



# WAV GROUP

MLS Rework

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WAV Group

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## MLS REWORK

As a consulting firm to real estate Multiple Listings Services (MLSs), WAV Group has seen many examples of excellence, mediocrity, and outright poor performance in the delivery of services to participants and subscribers. MLSs come in all shapes and sizes, and a variety of structures. There are small MLSs that deliver outstanding services to their members for a low fee, and huge MLSs that deliver poor services to their members for high fees. There is no particular MLS business model that prevails – it all comes down to good management, board support, and a dedication to executing a strategic plan.

Recently I looked at a book called REWORK by Jason Fried and David Heinemeier Hansson. These are the same guys who wrote Switch – How to Change Things When Change is Hard. In the first book, they looked at the dual nature of people who are in management – the logical and the emotional. In their new book, REWORK – they suggest that doing things the normal way may not be the right way.

REWORK inspires a variety of management concepts that may be helpful for MLSs to consider.

### IGNORE THE REAL WORLD

Interesting concept, and here is an example: I listened to an industry leader speak last year about mobile solutions for real estate. The speaker proffered that mobile may be the most important initiative for MLSs to adopt. The reasoning was that it is the fastest growing technology in the world. I agree with the reasoning, but in truth, mobile, at least with today's technology and smartphone penetration, is a "nice to have" for MLSs. Furthermore, mobile MLS has been available in the majority of MLSs for a long time but rarely reached more than 10% adoption by agents.

Ignoring mobile solutions may seem like antiquated thinking, but why should an MLS invest in technologies that have so little adoption? Maybe they should be asking different questions like "Why is it that these tools have so little adoption?" or "Why is it that mobile MLS generally have pretty low satisfaction rates?" Are we really tapping into the right type of mobile technologies that are experiencing explosive growth? Should we be focused on offering mobile to consumers instead of agents since they seem to be more excited about it than agents are?

I suspect that if agents had to pay extra for mobile, the adoption rates would drop even further. Offering solutions on the fringes of the MLS technology ecosystem may seem progressive, but in truth, they may be more of a distraction to building training solutions and help desk services on core systems that are the lifeblood of the MLS customer relationship.



Ask your customers where they want you to invest – mobile solutions or sending a trainer to their office, or answering the help desk phone on the first ring. Importantly, ask each and every customer what they want.

Today, customers like what they like and they don't really care what other customers like. Maybe it's time to offer custom solutions and custom services based on each customer's need. A top producer, for example, likely has very different needs than a part-time who sells or buys 1 or 2 houses a year. Have MLSs adjusted their offerings considering these differences? One audience might want 10 mobile apps while the other may barely have a cell phone. Maybe contracts with service providers should consider these need differences and adjust payment methods and formulas accordingly.

### WHY GROW?

Size does matter, or at least should if used effectively. Economy of scale is a real factor, but in some larger MLSs we do not see a corresponding lower price or increased services. There are some great examples of MLSs that do, but an equal number of MLSs that do not.

We do believe economies of scale at some level do play a part, however. Some super small MLSs would probably benefit from merging with other MLS neighbors so that they could afford to offer the kinds of services agents and brokers need to be successful today. Although this is concept is far from a universal truth, MLSs with fewer than 500 subscribers are challenged to deliver full MLS services, training and help desk without outsourcing. If the core service of an MLS is supporting its subscribers, and that is outsourced – do you really have an MLS, or simply a contracting entity?

At the recent HAR REIS conference, many speakers mentioned that a National MLS is not a very serious concept for real estate. Putting all of the data into one database is easy. Normalizing the data is mostly political and emotional, so that is more difficult. What is impossible is the delivery of service and support to agents and brokers. These activities need to be local....paraphrased from Marty Frame, REALTOR® Property Resource.

It is also often true that the larger the organization, the less nimble it becomes. Two people can make agreements with a handshake; four people need a lawyer. Two million people need 20,000 lawyers. Large organizations manage impartiality using statistics to govern decisions rather than personal experience.

If you really want to understand your customer, sit down at a table with them and ask them some questions. Tell them you care, and leave the meeting with a sketch of an action plan that you can test.



## BE A STARTER

I think in many ways MLSs do exhibit the “Be a starter” attitude. Being a starter entails accepting some risk, and understanding that you need to have some failures in your service delivery as part of finding successes.

As a service organization, it is important to energize your customer relationship by being a starter.

Here are some examples: Some MLSs have chosen to pick up the phone with a live person every time one of their customers calls. Others have embraced social media and blogging as a means to engage their customer. Taken a step further, having tweet-ups or RE Bar Camps that allow participants and subscribers to combine social activities with learning activities can create RAVING FANS. Think beyond the message on the MLS home page and think more about building a community of customers who have personal relationships with the people behind the MLS who go to work every day to make the REALTORS’ business function.

