



CAROLINA RETREATS

VACATION RENTALS

CUSTOMER SPOTLIGHT: Carolina Retreats

Property Automation
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Enterprise Property Automation

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It's All About Fulfillment...

says Mike Harrington, CEO at Carolina Retreats. "Everyone loves to talk about marketing, but I say that's the easy part. Nobody wants to focus on the actual fulfillment.



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"We put a tremendous amount of effort into that to make sure we perform. We know we can book a reservation. Now it's just about servicing that guest and homeowner like they expect."

In 2015...

Mike came to the Wilmington, North Carolina area and acquired Topsail Vacation Rentals, a 40 year-old company with a great brand reputation in and around the Topsail Island area.

"My goal was to eventually expand that out into



adjacent markets in southeastern North Carolina. We recently made our second acquisition in the Carolina Beach area with a couple small companies that we merged together under the Carolina Retreats umbrella. We're slowly bringing everything under that brand."

These acquisitions bring the total inventory to a little over 300 vacation rental properties.

"We run it out of two offices," stated Mike. "Our goal is to develop a hub and spoke model where we have centralized executive management, marketing, accounting and then operational offices that handle relationships with homeowners, boots on the ground, all the things that make up about 90% of the work in the vacation rental industry."

What Was Your Motivation To Look At Smart Home?

"It was really sort of a no-brainer on our part. I saw things progressing from lock boxes with a physical key, to the Kaba locks which were more analog.

"When PointCentral came out, there had been some wi-fi enabled systems before that, but in these vacation rental homes, wi-fi can be very spotty. I knew that was a problem from the very beginning.

"Something that critical with access to your home, I couldn't trust a wi-fi system from a cable company to make sure everything did what it was supposed to do.

“With PointCentral, I was really intrigued with the mobile operating system that works on cellular technology – which was way more reliable from the get-go. That made it clear to us that this was something we could actually do.

“When we bought Topsail Realty, there was zero smart home – everything was still keys and keyboxes. I knew I wanted to go with smart home, but I didn’t know when until my first summer.”

No Key

“I’m the new owner, the president of the company and I get a call at 11 o’clock at night – someone can’t get in. They checked in late and we didn’t leave a key. I was living about 30 minutes away from the office. I told my wife that I would hopefully be home soon. I drove to the office to meet the people, who were very nice,

considering the situation.

“I get into the office, go to the key box and it’s locked, and I don’t have the key to the key box. I eventually was able to unlock the box and give them their key, then drive all the way home.

“I told myself, I’m never doing this again. We immediately started the process of implementing smart home technology.”

No Problem

“Our Topsail operation is now 100% on the PointCentral system,” added Mike. “We’re getting ready to convert our Carolina Beach operation to PointCentral as well.

“It took very little convincing for homeowners and our staff were elated, as were guests.



"We fund the hardware costs and we pass along the software costs to our guests which made it a lot more manageable for everyone to accept."

How Has Going Keyless Impacted Your Operations?

"From a sheer efficiency standpoint, we've basically cut out check-ins at the office," proclaimed Mike.

"Everything is handled pre-arrival. Obviously, if they need us, we're still here. Nobody wants to come to an office and stand in a lobby to get a key. We know when the home is clean and ready. We know exactly when the guests check in.

"Before smart home it was almost like a black box on check-in day where you would hope the cleaner would call you back to let you know the house is clean. If not, we'd have to tell the guest, "go to the home by 4 o'clock. If it's not clean, let us know." That's a terrible way to operate. Now we're armed with the information we need and it makes us look better."

Did You Integrate Smart Home With Your Work Orders?

"Absolutely! We rely on multiple vendors who have their own codes. We know when they enter the home and when they leave. We can follow up with them if they



don't follow up with us.

"If you don't have smart homes, it's a bit of a let down for the guests."

"For example, Hurricane Florence was a very big problem for us. Smart home allowed us to better prepare our homes before and after the storm – which was just awesome! We didn't have to deal with keys. It was so much more efficient. When we were allowed back on the island, I think we only had problems with two of the locks due to storm damage. The rest worked great and really helped to make our jobs easier."

Did You Position Smart Home As A Guest Amenity?

"In the beginning we highlighted smart home in all of our marketing. I think now it's become an expectation and less of a competitive advantage. If you don't have smart homes, it's a bit of a let down for the guests, it's so prevalent now."

Regarding ROI, Where Have You Seen Your Biggest Returns, and Did Any of Those Surprise You?

“The biggest return is on the operations side for us – reacting faster when things come up, not having to go to a home late at night, etc. I refuse to put our people in that position. It’s a safety concern.



“We do not have a dollar figure on the ROI but I can tell you that if we didn’t have smart home, our jobs would be immensely harder.

“One of the surprises was that it was easier to implement than I thought.

We had about 150 homes that we wanted to implement out of the gate and I thought that might be too many. But it was a very smooth and seamless process converting those homes. We had installers handle it for us and they trained some of our guys to troubleshoot. It was a lot easier than I expected.”

What Guidance Would You Offer To Other VR Managers?

“I wouldn’t get too hung up on the upfront cost being a deterrent. There are lots of ways to defer those costs. I would advise contacting people who have done this in the past and get their take on how they did it.

“And don’t get too caught up on a few of your homeowners who may not like it. You shouldn’t let a small percentage of your homeowners dictate what the large percentage want to do. I would just do it and ask forgiveness later. That’s what we did. We just told our homeowners, this is what we’re going to do. There were a few that didn’t want to do it, but by the second year, they had all signed up – 100%.”

How Do You See The Future for Smart Home Technology?

“There’s a lot of cool things out there,” said Mike. “The energy aspect is a no-brainer.

“Of course, voice is very exciting from a guest experience perspective. I think it’s a little early for all of that, though. Guests can be a little skittish when it comes to protecting their information and personal data. But the underlying idea is great.”

PointCentral thanks Mike Harrington and Carolina Retreats for their cooperation.

PointCentral, a subsidiary of Alarm.com (Nasdaq: ALRM), provides short and long-term property managers of single-family and multifamily assets with an enterprise-class solution that monitors and controls Smart Home technology across all properties in their inventory over a best-in-class secure and reliable cellular network – increasing property awareness, reducing operational costs and improving resident satisfaction. PointCentral's solutions allow property managers to realize operational efficiencies, enhancing the asset for guests and residents.



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