



SIRVA[®] Worldwide
Relocation & Moving

What Companies with Low Relocation Volumes
Need to Know About Mobility

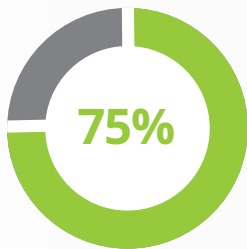
What Companies with Low Relocation Volumes Need to Know About Mobility

Relocation represents a significant investment, often up to three times the salary of the individual being moved depending on the move type, so whether a company moves two or 2,000 employees per year, it pays to approach mobility efficiently. Unfortunately, decision makers at companies that manage a low volume of moves per year are often unaware of the trends and best practices that would guide sound mobility strategies. In addition to causing unnecessary losses of time, profits, and productivity, inexperience and knowledge gaps can result in a level of frustration and stress that could have otherwise been avoided. This paper explores the benefits of well-managed relocations, basic concepts associated with workforce mobility, guidance on designing quality mobility programs on a budget, and why mobility partnerships can be a wise choice, particularly for companies that deploy a low volume of relocations, annually.

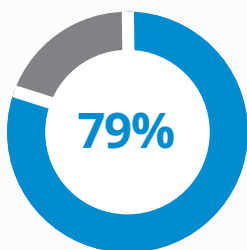


The Benefits of a Smooth Relocation

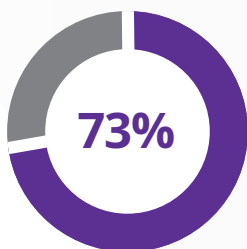
Relocations are intended to support organizational goals and growth so, when measuring a relocation or mobility program's success, it's important to remember some of the less tangible factors that determine a company's return on investment (ROI). For instance, the correlation of a smooth relocation to employee engagement should never be underestimated. In 2018, [Worldwide ERC cited a global IMPACT Group survey](#) of 3,078 employees, spouses and partners that found that 75 percent of employees were "highly engaged" at work after their relocations. In looking more closely at the reasons for that engagement, 79 percent of respondents reported that "integration services" saved them time during their moves, while 73 percent stated that the services allowed them "to be more productive at work." Relocation management companies (RMCs) typically recommend services that support employee assimilation into their new environments. A smooth transition to the host/destination location supported by well-defined mobility policies and practices supports employee success which, ultimately, may also translate to the success of the company.



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Source: Global IMPACT Group Survey

What Companies with Low Relocation Volumes Should Know About Relocation

To effectively manage mobility, stakeholders in companies with low relocation volumes should have a basic understanding of industry terms and best practices. Doing so allows them to manage their budgets wisely, provide their employees with minimal disruption, and ensure that employee and company goals are met.



Mobility Concepts and Terms: There are a variety of terms and concepts stakeholders should be familiar with, even when their companies implement a low volume of moves.

▼ **Pre-Decision Counseling:** Relocating to a new area, whether across town or across borders, involves big changes. To ensure that a proposed relocation will be the right fit for both employees and their families, counseling services should be offered to present a detail-oriented look at the new location, the company's relocation policy, available benefits, and any significant cultural or financial implications related to the proposed move. Employees being asked to relocate will often want to know how the move will impact their careers. Pre-decision counseling should, therefore, also involve consultation that will address this question. The company should also provide any resources that would be available to the family for gaining further information. This support should be provided before the employee accepts the relocation opportunity.

▼ **Home Finding:** Presenting families with pre-screened properties and targeted community searches based on a comprehensive needs analysis is wise when planning a relocation. Determining commute times, distances from local schools, and the proximity to transportation hubs (airports, train stations, etc.) is advised if frequent traveling will be required. All of this prepares the transferring employee and family, while streamlining the home-finding process when they reach the destination location. Defining expectations for a home finding tour and negotiating home leases/purchases through to close are also important components of a successful home finding process, along with ensuring that contracts are in line with market practices and that the employee and company get the most favorable terms.

▼ **Household Goods Shipment:** There is a great deal to coordinate when it comes to the moving and storage of an employee's household goods. This includes ensuring that the shipment is properly surveyed, packed, loaded, shipped, and delivered. Items that will be placed into storage at the origin location should also be monitored to ensure that they are being placed in a secure facility and that the weight and size fall within the parameters of company policy to avoid any misunderstandings or unnecessary claims upon repatriation.

