

# MLS Regionalization

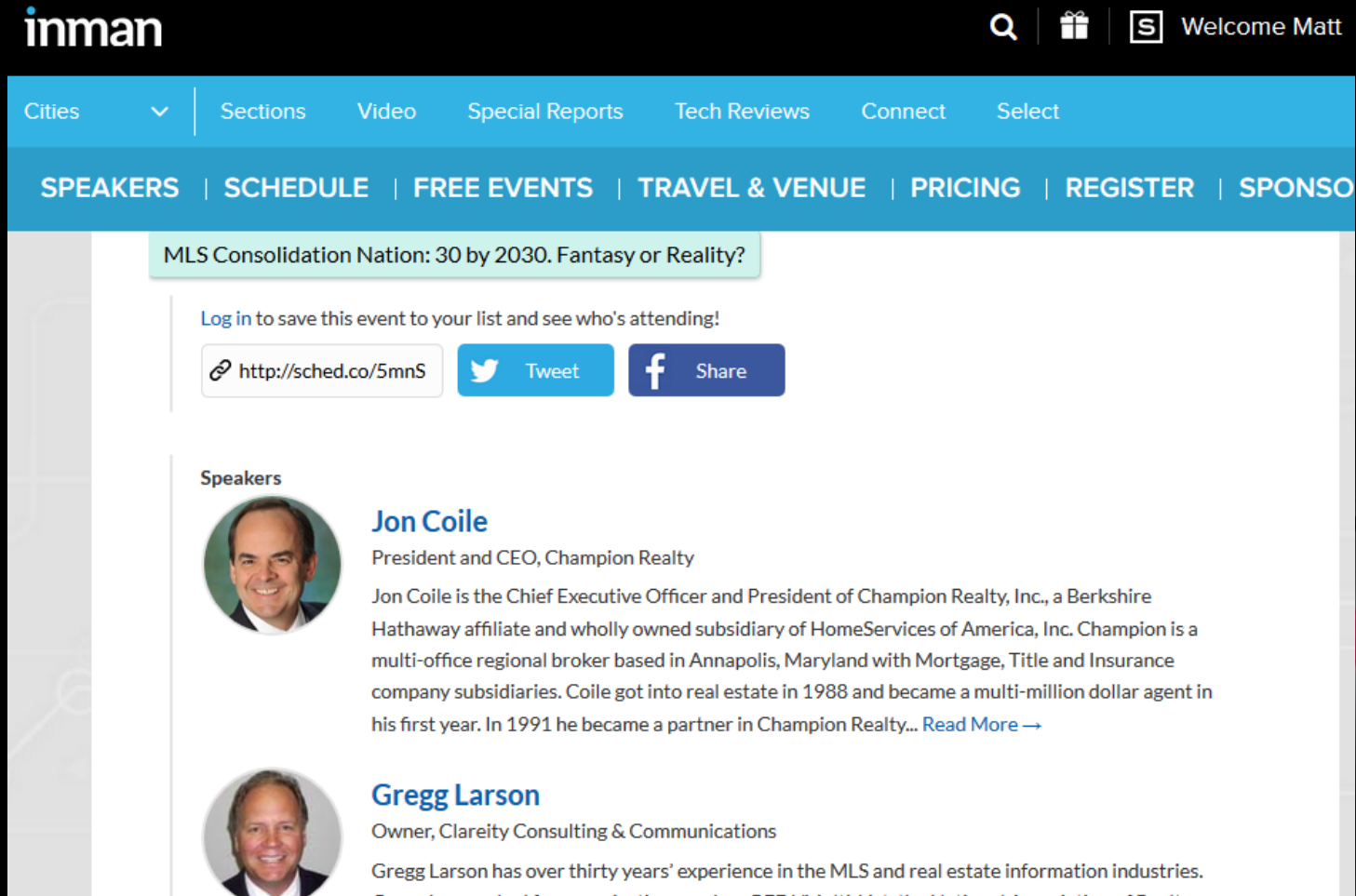
## Best Practices, Breaking Through

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**Clareity Consulting**  
**Clareity.com**

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## Inman – “MLS Consolidation: 30 by 2030?”



