



NAVIGATING

THE

NEW

RELOCATION

LANDSCAPE



NuCompass
MOBILITY®

Relocation has changed more in the last few years than in the previous two decades. And this change is being driven by new and innovative technology. If your company hasn't taken a look at what's available in the marketplace, you're missing out on opportunities to improve the relocation process and reduce costs. It's an exciting time, because companies today have a wider variety of choices than they've ever had previously.



In this report, we detail the new approaches that relocation service providers are offering, compare those to the traditional service model, and — most important — help you to determine which solution is right for your organization.

THE TRADITIONAL RELOCATION SERVICE MODEL

To better understand the changes taking place, it's helpful to review the traditional relocation service model. The model is based on the premise that an employer needs an employee to work at a different location from where they currently reside and recognizes that it's a corporate responsibility to help get the employee to the new location, on a predictable schedule, with minimum disruption. The traditional model is defined by three major characteristics.

1

How the process is managed — internal or outsourced:

One approach is to manage the process internally with corporate staff. The other is to outsource the work to a relocation management company (RMC). Most large companies use the latter.

2

What assistance is provided — policy based or cash payment:

The most common method of providing assistance is through a relocation policy that lays out guidelines for the assistance the employer will pay for, based on the employee's job and personal circumstances. A popular alternative is a cash payment approach whereby the employer makes a one-time payment to the employee to defray the costs of the relocation.

3

How the job gets done — relocation consultant or DIY:

In policy-based programs, services are delivered by a relocation consultant. The consultant is the communication hub for all participants and has the responsibility to help the employee get to the new job location, with a minimum amount of stress, while following policy guidelines. Alternatively, under a cash payment approach, employees manage their own moves without assistance. This is often called a do-it-yourself (DIY) relocation.

THE NEW MODEL REPRESENTS A TOTALLY NEW PARADIGM



We can't emphasize enough that what's happening today in relocation is a significant departure from the past.

The differences between the old model and the new model are as significant as the difference between making an airline reservation online today versus making it through a travel agent years ago; doing banking transactions on your smartphone rather than visiting a bank branch; or using a ride-sharing app rather than calling a taxi.

The new model represents a new way of working for relocating employees, for relocation service providers, and for anyone in a company who touches relocation.

A useful way to think of the difference is that service providers that offer the new model *lead with technology*, while other competitors continue to lead with a version of the traditional model.

TECHNOLOGY IMPROVES THE RELOCATION SERVICE DELIVERY MODEL

To illustrate the impact of technology, let's look at two significant parts of the relocation process: how relocation decisions are made and how services are managed.

MAKING RELOCATION DECISIONS

Traditional model:

In a typical situation, a company needs to fill a position in a specific job location and discusses the opportunity with an existing employee or a new recruit. Once the job and the move are accepted, the employee is given a relocation policy and put in touch with a relocation consultant to begin the process.

In many cases, there is no budget established for such a move. Meeting the employee's needs within the parameters

of the policy, plus any approved exceptions, determines the actual costs. And, like it or not, the hiring manager pays the bill.

Wouldn't it make good business sense to agree on the total cost for a relocation before making a decision? Of course! But collecting relevant information and sharing it among decision-makers is not practical under the traditional model.

VS

New model:

The major advantage of the new model is that technology allows managers to make relocation decisions the same way they make other business decisions: collect relevant information, estimate costs, examine alternatives, establish a plan and budget, gain approvals, and then implement the decision.

Using cloud-based technology, the HR rep, recruiter, and hiring manager work with the

employee online, in real time, to develop a "relocation plan," including a budget — all within a few minutes. A plan can be unique to the individual or it can be based on an existing policy. Once all of the parties agree to the plan, the move is authorized. Most important, this approach helps avoid bad relocation decisions at the outset, and reduces costly exceptions and surprises down the road since all stakeholders agree to the plan upfront.

PROVIDING RELOCATION SERVICES

Traditional model:

Under the traditional model, communication is done by phone and email. The consultant is the primary point of contact and controls communication among all of the participants.

The employee and service providers are dependent on the consultant's availability and schedule.

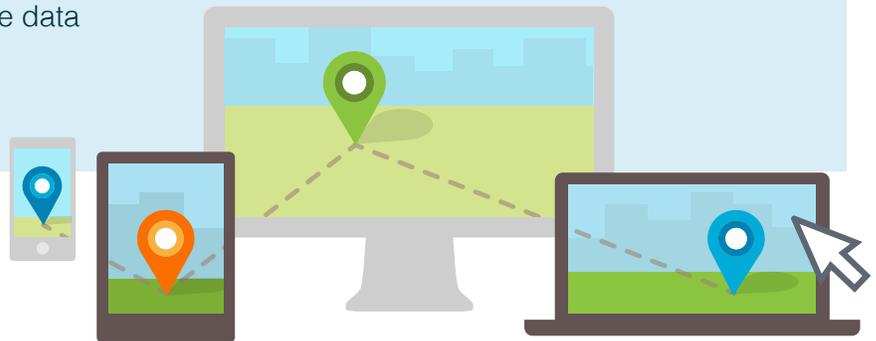
VS

New model:

The primary means of service delivery in the new model is a secure, cloud-based technology platform that allows the employee to manage their move — start to finish — using any device, at any time, from any location. Under this model, the employee has control and is no longer dependent on the consultant.

