inside MOBILITY®
Meet. Share. Connect.

Impacting the Evolution of Talent Mobility

> A Report on Key Trends Identified at the 2018 Global Mobility Summit

PRESENTED BY GRAEBEL®

> Inside this Report

Report on Key Findings

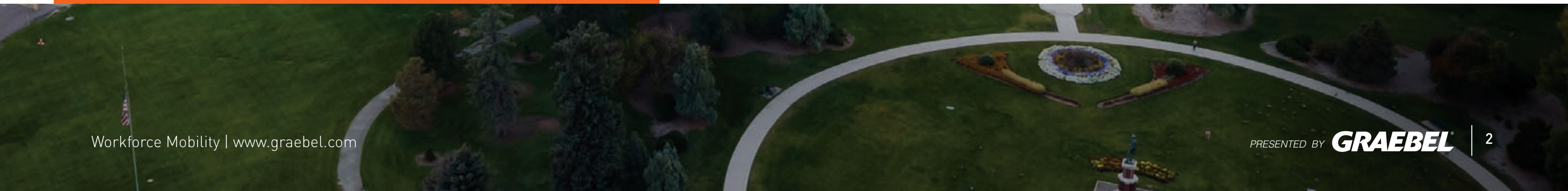
Eighty-five Mobility industry professionals convened in Denver for the 12th Annual insideMOBILITY® Global Mobility Summit. This was a record turnout for the Summit and the attendees shared their experiences and perspectives on Mobility challenges, opportunities and trends throughout the three days of working sessions. This report is a high-level summary of the insights shared by these Mobility industry insiders.

About insideMOBILITY

The insideMOBILITY program provides Mobility professionals an opportunity to meet, share and connect in a spirit of mutual support, with the collective goal of raising the bar for the Mobility profession.

This Conversation Will Continue...

Watch for our year-end 2018 State of Mobility report in which we'll analyze, compare and present the best practices and trends uncovered during the 2018 insideMOBILITY sessions around the globe.



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As Bill Graebel, SGMS, CEO and Chairman of the Board at Graebel Companies, Inc., observed on the last day of the Summit, the key takeaways from the three days were:

1. It all starts with STRATEGY
2. SHARE what you learned
3. Strengthen your CONNECTIONS
4. Elevate your BRAND

In the next few pages, we'll review the high-level takeaways from the Summit, organized along those observations.

Who was there?

The Summit participants traveled from five countries and represent 61 organizations from a variety of industries. Sixty-six-percent of these companies relocate more than 100 employees domestically in the U.S. each year. Thirty-percent annually relocate over 100 employees internationally.

Number of Annual Relocations and Assignments

U.S. Domestic	
1 – 50	19%
51 – 100	21%
101 – 250	27%
251 – 500	8%
501 – 1,000	16%
1,000 +	9%

International	
N/A	6%
1 – 50	44%
51 – 100	11%
101 – 250	14%
251 – 500	9%
501 – 1,000	1%
1,000 +	6%

(totals do not equal 100 due to rounding)

Years of Industry Experience

	%
10+ years	36%
5-9 years	23%
4-5 years	16%
1-3 years	16%
Less than 1 year	6%
N/A	3%

Developing a Strategic Framework

Over the last decade, many Mobility programs have evolved from being strictly tactical to also providing an internal, strategic voice. Attendees were eager to continue to move in that direction using practical tools shared at the event.

Tactical: The traditional "moving, caring and feeding" of assignees and transferees.

Strategic: Providing value-added organizational input on matters related to talent acquisition, deployment and career progression to achieve organizational objectives.

Demand for this strategic expertise will certainly grow. The World Economic Forum recently cited Talent Mobility as one of the three primary variables that can impact the future of the global workforce.

Using our live-time app survey tool designed for this event, we polled the attendees throughout the Summit on matters related to their activities and programs. On this topic, we asked participants how they split their time between strategic and tactical activities.