The resources required to pick up the phone are employment resources, but they dramatically personalize the MLS service to the customer and it helps build personal relationships. Social media is a process of meeting customers on their terms in their space – understanding the tangled web between professionalism and personalization.

Make time to get out and talk at office meetings. Invite each of your customer segments to small luncheon meetings and just let them talk about what they are struggling with. See if there are ways you can help them be more successful.

To be a starter, you need to start now. If you don’t know how to start, ask someone to help you. This industry is full of excellent resources that can get you going. Don’t be shy about engaging them. Sometimes MLS Executive Officers need to focus on the customer more than the Board of Directors. Don’t be afraid to draw a line in the sand (not a typo). Stand behind your convictions and stand up for the core values of running the best MLS in the world.

Starters are leaders who move forward with confidence. Non-starters are followers who try to start a committee for everything, get approval and buy-in from everyone, and then ease their way into long-term plan. Big decisions need careful, long term planning. Small decisions need maverick self-starters.

## DO YOU REALLY NEED IT?

Many MLS executives look too closely at the resources they need for progress and less closely at the resources they do not need. If you have built strong customer relationships, you do not need significant resources to create change.



Much of the positive change in an organization can come through getting rid of ineffective staff members. We see MLSs holding on to a staff member who do not have the skills and/or attitude to effectively nurture relationships with customers, yet MLSs continue to hold on to them knowing full well they are hurting their overall brand experience.

Try to keep your staff members learning and growing. Challenge them to reinvent their positions and departments regularly. If they can't rise to the occasion and can't let go of the "traditions" that are clearly outdated, then you may need to make the decision to allow them to move on. Of course, it is important that the MLS execs also challenge themselves to continually keep moving and growing as well. If, in your heart you understand you are as change averse as your staff, you need to think about how you're going to evolve before you can ask them to.

If you are keeping staff around because you like them rather than because of the job they perform with excellence, you are probably hurting your MLS.

Think too about the service offerings that are not impactful, or that have low adoption. Think about how you are evaluating adoption. Is it really a product appropriate for every member or does it only serve the needs of particular customer segments? If so, then be sure you are measuring adoption correctly. Also be sure you are paying for the service appropriately. Per member per month pricing is easy to calculate, but is not always the most appropriate way to contract for services.

In the example above we talked about Mobile. In reality, we think that mobile is impactful and very valuable to members. The failure in adoption may be due to controllable factors. Has the service been marketed in a way that helps agents know how it can help them sell more real estate? Has it been presented with the level of enthusiasm and messaging appropriate to sales professionals?

Does the training offered break through and help agents understand why the service will help them sell more real estate? Send trainers out to the office to install mobile search on every agent's phone. If you are not committed to this type of effort to support a product offering – consider going without it.

## EMULATE DRUG DEALERS

This REWORK concept is difficult for MLS, but not totally far afield. The REWORK idea is that if you give your customers a taste of something and they like it, they will beg you for it. When you give them more, they love you more and come back for more, and more, and more.

Many brokers do not feel like there are any special services that are designed especially and exclusively for them. Data Sharing may seem like a great service that helps brokers – and it does. However, it has little appeal in terms of aspiration.

Services like data analytics and market share reporting that only go to brokers are much more exciting. Everyone wants to see where they rank, just don't tell the agents or the public. If you have an MLS public website, send them a report like the HAR Star report that shows them how



much consumer traffic and how many leads you delivered to them each month. Brokers in Houston love those reports.

Also, be sure to have exclusive broker meetings. It will allow brokers to mingle with their peers and stay informed about the activities at the MLS that are impacting their business. Give brokers an opportunity to deliver a short presentation on a timely industry topic, and/or bring in a speaker.

If you are going to focus on agents – dole out Awards like candy. Nothing makes a person feel better than some recognition from their peers. They will love you for it.

### ABOUT THE AUTHORS

**WAV Group** is a leader in providing consulting services to the real estate industry and is comprised of corporate executives with a depth of expertise in both the real estate market as well as the consumer market. The company has conducted studies for some of the largest organizations in the industry including the National Association of REALTORS® and others. It has also authored several of its own studies including its annual MLS Technology Survey, Mid-Year Technology Update and many others.

The company works with Multiple Listing Services, real estate firms, franchise organizations and technology vendors in the US, Canada and Europe. WAV Group has expertise in the areas of content development, market research, strategic planning, product development, distribution, marketing, and technology evaluation, selection and implementation.

For more information, contact WAV Group at [info@wavgroup.com](mailto:info@wavgroup.com)

Visit the company blog at [waves.wavgroup.com](http://waves.wavgroup.com).





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