



# The Answers to your Real Estate Offshoring FAQS



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**Offshoring is where you engage someone offshore to do tasks where you have direct control over their output.**

## **Often the terms Outsourcing and Offshoring are confused:**

But they are not interchangeable. Outsourcing is where you outsource the task to an external third party. Like you do with your tax or auditing if you engage an accountant to do those tasks.

Offshoring is where you engage someone offshore to do tasks where you have direct control over their output. Like you do with your admin staff who are onshore. You are responsible for their output just like you are now with onshore staff.

UPS offers a co-managed service. This is where we assist you setting up the infrastructure of engaging someone offshore but you are still responsible for the output.

## **The infrastructure may include:**

- Engaging the employee
- HR Management of the them
- Computer, screens, headset, camera and other technology
- Set up of appropriate and required software
- Induction and training into the Real Estate language and mindset
- Reporting of activity

UPS is also able to go one step further and suggest processes and ways that you can get the offshore tasks done in an optimal way using work instructions. We also train the offshore candidate and onshore staff how best to use these. We have had many years of experience seeing what works and what doesn't work. The best results are achieved when we work together and partner with you.

**Your onshore champion or team leader works with your offshore team to ensure that the tasks are completed to the level of the business' expectations . You supervise and manage their workload.**

You don't outsource the tasks to UPS, instead we work together to ensure that the tasks get done. This is an important distinction to note.

## **What you do?**

- Daily communication with your global team member giving them the tasks and helping them prepare their day.
- Further training on your business processes and how you want things delivered - you are in charge of the ongoing improvement of your global team member.
- The productivity of your staff member, they are your responsibility and should be treated as an integral part of your team.

# WILL OFFSHORING REALLY SAVE ME MONEY?

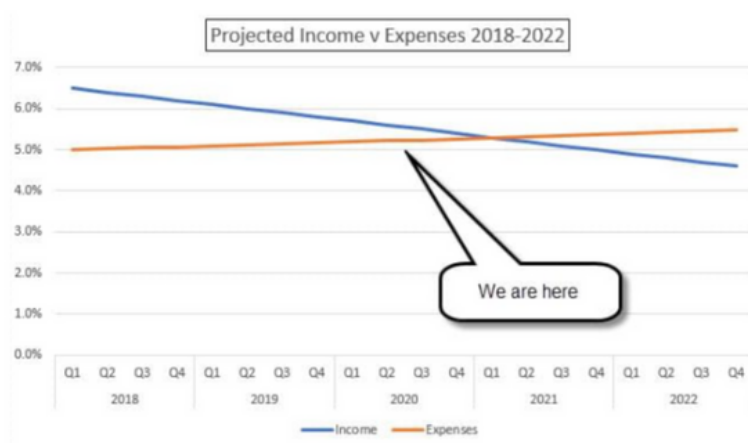


There was a time when the average commission rate in a Property Management business was 7%. This enabled healthy profit margins of around 30%.

A drop from an average commission rate of 7% to 5% is not a drop in income of 2%, it is a massive 28.5% drop potentially wiping out your profit margin.

There is pressure everywhere to reduce the 7% rate. It is not unheard of to see Property Managers reducing their rates to 3%.

With income falling, the only way to maintain a profitable Property Management business is for the expenses to reduce also. The following graph seeks to explain this.



To maintain 30% Profit Margin:

- Increase Income
- Decrease Expenses

## Without action you may soon be losing money in your Property Management Department.

At this point you have 2 choices:

- Increase income
- Decrease expenses

### Increasing Income

Increasing income is not easy and can only occur in 4 ways:

- Increase the rents
- Increase the commission rate
- Increase the number of properties
- Increase the ancillary income

Someone in the office needs to be responsible for this and take ownership. If this does not occur then income reduces.





## Decrease Expenses

UPS has studied real estate businesses across Australia extensively.

We looked at Property Managers, Leasing Consultants, Inspection Managers, Campaign Coordinators, Trust Account, General Account and the list goes on.

We took the time to timestamp each activity for each role, monitoring how long it takes to complete. This has allowed us to work out the percentage (%) time spent in administration for each of these roles. And these are conservative numbers.

