



Don't Waste Precious Dollars Here!

By Susan Saldibar

Do you know what changes your community will go through over the next five years or so? Will you end up loosening your belt or tightening it? Will you need to hire or downsize?

Senior living has plenty of “unknowns” to keep operators up at night. And what we do know isn't exactly reassuring. But you'd probably agree that things like responsiveness, agility, flexibility and making the best possible use of resources are important survival tools.

I spoke recently with Alan James, SVP, Investment Management, Accounting & Commercial for [RealPage](#) (a Senior Housing Forum partner). Alan's on the finance side of the house, so our chat centered around financial resources. He had some good insight as to how senior living operators should be managing their various financial disciplines and how they might strike a more profitable balance between them. Sound interesting? It was!

Outsourcing and insourcing. Where are your precious dollars best spent?

First, we talked about the back-office accounting function; the number crunching that the accounting folks have been doing the same way for the last twenty years. “They are basically creating data and organizing it,” says Alan. “But they are doing little to nothing to dig deep and analyze it. That's the job of management,” he adds.

While accounting is obviously an essential function, it's one that more and more senior care providers are deciding to outsource. I asked Alan why that is. “If you have 2,000 units today and tomorrow you have 1500, how do you right size your team,” Alan asks. “It's not a function that scales easily. Outsourcing gives you scale, and saves money,” he adds. That makes sense when you think of the volatility of this market space. If it can be outsourced and still handled effectively, why not?

RealPage's clients started asking them to provide outsourcing for their accounting processes a couple years ago. "They realized that they were paying overhead for a pretty straightforward set of accounting tasks and wanted to make more strategic use of their money," says Alan.

Here are a few key reasons Alan urges communities to consider outsourcing.

- Scalability. Whether you grow or downsize, chances are you will either be over or understaffed in your back office. "It's hard to scale up and down with your financial staff," says Alan. "If you lay off one or two people, what happens if you need them back? Training and maintaining them is time consuming and costly."
- Cost savings. This goes hand in hand with scalability. Human capital is the highest expense for senior living and anything that can offload the process will save money that can be used elsewhere.
- Cloud-based flexibility. This is the kind of outsourcing environment you want. That way, according to Alan, you can bring a function back in-house if need be and back out again, seamlessly. All tools are available through the cloud. Full transparency ensures that you can spot check any area, any time.
- One less thing to manage. Offloading the day to day accounting function puts the accountability on your outsourcing partner's shoulders. RealPage has a team of financial experts who are up to date on all the latest tools and methods for their senior housing clients.

Put the Power Tools in the Hands of Your Decision Makers

But here's where Alan says the real power of outsourcing all the number crunching comes in. By offloading the more routine aspects of accounting, you make better use of your money in areas that build value; areas like branding, marketing, building a stellar care team.

RealPage has put significant focus on developing powerful, yet easy-to-use analytical and reporting tools, and it's paying off in the high value they produce for senior management. "We built our integrated financial platform so that asset managers and other senior management can use tools themselves."

"If I'm looking to conserve capital, scale up and down, reduce the risk of losing key employees, and use my excess capital in marketing, branding, and operations, nothing makes more sense than to outsource back-office accounting and put my resources into high value strategic tools," Alan says. "Firms that do this will create a more competitive market. And they will be the ones who not only embrace change, but capitalize on it."

You can watch this [on-demand webcast](#) to learn more about RealPage's outsourcing capabilities.



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