



HSVPOA on Hunt for More Efficient Management Software Vendor

Description

William Rainwater, Hot Springs Village POA IT Manager, is on a search for a less cumbersome, more efficient management software vendor. He is hunting for a more integrated software system where cost savings will be realized. At the April 6, 2022 Board Discussion Session he presented his findings thus far. As this was a Discussion Session, no Board action was taken.

After introducing his right-hand-man, Chris Hogue, Rainwater said, “The IT Department is on the hunt for a new POA management software vendor.”

Background

In 2014, Total-E Golf was implemented as the management software. It was mostly designed as a club management package, but some POA management functionality was included. “However since then, service and support have degraded considerably. Generating valuable reporting is difficult at best and business intelligence, which is a buzzword that is coming into play is almost nonexistent. Business intelligence is management reporting.

Rainwater said Total-E has not kept the promises it made. “The blame game is being played by Total-E’s upper management. There has been little to no response for basic communications. We have several cases with them and we get crickets most of the time.”

Continuing, “As I said, the POA function of the software [Total-E] is limited and really there is no cost-effective path with this company to that functionality.”

Investigation Thus Far

The IT manager said that so far they have started to engage Club and POA management software companies. “One of the first ones we engaged was Northstar Technologies.” Northstar held a full-day demonstration which covered multiple departments including accounting, compliance, utilities, golf, recreation, etc.” As far as Rainwater knows the demonstration was well-received by POA Management. The Northstar system appeared to be one that if “somebody didn’t know how to do

something, they could figure it out within about ten or fifteen minutes on their own.”

“We identified many applications and functions that could be integrated under the Northstar umbrella.”

Northstar also provided “ballpark” pricing. “This [pricing] is not set in stone.”

Comparing Northstar with Total-E

“Total-E has 12 developers and no Q and A. The clients are expected to do the Q and A. They have 6 technical support staff, one trainer, one project manager, and one web developer.”

“Northstar has over 700 clients, 120 developers and Q and A folks, 10 sales marketing staff, 50 support staff, 20 Northstar Connect developers [their web product], 15 data migration staff, 12 project managers, and 12 trainers.”

Preliminary List of Northstar Pros and Cons

Northstar Pros

- The cost savings for absorbing separate functions is significant.
- “The club management is very robust. They have been doing this for approximately 20 years. In the past few years, they have concentrated on the POA management side of things, with gusto.”
- The product has very robust reporting, with a business intelligence connector. “We can get pretty much any report we desire.”
- The user interface is intuitive and easy to navigate. “That could possibly reduce the learning curve for POA staff.”
- They have a large staff of developers and support staff 24/7. This is something we have not had with our current vendor.

Northstar Cons

Rainwater said the only con he has been able to find so far is that “some of the functionality on the POA management side may not be where we need it at this point. However, we are hoping as we move along through time, that functionality will come to fruition.”

Cost Breakdown

We currently have 17 separate software systems for different functions, including accounting, POA management, compliance, work orders, event management, ticket sales, web hosting, payroll, and water billing. “What we found is the Northstar product has a lot of that functionality built into it. We can consolidate a lot of those functions under the Northstar umbrella and realize significant cost savings on a monthly basis.”

“We are currently paying about \$23,558 a month for the various different [software] applications. If we could consolidate these functions under the Northstar umbrella, we would realize an approximate \$4,324 a month’s savings.”

“As we move forward, we may find those functions just aren’t there yet and we may need to utilize our existing functions until that functionality is there. The potential cost savings are pretty significant.”

Rainwater has consistently worked on finding POA cost savings and cost efficiencies, as he promised to do when he was hired. “With that said, Mr. Hale and I are on the same page.”

Next Steps

- Continue to identify additional functions and costs to be absorbed.
- Identify additional Club/POA management vendors and schedule demonstrations. “I [Rainwater] have a couple and have engaged one to schedule a demo.”
- Schedule deeper dive demonstrations for the specific functions of Northstar to occur possibly in mid-April.
- Talk to POA management and complete a more comprehensive requirements list.
- “Analyze existing contracts and agreements for timing. Some contracts may or may not have end dates.”
- Identify a local Northstar client and visit them to see what the “live environment” looks like.
- Write the RFP and submit it to the vendors.

GM Kelly Hale Weighs In

Hale said we are paying around \$23,000 a month for licensing services. The systems we have currently don’t “talk to each other.”

Hale said, “They [the current software systems we are using] are really not living up to what we need in today’s world.”

Hale continued, “Northstar is a common system in communities”, but we want to make sure it is the right system for HSV. Bella Vista is currently installing the Northstar system. Hale plans to take the HSVPOA staff to Bella Vista and “do a hands-on and let them be the guinea pig for us. I don’t want to spend a lot of money without knowing it is going to meet our needs...We want to physically touch the system so we get it right the first time because this will be a long-term investment.”