This is Onshore admin people doing these tasks. It worked out, on average, at 56% of their time spent on admin tasks.

“This is what we call the hidden cost of admin.”

What is the cost of this? **Massive.** For a business with 1000 properties under management and 169 sales per year this hidden admin cost could be approaching \$700,000.

That is massive in anyone's language.

UPS has a tool that lets you calculate the amount for your business. Just reach out and ask.

## What can be offshored?

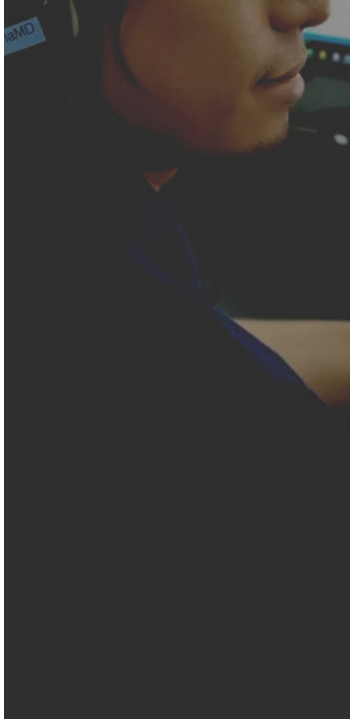
Assuming you replace at least some of your onshore people with offshore talent, **you can save anywhere between \$100,000 and \$400,000 depending on the size of your agency.** Each task will still be done and executed to a high standard, you will still have complete control over the output and of your business information and assets.

Not all aspects of real estate can be offshored due to issues of compliance and other onshore requirements that are unavoidable.

But with cost and time savings that you could gain through offshoring you will be able to model your business in a way that maximises profitability. You can have your onshore staff focus on the tasks that must be done in-person and onshore, such as compliance issues, getting listings, open homes, etc.



Save between  
**\$100,000 and  
\$400,000**  
per year every  
year in Property  
Management  
Admin Cost





## The tale of 2 businesses

Let me tell you about 2 businesses in Sydney that decided to embrace offshoring. They decided to dip their toe in the water before going the full hog.

The business owner wanted to offshore the disgruntled Property Managers so that he didn't have to deal with them anymore. There was no strategy, no clear understanding of what was to be achieved. Just a wish to clear out the toxic employees.

They started with a Leasing Administration role where the new applications were checked by the UPS team members and then passed on to the Property manager to be signed up. They prepared the lease agreements as well as managing the Inspect Real Estate account. They also managed 1 -14 days of arrears.

**The business cost went up. No savings onshore. But worse, the Property Manager accountability was exposed as was the true state of the office.**

The onshore Property Manager set about undermining the value of the offshore position to protect their own position and after a while the business could see little value in it and stopped offshoring. No saving and lots of whinging from the Property Manager highlighting every little error that is usually covered up onshore.

The way this position was embedded into the organisation just cost the business \$440,000. It was an expensive waste of time. What was tragic is that the business owner sold the business as he didn't want to deal with the property managers anymore.

**Contrast this to the second business who had a business owner who was very focused on saving \$440,000.**

They went about it in a systematic way.

They built a strategy, appointed a team champion to drive the desired outcomes. They had a clear understanding of what was required instead of sending the tasks that the PM didn't want to do offshore.

They figured out the job descriptions for onshore and offshore staff. Then, they executed the strategy and held their nerve.

The Business took an ongoing interest in progress to ensure that the strategy was being enacted.

**The result was hundreds of thousands of dollars saved.**

Which plan would you want to follow?

**“Offshoring is certainly not hit and miss. UPS has developed a clear strategy that will assist you every step of the way to successfully offshoring.”**

**– Grant Fanning, Head of Financial Services, Universal Property Systems.**



## Philippine Offshoring A Brief History

The Philippine Offshoring industry has been constantly growing since its birth in 1992.

Much like any business, it has polished and improved the quality of its services to further its growth and bring greater satisfaction to its clients.

With proper training and better policies, concerns about language barriers, quality of services and product knowledge are now virtually non-existent.

The industry has had to evolve to survive and it has continually improved over the last few decades.

