



AMERICAN  
DEPOSIT  
MANAGEMENT

# OVERCOMING THE TOP 5 CHALLENGES FACED BY COMMUNITY MANAGERS

August 2023

# ABOUT



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Community managers who manage homeowners' associations (HOAs) face a wide range of challenges and responsibilities. Over the past few years, many property managers have been forced to adjust their strategies and adapt to new barriers.

The following is a list of the top 5 challenges community managers face as compiled from independent research and current clients' individual experiences. Each challenge is outlined with how to overcome and proactively address each issue from arising.

## **Top 5 Challenges**

1. Communication and Resident Relations
2. Financial Management - Reserve Account Planning/Effectiveness
3. Board Relations and Governance
4. Changing Technology and Software
5. Vendor Management

# COMMUNICATION AND RESIDENT RELATIONS

## THE PROBLEM:

Getting to know your residents and establishing reasons why individuals leave allows you to take a proactive approach to improving resident relations.

Often, residents only communicate with their community manager when they are experiencing a problem.

During the resolution of their issue, residents tend to judge the quality of their community manager's communication based on three factors:

- Professionalism
- Response speed
- How closely the resolution matches their expectations.

While reactive communication is important, there are also ways that community managers can improve their proactive communication.

## THE SOLUTION:

With a base of clear, positive communication, residents can feel more connected to their community management and begin to view the relationship as mutually beneficial.

Posting regularly on social media, hanging flyers, starting a blog for residents, and monthly emails are a great base for resident communication and are the bare minimum you should be doing. Understandably, those tasks take time, which is why implementing a social media/email scheduling tool is helpful. Platforms like [HubSpot](#), [Zoho](#), and [MailChimp](#) are great for creating and scheduling posts/emails. Both of these have free and paid versions.

Utilizing technology is also important when making sure residents are able to easily pay rent, communicate with you, and initiate maintenance requests. At the very least, an online resident portal is now commonplace for most community management companies. You can however take it one step further, by using a text message platform like [EZ Texting](#) or [Doorkeep](#) to communicate with residents, send rent reminders, notify residents of upcoming events and repairs, make a maintenance request, etc.

# FINANCIAL MANAGEMENT - RESERVE ACCOUNT PLANNING/ EFFECTIVENESS

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## THE PROBLEM:

With interest rates at their highest level since 2001 and elevated construction costs, many property management firms have seen their profit margins squeezed – even with higher rents. This leaves companies with two options – reduce operating costs or increase revenue.

In addition to that, community managers have also struggled to find a balance between how much excess cash to keep liquid for property improvements, purchases, and emergencies, vs. how much to lock up for a set amount of time. Traditionally, funds locked into a set term tend to earn much more than funds sitting in a savings account, which is where the turmoil arises. Locking up too much of your cash means you cannot be as flexible, but leave too much in your savings, and you miss out on earned interest.

## THE SOLUTION:

It is not always possible to reduce operating costs, so community managers must find creative ways to increase their revenue. One often overlooked way to increase revenue is by seeking a higher rate of return on reserve cash.

With advances in financial technology (fintech), community management companies can streamline their cash management program with companies such as [the American Deposit Management Co. \(ADM\)](#). Pulling from a network of 500+ financial institutions, cash can earn a more competitive rate and maximize interest income which can be used to offset rising costs.

Partnering with a cash management company, like ADM, can also help alleviate the stress of balancing rate and liquidity. Oftentimes the money market (liquid) rates delivered are higher than the national average savings account rate, with the same next-day liquidity. This means you can earn more and have cash on hand for situations that may come up.

# BOARD RELATIONS AND GOVERNANCE

## THE PROBLEM:

Relationship management is a large part of being a community manager. It is imperative to maintain a productive relationship with the HOA or community's governing board. Ideally, community managers and the board work together to implement decisions that benefit residents. However, this relationship can become strained when the two groups have opposing ideas.

It is also your responsibility to ensure all rules, local laws, and guidelines associated with the community and area are being followed. It is your job to be on top of new rules and laws, communicate them to the HOA, and adhere to them.

## THE SOLUTION:

To keep a positive relationship with the HOA board, community managers must be knowledgeable about the applicable federal and local laws and the community's specific bylaws. This knowledge can help the board view the property manager as a valuable resource as well as a partner.

Community managers also need effective communication with the HOA board. This includes providing accurate, complete information that is easily digestible. When it is easy for the board to understand the community manager's ideas and know the community manager complies with all laws and bylaws, they can be more welcoming to new ideas.

