

2019

BROKER / OWNER
Conference & Expo



Standardizing Financial Reporting: The NARPM® Accounting Standards

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Why the NARPM® Accounting Standards?

The BIG purpose is...
Entrepreneurial Freedom



What is entrepreneurial freedom?

- Freedom of Time
- Freedom of Money
- Freedom of Relationships
- Freedom of Purpose

Too often entrepreneurship *actually* results in:

- Loss of Time,
- Loss of Money (at least compared to effort), and
- Relational dependence, all of which lead to
- A business that is actually **defeating your purpose.**

So how do you regain entrepreneurial freedom?

The answer: a profitable, self-managing business.



In short: we believe that profit is the fuel of entrepreneurial freedom.

The NAS provides an incredibly powerful framework for driving financial clarity and change in your business to dramatically improve profitability.



NAS Overview

- Chart of Accounts & Conversion Guide
- Financial Metrics Guide
- Financial Benchmarks Guide
- Financial Controls Guide

Chart of Accounts & Conversion Guide - Purpose

The purpose of the NARPM® Accounting Standards Chart of Accounts is to provide a basis for standardizing, analyzing, and understanding financial performance in the residential property management industry.



Chart of Accounts & Conversion Guide - Overview

3 Key Priorities

- Standardization
- Customizability
- Flexibility

Financial Metrics Guide - Purpose

The purpose of the NARPM® Accounting Standards Financial Metrics Guide is to provide a common language for comparing financial performance among property management companies.



Financial Metrics Guide - Overview

- Unit Economics
- Growth Metrics
- Productivity Metrics
- Financial Metrics

Financial Benchmarks Guide - Purpose

The purpose of the NARPM® Accounting Standards Benchmarks Guide is to provide a thorough and accurate picture of the financial performance of residential property management companies in the US.



Financial Benchmarks Guide - Overview

- Profitability
- Fee Distribution
- Growth
- Key Performance Metrics
- Productivity
- Maintenance
- Churn

Financial Controls Guide - Purpose

The NARPM® Accounting Standards Financial Controls Guide is designed to help you, the broker/owner, understand how to maintain financial controls that support a strong business and protect against fraud, errors, and audit risk.



Financial Controls Guide - Overview

- Why You Should Care
- Essential Broker/Owner Responsibilities
 - What You Need to Know
 - What You Need to Do
 - What You Need to Manage
 - What You Need to Monitor
- Reconciliation: The Cornerstone Control
- Recommended Controls and Procedures



Demo: From 5% to 25% Profitability

The 6 Do-or-die Metrics

- Profitability
- Revenue Per Unit
- Direct Labor Efficiency
- Expenses as % of Revenue
- Churn
- CAC

What you should do next week:

- **Convert to the NARPM® Chart of Accounts**
 - DIY Instructions included in the COA Guide
 - Need help? Contact nas@pmprofitcoach.com
- **Start tracking your metrics**
 - Use the formulas in the Financial Metrics Guide
- **Compare to industry top performers**
 - Reference the Financial Benchmarks Guide
- **Close the gap**



Questions?

Get in touch with us at
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