

How is Proficient Different To Other Valuation Management Systems?

In discussion with small and medium sized valuation firms about business solutions, one thing becomes obvious:

The decision to choose one type of software over another is as much cultural as it is practical.

This document has been written to help you if as you strive to improve working practice, and to determine how to choose software that will best help you to meet your business outcomes.

What Are The Choices for Valuers?

In presentations and discussions with valuers, we have explored the fact that choices of business software for professional property valuers in Australia is relatively limited.

National firms tend to develop their own software systems, but it can be difficult for smaller firms to get a suitable return on investment with this approach.

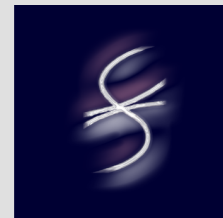
Some larger valuation firms have previously offered their in-house software to other firms in an effort to shore-up costs or create new revenue streams. This has proven to be a risky proposition, as it effectively puts smaller businesses in the hands of potential competition. The purchaser ends up with little control over how the software will evolve and is rendered unable to resolve issues that arise in relation to ongoing use and support.

Currently, independent, rural and regional firms tend towards one of three options:

- A collection of Excel spreadsheets, Word documents and sometimes basic form completion software such as PropertyPro
- An external internet-based system such as ValuePro
- Proficient Software for Valuers

The purpose of this document is to illustrate what makes the Proficient approach *different* to other software being offered to valuers, and how these differences should be considered in choosing software for your independent valuation business.

Note: It is the nature of software that features are being added and removed all of the time. Please consider the topics and issues discussed in this document in conjunction the most recent information from any software vendor.



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Proficient Projects Are Business Focused

Every Proficient Project includes an element of business planning, because implementation of systems and practices that are aligned with business goals add greater value.

Software choices for business are best made based on what the business is trying to achieve. Without a good understanding of business goals and along with the ambitions of stakeholders, principals or directors, practice software has an uphill battle to meet its full potential.

Independent professional valuation firms that have undertaken Proficient Projects often raise similar points during their planning stages, which are examined in more detail later in this document.

If these points resonate, a Proficient Project will help transform your valuation business.

Proficient Project Firms:

- Do not consider high risk, low margin mortgage securitisation work as a suitable for underpinning their revenue or the long-term success of their business.
- Prefer to work directly with their clients, rather than through aggregators, and build relationships that provide benefit to all parties.
- Believe that operating a diverse professional practice is the best way to have a strong and profitable valuation business, to attract and retain staff, and to maintain a degree of specialisation that helps to differentiate them from other firms.
- Demand to have complete control of their job information and business knowledge - including fee information, sales figures, leasing data and staff performance. They are unwilling to have this data handled by or shared with third parties.
- Are willing to commit resources and effort to their practice systems and workplace procedures as their professional peers in industries such as accountancy and law do, understanding that the returns far outweigh the expenditure.

Each of the following sections describes how Proficient has the benefit of having been developed around the long-term needs of valuers' businesses, where many other solutions are designed around the short-term needs of the client.

Getting Off the Mortgage Security Treadmill

Proficient Software is not designed exclusively for high volume mortgage security work, because any future for independent valuers must be in diversified, specialised professional practice.

Over the last six to ten years, the nature of many independent valuation businesses has changed enormously. The rise of the valuation aggregators (now mostly folded into ValEx or VMS) has created a situation where many valuers now feel that they're being "strangled" by residential securitisation work.

As more banks began using aggregators, so more valuable local business relationships and long held contracts were bypassed. A downward pressure on fees meant that firms had to take on more jobs with thinner margins to stay in business. More jobs meant more risk, and the professional indemnity issues that this situation created destroyed a lot of valuers' livelihoods. Lower margin jobs also meant increased turnover and less time to focus on the business. Initiatives designed to encourage specialisation, diversify practices and train junior valuers fell by the wayside.

In addition, aggregation has removed the ability to differentiate service offerings to win more work and prevents valuers from setting fees commensurate with their costs, any associated risk and the quality of their service.

