

Yes

ADOPTING A PMS FOR SHORT-TERM RENTALS?

QUESTIONS TO ASK ~ *Yes Consulting*

INTRODUCTION

The short-term rental industry has many market sectors. They are split primarily into RBO (Rent by Owner) and Agencies/Managers. The latter two terms are often used incorrectly or in the wrong context but both increasingly require a PMS and for the purpose of this document it covers both.

The notes below cover the major portion of the market related to booking, distribution, property data, prices, financial reporting, the booking process and a limited amount of operational functionality and websites.

The provision of PMS software is challenging where an existing business operates in a particular way and also where a small business starts to grow and discovers a vacuum in their software services. Addressing this early on will alleviate the growing pains and identify the gaps.

For the purposes of this document, the name PMS (Property Management System) is being used as an industry-standard term even if many systems only address the Booking Management (BM system) elements and not the operational activities e.g cleaning, maintenance, laundry, location-based staff scheduling, work routines, cost centres etc), CMS, or guest relationship management tools.

This document is not intended to be 100% comprehensive as 1000 different PMS suppliers will all have some variation of software that faces the enumerable edge cases presented by the managers. The sections below are intended as an overall set of thought provoking notes and a mind nudging exercise, covering the majority of common requests and expectations.

On demos of software, it is always hard to remember all the features or functionality you need and if a company on a demo knows their system doesn't support it, they are unlikely to mention it. Use the list below and create your own lists and flesh out your particular needs.

There are no hard and fast rules about where to enter information or display it in PMS or how it should be cross-referenced for ease of use or what the interface looks like. This is more a user ease of use question and the answers are ironed out in a demo or trial and documented.

There are no pointers on price and this is always a question, however, there are two trains of thought: a) fixed fee, which may be per property b) a commission on bookings or c) a hybrid. In Covid lockdown, a commission approach would have looked good. However, ask yourself the question about budgeting and being able to

predict the yearly cost base. Post-Covid the price per property approach may well have been better. Small portfolios of 2-3 properties may be happy to pay 2% of a booking with a company which may see \$150,000 in gross bookings or \$3,000 in PMS and channel fees. A company with 100 properties, with \$3m in bookings may consider \$60,000 rather steep, however!

Also consider and ask about the “extras” for switching on functionality, such as channel management to OTAs and other websites or card transaction processing fees or owner reporting, extranets, length of stay pricing etc. These may be hidden costs and can mount up incrementally.

If you are intending to adopt a PMS this list may help you to decide which system is appropriate now and in the future. The devil is in the detail with a PMS and what you don't ask is where the issues may lie.

All of the below have been collated from several years of communications with owners and managers, software development and actual use of PMSs.

SUPPLIER BACKGROUND INFORMATION

These are general questions to understand the supplier's business and highlight the risks of changing or adopting a PMS.

- How long have you been in business?
- How many customers do you have and who are they.?
- Where in the world are your customers?
- How many staff. How many are sales and admin and how many are developers?
- Are you office-based or remote workers?
- How large are your client's portfolios?
- How do you develop your software/what's coming and when? Be cautious on promises!
- What code base are the systems written in?
- Support hours/times and what communication channels and does it cost?
- Where does the data sit/hosting/backup and who owns the data?
- GDPR – Data Processing Agreements? Ask for copies.
- On-boarding migration. Case studies, work required, who does what and timescales? Is this timescale guaranteed?
- Training system you can log into at any time to ‘play’ or familiarise yourself with the system or a process?
- If the system accepts processing of credit and debit cards, ask for PCI compliance assurances.

KEY REQUIREMENTS

These are the major features often expressed, also expanded on below in sections:-

- ***Web-based** full capacity reservations system with tools for booking teams that can be run off mobile if needed.
- ***Ownership of all data with an export capacity available at all times on all data.**
- Flexible configuration tools for pricing, taxes and availability rules
- A robust and stable system with excellent support
- API access. Can this be used for custom web design and third-party integrations: concierge, changeover cleans, dynamic pricing, marketing platforms etc?
- Comprehensive accounting and customisable reporting tools and export functions
- Ability to run multiple brands
- Channel management to the major OTAs (specify these + incl. Google Travel) and extended distribution to more niche websites. Is this direct connection or via a channel manager?
- ***Is channel management full distribution: Property information, availability and pricing and two-way booking exchange of data (ie no manual handling) plus review integrations**
- Is Unified inbox/messages integrated to PMS?
- Payment gateway of choice supporting your merchant provider or which ones are supported?
- Booking and company fee and tax allocations in the booking and property setups.
- ***Variable user access and user levels of information for display and data moderation and data entry. From cleaners to CEO**
- ***Logging of all changes, users and dates**
- ***Backups/separate site mirrored/distributed hosting**
- File system for storage of documentation for automation and record-keeping
- Unified inbox or connectivity to enterprise email systems if not then email client integration and which ones (e.g. gmail, outlook etc)
- Connectivity to third-party services and name them, e.g:-
 - Guest apps
 - Prop man apps
 - Dynamic pricing tools
 - Hardware such as door locks etc
 - Communication via social tools, e.g Whatsapp or Facebook messenger