The screenshot shows the Inman website interface for an event. At the top left is the 'inman' logo. On the right, there are search, gift, and user profile icons, with the text 'Welcome Matt'. Below the logo is a navigation bar with 'Cities' (dropdown), 'Sections', 'Video', 'Special Reports', 'Tech Reviews', 'Connect', and 'Select'. A secondary blue navigation bar contains 'SPEAKERS | SCHEDULE | FREE EVENTS | TRAVEL & VENUE | PRICING | REGISTER | SPONSO'. The main content area features a title 'MLS Consolidation Nation: 30 by 2030. Fantasy or Reality?' in a light green box. Below the title is a 'Log in to save this event to your list and see who's attending!' prompt. There are three buttons: a link button with 'http://sched.co/5mnS', a blue 'Tweet' button with a Twitter icon, and a blue 'Share' button with a Facebook icon. Under the heading 'Speakers', two speakers are listed: Jon Coile, President and CEO of Champion Realty, and Gregg Larson, Owner of Clareity Consulting & Communications. Each speaker has a circular profile picture and a short bio.

**inman** Q 📺 👤 Welcome Matt

Cities ▾ | Sections | Video | Special Reports | Tech Reviews | Connect | Select

SPEAKERS | SCHEDULE | FREE EVENTS | TRAVEL & VENUE | PRICING | REGISTER | SPONSO

MLS Consolidation Nation: 30 by 2030. Fantasy or Reality?

Log in to save this event to your list and see who's attending!

<http://sched.co/5mnS> Tweet Share

**Speakers**

**Jon Coile**  
President and CEO, Champion Realty

Jon Coile is the Chief Executive Officer and President of Champion Realty, Inc., a Berkshire Hathaway affiliate and wholly owned subsidiary of HomeServices of America, Inc. Champion is a multi-office regional broker based in Annapolis, Maryland with Mortgage, Title and Insurance company subsidiaries. Coile got into real estate in 1988 and became a multi-million dollar agent in his first year. In 1991 he became a partner in Champion Realty... [Read More →](#)

**Gregg Larson**  
Owner, Clareity Consulting & Communications

Gregg Larson has over thirty years' experience in the MLS and real estate information industries. [Read More →](#)

1. Fewer (or one) MLS organizations?
2. Fewer (or one) MLS database?
3. Fewer (or one) MLS system?



## Goals drive strategy – set them first!

1. Reduction of arbitrary information barriers
  - a. Reduce need for multiple memberships
  - b. Reduce number of data feeds for participants' use
  - c. Provide more comprehensive / accurate statistics
  - d. Provide wider listing exposure for sellers
2. Reduce number of systems some members need to learn
3. Improve MLS rule and data accuracy compliance
  - a. Providing uniform rules and enforcement
4. Provide efficiency for governance involvement
5. Improvement in MLS product / service scope
6. Associations can focus more on association functions
7. Reduction in cost *[please don't oversell this!]*