▼ **Temporary Housing:** Often, temporary housing will need to be arranged before an employee can move into his or her long-term home. After conducting a formal needs assessment and interviews to identify appropriate properties, the employee and family should receive guidance on the execution of lease agreements, any laws or standards specific to the new country or region, and the coordination of move dates and services. If working with an RMC, all of this can be outsourced, along with direct billing and the management of any ongoing concerns with the property during the employee's stay.

▼ **Language/Cultural Training:** Since relocations are a significant investment, it's important to ensure that each employee – and his/her accompanying family – are prepared for the cultural, business and social differences they will encounter in new host countries. When families fail to assimilate into a new culture, assignments and relocations often fail as well. Providing families with this valuable training increases opportunities for success.

▼ **Miscellaneous Relocation Allowance:** The miscellaneous relocation allowance is intended to cover portions of the relocation that may not be covered by individual line item relocation support. Examples may include moving pets, obtaining driver's licenses, passport renewals, miscellaneous items needed to set up the new home (e.g., small appliances), etc. The miscellaneous relocation allowance is intended to reduce exceptions to the policy and to minimize administrative time in managing these one-off requests. The allowance is typically grossed up and relocation management companies can assist with establishing the amount of the allowance.

▼ **Visa & Immigration:** The coordination and execution of employee and family work permits, visas, business travel visas, and training permits is complicated, and the requirements vary and change rapidly from country to country. Compliance with all regulations (before and during the assignment, and upon repatriation) is crucial. Non-compliance or failed applications due to missing information or incorrect documentation can result in the employee not being able to start on the required date, as well as additional costs being incurred.

▼ **Destination Services:** From area orientation, school search assistance, and settling-in services to spouse/partner assistance, arranging destination services at the employee's new host location is crucial to his/her success on assignment. Working with an RMC that has global reach guarantees that these services will be provided with both expertise and personalization, including nightly check-ins with the employee, targeted community searches, area tours, and guidance on everything from local social mores to local housing market trends.

▼ **Expense Management:** In addition to tracking all relocation expenses for tax and budget purposes, companies gain a distinct advantage when managing expenses and tracking them for the projection of expenses on future relocations. One advantage of working with an experienced RMC is that its finance team, aligned with the company's account team, can perform all services for expense audit and reimbursement, tax calculations and gross-up, payroll interface and reporting. At SIRVA, convenient online and mobile platforms also allow transferring families to submit expense vouchers from anywhere in the world, using any device.

▼ **Final Move:** Final move is the support provided to the individual and accompanying family, to travel from the home/origin location to the host destination/location. Support would typically include travel expenses (airfare, mileage reimbursement, bus/train fare) and en route accommodation and meals.

▼ **Home Sale Programs:** The purpose of utilizing home sale programs is to assist employees on proper listing placements to ensure their homes sell as quickly as possible for the highest dollar amount, while also insulating them from having to pay taxes on the reimbursement of home sale costs. There may also be a buyout option to provide employees with peace of mind; if their homes don't sell in a reasonable period of time, they will be free from responsibility. This may be important if an employee is attempting to purchase a home in the destination location and cannot because s/he still owns his/her home in the location of origin. Home sale programs are more commonly offered in the case of domestic relocations, where appropriate. However, there are some organizations that may offer home sale support in the case of a permanent relocation.

Flexible home sale program options should be available to meet the varying needs and circumstances of relocating employees. At SIRVA, for example, we offer several levels of pre-decision consulting services to both assess the need for and provide this flexibility, with programs available that are based on broker/appraisal information, broker price opinion or "drive-by" appraisals, depending on the scenario.



Mobility Policies Should be Designed Around Company Needs

To determine the components and scope of a mobility plan, a company's culture, budgets, and recruiting practices should always be considered. This will ensure that goals across the company will be served. Company needs drive policy which, in turn, drives the relocation process – a major factor behind the success of every relocation.

Mobility impacts a company in ways far past individual relocations, so it's important to engage stakeholders across the organization to design the right mobility program. Engaging members from HR, internal mobility teams, IT, information security, and leadership is recommended to determine prioritized goals for the company's mobility plan and to determine any challenges that will be specific to regions or countries that employees will be moving to and from. Securing input from employees who have relocated before is also valuable when identifying areas that can be amended and improved.



