

HELP AGENTS AVOID BEING THROWN OFF COURSE BY A **SPINNING COMPASS**

Questions for Agents to Use with Any Compass Recruiter or Executive to Discover the Truth

If I am going to entrust my future, and my family's future, to Compass, I need to feel confident that I understand and believe in where Compass is going.

Aspirational thinking is important to me, but so is integrity. **Why does Compass make statements about what it will do that are bold... but keep changing?**

- In November 2017, Compass [announced](#) plans to capture 20% market share in the 20 largest U.S. cities by 2020. By November 2018, the list of “top 20 cities” Compass was targeting had [changed](#) several times and now includes towns with populations of fewer than 10,000 people, such as Montecito, California. **Why?**
- In November 2018, Compass co-founder Ori Allon said that Compass would open offices in [Canada, London, Paris, Moscow and Sydney](#). Two months later, in January 2019, fellow co-founder Robert Reffkin said Compass would [stop expanding](#) to any new cities. **Why?**
- Compass says agents grow their business quickly after joining Compass. [Moxi Works' CEO, York Baur](#), says MLS data seems to [contradict](#) that claim. **Why?** Can Compass share third-party verified data to support its claims?
- Compass announced a health insurance offering from [CIGNA](#). Now the CIGNA brand name has been removed from the [offering](#). **Why?** What would CIGNA say if I [called](#) them about this?

If my business is going to be partially dependent upon Compass's financial strength, even in uncertain market conditions, I need additional information. **How can I feel more comfortable about Compass's financial stability?**

- As a future shareholder, can I see Compass's [audited financial statements](#) to help me make my decision?
- How much money is Compass losing? What is the specific turn-around plan?
- Are the Compass agent compensation programs sustainable in the long term? Or will Compass need to roll them back as soon as contractually possible?
- According to a post by the program's director last month, Compass is “defunding” its national relocation business. If that is true, will Compass purchase other leads to create expected opportunities for agents?
- Co-founder Allon said Compass could be profitable if it [stopped investing in growth](#). Is that what is happening now? What other positions will be “defunded”?
- If Compass “defunds” my office, will I have ample warning and the opportunity to transition my business to another brokerage without owing money to Compass?

SoftBank's Vision Fund is Compass's largest shareholder. **Should that [worry me](#)?**

- Do my shares have the same [downside protection](#) as SoftBank's shares? If so, can I see that in writing?
- Or will my shares be [diluted](#) by SoftBank as Compass's valuation falls? How much has Compass's valuation fallen so far?
- SoftBank's Vision Fund is reportedly [rapidly running low on cash](#). What does this mean for Compass? Is this why Compass is halting expansion?
- If SoftBank decides it [cannot in good conscience](#) raise additional funds from existing Vision Fund investors, what is the plan for Compass?

In our industry, and in the industries of my clients, everyone is talking about how crucial “data” is and will be in the future. I thought Compass shared this view – until recently. **What is Compass’s current view on data, and why does it keep changing?**

- On CNBC in 2017, Compass co-founder Robert Reffkin said Compass was on track to become the [largest owner of real estate data globally](#).
- At Inman Connect 2018, Reffkin said, “Over the next hundred years the most valuable resource in the world will be [data](#).”
- But then at Inman Connect 2019, Reffkin said, “I don’t think I’ve [ever](#) used the word ‘data.’ If you look back at anything I’ve ever said, I don’t think I’ve ever used the word ‘data.’” **Why did he say that?**
- At the same conference, he said, “I hope you don’t think [data analytics](#) is going to help you make more money.” **What if I do think data analytics could help me work smarter? What if I do believe data analytics could help me invest my marketing dollars much more efficiently?**

In his year-end apology letter to agents, Compass co-founder Robert Reffkin said Compass’s “new tools were designed to simplify agents’ lives, but [bugs](#) in the technology made agents’ lives more complicated instead.” **What did he mean?**

- I understand Compass “strongly encourages” use of its tools. Will I be expected to use Compass’s tools even if they don’t work for my business?
- As Compass pushes its attempt at an end-to-end platform, how will I be supported in my use of competing tools that work for my business?

I need a brand my prospective clients know and trust. Why did Compass co-founder Robert Reffkin say at Inman Connect 2019, “I hope you don’t think – although many of you probably do think – that [brand](#) will make you more money?”

- **Is brand awareness no longer important to Compass?**
- Compass once attempted to license its brand to another brokerage. Compass agents were [upset](#) by this. Is licensing Compass’s plan to grow brand awareness?

Compliance with the law, protection of my license and protection of my clients’ interests are all incredibly important to me. **Does Compass share my values?**

- I understand Compass encourages agents to withhold listings from the MLS to drive traffic to Compass.com, allowing Compass to report more web traffic to investors. What do I say to my clients who say they hired me to market and sell their property, not to grow Compass’s website traffic?
- How will the Compass marketing team support me if my sellers demand that I use the MLS and Zillow® for my clients’ listings?
- Will the future vendor referral program comply with RESPA? If so, can I be indemnified in writing?
- Will I be penalized for recommending vendors to my clients who I trust but who refuse to pay Compass?
- To continue to grow my business, I need a reliable partner I can trust. **How can I trust statements made to me during the recruiting process?**



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