*** Starred items are often ignored and carry a high risk or lack of efficiency.**

PROPERTIES & BOOKINGS

These points are related to setting up the bookings system and formatting to your needs.

- **Owners information**
 - All relevant data pertaining to the owner
 - Full name, separate fields and/or company details
 - Addresses. More than one for property and residence marketed
 - Co-ownership property names and a split function if shared income (+variable income allocations) and split ownership reporting
 - Relevant personal tax codes entry if applicable
 - Phone numbers
 - email addresses
 - Preferred comms channels
 - Social media handles
 - Property name and location including map references (Post Codes/Long/Lat/"What Three Words"). Also in Property section.
 - Commission or lease terms and initial discounts (see below)
 - Contract information
 - Payment terms, times and dates
 - Allocated weeks for private use if part of the business model
 - User login information for owners dashboard and permissions
 - Banking details and card details if relevant (encrypted)
 - Booking Notes
 - Logging of all activities:- user and dates

Third-party suppliers (e.g cleaners)

This is basic information that allows work with subcontract companies or cleaners although a PMS can be significantly enhanced by separate & connected software.

- All relevant data pertaining to the individual services
 - Type of service
 - Names and/or company information
 - Addresses
 - Phone numbers
 - email addresses

- Payment terms & times
- Contract information
- Available days and working hours
- User login information for activity dashboard and permissions.
Requires user level settings.
- Banking details and card details if relevant (encrypted)
- Notes
- Logging of all activities:- user and dates

BOOKING RULES - PROPERTY LEVEL OR GLOBAL SETTINGS

A short list of important booking rules can be set individually per property or globally. Both functions are necessary, certainly for larger portfolios.

- Prices (nightly, weekly, including short breaks, powder or peak days, per person or per night/weeks/groups discounts, pet fees, etc). These may be time-limited too. Detail exactly how you will price these on your own website AND how the system adapts to the OTA demands for pricing.
- Pricing based on a LOS (length of stay) approach as used by OTAs.
- Next year pricing blanket updates to avoid doing this each property with options on %' or fixed prices or a combination.
- Minimum and maximum rental rates and stays based on dates, short, mid and long stays with applicable pricing. These may be time-limited.
- Automation of booking confirmation messages (see automation)
- Automating balance payments (see automation)
- Free nights offer and any other offers (alphanumeric codes or vouchers). Are these included in the website API feed per property or group of properties to the website and/or OTAs.
- Ability to add own "extras" to all properties as well as having property-specific extras. Includes prices and tax needs for both booking display and owner/accounts reporting and reconciliation
- Commission % - A way to automatically change this at a given date. e.g if the owner has been offered 1st year at 10% then rising to 20% for example and the automated update of bookings going forward from that point.
- Third-party agency commission allocations and reporting (e.g. travel agents and extended marketing networks)
- Users level access for bookings and data management (as above)
- Option to reinstate cancelled bookings

- Option to allocate owner payments on cancelled bookings
- Damage deposits, collection terms etc
- Tax allocations depending on property, local, national requirements and owners situation. Different countries!)
- T&C's per property or on a global basis (can be allocated in the Property section)
- Uplift prices independently or globally for all or some rates to OTAs, by OTA selection
- Allocation of the company's own global rules on properties: booking fees, cancellation fees (if not property-based), damage waiver etc.
- Logs of all changes

PROPERTY INFORMATION

Property information is a basic function of every system, but some are better than others!