## 4 reasons why offshoring in the Philippines is a game changer



### English Proficiency

English is the second language of Filipinos. The country is also ranked 2nd in Asia for English proficiency, making it an ideal offshore base.



### Cultural Compatibility

The Filipino culture is a mix of western and Asian traditions. Their open-mindedness allows them to easily relate and connect to people from all around the world.



### No Time Zone Issue

Australia and the Philippines only have a 2-hour time difference which means your global team will work during your business hours.



### Work Ethic

Filipinos take pride in their work. They have a high regard for professionalism and they respect and value others' time.

## How can you ensure that you get the best quality?



### Recruit the right person for the right position

Much like you do onshore, to ensure quality of work, you should hire the person best qualified for the role. UPS is your trusted offshore provider and we can find you the perfect candidate.

Also, it's important to recognize that your offshore staff will need structure. Having a clearly defined role, tasks, processes and quality standards in place will result in optimum output.



### Train, Train, Train, and Train again

One of the most common offshoring misconceptions is that team members will lack product, business and operations knowledge.

The secret is to partner with an offshore provider that prioritizes training. UPS's new hires partake in 30 days of intensive training with our experienced industry leaders, giving them a good understanding of their roles, the company they'll be working for and the quality standards expected.

Our on-site team leaders also guide them in day-to-day work and ensure that work is done on schedule.



# Global Talent

## How do you manage them?

The success of your offshoring journey lies with you, your offshoring provider and your global talent.

Your offshore provider assists you in guiding and mentoring these professionals but the process mapping, workflows, work instructions and training begin with you.



### Create clear and concise workflows

The first step is task mapping - determining the tasks to be done and whether they to be completed offshore or locally, or a mix of both. The following steps show this process.

- 1 Identify the roles or positions that you need.
- 2 Determine the tasks you want each role to fill.
- 3 Decide which roles should be onshore, offshore or both.
- 4 List down any concerns you have and consult your offshore provider to find solutions.
- 5 Create clear and detailed job descriptions for both onshore and offshore staff.
- 6 Put in place an implementation plan that is specific, measurable, attainable, relevant and time-bound.

Your next step after task mapping is to create workflows. A workflow is a detailed, sequential list containing all of the activities identified in the task mapping. We have a range of templates which can be used as a base and these contain the step-by-step process which clearly identifies the "How to" for each activity. It's important to note where onshore activities overlap with those offshore.

UPS has standard workflows made for each role that you, our clients, can use as templates. You may use these workflows as they are, or you can customise them to fit your business better.



### Utilise your team leaders

What is a team leader? A team leader ensures that all your global team members achieve their KPIs, that all tasks are done on time and to the high quality standard you require.

They make sure that global team members use their time productively and that all processes are documented. They are trained to be familiar with the tasks of all their team members and are able to back them up when they are unable to report to work.

At Universal Property Systems we only hire team leaders with relevant experience and outstanding work ethic. So, you can be confident in the knowledge that you can rely on them to monitor your staff effectively and ensure that your day-to-day deadlines are met.





## Use Task Management and Monitoring Apps

Juggling your own work and monitoring the tasks of your global team requires some organisational skills. Sometimes we find ourselves forgetting deadlines or who we asked to do certain tasks. This is where task management and monitoring apps come into play.



Trello is a user friendly task management tool that gives you a quick one glance overview of tasks through cards and lists. It's free for basic use and has a checklist with a progress meter. It even has a deadline reminder function sent through your email, so you don't have to check the app all the time. Especially helpful with marketing activities.



Google  
Sheets

Google sheets is a free spreadsheet component of Google. It allows multiple users to simultaneously edit and comment on a sheet they have access to. You can make use of their project management templates or create your own.

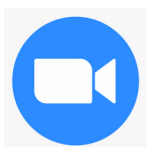


## Communicate often and Communicate well

Check in on your team from time to time to monitor their progress and answer any of their concerns.



Skype can be used for both one-on-one or group conversations. You can message or video call your team on mobile, PC, Xbox and Alexa.



Zoom is another tool for video, voice, content and chat sharing. It's an easy and reliable cloud platform that runs across mobile devices, desktops, telephones and room systems.