Each employee gets a unique “portal” for their relocation that contains all of the information and tools needed to manage their move. The portal provides (1) access to vetted and approved service suppliers, (2) tools for selecting, managing, and paying for all services, (3) a timeline for tracking all activities, (4) a tool for entering and tracking expenses against the budget, and (5) access to a relocation consultant when and if needed.

The HR manager and all authorized service providers can access the platform to communicate and share information with the employee. There's no need for emails with large attachments to be sent to participants and get lost in someone's inbox. Everyone who's authorized shares the same data and documents on the platform.



A concern of many employers is that the new model eliminates the support provided by an experienced relocation consultant.

But in the best technology solutions, the consultant does not disappear. Rather, the role changes. The consultant provides the level of support each employee wants, monitors the performance of suppliers, and ensures that the employee is receiving appropriate services in a timely manner. Be assured that RMCs will still offer a consultant-supported service option for all relocations.

HOW TO NAVIGATE DIFFERENT RELOCATION SERVICE PROVIDERS TODAY

For many years now, relocation has been described as a service commodity.

We've heard it from employers many times: "All of the RMCs are pretty much the same." In order to select the best match, most employers use an RFP process where parties who have a stake in the relocation process use multiple criteria to rate suppliers on a variety of factors. A vendor is selected based on the matrix score. The differences often appear to be minimal and the company decides to continue with its current provider, or selects the RMC with whom the company staff feels most comfortable.

Technology changes this picture. Relocation services are no longer a commodity. Technology has created significant differences among offerings that didn't exist just a few years ago. Most important, the selection of the appropriate vendor can now be based on objective criteria and demonstrated capability.

THE RFP PROCESS NEEDS TO EVOLVE

Since the new model for relocation services is driven by technology, technology should be at the top of the criteria list for vendor selection.

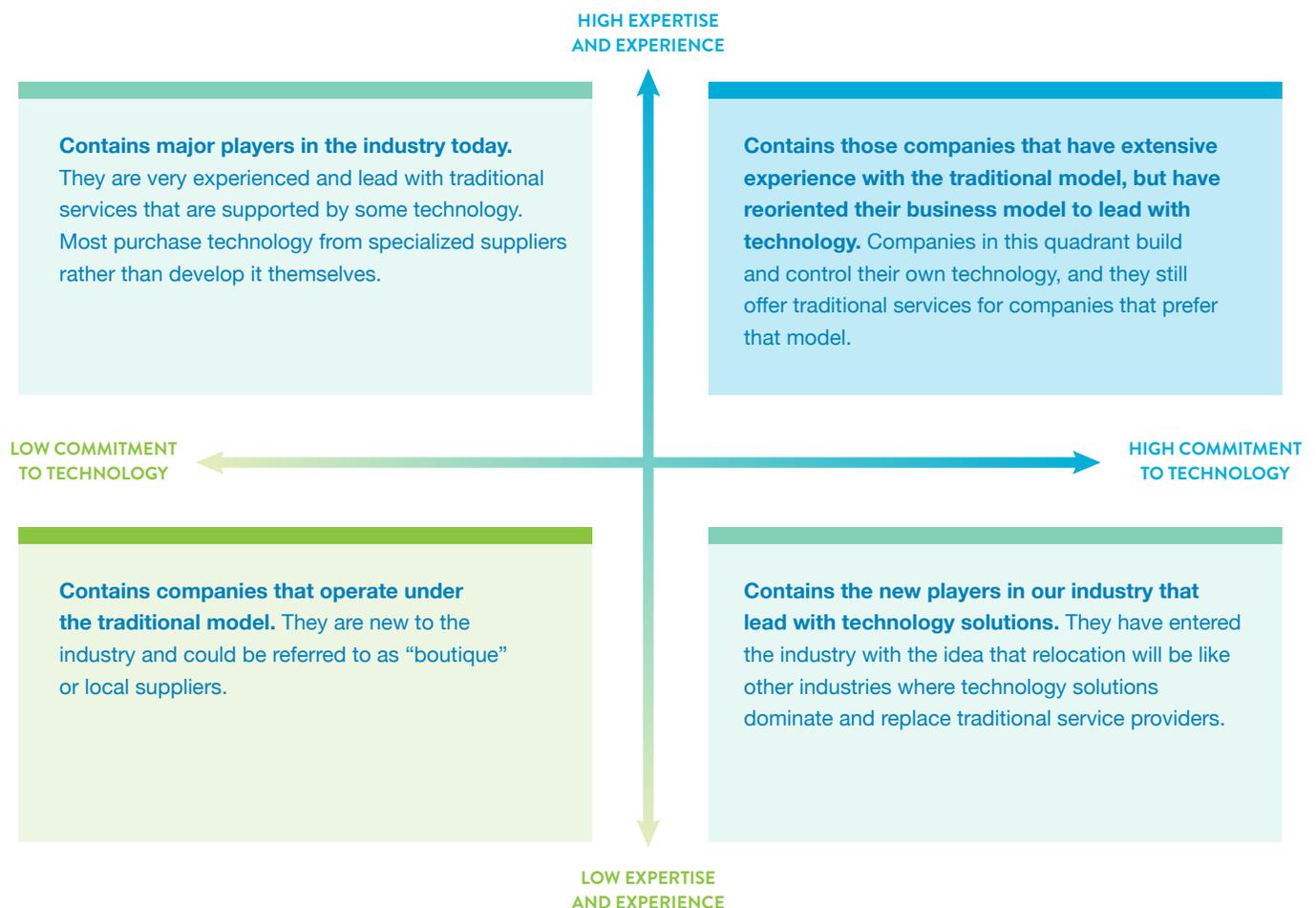
The current RFP process used by most large employers will not work well in selecting a technology solution. When technology is what you're buying, you need to do more than just ask a different set of questions and watch a longer demo. *Companies need to establish a new process whereby they can actually test and experience the technology in a realistic working environment.*