Many valuers feel that their community standing has also suffered in recent times, and many are disillusioned with their profession. "Why would a young person want to study to do this?" is a question often asked.

A Proficient Project is about much, much more than software. The methodology used to help identify business goals, analyse working practice, make improvements and create inertia is designed to help regain control and to build a foundation for a profitable diversified practice.

Unlike other software offered to Australian valuers, Proficient Software is not designed around high-volume residential mortgage securitisation - although it does support the standard PropertyPro form and LIXI-compliant exports where you may need them.

The Software is designed to help you make light work of the elements that are common to all valuation tasks - client communication, research, knowledge storage and reuse, internal job tracking, managing documents and pictures, invoicing, debtor management, fee reporting and more ... providing a single platform for a diversifying workload, encouraging best practice and helping you to build your business.

By its very nature, this more cohesive way of working encourages an improvement in quality in your practice, the reduction of internal risk and can help to contain your professional indemnity outgoings.

How Can We (Re)Build Client Relationships?

A Proficient Project helps valuers to crystallise ideas about client service. Proficient Software provides tools that actively support the development and maintenance of valuable client relationships.

Where do valuers store their business contacts? The answer to this question can vary greatly. Some of the responses often heard - "on the job sheet," "in the Referdex," "in my Outlook ..." and "we don't." The best answer is "in a central repository that all staff can access and where we can track communication and interaction."

Software designed for high-volume mortgage work has no need for client relationship management features because the nature of aggregation is to disconnect the valuer from their clients. There's no opportunity for constructive feedback, no ability to differentiate service quality or obtain referrals, and no avenue to extended the relationship.

Proficient Software is about clients, because your business is about clients. As part of a Proficient Project, existing contact information can be transferred to Proficient Software. From there, it becomes possible for everyone to consistently access information about staff, clients, allied professionals and other business contacts.

To help manage risk and improve client service, each interaction with a contact (be it a phone call, e mail, etc) can be consistently executed and recorded centrally. Simple reporting can quickly help you to build a picture of where client relationship efforts can best be spent.

Quality client relationship management is one of the hallmarks of a successful professional practice. Proficient is designed to support you as these critical client relationships are built and maintained.

How Can We Effectively Manage Different Work Types and Specialise?

Proficient Software for Valuers was designed with specialised firms. It's flexible enough to manage any valuation job, and simple enough that even the most technology-averse valuers can master it.

Specialised work requires detailed information gathering, research, peer interaction and consideration. It also needs reference materials, proprietary data, calculation tools, call notes and e mails, websites and fresh information from a variety of sources. There seems to be little expectation that complex, specialised valuation jobs can be completed within 48 hours, on site with a laptop or tablet.

In order to perform specialised professional work of any kind, systems must be in place to quickly support new or different types of work, and this must be possible without major retraining or complex software redevelopment that can create potential hurdles to new business.

Whilst some internet-based valuation management systems offer non-mortgage valuation functionality as a "bolt-on," managing specialised valuations using your own spreadsheets and templates, an efficient workflow and time management is something Proficient Software was designed to do from the start.

Proficient Software is the only system available to valuers in Australia that was designed for successful diversified, specialised valuation firms. It has been modelled on the systems used in other professional practices such as legal and accounting and incorporates desirable features such as comprehensive file-organisation, duplication prevention, flexible reporting and document management that many larger businesses take advantage of.

The tools that have been created are not designed to keep you doing what you've always done - they're tools to help your business grow, to reach out in new directions and thrive.

Who's Got My Business Data?

Proficient Software is designed to be housed in valuers' own businesses and under their complete control, because valuers demand it.

A quality valuation business lives and dies by what information it has access to and how it can use this to deliver professional advice. Residential sales data is no longer a valuable commodity - publicly available websites list it freely and in some detail.