**Say goodbye to forgotten deadlines and ownership confusion with the help of task management applications.**





**Decrease  
operating costs  
and grow your  
business and  
then grow your  
team.**

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## **Grow your Business**

Let's say you want to hire a Digital Marketing Manager to improve your brand awareness and generate more sales. The average salary of a digital marketing manager in Australia is probably around \$60,000 to \$80,000 a year plus other costs.

By offshoring, you can get a qualified offshore candidate to do these tasks at a lower cost of around \$30,000. This cost-saving can be put towards growing your business which will in turn lead to the hiring more staff, both locally and offshore.

## **Increase employee satisfaction**

Real Estate is governed by rules and regulations and operating in accordance with these necessitates a of large amount of administrative work be continually completed . Offshoring takes these ongoing and repetitive administrative tasks out of the hands of your onshore staff.

Instead, they can focus on revenue generating tasks. For instance, taking away sales and marketing admin tasks from your agents gives them more time to build trusting relationships with landlords, tenants, and other clients.

Higher value work makes for happier employees. Happy employees means greater staff retention, satisfaction, and productivity.

## **Focus on Staff Development**

The funds you save through offshoring can be reallocated to provide training and support systems for your existing staff. The growth of your business relies on the growth of your employees. Growth-oriented employees value companies that care about their careers. If they have sufficient resources to support them in doing their jobs, they can do more than what is expected of them.



You may be thinking, why can't I just go to the Philippines, establish my own team and do it all myself? Or why can't I just look for freelance virtual assistants online?

It may look easy but the rules and regulations that govern Philippine real estate and labor greatly differ from those within Australia.



### **Bridging the Gap between Australian and Philippine Real Estate**

If you want to offshore on your own you have to understand the difference with the way the Philippines does Real Estate. In the Philippines, tenants pay directly to landlords at a predetermined date. The guiding policies and government legislation are not as tight as they are in Australia.

You have to train your global team to also understand this difference. You have to teach them the ropes of Australian real estate from renting and buying property, key players, jargon, tenant management and many others. There will be a significant amount of training required to get your candidate working productively and semi-autonomously.

We, as your offshore provider, have the knowledge and experience to do this for you with ease. Prior to on-boarding, our 30 day intensive industry-specific training ensures that your global team is well equipped with knowledge of the Australian real estate market.



### **Finding and Managing Global Talent**

Another challenge is hiring the right team and managing them. If you do this on your own, you may find yourself drowning in human resource concerns from both your onshore and offshore teams.

The value of offshore providers is making sure that full-time experienced and qualified talent joins your team. We'll handle it all from role-specific skill tests, background checks and screening.

We provide continuous training and education to our team to keep them up to date on industry changes.

Our Philippine office is located in the heart of Angeles, a vibrant business area populated with college graduate professionals. The perfect place for us to find you outstanding candidates.

Once you have a global team member onboard, you can rely on our Team Leaders and our weekly performance reports to achieve optimum productivity.



## Data Cleansing

Large amounts of data and information are used in real estate. We conduct data cleansing prior to migrating your data to our platforms. This is to make sure that data is relevant and updated and that unnecessary data is deleted.



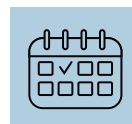
## Result focused business evolution assistance

We conduct extensive monitoring of business activities so that informed decisions can be made. This includes engaging employees, evaluating their performance to measuring overall impact to your business.



## Workflow Templates

We understand the importance of giving clear and concise work instructions. We provide readily available workflow templates, or we can help you customise your own.



## Day-to-day Monitoring through our Workflow System

Your global team's day-to-day task and activities are monitored through our workflow system. Each week we send these progress reports to your assigned onshore employee.