Relocation Expenses

As a company considers RMCs, decision makers should ask direct questions to determine whether each passes all direct costs (associated with vendors within their networks) through at cost or marks those costs up. Transparency regarding ongoing or additional fees that might be incurred is also crucial if the RMC doesn't operate by charging one-time fees. It is also advisable for decision makers to determine whether the RMC is able to manage country-specific expense practices from a compliance perspective, as these can vary greatly.



Tax Liability / Compliance

The need to understand tax compliance requirements is crucial in every location where a company is conducting business because, as mentioned above, systems of taxation vary greatly from country to country. These variations can create the potential for income that might be taxed in two different countries or not taxed at all, or in which one country may calculate tax on local income only, while another may impose tax on worldwide income. Companies can minimize their tax liabilities within any jurisdiction by employing the help of domestic and international tax specialists, an area that is often a focus among specialized lawyers and accountants.

Designing an Impactful Mobility Plan on a Low Budget

With so much to consider regarding relocation, companies need comprehensive mobility programs that address efficiency, talent growth and retention, and organizational goals. Unfortunately, companies with lower relocation volumes, or larger companies with lower budgets, can struggle with this, due to both a lack of consistent relocation experience and the budget constraints themselves. In some cases, failure to understand the importance of a strong program may prevent decision makers from allocating enough funds. In others, they simply may not be aware that strategic programs are extremely helpful when resources are limited. Below, we discuss why the development of a quality relocation program is so important, regardless of move volume, and provide some helpful tips on what companies can do to be more successful when they're working under these restrictions.



Why are Mobility Programs Important?



They play a part in attracting and retaining key talent: Since recruiting is often a new hire's first experience with an organization, providing them with a smooth relocation will be key to starting them off with the right impression. Likewise, key talent that's already working for an organization may have come from a company with a more robust program. In either case, attracting and keeping talent is directly correlated to the support a company provides its employees at every stage of their tenure with the organization.



They provide opportunities for upward mobility to employees:

According to a [Korn Ferry Institute report](#), the top reason people listed for wanting to change jobs in 2018 was boredom. Thirty-three percent of respondents said they needed a new challenge in their work lives. Additionally, [a survey conducted by the Robert Half Agency](#) in January of 2019 indicated that 62% of American workers would relocate for the right job. Americans aren't alone, however. [A recent Monster survey](#) of 200,000 job seekers from 189 countries revealed that 60% of respondents were willing to work abroad, with even higher numbers for Millennials. Relocation is often the gateway to providing opportunities to employees who are looking for opportunities to grow, develop their skills, and find fulfillment while growing a company.



They can help companies by providing a competitive advantage:

While many companies offer a signing bonus and assume that this will carry an employee through a relocation, this belief can often backfire. When an employee is asked to manage his or her own relocation – from research to implementation – s/he is unable to fully focus on both the new position and the relocation itself. In turn, this can lead to inefficiency and problems with the relocation process that are often not identified until they have become major issues. With no advocate, the employee may overpay for services or have no recourse when their chosen suppliers have service failures. All of this can easily translate into losses in productivity and finances for the company.

Creating an Efficient Mobility Program when Working with a Low Relocation Budget

Despite limited resources and the challenges companies face, there are a few things that companies can do to build efficient relocation programs. They can:

1

Arm themselves with knowledge: There is a wealth of content that can be found online and via subject matter experts that can help company stakeholders learn how other companies are handling their relocation programs, along with trends and best practices in the industry. Many relocation management companies publish annual reports, white papers and blog posts. Their expertise can provide a strong education on many of the topics that should be considered when relocating employees.

2

Consider the type of program being utilized:

Tiered Program – A single employee who plans to rent an apartment doesn't need the same level of financial support as an executive with a family and home to sell. As a result, many companies develop a tiered program, in which varying levels of support and funding are assigned and then administered consistently among similar employees who fall into that tier or group. This results in the best, most appropriate service for each employee, while managing costs for the company.

Core-Flex Program – In a core-flex program, a group of core benefits is assigned to all employees, such as the shipment of household goods, final move trip and, perhaps, a home sale program. In addition to this, however, each employee is provided with an additional budget to utilize for other services that are specific to his/her needs. The program can also be tiered.

Lump Sum Program – In a lump sum program, employees are provided with a finite funding amount that they manage independently. While many companies provide this type of program to their employees, we strongly recommended only doing so if the company also provides support and guidance to their employees on how to best allocate the funds. Without guidance and support, the company risks losses in productivity and ROI.

