

TOP 10 TECH TIPS

THAT EVERY MIC NEEDS TO KNOW

As the Canadian private lending industry continues to grow and change, particularly with new regulations, implementing a software system to manage all your related MIC transactions and reports will reduce the potential for errors in compliance, as well as, provide transparency for successful reporting and audited financials. Similarly, implementing a software system will greatly reduce administration time, thus, providing more opportunity and time to grow your private lending MIC business.

SOFTWARE SYSTEMS

Generally, there are three reasons to implement any business software: record, report and analyze. Software is implemented to record all business transactions for successful record keeping, provide an ability to report internally, reports to your clients (investors or borrowers) and analyses corporate performance to manage growth, cash management and underwriting decisions. Excel or manual systems will provide a framework to record. However, without integration of a transaction based reporting system, MIC Managers will need to manually produce reports which are prone to error and costly in time. Similarly, to analyze corporate performance, MIC Managers will need an integrated accounting system to provide valuable information for corporate analysis and underwriting decisions.

REDUCING ADMINISTRATION ERRORS

Implementing software will reduce administration time for managing your MIC as well as reduce the chance for errors. Having a system that removes the need to enter duplicate data entry, such as accounting entries into a third-party accounting system, will reduce the chance for data entry errors and costly corporate errors.

INTEGRATION

As an alternative to Excel spreadsheets, one of the biggest values in using any private lending software system is integration. For instance, a transaction posted against the mortgage will be linked to the borrower, the broker and all other contacts within the mortgage. Similarly, transactions posted against an investment will be linked to the investor, the ledger and related referral agents if applicable. Having an integrated system not only enables users to avoid duplicate entries but also empowers users to analyze a MIC's performance with more integrity.

COMPLIANCE REPORTS

Currently MICs should comply to the CRM 2 rules and regulations. Due to the complex nature of 31-103, having technology to produce and display related reports is important in the reduction of errors. Similarly, using a system that is MIC specific will also provide more accuracy in the interpretation of the related regulations due to the standardization of the content of the report.

ONLINE PRESENCE

Using an integrated software system also provides your MIC and private lender a platform to produce online reports. Enabling investors, borrowers and potentially agents to login to a customized website saves time by reducing investor queries, as well as, demonstrates a modern and up to date web presence.

TRANSACTION BASED SYSTEMS

There are many great CRM and front end systems that are available for different industries. These systems provide good CRM tools, such as, for marketing and email campaigns. However, for a private lender to be compliant and produce audited financials, the system needs to manage transactions. A transaction-based system which includes an integrated Chart of Accounts is recommended for successful MIC Management.

AUDITS

Using a software system with an integrated general ledger allows the system to easily provide required audited financials. Accounting firms can log into your secure Cloud and review transactions as well as the Ledger, greatly reducing accounting costs.

FLEXIBILITY

Software systems should be responsive to the changes in the industry and be flexible enough to be customized. For software that is specific to the private lending industry to be at its best it should accommodate changes to existing and new regulations in addition to allow customization requests from clients. Software systems will provide most value when they can be configured and customized to suit the MIC and handle its changing needs of the business.

INDUSTRY SPECIFIC SOFTWARE

Using a system designed for MICs will provide many more features and functions for MIC specific operations than a system tweaked for the MICs' business. Similarly, Using a MIC specific software that has been tried and tested in the industry also provides value with functions only realized upon an extended implementation period and extensive use by industry specific individuals and corporations. Without the experience and real world application, those MIC specific software developments would not be translated into the updated software. Because of this, MIC specific software creates an expertise that can be relied on and will assist in providing greater confidence in the management of the MIC.

DIVERSITY

Strength and diversity of software will generally be of more value to your private lending business when the software company develops exclusively for the Canadian private lending industry. As the industry changes and grows, so should your software. Ideally the software system that helps you administer and grow your MIC will have the functions and features to help you grow your business with continued success.



Shannon Dolphin is CEO of Dolphin Enterprises Ltd. and has been working with MICs for over 14 years. Dolphin and its new Underwriting and MIC Manager software solution is the only software to provide administration for MICs from the application of the loan to the back-end transaction based Chart of Accounts/ Accounting system. For information about MICs or MIC Manager please contact info@dolphinent.com or 604-685-6721 or visit www.dolphinent.com