- Specify owner-managed or third-party managed and allocation of service providers if not allocated in owner or booking rules.
- Owner details and relevant information per property or cross referenced
- Property descriptions and extent of this, paragraphed or single boxes + languages, minimum of:
 - Property Name
 - Title and sub-titles
 - Size, type, space, extra services etc (specify)
 - Overall descriptions and sub descriptions
 - Amenities and key amenities
 - Local information
 - House rules
 - FAQs and free texts with titles
 - T&C's independent or global
 - Location including map references (Post Codes/Long/Lat/"What Three Words"), address, manual pinning to map
 - Pricing (see booking rules above)
- Room or property attributes such as a sea view, or bedroom and bathroom configurations and what is in each (types of beds, shower, bidet, his and hers etc)

- Property photos. Are they unlimited, are they automatically sized and compressed, plus how to re-sort them and what is the upload functionality on size and formats and speed and alt tag and description naming.
- Extended amenities: details on disabled properties, sustainability, types of pets accepted, long hairs, vaccinated, maximum number etc. These are more niche but will see more traction in the future.
- How many attributes in the PMS are available for the website (see website below)
- How do the property specs match the requirements of the OTAs as to what can be listed.
- Webcam links/videos and 360 tours, how are they added, displayed and hosted.
- Testimonials and allocation of reviews to each property (see automation)
- Distance to beaches/mountains etc
- Allocate a “New property/suspended/withdrawn/coming soon” notification and ensure the visibility on the website
- Discounts and offers aka booking rules on properties
- Changeover days and variation of those with flexible settings. ie in on a Tuesday and out on a Friday with times (ease of selection important)
- Allocation of supporting files for despatch pre-arrival by text or email or other comms channels
- Calendar integrations + inbound-outbound iCal
- Entry codes and allocation of property documentation for guests via automation
- **Duplicate all data for another property and then modify if needed**
- Logs of all changes

BOOKING PROCESSES

The actual process of making a booking can happen online via the website, an OTA/third-party site, a travel agent or on the phone directly. All need to be addressed in-process and reporting.

- Doing an availability search in the booking system (not just on the web)with filters and budget.
- Doing a previous guest search in the booking system, not just the CMS
- Doing a property group or category or amenity search when on a phone call for availability and pricing

- Making a booking in the system directly and with all the necessary relevant guest details, taking the money and initiating automated messaging etc
- Be able to create a quotation and dispatch by email with a payment link, either as a property web page or separately.
- Provisional booking/ 48 hr hold with an automated release (also for web)
- Blocking a property off for owner bookings (with owner login access if needed on extranet)
- Deposit and balance management and automation for communication
- Automated financial reconciliation of payments for card payments
- Complaints – compensation payments notation and blacklisting of guests
- Damage management and withholding deposits
- Late/non-payment of balances with automation
- Returning damage deposits to guests and reporting
- Owner bookings categorisation: Bookings, Maintenance or Owners stay etc with calendar colour display for categorisation and filter by these
- “Flag” system on properties to create internal filtering by category, features or subsets and groups that fit specific accommodation types
- Texting facilities (see automation) for fast notification to guests
- Calendar views, stacked, blocks, independent with colour-coded entries for booking source and other relevant filters.
- Pricing on calendars per night with options to display on the web
- Third-party agency calendar allocations to block off inventory
- Logs of all changes

REPORTING & FINANCE

Reporting and finance is often very specific to each business and these are overviews of common requests. ***Detail your exact needs and consider cost implications if they cannot be self-built in the system or are not supplied as standard.**

- Reconciliation of outbound payments with audit trails to owners and sub contractors.
- Reconciliation of inbound payments: Cards, OTAs, Agencies, Bank Transfers etc
- Outstanding balances/payments due and notifications with automation

- Weekly/Monthly/Yearly company reports – With clear breakdowns of bookings, occupancy, gross values, net margins and guest numbers. Filter by global, property or owner.
- Reports on profitability per property, destinations and property sizes
- EOD reports – With clear breakdowns of what payments are made and when they were taken and bookings
- Cash positions from bank balances
- Commission predictions
- Capacity to self-build reports using data fields and text tools with relevant filters
- Export of financial information and system reconciliation to accounting programs of choice e.g Xero, Quickbooks etc
- Data export to connectivity API's such as Zapier
- Arrival reports for housekeepers and property managers with restrictive guest information, plus party details, special guest requests etc
- Cost of Customer Acquisition (CAC) both guest and owner
- Logs of all system changes by user and date/time

Note: External systems are available to extend and cover some of this but connectivity is needed. Check with supplier

PROPERTY MANAGEMENT

This is another specialist subject and is often improved by connection via an API to more specialist systems. These are some PMS options that are frequently requested.

