

ELIMINATING A RECEIPT-DRIVEN PROCESS

REDUCES ADMINISTRATIVE TIME, EXPENSE FRAUD AND INCREASES TRANSFEREE SATISFACTION

CASE STUDY

According to a recent report in The New York Times, corporations are finding that travel expense fraud is on the rise and this may be directly related to several years of depressed economic conditions. The typical company lost five-percent of its annual revenue to employee fraud and abuse with 15-percent being tied to expense reporting fraud¹. While the lump sum payment in lieu of an expense report will not eliminate fraud altogether, it may help combat this alarming trend. Expense management and reporting are among the services provided by Graebel and this service undergoes continuous review by Graebel to keep clients ahead of the curve. In this case, a global client's high volume receipt-driven expense process was a burden for its transferees, in-house administrators and the reported trend posed potential risk.

THE CHALLENGE

Facing the common recruiting challenge that many companies around the world share – retaining employees with a unique skill, the relocation expense reporting was an added hurdle. Highly specialized employees often feel entitled to a benefit-rich relocation package and their expectations include a smooth, easy and no questions asked reimbursement process.

For years, the client's policy required its employees to submit original receipts ranging from travel, costs associated with house hunting trips and temporary living, to the final move for reimbursement. However, transferees' frustration with the amount of effort required to maintain and submit original receipts found the process cumbersome and negative.

(continued on reverse)



THE CUSTOMER

A leading agricultural company that employs well over 25,000 employees in more than 90 countries and relocates nearly 200 employees, including many specialized scientists annually.

THE SCOPE

Transform the client employees' administrative-laden and receipt-driven expense process to a lump sum payment program that, by its nature, would be streamlined and contribute to positively impacting transferee satisfaction.

WHY GRAEBEL

Graebel was chosen by the company's executive committee because of its flexibility and aptitude to find solutions for each client and for the organization's strict adherence to audit procedures and expense reporting accuracy.

¹ "A Little Extra on the Road." The New York Times, November 15, 2010

*Client cannot be specified due to contractual confidentiality.



THE SOLUTION

A comprehensive analysis of this client's data and the potential non-value and higher direct costs were presented to the client's executive committee. In its presentation, Graebel demonstrated how a lump sum calculation for house hunting trips, temporary living costs, and the final move would benefit the client and improve its employees' satisfaction. By replacing the existing policy provisions requiring receipts for homefinding trips and temporary living to lump sum allowances, the overall administrative time would be reduced creating time and monetary savings. Among benefits in a lump sum program that would contribute to higher transferee satisfaction:

- > Freedom to choose and self-control
- > Money received early in the process
- > Reimbursement delays were eliminated or upfront personal payments eradicated
- > Receipt tracking and time spent completing expense reports eliminated

By offering only taxable items in the lump sum amount, transferees would be afforded flexibility and choice. Should the transferee choose to stay in a lower cost temporary living solution or drive versus fly to save money during the house hunting trip, the option would be his or hers.

Calculating each lump sum amount would be based on the transferees' individual situation and would take into account the family size, housing (renting or buying), and base salary.

The transferee would receive funds early in the relocation process to help alleviate the need to pre-pay certain costs in advance and wait for the reimbursement. Should reimbursement beyond a lump sum be called for, the audit and accounting team at Graebel would check for policy compliance and benefit eligibility against this client's specific rules defined in the Graebel expense tracking system prior to issuing payment.

THE RESULT

Graebel implemented the lump sum process with minimal cost differential to the client.

The new program was defined so the employee would understand exactly which benefit would be covered. To properly set the stage with each transferee, the Graebel relocation consultant, a single point of coordination, would counsel each employee according to his or her unique entitlements from the very beginning and be available to answer any question throughout the move.

While the client understood that it would incur some extra direct costs, the client was willing to pay the price to help in its hiring and retention efforts for vital talent.

The carefully orchestrated new lump sum process has led to rave reviews from the client, because the program has greatly reduced administrative time and its transferees' have praised the program.

Thinking Ahead. Moving You Forward. Graebel will keep your relocation program ahead of the curve. Ranked #1 in the "HRO Today" Relocation Baker's Dozen, Graebel delivers peace of mind – worldwide.



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