Local-Plus Program – A local-plus program applies to international assignments, in which the employee is placed on the host country salary structure but is given some additional benefits such as transportation or housing. In addition to finding that this type of program can be more cost effective, some companies appreciate the fact that employees are paid in the same manner as their local native colleagues, which reduces inequality and fosters consistency.

3

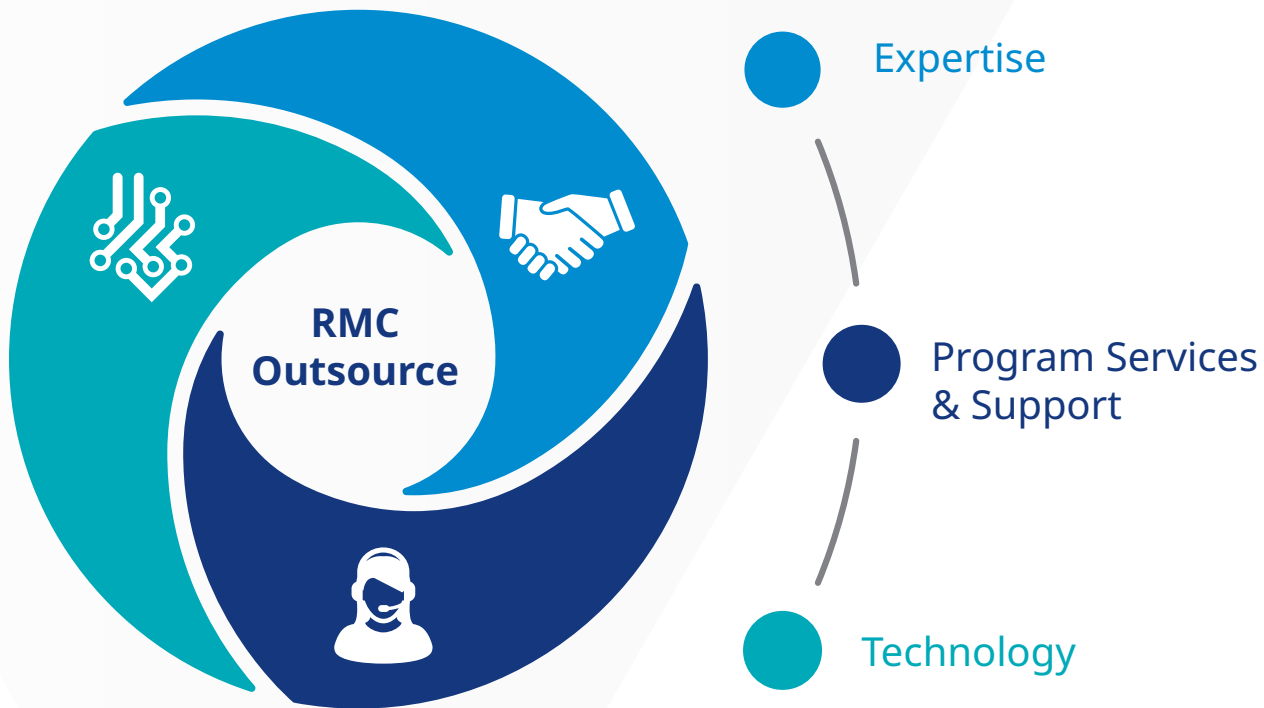
Join an independent relocation forum: There are great benefits to be obtained by joining organizations such as Worldwide ERC or FEM. Membership is typically free and the many opportunities for lower-volume clients to network with their peers, both on line and in person, are invaluable. Through networking, company stakeholders can share ideas and gather useful information specific to their program goals.

There's no question that designing a sound mobility program is a complex issue, but it's also a strategic choice – a choice that results in enhanced employer reputation, talent retention and productivity. Acknowledging the complexities and importance of mobility is an important first step. Ultimately, dedicating the right amount of time, attention, and funding to a strong mobility program becomes a worthwhile investment in both a company's employees and its overall stability, growth and success.



The Benefits of Mobility Partnerships

As we have established, the cost of relocation is a significant investment for as little as three moves or as many as 300. Additionally, to ensure that the talent a company has attracted stays engaged, offering a positive employee experience throughout the relocation process is key. Outsourcing mobility to an RMC addresses both of these issues due to a winning combination of expertise, the right technology, and innovative program support and services. Outsourcing all or part of a company's mobility program also strengthens mobility branding and has benefits for all stakeholders involved.