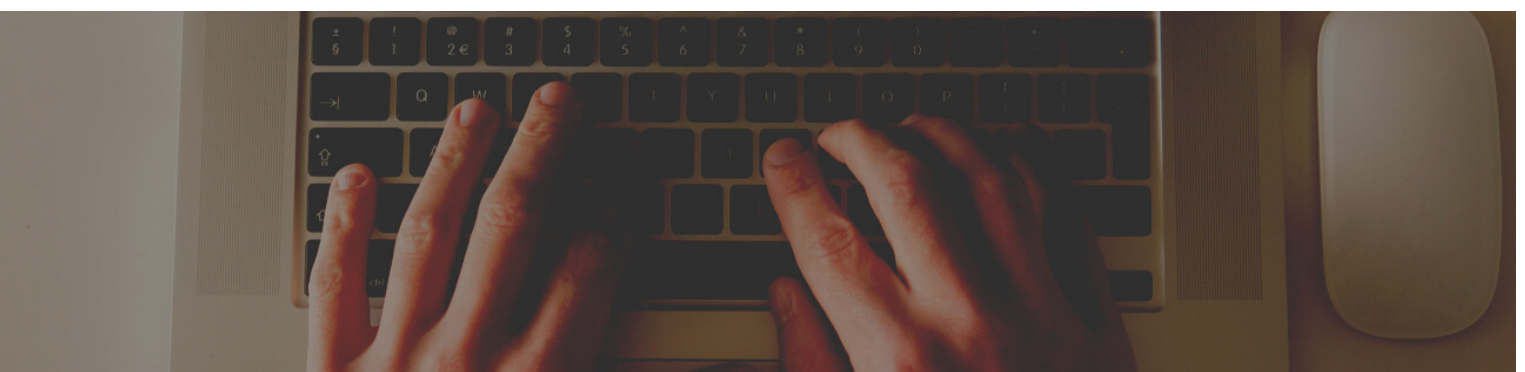
## Industry Trained Team Leaders and Talent

Your Team Leaders act as a bridge between the management, you and the global team members. They send you progress reports each week and supervise the staff on the floor, making sure that day-to-day deadlines are met.



## Performance Evaluation

We conduct performance evaluations to ensure that all global team members use their time productively. We check if their outputs up to your standards and that their customer service is top notch.





# Security

## How is the Confidentiality of your Data Protected?

At UPS we make the confidentiality of your data a top priority and we are very serious about protecting it. This paper lists the main areas of concern: Our IT setup and the steps taken below provides a higher level of security than virtually any Real Estate office in Australia.



### Unique Login Codes

Setup for Property Management and Sales Software



### Remote Access Login

Login can only occur from the UPS office



### USB Ports

Disabled for data downloading



### Cloud Based Access

Any out of hours activity will be easily identified



### Printers

Not connected to team member computers



### Rent Roll

The protection of your rent roll is uppermost in the UPS DNA



### Privacy Act

UPS follows the guidelines set out under the Commonwealth Privacy Act 199



### Contract

The UPS contract specifically protects your data from unauthorised use by UPS



### Bank Accounts

It is impossible for the offshore team to open Australian bank accounts from the Philippines



### Business Owners & Other staff

Your information is strictly confidential.



## McGrath Estate Agents, Pymont

“

We've currently used UPS for 8 months now and are extremely happy with the services that they provide. Their customer service and professionalism to the greater business is second to none. We look forward to working with you in the future.

”

- BRONWYN GARVIN

## Stone Management

“

Our team has been using UPS for around 3 years in our Property Management and Accounting departments. During that time, we've had a really positive experience with the entire team who carry our Repairs & Maintenance, help us with invoicing, create draft leases, and even schedule our routine inspections. They're always happy to help us, anytime we ask them to do work, which is often, and it helped the team on the ground to speak more regularly with landlords & tenants on the phone and be more compliant in our day to day work.

”

- SAMANTHA XERRI

## Console

“

Working at home, along with all of my team, for the last number of weeks as Console faces, like many businesses, the challenges posed by COVID-19. One of our partners that has been with us through every step of the way has been Universal Property Systems. They did not miss a beat. They have been available to us 24 hours a day, 7 days of the week and that ongoing support has been super appreciated so I want to wish everyone the best day, stay strong, and UPS global team thank you very much.

”

- FIONA DAVIS

If you're considering to offshore or have any more questions, feel free to connect with us. We'll answer you obligation free.



Call us on 1300 855 111



Email us at [info@upsystems.com.au](mailto:info@upsystems.com.au)



Visit our website: [www.upsystems.com.au](http://www.upsystems.com.au)



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