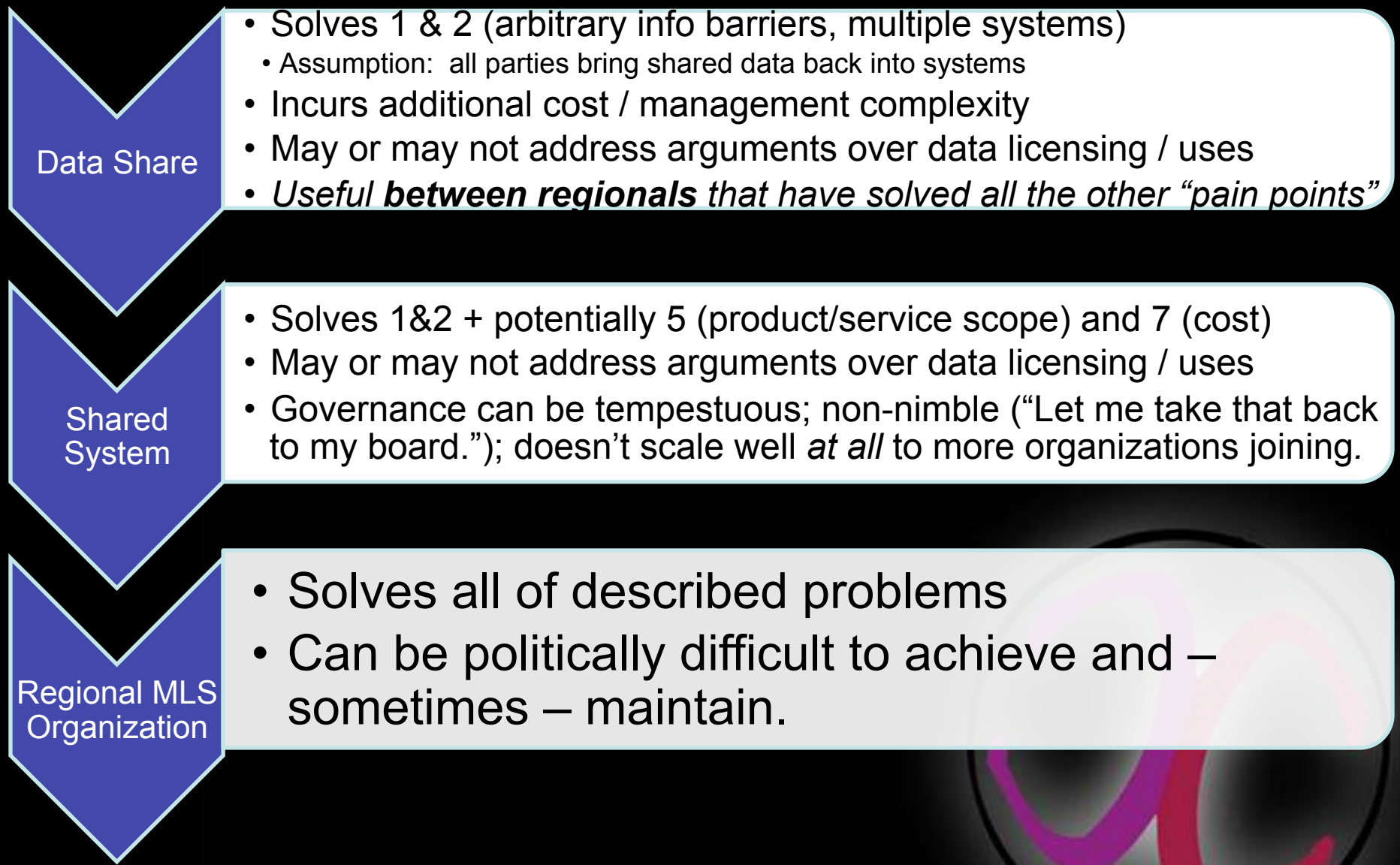
“Our board decided to put the breaks on regionalization to see what happens with Upstream and AMP.”

**Upstream** has *nothing* to do with regionalization, but brokers will use it if they are dealing with multiple MLSs they are frustrated with.

