



# Effective MLS Market Solutions

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*Sponsored by the National Association of REALTORS®.*

*All professional services will be provided by Focus Forward Consulting, Inc., and Larson/Sobotka Business Advisors, LLC.*

***The Effective MLS Market Solutions (EMMS) program brings neighboring MLSs together for a thorough, objective assessment of their markets, to determine ways the MLS organizations can work together and deliver the most advanced and cost-effective services to their participants and subscribers.***

Brokers and MLSs instinctively recognize that there are benefits of MLSs working together, but they often face numerous problems moving forward:

1. **Too little data.** Gathering data about broker needs, overlapping costs, and other important facts is difficult for the MLSs themselves. The ‘political’ nature of MLS collaboration discussions and the risk of antitrust concerns arising from sharing fee information can prevent a full information exchange.
2. **Too much focus on governance.** Control and governance issues can become of the focus of discussions before anyone has assessed the benefits, risks and costs of collaboration. The result is that years can pass during discussions that too often result in actions of only modest value to brokers.
3. **Too high a cost.** Remedying the first two problems usually calls for the early introduction of consultants and attorneys into the process. But these advisors often come at a premium cost, and it is critical to find advisors with the experience necessary to discuss the wide range of options available, along with their costs and challenges.

## **A Fresh New Approach - EMMS**

The Effective MLS Market Solutions program is sponsored by the National Association of REALTORS® (NAR), whose objective in supporting the program is to support MLSs’ efforts to find the best ways to serve their customers, most of whom are REALTORS®. EMMS is designed to provide the initial data gathering and objective analysis necessary for an effective MLS collaboration effort. Focus Forward Consulting, Inc. (FFC), and Larson/Sobotka Business Advisors, LLC (LSBA) are providing the professional services for EMMS. On completion of EMMS, MLS organizations participating in the effort will:

- Know the opportunities for improved service and decreased costs, if any, from MLSs working together.
- Know, with a high degree of confidence, what brokers will actually value most in any potential collaboration of MLSs.
- Know the governance and technology solutions that most closely fit brokers’ business needs – and their probable costs.
- Have an outline of a plan for how to proceed with collaboration if they choose to do so.



## Here is how the EMMS program works:

1. During the next six months, FFC and LSBA will select six 'markets' – groups of interested MLSs whose leaders are committed to the process. A market might have as few as three MLSs or many more.
2. FFC and LSBA will analyze the market data and other information provided by the MLSs to fully assess and understand the current services, systems, overlap, and costs.
3. FFC and LSBA program will survey and interview brokers in the affected area to learn their business objectives and identify any "pain points" brokers may be experiencing with the current environment.
4. FFC and LSBA will meet with all of the MLS leaders to discuss preliminary findings and gather more information.
5. Finally, FFC and LSBA will present an *MLS Market Report*, which will provide aggregated information from all participating MLSs satisfying the objectives identified above.

The MLS Market Report will exclude confidential information received from MLSs and brokers, including pricing of individual MLSs, etc. *Each organization will maintain the ability to independently consider the aggregate findings in light of their own structure, costs, and fees without them being disclosed to all participating MLSs.*

Completion of the program will require no more than three months. Participating MLSs commit to make the following investments of effort and limited expenses:

1. The MLSs will make necessary data and personnel available to conduct the EMMS program.
2. The MLSs will divide and pay for travel expenses associated with the program.
3. MLS leaders will read and provide feedback on preliminary summaries and draft report materials.

## A unique team to help you

Focus Forward Consulting and Larson/Sobotka Business Advisors offer the industry's leading advisors on MLS collaborations. Kevin McQueen and Brian Larson have assisted numerous MLS collaborations, addressing a wide variety of local variations in business objectives. They are recognized as industry leaders who work hard to develop a nuanced understanding of local conditions and then to deliver and discuss their opinions candidly.

FFC, LSBA, and NAR have no vested interest in any of the potential outcomes: Our review may show that collaboration among the MLSs in your market will not deliver results that will be worth the effort and expense involved. It may show that a particular course of action would be best, and you can pursue that course with or without any further involvement from FFC or LSBA, on your own or with other consultants as each group of MLSs sees fit.

FFC and LSBA approached NAR for funding for this effort, and NAR is supporting EMMS by paying FFC's and LSBA's professional advisory fees for the program. NAR does not seek involvement in the conduct of the EMMS program, though it will receive a copy of each aggregated MLS Market Report. March 17, 2010

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