“The initial cost will be \$98,000 installation,” explained, Hale.

Rainwater interjected, “if we are **unable** to realize the discounts, the implementation will be about \$108,000 and about \$6,450 per month. If we can realize the discounts, implementation would be less

than \$100,000 with a monthly cost of less than \$6,000.”

Hale continued, “It will take a year and a half of cost savings to pay for the initial implementation system and we’re done. Then there will be true cost savings, moving forward to approximately around \$15,000 to \$16,000 a month over what we are currently using.”

Have we Looked at Anybody Besides Northstar?

Director Pam Avila asks about other vendors.

Rainwater said that in this presentation, he is only going over what he has done so far. “There is a lot more due diligence that needs to happen. We will be engaging other POA/Club Management vendors.”

Director Bob McLeod said there are a lot of other vendors out there. There are not very many that cover the whole broad breadth of applications that we have. “From my standpoint and Kelly’s and Will’s, it is best if we get one vendor that can cover almost all of our applications and have a common thread through all of the different applications so that training is easier. Getting the software from one vendor is a big asset...” We currently have around 17 or 18 applications we are using. The applications we are using have been installed over the last 20 years and “are all individual and they don’t work together. We’ve made them work together and it’s all put together with bandaids and baling wire. We need to replace that and Northstar is the number one vendor that looks like they can handle 80% of our problems.” McLeod said he hasn’t seen any other people that can do that. Everybody will be compared to Northstar. “They look like they’re the best at this point and that is what Bella Vista is putting in.”

Avila said, “I am uncomfortable with that approach and I understand it and by the way, I am a former President of a systems integration company, so I know what you are talking about.”

McLeod, “I am too [a former President/Owner of a software company].”

Avila stated, “So we both know what this is about. It seems to me, if I were sitting on the other side and I were asked to bid on this and I knew what you have already done and what you are thinking, I wouldn’t bother to bid because you have already made a decision. That concerns me. I think it is important to keep as open a mind as possible on this. Use Northstar knowing these are the features we need...Give everybody a fair shot. Otherwise, you have already made your decision.”

Rainwater explained, “That is what the plan is – to sit down with the functional managers and go over a list of their requirements and provide those requirements to the additional vendors we look at and say, ‘this is our list of requirements in this function. Can you do this?’ From an IT perspective, we are always keeping an open mind. There’s always a better product out there. This is just an explanation of what we’ve done thus far.”

Hale added, “The decision has not been made at all, Ma’am. I don’t know why you would think that because we haven’t put anything on paper yet. We are trying to have a discussion to expose people to the information. Northstar is the only vendor that has really gotten back to us and been able to present us with information. He [Rainwater] has other vendors he spoke to that are going to come and visit. We are physically going up to visit and touch it. It doesn’t sound like we have made a decision. It sounds

like they are the one that has given us the most information. He [Rainwater] is doing a side-by-side to show the Board and the Members an example of exactly what we are looking into. Nothing is being signed off. We're just going through the math to make sure that it adds up." But more importantly, does the system work so we can offboard all the other systems and realize true cost savings. "That is the bottom line. No decisions have been made. It's just completely exploratory and in discussion right now."

Does Northstar Also Include Website Hosting Platforms in the Package?

Director Gary Belair asked, "Is the platform for our website part of this core software or is it a stand-alone?"

Rainwater answered, "Northstar does have a web hosting platform that they offer with this Northstar product. What that means is that currently, we have a marketing site and then we have a member portal. Those are two separate sites. If we were to go with Northstar, they would bring that all under one web hosting so we don't have to maintain two different websites."

Belair responded, "That would be a plus with whoever we go with."

Rainwater said that Northstar has a more esthetic look and more functionality than what we have now on Explore the Village. "That is one of the major features we are looking at. It is one of the major reasons why we are looking at a different vendor."

Joanie Corry, Board Chair, asked that the POA gather requirements from the Villagers on what is needed.

Corry said Bob mentioned that Northstar would provide about 80% of what we need. McLeod said this was a guesstimate. Rainwater said he thinks the percentage will be higher.

Corry said we need to be careful with customized programming and the cost of this. "I want to make sure we do the best we can...That is my only caution."

Rainwater said the issue has been addressed with Northstar and will also be addressed with the additional vendors. "Our current vendor has a lot of customizable programming and it has been difficult to get support on those particular pieces. What Northstar has told us is that if there is a function that they deem or they feel all of their clients would benefit from, they wouldn't charge us for the programming. They would just do it and provide it to everybody. However, if there is a specific function that just we need, that is where they would look at an extra charge."

Hale said that we are not going to be able to get rid of every system we are using now. "We are talking about going from seventeen to three or four [systems]."

Cheryl Dowden, Hot Springs Village Gazette, April 8, 2022

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Author

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