**AMP** is not likely to help with most of the previously described goals.

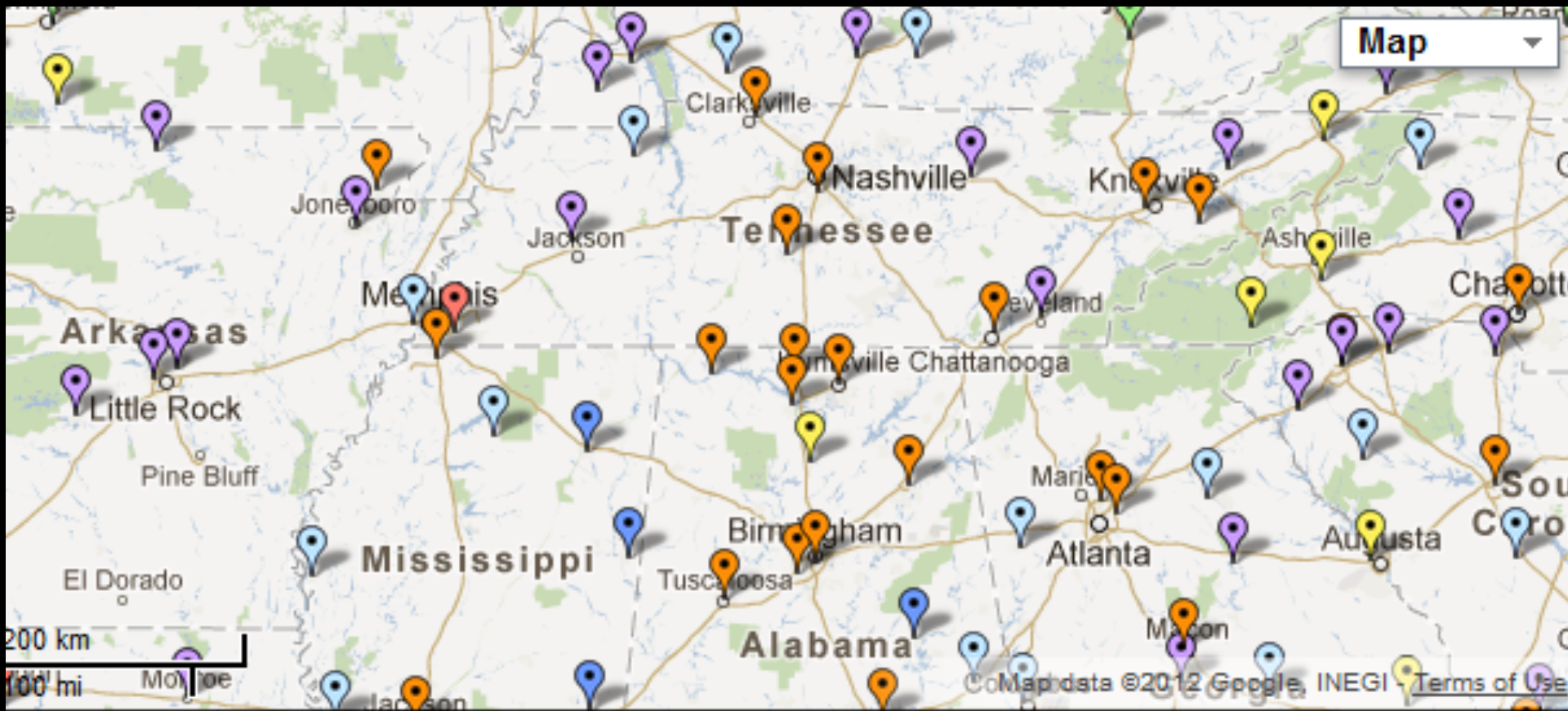
Therefore, Upstream and AMP should not be used as an excuse not to regionalize.







# What are the natural boundaries for local real estate?



# How many MLSs should there be – and where should the borders be?

- Without a **goal**, how do we develop **strategies & tactics**?
- Shocking that neither NAR or CMLS has ever studied this!

## *If I was setting up the study...*

- MLS Geography criteria:
  - Consumer natural market area, Broker business needs, Economics
- Service centers & criteria?
- MLS Core Standards
  - Data standards / Compliance, Support, Technology, Data Licensing / Participant Data Access, Security / Privacy





# What is your MLS Cooperation WIN condition?

- Win condition:
  1. For consumers
    - by extension members
  2. For brokers
- No blocking moves where everybody loses.
- “A bit at a time” not a great strategy for members if it can be avoided.