A Single Point of Accountability – and Minimized Stress



Relocating is a complex process, in which each milestone is dependent on the successful implementation of the milestones that come before. When handling a relocation internally, the mobility or HR manager is charged with managing multiple vendors, each with their own timelines and prioritization. Without the ability to integrate these vendors, internal relocation managers run the risk of being unable to troubleshoot before problems occur because those problems don't generally present themselves until they have significantly escalated.

Meanwhile, if an employee is managing all or portions of a move, not only does s/he share this experience, but s/he also faces the added pitfall of being inexperienced regarding the many steps involved with relocation and any nuances specific to a particular region. Relocation is stressful under the best of circumstances; if problems arise due to unforeseen circumstances or a lack of knowledge, the employee is forced to focus on the move and its challenges, taking much-needed attention away from his or her role in the new location.

Engaging with an experienced RMC minimizes these concerns because all aspects of a relocation are managed by one person with a bird's-eye view of a move's timeline and activity status. The RMC consultant can monitor processes, proactively troubleshoot as deadlines approach, keep an eye on expected deliverables and employee responsibilities, and provide transparency to stakeholders and the relocating employee. Operations are simplified, supply chain networks are employed to increase efficiency and utilize preferential pricing, and stress levels are managed for both the internal mobility manager and the relocating employee. This allows them to focus on business partnerships and job engagement.

It is particularly helpful to partner with an RMC that utilizes innovative digital platforms that take this concept even further. Be sure to work with a provider that can integrate the involvement of every stakeholder (vendors, the employee, and the internal mobility manager) in real time, allowing each to view the employee's move status from their digital devices. When actions, milestones, expenses, and billing can all be tracked through a digital platform, visibility is greatly improved, along with the ability to assess the success of relocations and predict the success of future ones. RMCs that balance this technology with the personal attention of experienced live consultants provide every employee with needed guidance, a sense of awareness and engagement, and a positive experience overall. Ultimately, this contributes to a successful assignment and employee retention when that assignment ends.

The Elimination of Multiple Bidding Processes



Rather than having to employ lengthy bidding processes for multiple services via a self-managed program, HR and internal mobility professionals find it far easier to choose one RMC. The RMC can then choose the best vendor for each client based on what's best for that client. Location, availability and regional or area expertise are all taken into consideration. The wide variety of vendors and support specialists required for a move are already a part of the RMC's network, allowing the internal mobility manager to focus on other priorities within his/her organization.

Savings Through Innovative Programs



Because seasoned RMCs deal with relocations in large numbers on a regular basis, they have perfected programs and processes that companies of all sizes can benefit from, wherever they are in the world. Organizations that utilize an RMC also benefit from preferential pricing that is available based on relocation volumes, which helps companies save money and run more efficiently. One such example would be various temporary housing programs that offer savings due to utilization of company-owned and managed properties or extended stay suites with basic amenities for cooking over a short-term period.

RMCs provide innovative programs related to a variety of services, including moving, destination services, rental assistance, spousal career support, school searches and more.

Strong Mobility Programs Benefit Companies with Low Relocation Volumes

There is clearly a lot to know about relocation, which can be challenging for companies with low move volumes. However, when armed with the right knowledge and support, mobility can be both managed and maximized. The benefits of developing a program that's specifically tailored to a company's needs has a variety of benefits worth pursuing, from efficiency and productivity to fully engaged employees. Ultimately, whether your company is large or small, or simply operating under a lower budget, it is possible to develop a comprehensive mobility program that serves both your employees – and your bottom line.



About SIRVA, Inc.

SIRVA Worldwide Relocation and Moving is a global leader in moving and relocation services, offering solutions for mobility programmes to companies of every size. With 75 owned locations and more than 1,000 franchised and agent locations in 177 countries, we offer unmatched global breadth supported by localised attention and innovative technology that strikes the right balance of self service and human support. From relocation and household goods to commercial moving and storage, our portfolio of Brands (SIRVA, Team Relocations, Allied, northAmerican, Allied Pickfords and SMARTBOX) provides the only integrated moving/relocation solution in the industry. By leveraging our global network, we deliver a superior experience that only a 'one-stop shop' can provide.

SIRVA WORLD HEADQUARTERS

One Parkview Plaza, Oakbrook Terrace, IL 60181

+1 800 341 5648

concierge@sirva.com

www.sirva.com

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