

Overview

CMLS is proud to introduce CMLS Best Practices. These Best Practices were created by CMLS to improve professional standards in the industry through the development and establishment of Best Practices. Many contributors from a wide variety of organizations and people within the real estate industry helped to construct them. Other industries have set standards to follow – CMLS is now leading the way to provide the standards for the MLS industry.

The documents themselves are meant to be living, breathing, and ever evolving, to provide an MLS with the ability to compare itself first, to the basic standards, and then to the highest standards. There are ideas, checklists, and real-life examples that the progressive MLS can use to measure against, in order to rise to the next level. BusinessDictionary.com offers the following definitions:

Best Practice

A method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark.

Best in Class

The highest current performance level in an industry, used as a standard or benchmark to be equaled or exceeded. Also called best of breed.

Best Practices

Stepping up to Best Practices will take courage, conviction, focus, and willingness to make an honest appraisal of the organization, including each of its volunteer leaders and all of its employees. While Best Practices have been created for key areas of the organization, the success of implementing them will depend on having a clear mission and vision, goals, philosophies, and culture that are embedded in every facet of the organization. The volunteers, employees, and leadership must all know what they are striving for, and how they are going to achieve it, while maintaining a passion for reaching the pinnacle of success.

Leadership and Governance

The core definition of leadership is the action of leading a group of people or an organization. Leadership is not managing or directing others, but it is inspiring and motivating them to follow and achieve the organization's core purpose. It is not about the title or assigned responsibility of an individual, but it is an individual that others follow freely. People follow a leader freely, because they see that person as having the right vision, passion, and character that inspires others. Leaders are outstanding decision makers who involve others in the decision making process, and build teams all the while.

Leadership must be passionate about the organization's mission, believe in its core philosophies, be willing to achieve the goals, and support the culture. Having a plan in place that all stakeholders are committed to achieving is essential.

The actual governance structure is not nearly as important as what the structure allows the organization to do.

Governance Best Practices include:

- Effective decision making process
- All stakeholders empowered
- Efficiency
- Cultivate forward momentum
- Structure that has the best of the best clamoring to be on the Board
- Allow for reasonable change

Having outstanding leadership, an effective governance structure, and the right plan in place will enable the organization to achieve Best Practices. This includes the right culture that pervades the workplace.

Human Resources

The goal for human resources is to utilize effective strategies, systems, and policies to achieve the overall success of the MLS, while meeting the needs of employees and other stakeholders. Keys to achieving *Human Resources Best Practices* are:

Resources Best Practices are:

- Embody the culture, vision, and goals into HR and the entire organization
- Acquire the right people with the right skills at the right time
- Ensure knowledge and adherence to legal requirements
- Understand the value of strong employees and treat all fairly

Human resources are and should be an integral part of the organization, and should incorporate Best Practices from recruiting and hiring to meeting regulatory requirements.

Finance

There are accountability standards in the finance arena that apply directly to MLSs. *Financial Management Best Practices* include:

- Documented and implemented processes and procedures
- Accurate and timely financial statements
- Compliance with generally accepted accounting principles
- Compliance with applicable laws
- Fund operations from operating revenue, not reserves or financing

Part of the success is also ensuring that leadership knows and understands their role and fiduciary duties to the organization. This includes reading financial statements.

Legal

The legal aspects of the MLS business have increased exponentially over the last few years. What used to be routine business decisions may now have a potential legal challenge. An MLS typically manages hundreds of contracts for a variety of different services and purposes. The decisions made can have a far reaching affect not only on the organization itself, but for all of its stakeholders including the brokerage firms, agents, stockholders,

directors, consumers, and employees. Indirectly, it can also have an impact on other associations, MLSs, and the entire industry. *Legal Management Best Practices* contain the following:

- It is critical to find the proper balance between business requirements and legal risks
- The organization must effectively manage, track, and reconcile hundreds of contracts
- A company that takes no risks will fail just as often as the organization that takes too many risks

There are numerous aspects that must be addressed today. This includes managing contracts with members and third parties, knowing what to include in those contracts, providing copyright protection of the data, and having clear policies in place for the overall protection and wellbeing of the organization.

Marketing and Communications

Marketing encompasses a range of activities such as product development, product pricing, sales, customer service, branding, research, stakeholder communications, and public relations. Stakeholders are all of those people who have a vested interest in the organization such as the brokerage firms, agents, stockholders, directors, consumers, and employees. Effective marketing ensures the organization focuses on the value of the customer. *Communications Best Practices* must:

- Reflect the MLS's mission and strategy
- Be measurable in terms of business outcomes
- Be either informational or motivational
- List any outcomes that are both meaningful and measurable
- Advance the business objectives of the MLS

Communications with all of the key stakeholders is an essential part of the overall marketing plan, and must be done in a way that creates and sustains remarkable relationships.

Customer Service and Support

To deliver a phenomenal experience for the customer and achieve the highest levels of satisfaction, the concept must be instilled in the culture of the organization. Customer service should be the focus of every customer interaction – from phone reception to website navigation to classroom instruction. Even the more challenging parts of the business such as fee collection, compliance management, and service interruptions (due to non-payment) are touch points. The philosophy of *Customer Service Best Practices* is:

- Empower employees to use good judgment in all situations
- Good service is an attitude, not a policy manual
- Review and revise the service handbook regularly; throwing out unnecessary rules
- CEO must practice what policy preaches
- Treat employees like you would customers
- Bring employees and customers together frequently to identify problems and develop solutions
- Create an environment of cooperation that continuously improves customer service

Technical and Information Technology (IT)

Technology: from copiers and phone systems to networks and automated supported systems and the MLS system itself. These are all critical components of the MLS organization today; collectively, they are the nervous

system, connecting it both internally and externally, and providing the hardware and software to promote productivity, responsiveness and profitability. This backbone is necessary for the organization's health, risk management, and legal or policy compliance. Within an organization, there is frequent reference to "IT" or Information Technology. Information technology (IT) is the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data, often in the context of a business or other enterprise. The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information distribution technologies such as television and telephones. These are the key areas in *Technical and IT Best Practices* that will establish success:

- Planning and budgeting provide for continuity and the ability to respond to current situations. They also permit evolving business needs, and act as a guide for leadership and management decisions
- Maintaining the appropriate 'housekeeping' procedures assures security, productivity, and compliance
- Providing the necessary software and hardware systems ensures a well-supported staff, and ultimately a superior product, along with superior customer experience

Why Adopt Best Practices

It is time. It is time for every MLS to stop thinking they are unique and take an honest assessment of the organization. Every organization can rise to the next level. Take the challenge and adopt Best Practices. Your customers will be happier, your employees will improve, volunteers will step up, and the organization will thrive. Adopting Best Practices will create an environment where the organization can succeed at its highest level.