money possible
7. Current tools provided
8. Instant implementation of systems
9. Travel and mobility made easy
10. Working outside the office made easy

### Part - 4 PUTTING KNOWLEDGE INTO ACTION

Combine your answers and insights with the following information:

- realistic financial considerations,
- knowledge of what your competitors are doing, and
- a complete inventory of the hardware and software your company already has.

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## EVALUATION-CRITERIA-CHECKLIST

Once you have taken these steps, every new purchase should be evaluated using the following criteria.

### Specifications

- What are the product specifications (network or single-user version, number of users, size, capacity, etc.)?
- Is the system or product compatible with your current operating system and/or environment?
- Does the product or system include a warranty or guarantee?
- Is the product or system supported by a manufacturer or vendor in your area?

### Purchase

- Is the product used in your marketplace or industry?
- Do you have references from current product users?
- Is there a free trial or demo available?
- Do you have the option to buy new, used, or re-manufactured?

- Can you buy online and avoid sales tax and shipping?
- Is it already bundled with a warranty?
- Can you order to your specifications directly from the manufacturer?

### Implementation

- What labor costs are involved?
- What training costs are necessary?
- What is the learning curve for staff without training?
- What is the implementation roll-out time?
- Can you utilize the platform/product remotely?
- Will it provide efficiencies within your systems and processes?
- What is the cost to maintain the product regularly?
- How often is the product upgraded or updated and what issues are involved, particularly in terms of compatibility?
- Is the product compatible with your current infrastructure or are changes required?
- If changes are required, is it worth the additional investment?
- How will the product/process/infrastructure change impact your back-up processes?

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