Schedule board meetings in advance and try to be consistent on time/day week for each meeting frequency. Be sure to assign an individual to keep meeting notes and approve those notes at the start of the following meeting agenda.

Finally, community managers need to align their goals with the roles of the board. After all, both the HOA and community manager want what is best for residents.



# CHANGING TECHNOLOGY AND SOFTWARE

## THE PROBLEM:

Prioritizing community management software and technology allows you to streamline processes, improve communication, and maintain organized records. This can be as simple as implementing a texting platform for your residents (see examples on the communication and resident relations page) or a more complex solution such as investing in and using a new community management software.

## THE SOLUTION:

The right software can save community managers valuable time, make residents more self-reliant, and drive profitability. With modern advances, many of these systems can integrate with payment software, application processing software, and more.

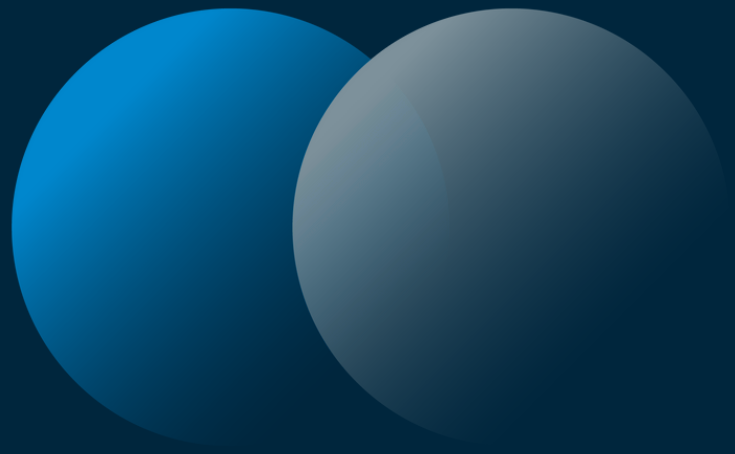
There are many software solutions designed specifically for community management. They vary in price, sophistication, and features. A few examples are as follows:

- **Buildium** is an all-in-one package, that accommodates all portfolio mixes and integrates with several popular third-party platforms, but may not be good for single-unit property owners.
- **AppFolio** was designed for larger rental portfolios and includes access to a number of advanced tools that other software may not have.
- **DoorLoop** has an intuitive user interface, a short learning curve, and a speedy onboarding process, but may not be as advanced as other platforms.

The best one is the one that meets your specific needs, which could be different for each manager.

Click [here](#) for an overview of the top 9 Property Management Software systems for 2023 as outlined by Rocket Mortgage.

# VENDOR MANAGEMENT



## THE PROBLEM:

Finding reliable and cost-effective vendors for maintenance, repairs, landscaping, and other services is crucial. Now more than ever, it is essential to ensure quality vendors are treated well and maintain a good relationship with them.

Community managers need to manage vendor relationships, negotiate contracts, and ensure quality services are provided. Keeping up with all these vendors – and their different payment terms and schedules – is a time-consuming process. Simply processing payments to dozens of vendors could require a full-time employee to manage.

## THE SOLUTION:

A vendor management program is especially important today when many areas are experiencing labor shortages in key industries. A reliable vendor is tough to find, and community managers need to do everything they can to keep positive relationships with the vendors they trust.

One way to keep up with vendor payments is to use your software platform, if your platform has the capability, some may not. If you are in the process of finding a new platform, make sure vendor payments are one of your mandatory features during your search. While you may pay more for the feature, you will save costs and headaches in the long term.

Another way to manage vendor payments is to partner with a company that has a system to handle everything for you, like ADM. This ensures payments are made on time and securely and that vendors stay happy. Vendors and payment information are added to a portal, and everything is processed for you from there.





## AMERICAN DEPOSIT MANAGEMENT

ADM is a nationally recognized, award-winning, treasury management and financial services company. We have over a decade of experience working with Community Management companies and work with over 550 individual associations.

We understand that you face unique challenges within each of your properties, with the operation of your cash reserves being top of the list.

As your deposit management team, our main priority is making sure your funds are liquid but safe while maximizing interest with the most competitive rates possible.

Our patent-pending Financial Technology (FinTech) provides you access to exclusive rates from across the country and extended deposit insurance for your reserve funds through a network of 400+ financial institutions.

**We would love to discuss your individual property needs and provide a tailored strategy that helps you align your financial and business goals.**

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