This requirement has led to a suggestion that companies "test drive" the new application before making a decision. Use the new technology for five or 10 relocations and see how it works. This is an excellent idea, but may not be practical in many situations. In any event, some hands-on evaluation must be part of the new process.

A NEW FRAMEWORK FOR EVALUATING THE RELOCATION INDUSTRY

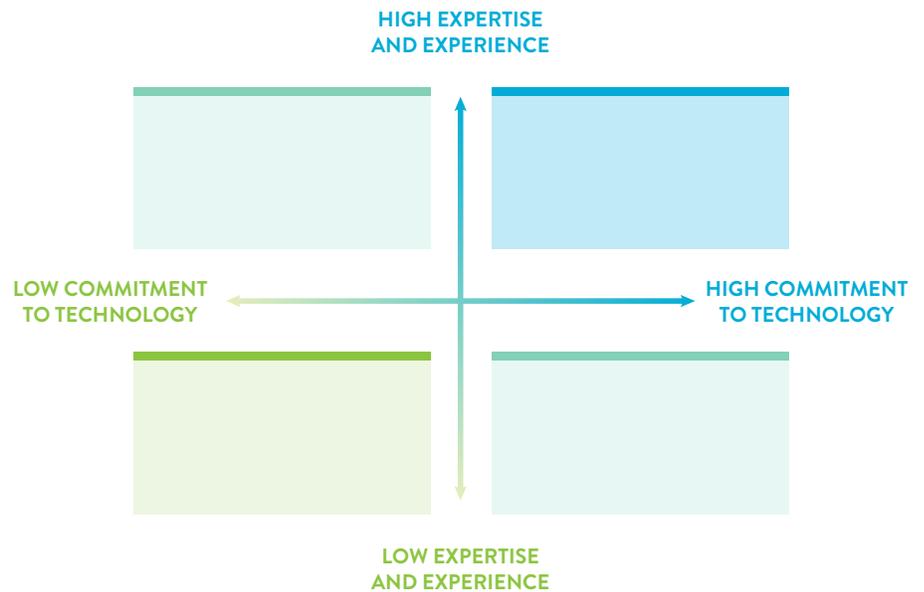
At this juncture, most employers evaluating the new landscape are asking themselves how rapidly they should adopt new technologies and convert from the old service model to the new.

To help with this decision, we have created a simple tool called The Relocation Matrix. This tool is intended to help visualize the choices available today. The x-axis measures the commitment to technology. The y-axis represents relocation expertise and experience. The two axes create four quadrants that can be described as follows:



A BETTER SELECTION PROCESS

Place potential suppliers into one of the four quadrants of this graph to help evaluate your options.



When completed, the company can then determine the potential suppliers it wants to evaluate in depth. One approach might be to review a supplier from each quadrant, so you can explore the new options available for organizations. Another might be to select all of the suppliers in the one quadrant that matches the company’s criteria. This process will help narrow and simplify a company’s search for the appropriate supplier.

We won’t name names in this paper. We assume that most readers are aware of the major players in our industry. We also recognize that it’s a judgment call as to where to place each supplier. We invite readers to do the exercise for themselves, but we are available if you have any questions, of course.

THE NUCOMPASS COPILOT PLATFORM

One company we will name, however, is NuCompass Mobility. NuCompass is the only company we are aware of that occupies the upper right quadrant of the graph, combining deep relocation experience and cloud-based technology. This is due to our vast experience and groundbreaking technology platform, CoPilot by NuCompass.

NuCompass has over 50 years of relocation industry experience. We have always been an industry innovator and we believe it's critical that we develop and control our own technology. Over the last five years, we've worked very hard to combine our extensive experience with industry-leading technology to create a new and unique offering: the CoPilot platform.

We would love to let you test drive it and experience it for yourself.

Visit our website at nucompass.com or call us at 1-925-734-3869.

