Although outsourcing back office services has become a fast-growing trend, there are still companies who have yet to try outsourcing some of their lease administration activity. In a recent article by KPMG, real estate executives provided their opinions on why outsourcing is a valid resource to their existing lease administration capabilities. The more obvious reasons included cost savings and meeting deadlines. But apart from that, the three other reasons why you may want to consider outsourcing are immediate access to people, process and technology / best practices.

**People**

Most top players in the real estate industry understand that a number of lease administration functions such as lease abstracting require a significant commitment of valuable staff time. The time and resources necessary to staff and train their lease administration department in order to accomplish these types of migration or data validation projects may prove to be costly and does not ensure budget and timelines will be met.

Outsourcing this type of subject matter to experts with proven track records becomes a natural extension of the company’s in-house capabilities. Some managers also like the added ability to turn it “on” or “off” easily.

**Process Improvements**

More likely, third party service providers have invested capital and resources in designing and implementing stringent processes, controls and tools built specifically for producing consistent results. Just as companies have invested thousands of dollars in real estate management software or related technologies, third party providers have also invested similar amounts to lease abstracting tools. That is why it is a natural fit for both the company and service provider to work together to produce better results. In addition, because of the tedious nature of the work, it also does not hurt to have more than one set of eyes looking at each abstract.

With more reliable data in its systems, real estate executives are now better equipped to effectively communicate all issues to landlords in a timelier manner.

**Technology / Best Practices**

Among executives surveyed by KPMG, there was a consensus that third party service providers are more likely to produce leading best practices since their services are focused on lease administration. Most service providers would put emphasis on continuous improvement and keeping up with the outsourcing trends and changes in the industry.

**Effective Communication**

A final point to consider is effective communication. Executives agreed that the ability to communicate effectively was essential when considering hiring a third party resource. Clear, timely reports and lines of communication were vital.

How one chooses a third party vendor is a separate article all together as there are several areas that need to be considered, some of which may be more important to your situation than others. But if you want to be safe, don’t hesitate to request valid references.

*Eximius BPO is headquartered in the Philippines. An NRTA sponsor company, Eximius BPO specializes in staff augmentation for abstracting, data validation, desktop audits and data supplementation projects.*