

THE RELOCATION PARTNER FRAMEWORK

Unlocking the Value of
Strategy in a Mobility Partner

Introduction

Business relationships between a service provider and its clients are often referred to as “strategic partnerships.” But this is an overused term. In fact, it’s rare that supplier relationships actually rise to the level of “strategic” alignment, especially in the eyes of the customer.

In practice, business relationships cover a wide range of collaboration, integration, and sophistication. Accordingly, the value received by the client can range from a simple transaction-oriented service to one that has a significant impact on the client’s business goals and trajectory as an organization.

This paper will first provide a simple supplier framework for clearly defining a strategic partnership. Then, we’ll use that framework to examine the special characteristics of employee relocation and explore the conditions necessary to create a strategic relocation partnership.

Partner Value

A USEFUL SUPPLIER FRAMEWORK HELPS ANSWER TWO BASIC QUESTIONS:

- 1 What are the requirements necessary for a business relationship to achieve the level of a true strategic partner?
- 2 What role must the service provider play for a relationship to live up to the standard of a strategic partnership?

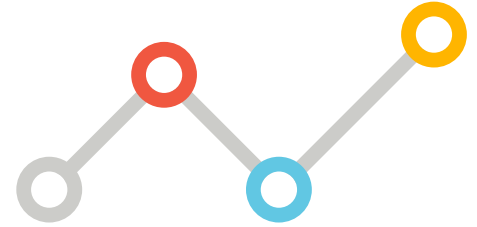
TO ANSWER THESE QUESTIONS, SUPPLIER RELATIONSHIPS CAN BE ARRANGED INTO THREE LEVELS:

- **Vendor** — tactical, transactional relationships
- **Service Partner** — reliable, high-quality service with elements of tailored responses
- **Strategic Partner** — purposeful, long-term relationships with sustained high-impact support that helps achieve the client's business goals



LET'S GO INTO MORE DETAIL ON EACH ONE OF THESE LEVELS.

Vendor is a common term that defines a variety of suppliers, usually selling goods or services that are readily available. The transactions are usually viewed more or less as a commodity and vendor selection is most often price-driven. The value of the relationship is defined mostly by the performance of the product or service provided. A “vendor” is the most tactical and vulnerable of supplier relationships.



Service Partners have a deeper relationship with the client, which goes beyond the utility of the product or service. The product or service is more important to the customer, as it may require tailoring or may be an integral part of the client’s own product or service. This type of supplier is typically obtained through a structured selection process, such as an RFP where a selection team uses a scorecard to define the company’s needs. The relationship between the supplier and company is stronger than the vendor level and performance measurements are typically part of the relationship.

Strategic Partners are the top supplier level. The products or services provided by the supplier are essential to the operation and success of the company’s business. Performance requirements and metrics are highly tailored to the client’s business objectives. At this level, the service provider must earn, and continually re-earn, the trust and confidence of the client. Only after consistently delivering an outstanding, reliable experience can the level of strategic partnership be achieved. In the best relationships, strategic partners challenge each other to continuously improve — and the achievement of goals is measured and scrutinized. As a result, each organization benefits.



While not every business relationship needs to be at a strategic partner level, ideally your relocation program should rise to that level.

Employee Relocation Requires Strategy

This framework can help describe the characteristics of a strategic partnership between a client company and its Relocation Management Company (RMC), as well as answer the question: When working with an RMC, what are the qualities and actions that define a strategic partnership?

EMPLOYEE RELOCATION IS DIFFERENT

As a starting point, it's important to realize that employee relocation is not a commodity service, either for the company or for its relocating employees. In fact, it has the characteristics that qualify for the “Strategic Partner” level described above. More specifically, employee relocation is different in that it:

- Involves a company's most important resource — its people — and occurs during a typically stressful life event with a move to a new job and a new community
- Often involves the company's highest-potential candidates and employees
- Affects the employee's personal life and family situation, which are usually beyond the scope of traditional HR functions
- Is time-critical for both the company and the employee
- Represents a significant company expenditure
- Can positively, or negatively, impact the company's talent management objectives
- Is frequently associated with the company's most important business strategies



RMC SELECTION

As basic prerequisites, the RMC must have core competencies and a track record of delivering the required services, including having capable and experienced people, proven global capabilities, and technology to support service delivery and improve productivity.

RMC STRATEGIC FOUNDATION

To provide the maximum possible value for the client customer, RMCs must commit to making the investments in time and resources to earn strategic partner relationships with their clients.

The RMC should start by gaining a thorough understanding of the company’s overall business objectives. To build a strategic relationship, the RMC needs to perpetually invest in remaining current, recognizing that the business challenges and opportunities will inevitably change over time. For the client, keeping the RMC current at this level should prove worth the time investment, without bringing additional costs to the company.