- Rota for housekeeping and notification
 - On-call information sheet and access and notification
 - Early entry access to a property notifications via a comms channel
 - Logging work orders and problems/issues in the property
 - Repeat charges and extra operational fee charges, e.g. pool maintenance
 - Log and track maintenance
 - Remote login (user levels needed as noted above) and email/text-ability for cleaners and operational management notifications.
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OWNER SERVICES

Those things that owners both want and need to know which are ideally served by a **login and owner admin panel.**

- Occupancy, property pricing (may require owner sign-off for the year)
 - The system has the capacity to modify the data availability per owner with respect to breakdowns of income (e.g be selective on data exposure!)
 - Compliance and certification renewal times
 - Copy of contracts (signing and storing)
 - New property adoption process/checklist
 - Adding documents to the owner tab (word, excel, pdf, jpeg)
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CONTACT MANAGEMENT/CRM/AUTOMATION

CRMs are specialist products and the following are basic options and set up initially using system automation tools

Guests – Variable free text and report construction using the system but standard automation available such as-

- Standard auto-emails selection
- E-newsletter template selection
- Pre-arrival and during stay emails templates
- post-stay review templates with selective engagement based on the review
- Payment, balance templates and reminders
- Arrival, entry and in/post stay notification templates
- Reputation management software and feedback to
 - a. Facebook
 - b. TripAdvisor
 - c. Google My Business
 - d. Third party systems such as: Revyoos etc
- Tracking contact history, open/click
- Attaching documents, emails, statements, annual inspections, (word, excel, pdf, jpeg formats)

Owners (see reports and finance and owners above)

- Owner newsletters and one-off messages (config and select)
- Monthly statements
- Attaching documents, emails, statements incl. Income, bookings, annual inspections, wintering, repairs etc (word, excel, pdf, jpeg formats) with levels of user information

WEBSITE

This is not comprehensive but will give an indication of key points to address.

Ask for examples of current websites. Determine your capacity to drive direct traffic and what level of involvement you need on SEO, content, site design management etc.

Ask how the website is provided, in-house from a template or via an API to a third-party provider. If the latter then ask for the API documentation. If the websites are templated ask how much can be modified and how. Where is it hosted, single server or the likes of Amazon AWS (site and images). Ask for uptime stats.

Main website functionality

- Consider availability searches and useful filters and results displays of listings and individual properties
- Is the site fully integrated or does it push to a subdomain for the actual booking or even the full listings after a search? Consider the SEO and guest journey in light of this.
- Availability calendar displays, formats, active or passive for selection or are dates selected separately. Is it a from-to date or first date and number of days? What is your preference, Airbnb style or e-commerce style.
- Detailed property information from the PMS, all or is it limited especially deals with time-limited offers. What cannot be displayed?
- ***Is pricing from the site search displayed as “from - to” in the list of properties displayed, or is it the actual price each time. Think of a guest journey if online booking is presented.**
- How are photos displayed as static, carousel, lightbox, hero, etc?
- Are property videos available and hosted where?
- Is an owner login available on the site to see bookings, calendar, income, and monthly owner statements sourced from the PMS?
- Is guest login available on the site, as above?

- Grouped landing pages or property collections for destinations or types such as pet-friendly, new developments, large properties, couples, etc which may be linked and embedded in blogs too.
- Example of web speed and a mobile-first approach. Test examples with GTmetrix.com with server location where your guests generally originate from
- Managing the search results by defined sort criteria (price, etc)
- Managing the search results by amenity filters
- The booking process after selection, intermediary pages/checkout pages and how slick they are.
- Floating or non-floating elements as the page scrolls
- Website administration of blogs, menus, pages etc using a CMS (headless or not) and how is this managed
- Admin of meta-information for SEO purposes, tracking and authentication
- Site map creation
- Admin of menu items, header and footers
- Domain name management. Who, where - Ideally do this yourself to keep control
- HTTPS management. Is this Cloudflare for example or a separate fee
- Statistics packages (e.g. Google Analytics)
- Extra bandwidth costs or mapping credential fees
- Does the site display maps and property pins and do they move with the inventory selection or is it static?
- Are there hidden charges or other site licence fees for tech?
- Is the site created from dynamic data and created statically for speed or is the data pulled dynamically each time. Ask about caching.
- Is addition of chat and pop up modules (deals/memberships/reviews) allowed or integrated already?

OTHER MARKETING AND API OPTIONS

- Affiliate programs
- Co-Marketing tools

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