How This Powerful Software Can Help You Increase Your Real Estate Profits

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While you may be comfortable working with paper accounting methods, the future is here. Digital, paperless accounting software is on the rise, and many tenants prefer an online way to receive invoices and reminders.

The transition from manually inputting information to a paperless system will help your business retain profit, cut back on errors, save time and have the opportunity to scale your growing business with cloud-based software.

This article will explore the shift to paperless property tracking software and how it can help bring your business into the digital age.

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Why switch to paperless accounting software?

Manual paper accounting can lead to tiny errors that build up over time. This snowball effect of tiny errors eats into your profits and your time. Here are a few benefits of switching over to accounting software:

Automation

Imagine eliminating all the mundane number-crunching and

pencil-twiddling for an efficient, automated system. Digital systems can generate and send invoices to tenants, send tenants payment reminders and reconcile bank transactions with accounting records as they happen. More automation means fewer errors, which can save valuable profits for your business.

Cut down on costs

Without paper, you no longer have to pay for the ink, printers and other supplies that come along with keeping all your files in filing cabinets. Keeping these records in the cloud will not only keep them safer, but it’s cheaper as well. With less space needed for your physical files, you may have the opportunity to rent a smaller office space or get rid of your office entirely. This could reduce costs for labor and office space.

Eliminates errors

A digital system eliminates those pesky errors that come with manually crunching numbers. Online software flags any duplicate or incorrect entries as you put the numbers in the software, and deductions, discounts and totals end up being error-free. If you have any incomplete invoices or expenses that exceed your pre-set limits, you will get an alert. All these efforts help cut down on potentially expensive mistakes that all humans inevitably make.

Potential to grow

Scaling your business processes is something that all business owners need to think about as their business grows. Cloud storage is limitless – if you need more storage, you can buy more as you go. You also have the ability to connect tools as you need them. For example, CRMs, payment gateways, tax systems and other tools are available depending on what accounting software you choose.

Digital systems are easily scalable, while paper systems can

be more difficult to grow.

Client communications and benefits

Client communication should be one of your chief goals as a business owner. Your clients are your entire business, so implementing a new system should only be considered if it will further that goal. With an automated system, tenants can streamline their documents like contracts, reports and invoices.

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The transition process

While transitioning into a digital platform after running your business on paper can seem overwhelming, taking this process step by step is the best way to overcome such a large task.

1. Determine your current business needs

Ask yourself, what is my current process not doing for me? What would make my existing processes better? How can I spend more time working on new ways to make money rather than on mundane, tedious accounting tasks? If you have certain tasks that are completely on paper, like maintaining physical tax records or printing invoices, set clear goals for going paperless and remember why you're trying to hit those goals. Paperless accounting is more secure, more cost-effective and quicker.

2. Choose the right system

Keep in mind that the digital age brings companies that want to capitalize on the trend of going paperless without offering much functionality. It's vitally important that the platform you choose is user-friendly and scalable and integrates with your existing systems. Remember that this shift is to help

your business, not to add another arduous task.

One great rental property accounting software is Ledgre. Ledgre is one of the best rental property software options and incorporates many of the processes most rental companies already manually partake in, like tracking income and expenses, individualized tax reports and other financial tracking reports.

3. Scan and transfer documents

Be careful when scanning existing documents. Use a high-quality scanner to ensure clarity, and organize each set of documents according to your storage structure. Start with the most important documents like tax documents and financial statements, then group documents by category. After scanning and transferring your documents successfully, dispose of the physical documents. It’s a good idea to keep critical documents like legal or regulatory documents but remember to shred documents that contain tenants’ sensitive data.

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Don’t let the prospect of change keep you from fulfilling your business’s full potential. Increasing your rental profits starts with a strong system of record-keeping and financial tracking. Endless rows of filing cabinets and paperclips are a nightmare when tax season rolls around, so to maximize deductions and track losses effectively, make the switch.

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