Price pressure and bank client demands have slowly lowered the amount of data collected and retained for mortgage security valuations. This has been exacerbated by systems designed for minimal data collection and fast turnaround of valuations - leading to duplication of effort, quality problems and risk issues for many valuers and their clients.

Proficient Software makes it easy to retain peripheral information relating to valuation work in a consistent, confidential manner. This creates the ideal situation for any professional - which is that the office file holds more information than is provided to the client. This enables research and methodology to be verified if necessary, helping to contain risk.

Unlike solutions that use widely available data, Proficient Software encourages firms to create their own, private and proprietary repository of information and knowledge. You can "take ownership" of your data, mark it up, annotate and connect it in ways that enhance your ability to deliver professional advice.

Many valuers are uncomfortable with the idea that information that belongs to their business or information about their business may be shared with others - including their clients.

With Proficient Software, clients see only what you send to them as Proficient Software is designed to be housed inside your business and under your complete control.

What Is The Cost?

A Proficient Project for your business is extremely cost effective. Through unique business automation features, it can offer significant production cost reductions, even for smaller firms.

There is a trend towards pushing the lion's share of job tasks to the "autonomous valuer" - creating a situation where the most costly staff member is spending increasing time on non-professional tasks. Scenarios where laptops or tablet computers are encouraged for use in the field are the manifestation of this. In many instances the use of digital dictation and traditional note taking and skilled support staff can be faster, more effective and more profitable.

Online solutions frequently justify higher costs and ongoing commitment with the argument that there is no need to "maintain infrastructure." The reality is that to access online systems, computers that can run modern web browsers (Internet Explorer) and later versions of Word or Excel are still required, as is an office network and broadband connection. Most valuation offices still have servers to manage the desktop PCs, store internal documents, provide e mail and calendar services and support accounting packages. Web-based online solutions do little to negate these infrastructure costs.

Software Licensing Costs

Comparison is between licensing and setup of Proficient Software FastTrack and access and setup of a widely used online service and is current at November 2011. Excludes GST.

Independent Valuation Firm 3 Valuers, 2 Support Staff 3 Years 5 Years	Online Service	Proficient
	\$27,100	\$13,950
	\$38,500	\$16,940

A Proficient Project provides significant cost savings for firms who are not using software optimised to their needs.

Proficient Cost Savings

Independent Valuation Firm	Proficient Potential Cost Savings
3 Valuers, 2 Support Staff Complete Proficient Project	Production Cost Reduction: \$94,570 Value of Chargeable Time Freed: \$249,260

To calculate savings for your firm, download the Proficient Cost Savings Worksheet from www.proficient.com/get

Proficient is designed and priced so that if you want to run a diversified valuation business offering a considered professional service there is a reliable, practical, industry-specific business solution that will help you manage internal risk, improve profitability and put directors and stakeholders firmly back in the driver's seat!

How is Proficient Software for Valuers Different?

Your Practice, Your Way

Proficient is designed to be beneficial to your practice if you want to **reduce your dependency on valuation aggregation services**, lower the pressure that large numbers of high-risk, low profit residential mortgage securitisation jobs brings to your working life and raise your professional standing.

Bring Your Clients Closer

Proficient includes client communication management features that **help you build client relationships**, improve client perceptions about the value of your knowledge and enhance the level of client service you provide.

Diversify Your Fee Income

Proficient is designed to support a diverse range of work types so you can **create your own method of working** with the benefits of robust office automation and an emphasis on putting quality first and lowering risk. A modern software platform, Proficient benefits from being customisable and can be extended to meet your needs.

Under Your Complete Control

Proficient Software lives in your office. **Your job, business financial and sales data stays in your business, not on the internet.** No-one else can see how much work your business is doing, what fees you are writing or how well you are performing. Unless, of course, you want them to!

Lower Your Costs

Proficient makes good financial sense. Proficient Software is focused on **reducing production costs** and increasing your billable time. **A Proficient Projects usually pays for itself in the first six months.**

To discuss how Proficient can enhance your valuation business:

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For information about Proficient:

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