Sharing Best Practices

Six Topics that Generated the Most Creative Energy

1 U.S. Tax Cuts Will Drive Internal Policy Reviews

Removing the tax deductibility of household goods shipments and final move expenses isn't the only change Mobility teams should focus on in *The U.S. Tax Cuts and Jobs Act of 2017* law. It affects a host of other tax issues – from Child Tax Credits to the Alternative Minimum Tax (AMT) – that collectively could affect an organization's gross-up policies and activity. Companies should consider conducting a Tax Reconciliation/Gross-Up Audit for each assignee to make sure benefits are appropriately grossed-up and that the company and employee don't overpay.

Contact us for a copy of the presentation addressing this issue from Keynote speaker, David Oltman, Chief Compliance Officer of Ineo, LLC.

Sharing Best Practices [continued]

2 The Progression of Core-Flex Programs

We heard from the participants that many are shifting from the Core-Flex exploratory and learning phase to the strategy phase. One of the Summit workshops was devoted to exactly that – a hands-on session to help organizations define their Core-Flex benefit categories.

There's no single best-practice or industry-wide formula that can account for all the variables involved in a global Core-Flex program. The details will be unique to each organization, driven largely by culture.

Core benefits: Generally are compliance-related or meant to keep an employee focused on the job.

Flex benefits: Generally reflect an employee's unique circumstances and preferences.

> Watch for the release of Graebel's comprehensive Core-Flex insight paper this spring that will capture these complex considerations and decision points.

Sharing Best Practices [continued]

❸ Lump Sum Remains a Popular Option

Lump sum programs are especially appropriate for domestic relocations and junior/entry-level employees – in these cases, moves are generally simple and exceptions are unlikely. The fact that household goods shipment costs and final move expenses are no longer tax deductible is pushing more companies toward Lump Sum benefits.

The companies at the Summit with Lump Sum programs were nearly equally divided in setting a fixed amount or one that varied by employee circumstance.

Sharing Best Practices [continued]

4 Building Return on Investment (ROI) Metrics for Mobility

Defining your program's value by demonstrating a return on mobility can become a powerful business advantage. At one of the workshops a new concept was introduced for return on investment (ROI) – the idea of starting small and building measurements around discrete areas (e.g., an intern or rotational program) to assess the impact on a Mobility program and the business.

Data Strategies:

- Build relationships in departments and offices where there are pockets of pertinent data
- Engage an executive sponsor to help you acquire the data you seek
- Use data to tell your program's story

Only 5% of attendees said that they have a formal program to measure ROI even though 52% indicated that their internal stakeholders expected them to deliver an ROI for the company.

> For more information on this topic, replay this webinar: The Big Payback: How Return on Mobility Can Create a Powerful Business Advantage

In quantifying ROI, what types of data do you or would you use?

81% Relocation or assignment cost	24% Volume	45% Business results (increased sales/profit, product launch, implementations, etc.)
71% Employee results (performance, engagement, retention, promotion, etc.)	17% Other	

(totals do not add to 100 since respondents could select more than one answer)

Sharing Best Practices [continued]

5 U.S. Home Sales – The Drift from Direct Reimbursement Continues

In recent years, through Summit participant surveys, we've tracked trends regarding U.S. Home Sale Mobility policies. Clearly there's a decline in the use of Direct Reimbursement. We heard from many attendees this year that they don't want mid/high-level transferees pre-occupied with selling their homes. However, direct reimbursement often is used for unusual, less-marketable properties.

High prices and concerns about a housing bubble are pushing employees and companies towards the rental market in metro areas like San Francisco and New York. Companies are implementing creative strategies to protect themselves in these and other locales. One participant mentioned that his company encourages home rental in hot real estate markets by offering to resume home purchase benefits at the assignee's next location.

What kind of U.S. Home Sale policy/policies do you provide?