## 1. Meeting(s) of the CEOs

- Establish *CONSENSUS* on:
  - Goals (and expectations)
  - Ownership & Governance (Proportional or not)
  - Money-flow (Wholesale/Retail or MLS Direct Bill)
  - Leadership & staffing (Physical vs. Virtual)
  - Who can subscribe? (What kinds of affiliates. Assistant costs?)
  - Product / service mix (Drives associated costs – and conflicts!)
  - Property types & statuses (It's a detail, but if you can't agree...?)
- Also discuss: timing, financial readiness.
- Advance preparation plus ½ day to several meetings.
- **Clareity provides up-front analysis and examples to prevent “blank page” paralysis.**

Clareity has an efficient process to facilitate MLS cooperation (Recently: ORTIS, Northern ON, others *quietly* in progress...)



"Matt at Clareity Consulting played a foundational role in the creation of our regional MLS® system, ORTIS (Ontario Regional Technology & Information Systems). Back when we were three boards, which eventually grew to eight, we asked Matt to outline options and proven best practices in how to share an MLS® system. It was interesting to watch the path our collective leadership took as they diligently eliminated the alternative models Matt had presented only to eventually end up where Matt had initially suggested they might want to be. We also engaged Matt in the more formal RFP process of vendor selection, where he kept our team on focus of what is truly important to our users, versus getting distracted by the bright lights and whistles provided by the vendors. What I liked about working with Matt is what he brings to the table – he provides context and perspective – but then lets the client view this through the lens of their own environment to find what is best for them."

*Bill Duce, Executive Officer*

*Kitchener-Waterloo Association of REALTORS®*

## 2. Group Leadership Meeting

- Discuss areas still lacking consensus
- Addresses sabotage: stops misinformation - and gets all valid issues on the table; pre-positions against bogus issues
- **“I have to go back to my board”** can only go on for so long!



**“HONESTY, TRANSPARENCY AND  
OPENNESS BRING PEACE OF MIND.”**

His Holiness the 14th Dalai Lama



## 3. The Business Plan

- Goals
- The Company (Ownership. Governance, etc.)
- Products & Services
- Budget
- Next Steps / Timeline

Ramp Up Over Years 1 to 3; Year 4			2016	2017
Number of Subscribers served at year-end				
Revenue	Seed Money from Founders			
	Wholesale MLS fee revenue as each MLS goes LIVE			
	<b>Total Revenue</b>			
General Operating Expenses				
	Salary	ANNUAL		
	CEO			
	Trainer			
	Support/Compliance			
	Additional Trainer			
	Administrative/Bookkeeping			
	Contract Trainers-associations			
	Communications			
	Benefits			



#### 4. Company Formation

- Do NOT skip legal steps like IP Agreements. More on that from Mitch in the next session!

#### 5. Communication

- Jointly from the new company and each existing one.

#### 6. System Selection & Contracting

#### 7. Hiring (if / as needed)

- Interim: may be staffed from existing founder resources to minimize costs.



## Avoid CRITICAL ERRORS:

do the *right thing at the right time!*

- MLS System decision belongs near the END.
- Do NOT avoid the hard questions! It wastes everyone's time.
- Do NOT send out “wedding invitations” before you agree to get married (*after* hard questions are discussed & ideally resolved).



- “3 years to retirement ... They’ll take US over when I DIE!”
- “But next year *I* was going to be MLS president”.
- “But what will 25-year loyal employee Mary do if we eliminate the redundancy?”
- “What if we lose MLS revenue to the association?”
- “My MLS is worth a lot! Why would I give that away?”
- “What about our association’s IDENTITY?”
- “*Their members benefit more than ours.*”
- “My MLS is worth a lot!”

Look!  
A chicken!



**Relate these *distractions*  
to the MLS Mission**

(Pre-position. In front of the group.)

Every MLS mission seems to be a bit different - but generally something like:

To provide and promote the highest quality, cost-efficient real estate information, products and services to advance the professionalism and productivity of real estate practitioners and facilitate cooperation and compensation.



