



Is outsourcing right for you?

Your simple checklist

Outsourcing has long been an effective strategy in business

It enables you to provide a new, improved or more streamlined service to your clients without having to make an internal investment in things like infrastructure, upskilling or recruitment, and technology.

In the lettings industry, outsourcing time-consuming tasks such as rent collection, tenancy administration, property maintenance and inspections to specialists has given agents the time to focus on new sales and income generation.

It can be a great solution if you want to:

 Reduce costs while maintaining service levels

 Grow your lettings business

 Improve efficiency

 Increase geographical reach

 Provide the highest level of expertise to tenants and landlords

 Have an experienced team for less than it costs for one or two employees

You also only pay for the services you need and when you need them, so there's that element of flexibility too.

However, outsourcing isn't right for every letting agent. Deciding whether it is will depend on a number of factors, including staff capacity and skillset, size of portfolio and profit margins and core business objectives.



Your simple checklist

If you've been considering outsourcing but aren't sure whether it's the right solution for you, here's a quick checklist that should help you decide.

Simply answer yes or no to the following questions:

- 1 Does your lettings business currently contribute a significant amount to your overall business profit?
- 2 Is your lettings income at risk of reducing when the tenant fee ban comes into force?
- 3 Would you like to grow your lettings business?
- 4 Would you need to employ more staff or train existing staff in order to achieve this?
- 5 Are average rents in your portfolio in excess of £700 per month?
- 6 Are you only able to offer your lettings services in a restricted area?
- 7 Are your staff overstretched?
- 8 Are there administration and back-office tasks that your staff carry out that take them away from growing your business, negotiation and sales?
- 9 Do your staff need additional training and development to maintain industry knowledge?
- 10 Are you able/happy to delegate business functions that take up time, or that you don't enjoy doing?
- 11 Could time spent carrying out property administration tasks, property inspections and tenant check ins/check outs be better allocated to growing the sales side of your business?
- 12 Do you spend a lot of time dealing with tenant enquiries and maintenance issues?
- 13 Is finding trustworthy tradespeople who can offer a timely service a chore?
- 14 Would you prefer not to have to deal with emergency enquiries out of hours?
- 15 Would you benefit from the use of additional sophisticated systems and software without the extra cost?



To outsource or not to outsource...

The Verdict

Over the next 3 pages we've detailed some scenarios that you can relate to your lettings business to help you identify whether outsourcing is a viable and cost-effective option for you.



If you answered mostly **NO**:
it might be better to manage your lettings functions in-house.



But if you answered mostly **YES**:
then outsourcing is definitely worth exploring further.



Your business and objectives

If you are a sales-focussed estate agent who dabbles in rental sales and property management, and you have no appetite to grow the lettings side of your business, then why not focus on what you're good at. You can't be a jack of all trades after all.

Alternatively, if the lettings side of your business is already sizeable and average rents across your portfolio are more than £700 per month, then it can make sense to use a third party. Finding an experienced and capable outsourcing partner can help you grow your business - if enquiries from landlords and tenants increase, but not enough for you to warrant employing a member of staff (and all the costs and headaches that go with it), then you'll automatically have capacity.

With the tenant fee ban looming and changes to mortgage interest tax relief forcing some landlords to cut costs, there's no doubt that letting agents will be affected. You may have already come up with a plan to restructure your business and minimise the impact for you and if that's the case, congratulations (and what's your secret?!). If not, you will need to find a cost-effective solution for providing your services that benefits your bottom line as well as the pockets of landlords and tenants.

Imagine how many more customers you could get if you partnered with a specialist outsourced lettings provider who has nationwide capability and knowledge?

Your resources

If you already have a team that has spare capacity and the skills or willingness to learn how to provide an efficient property management service, then it's time to put them to good use. No one wants to lose people if they don't have to and you never know, it could be their calling.

Just ensure you ask yourself how much time and effort it would cost you to train them, if needed, and whether resources could be put to better use getting you more customers and properties.

Tenancy administration alone can take up a lot of your time. Then there's the time spent doing property inspections and chasing rent arrears to consider, which can mean your day is gone before you've even started thinking about running the other areas of your business.

Add to that the emergency maintenance queries received throughout the day and night; finding the right contractors and tradespeople and hoping they are available (and at a reasonable price for your landlord), and suddenly, your life and business are not your own.

Also consider your internal software packages, industry memberships, tenancy deposit registrations and support subscriptions. Compliance is enough to put anyone off an all-expenses-paid trip to Hawaii, but legislation is constantly changing in the lettings industry and it can be a chore to keep on top of things.

As well as the costs associated with having the latest proptech and memberships for example, you also have to be sure it will be used correctly and efficiently.

By outsourcing to an experienced and reputable provider, you could automatically get access to these resources, helplines and a network of trusted maintenance contractors.



Your managerial style

Outsourcing some or all of your lettings functions could prove to be completely viable, but you have to be willing to hand over an element of control and put your trust in other people.

If you struggle delegating or handing over control, then you may struggle to work with an outsourcing provider, and if that's worked for you to date, then don't fix something that isn't broken. Outsourcing will not work if you are someone that needs and wants to have full visibility and responsibility for decision-making all of the time. It will be more of a drain on your time.

And if your need for control comes from protecting your brand and market position (and rightly so), then know that there are outsourcing companies out there who can operate under your brand.



You just need to carry out thorough due diligence and ensure you are happy that the third party has the expertise to provide an excellent service as well as shared brand values.

Of course, you'll never lose complete control and any good provider of outsourced services will have measures in place whereby you can access your records or speak to an account manager at any time.

This guide was brought to you by ARPM, a leading provider of white labelled lettings administration and property management services.

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