RMC SUSTAINABLE PERFORMANCE

After building a foundation over a sustained period, the RMC must continue to deliver proactive, highly adaptive services, advice, and solutions. Outstanding relationships will incorporate the company’s changing objectives and be forward thinking.

Creating a Strategic Relocation Partnership

FOR AN RMC, THE BEHAVIORS AND ACTIONS THAT WILL EARN A STRATEGIC PARTNERSHIP INCLUDE:

- 1 Taking responsibility to thoroughly learn about the client organization
- 2 Acting quickly on opportunities for improvement or adding value
- 3 Leaning forward and taking initiative
- 4 Delivering decision-ready information, not just data
- 5 Participating and actively contributing in joint planning sessions

CLIENT BENEFITS

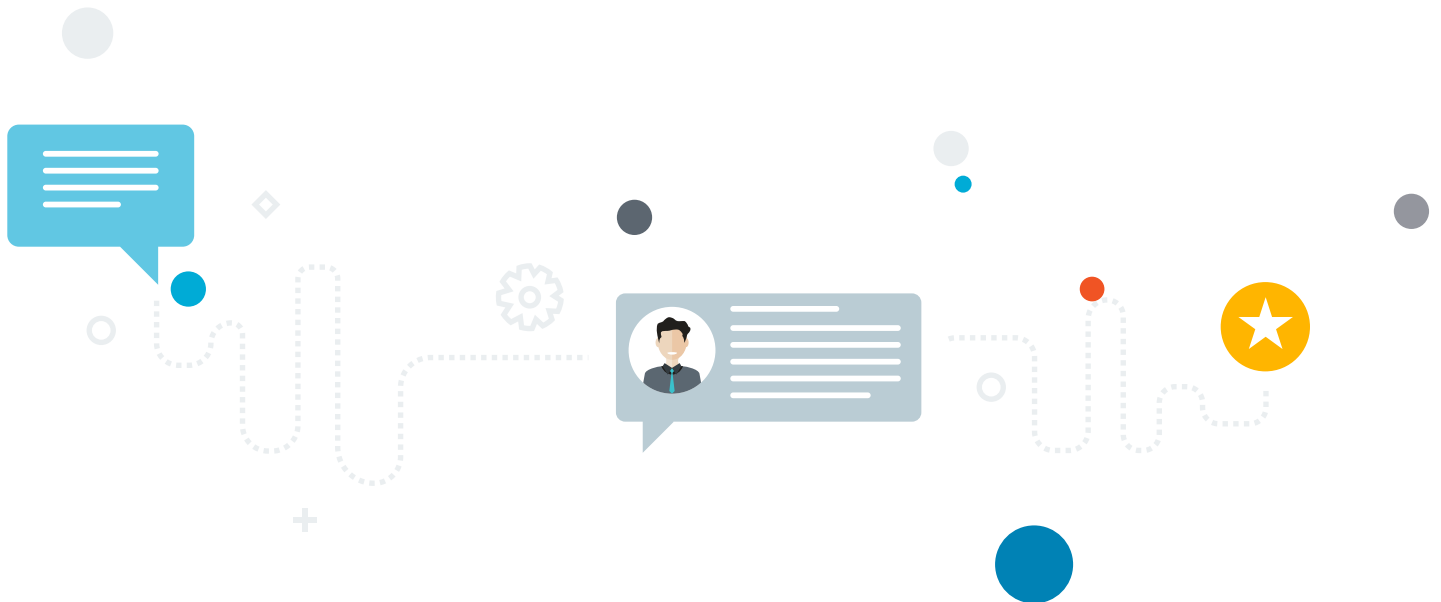
Strategic partnership status, as defined by the client company, opens a door to increasing levels of tailored innovation. A strategic partnership with an RMC can ultimately provide benefits in these five key areas:

- Ongoing strategic recommendations to address changing business requirements
- Service innovations that result from continually scanning for opportunities to go above and beyond
- Technology enhancements that support the company's global business needs
- Early identification of mobility trends that can impact policies and programs
- Adoption of metrics that drive performance and push for continuous improvement

To get the most value, leading companies look to forge strong partnerships with their RMC, spurring them to be more responsive, to continually innovate, and to take the initiative to go above and beyond.

Conclusion

A strategic partnership is the highest level of supplier relationships. It must be earned by the RMC over time, and takes trust and a collaborative management approach to be successful. When making decisions about an RMC relationship, corporate clients should consider each of the above elements and adapt them to their unique objectives and culture. This will ensure an enduring strategic partnership that provides increasing levels of value year over year.





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