# THINK AHEAD

**Pre-work beats Re-work**

# DOCUMENT

**All Emerging Questions,**

**Discussions, AND Decisions**

*Involve attorneys for “privilege”*

# MANAGE

**an aggressive project plan and involve**

**appropriate business decision-makers regularly**

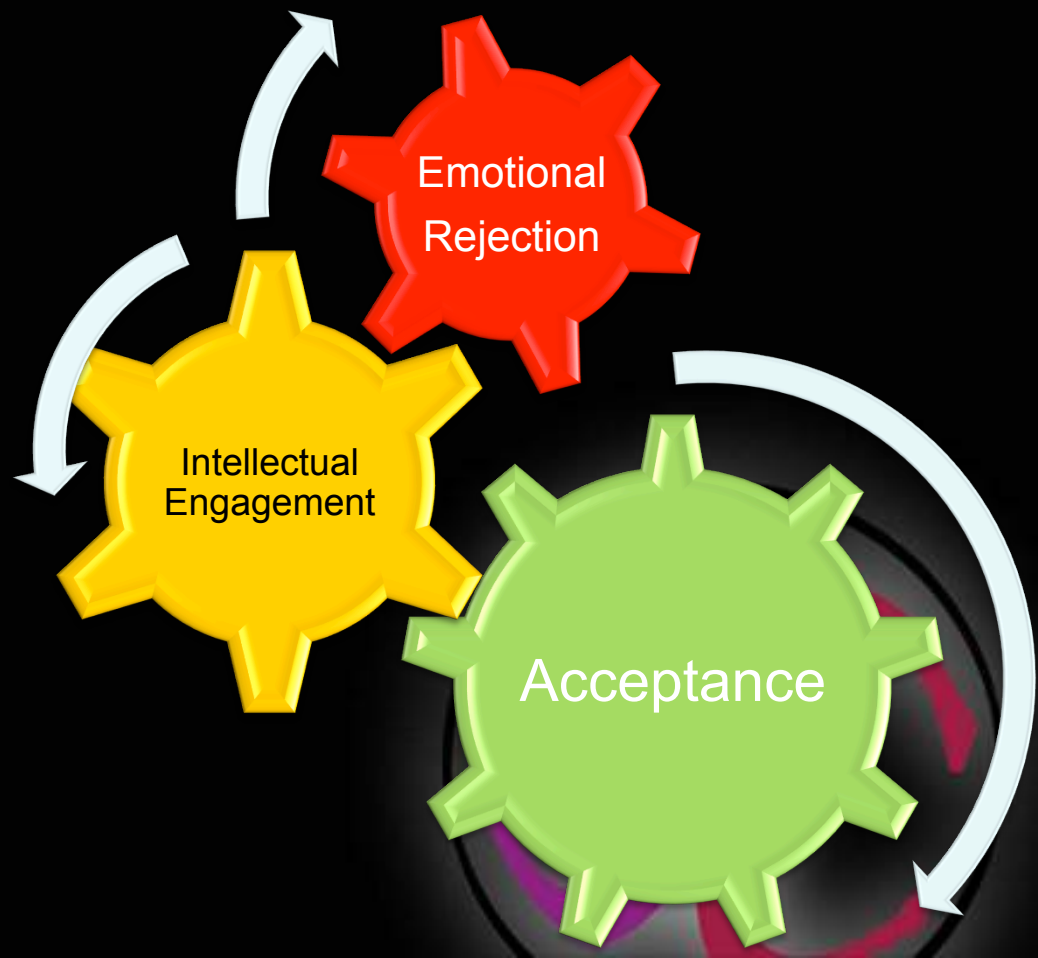




## COMMUNICATION

Is Key!

What to say?  
To whom?  
When?  
How?



## #1 Recommendation for Keeping a Regional Together: Set firm MLS / Stakeholder boundaries

- MLS managed by *separate* MLS BoD and professional staff.
- Stakeholders' BoDs: fiduciary issues, bylaw management, member interests (*serious* satisfaction issues).
- Avoid dysfunctional governance models where shareholders must go back to *their* BoD for *every* systems change and contract.



Discussion?