	2018	2016	2015
Buyer Value Option (BVO)	71%	80%	79%
Guaranteed Buyout Option (GBO)	34%	33%	56%
Direct Reimbursement (DR)	46%	49%	72%
We do not offer home sale benefits	15%	NA	NA

(totals do not add to 100 since respondents could select more than one answer)

Sharing Best Practices [continued]

6 International Policy – Meeting New Challenges

Three trends are in play affecting the international Mobility arena.

1. Employees are increasingly requesting International assignments
2. Companies are eager to take part in the global economy and assign more people around the globe
3. Compliance is increasingly critical as local enforcement becomes more robust

Thus, both the mission and workload for international Mobility programs are expanding. Mobility professionals face the challenge of prioritizing areas of day-to-day service delivery as well as the implementation of longer term program enhancements.

What is the biggest area of concern regarding your international policies?

#1	#2	#3	#4	#5
Tax Compliance	Cost	Immigration Compliance	Flexibility of Benefits	Employee Safety

Strengthening Internal Relationships and Connections

Serving as an internal partner means engaging with Business Units, Recruiting, HR and other functions of the organization.

In several of the sessions, participants described how they didn't wait to be invited to these tables; they invited themselves, bringing a fresh perspective on talent deployment along with documentation of the value of successful assignments and innovative Mobility services.

The Mobility professionals identified where they've successfully "broken down walls" within their organizations. Predictably, Mobility's strongest internal alliances are with HR, and their relationships are the least developed with Tax.

Clearly there's room for additional internal integration...especially in the critical area of Business Unit coordination. Along those lines, though, attendees mentioned that these leaders often try to short-circuit the relocation decision and implementation processes.

The 53% figure in the chart on the right is encouraging, though, and we heard how those successes with Business Unit collaboration clearly correlate to situations where Mobility brings solutions, data and compliance insights that drive informed decisions.

What key stakeholders do you work with regularly to ensure support for your Mobility program?

86% Senior HR Leadership	67% HR Business Partner	64% Staffing/ Recruiting
53% Business Units	44% Payroll	36% Talent Management
36% Compensation/ Benefits	33% Immigration	28% Tax

(totals do not add to 100 since respondents could select more than one answer)

Elevating your Internal Brand

At the Summit, participants explored many tools and approaches to promote the value of a Mobility program internally to their range of stakeholders in the business. The consultative service is arguably the most critical of these internal activities. Helping the organization meet its Duty of Care commitment is another, since business units want their team members taken care of quickly and with an attention to detail. At the same time, other stakeholders insist Mobility deliver the most cost-efficient program options, which is driving Mobility professionals to explore approaches like Core-Flex and re-vamp traditional arrangements like Lump Sum.

Our kickoff speaker, Nora Burns, Founder and Chief Instigator of HR-Undercover, focused on this principle of employee care, describing how she goes undercover at major corporations to determine how well companies optimize the employee experience. When she observes employees that view their positions as "just-a jobs," (e.g., "I'm just a general manager") she knows the organization will experience significant turnover, along with the high cost of filling those positions.

The audience noted that assignees and transferees can develop that same "just-a" mindset if their relocation experience seems impersonal and haphazard as they transition to a new culture, new assignments, and new processes.

In the past year, which areas of your Mobility program have you improved or enhanced?

47% Efficiency	45% Employee satisfaction	45% Cost reduction	42% Vendor management
34% Serving as an internal resource	32% Scaling (up or down)	24% Mobility team right-sizing	24% Vendor performance
11% RFP process	3% ROI	3% Other	

(totals do not add to 100 since respondents could select more than one answer)

GRAEBEL® Here's to the world ahead.SM

Thanks to the Mobility industry insiders who joined us at the Summit in the Americas region!
Graebel will host insideMOBILITY sessions in the coming months in the EMEA and APAC regions.
We hope you'll encourage your Mobility team members in these regions to join us.

Upcoming Global Mobility Summits: Munich June 12-13 | Singapore September 21 | Miami February 2019 (dates TBA)

Please contact your Graebel Representative for more information.