

CASE STUDY

40 - COMMUNITY ASSET MANAGEMENT COMPANY



CLIENT

A growing Asset Management Company had 12 communities under management. The Company held mostly A to B+ class communities with healthy rental rates. The company had plans for significant growth and needed a way to achieve that growth.

CHALLENGE

The Company had the capital to grow quickly, but was concerned that acquisitions would outpace their staffing and processes. They expected to add nearly 30 properties under management in the coming year. Senior management knew the current staff was not sufficient to handle the expected growth without complications, which they wanted to avoid.

When the Company realized it would need to triple its staff in a short time to allow for the expected growth, it also concluded that there was not enough office space or time to on-board new staff and expand to an appropriate amount of office space.

PLAN

The Company's first plan of action was to explore using a national management firm to ensure consistent reporting throughout its entire portfolio. With outside management fees estimated at more than \$7,800 per property per month, their estimated cost for this course of action was approximately \$330,000 per month. With a projected annual cost of nearly \$4 million to use an outside management firm, the Company began to research the opportunities of outsourced accounting services.

Upon meeting with Ascent to discuss the pros and cons of outsourcing, the Company retained Ascent to handle its accounting and human resources functions.

RESULTS

Ascent took over all processes of the Company's accounting department including vendor payments and compliance, bank reconciliation, financial statements and other related tasks. This included transitioning the Company to online accounting software and creating custom reports to meet the needs of its various divisions. Custom reports were also created for each investor group.

Ascent's HR representative traveled to each of the Company's four cities with properties to on-board employees, providing all processes, paperwork and training required for a seamless transition.

“In the three years we've worked with Ascent, we've benefited in more ways than we expected. Their HR and accounting services gave us the flexibility to focus on growing our assets. The ability to track employees, control spending, and have detailed monthly financials to our owners for the minimal cost is a tremendous value.”

BENEFITS

This Asset Management Company received immediate results and saved millions in the first three years by outsourcing its accounting and human resources functions. Among the primary benefits they received are:

Eliminate Hiring Costs: Outsourced accounting eliminates the need to worry about hiring, training and maintaining an accounting department. By outsourcing with Ascent, all these positions and additional overhead costs are eliminated.

Flexibility: As more properties are acquired or sold, Ascent Multifamily Accounting can grow or shrink with owners. Ascent is 100 percent scalable, meaning there will never be too many or too few employees working on your properties.

Real-Time Information: When a transaction comes in, it is immediately processed and goes live on your system. This means all data is current whenever you need it.

Get in touch with the accounting professionals at Ascent today to see if you could gain more flexibility and save time and money by outsourcing your accounting services.

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Call us at **702.998.5030** or visit **www.multifamilyaccounting.com**