GRAEBEL

BUILDING YOUR COMPANY'S MOBILITY MODEL

# An accessible, informative guide to help you determine the best type of Mobility Program for your organization

# > Make Mobility Work For You

## Find your perfect fit

Everyone looks to you for answers. Maybe it's an employee who just landed in Dubai — only to realize he left his wallet in Detroit. Or it may be your HR Director wondering how you plan to reduce your budget — even as you're facing an influx of overseas engagements next year.

Can you accommodate both requests with your existing Mobility Program? Or is there a better model?

Use this comparison guide to find out. It includes everything you need to know about internal, outsourced and hybrid Mobility Program models. Learn more about what to look for in your own program along the way, so you can choose the model that best addresses the unique challenges and resources of your organization.

# > What Makes a Successful Mobility Program

## Changing jobs, changing lives

Every Mobility professional has a story to share. So does every employee on the move. The question is whether the story they share will be a positive one, or one shared derisively with new coworkers at their next job. Relocation can be a momentous, life-changing event. The employee may not be fully prepared for it — that's why it's essential you are.

**33%** **of an employee's salary is the cost to hire their replacement**

*2017 Retention Report*, Work Institute

**75%** **of the causes for employee turnover are preventable**

*2017 Retention Report*, Work Institute

**44%** **of Global Mobility professionals believe they lack sufficient resources**

*Managing the Global Mobility Function 2017*, Forum for Expatriate Management

# Balance Policies with Strategies

Mobility mistakes can be costly, for both mobilized employees as well as the company. That's why you have policies in place to normalize the relocation experience for every engagement, every time. But what about when market, family or even political conditions change and those policies limit what you can do?

Whether your team is handling specific relocation tasks — or you're relying on an outside firm to manage them — a clear, concise Mobility strategy allows you to align decisions with larger, more expansive company directives. With a comprehensive strategy, you know precisely where those process and performance gaps are, so you can craft a detailed plan to overcome them.

## BENEFITS OF A ROBUST MOBILITY PROGRAM

1. **Attract promising talent**
2. **Retain top talent**
3. **Enhance the company brand**
4. **Support revenue-generating activities**
5. **Invest in new technologies and opportunities to expand the program**
6. **Reduce operating costs**

# > Assess Your Current Program

It's impossible to move forward if you don't fully understand where you are. Your Mobility Program may run the same way it always has. Or it may have changed multiple times during your tenure at the company. In either case, you can uncover an immense amount of information that will help you choose a more successful Mobility model – or validate your own – by considering these three questions.

## 1 Who owns the Mobility Program in your organization?

Whether Mobility is an HR-driven function of the company, a subset of HR, part of a Shared Services model or a standalone department, consider partnering with key internal stakeholders to evolve your program.

By tying Mobility with talent management, total rewards, global expansion and other initiatives, business units can collectively strive for the same goals, whether it's retaining/developing talent or reducing costs.

## 2 Is your team inundated with administrative tasks?

The line between Mobility expert and HR generalist can blur quickly. Compare the types of tasks that only you can do with what you'd like to do. If your head is always down chasing fires and performing only transactional work, you can't look ahead.

Developing a strategy takes careful deliberation and thought — something that's not possible if you don't have time for it.

## 3 Can you provide tangible evidence that your program is effective?

Find out what's important to key stakeholders, so you can provide tangible evidence of value (e.g., cost savings, fewer mistakes, higher satisfaction rates, faster employee transitions, etc.) and gain their "buy in" that a new approach can make a significant difference.

The industry offers a host of technologies — much more advanced than Excel — to help you capture, store, analyze and share data.

## Keep everything close to home

You have an incredible collection of centralized subject matter experts (SMEs). And leadership is committed to giving you the tools, resources and support needed to adapt to every new challenge. In addition, you have worked to alleviate the productivity-draining gaps between functional units, so you can share critical information and data between key stakeholders with ease.

## + Advantages of Internal Model

- **Intimately knowledgeable.** Your team is completely invested in the company. After all, they helped create the unique company culture. They know the talent. They know what's happened previously. And they know where to get answers — every answer.
- **Leverage IT investments.** Typically, Mobility tasks were outsourced to cover deficiencies or gaps. As such, many organizations sought external custodians for any complex technologies. Fortunately, there are many software options that simplify processes, automate tasks and reduce costs for a self-service, self-sufficient approach.
- **Relationships.** Whether it's an internal discussion, a phone call with talent abroad or negotiations with outside vendors, familiarity between stakeholders can improve functionality.
- **Shared goals across the enterprise.** There is no conflict of interest when every member of the team is striving for the same thing. You're collaborating with colleagues equally invested in the long-term viability of the organization. In fact, companies with highly engaged workforces outperform peers by 147% in earnings per share.*

* Gallup study

## - Disadvantages of Internal Model

- **Lack of resources.** Even with talented personnel and SMEs, you may have personnel, IT, resource or budget gaps when it comes to meeting the needs of your talent. How much will it cost to acquire what you need? How agile will the model be if the needs of your clients change?
- **Staff turnover.** You hope your best employees believe they have the best job with the best company. But what happens when a key, knowledgeable member of your team leaves the organization? Some experts really are irreplaceable.
- **Core competencies/priorities.** What do your compensation, benefits and other HR personnel do best? What takes precedence when they're faced with competing tasks from Mobility and another part of the business? Often, administrative tasks take precedence, leaving little time to push a program forward in strategic fashion.
- **Technology gaps.** You may not have the financial clout to invest in important technologies to mine for data and analytics. Or you may not have the internal resources, both in IT and Mobility, to know what the data means or what to do with it.
- **Vendor issues.** Unless you dedicate resources to it, your internal team may not have the information necessary to find the most suitable vendors or favorable pricing. Without insight into other vendors, you may not realize that there could be more consistent or cost-effective options. And you may feel pressured to stay the course even if you're unsatisfied with your current provider.

# EMEA Mobility Model Preferences

The use of outside resources to manage Global Mobility functions varies from company to company, and from region to region.

The percentage of EMEA-based companies who use outsourcing is largely considered to be significantly less than their U.S. counterparts. In fact, some experts speculate about 80% of stateside companies use outsourced vendors. There are multiple factors cited for EMEA's reluctance to outsource, including:

1. **Many EMEA countries maintain strong labor regulations, and outsourcing is sometimes viewed as jeopardizing job protection, rather than a means to deploy workers into more strategic roles within the company**
2. **Blowback from the "Super Vendor" push from the previous decade when outsourcing was championed with largely mixed or uneven results**
3. **Brexit uncertainty as countries try to navigate new immigration policies and financial implications**

## Trends

- **The United Kingdom, Germany and France outsource HR functions more than other EMEA countries**
- **Human Resources is the 2nd largest outsourced function, trailing only financial**
- **Eastern European countries have become prominent outsourcing locations because of relatively low wages and close proximity services**
- **European companies prefer to outsource services to providers within the same country (onshoring)**

# Internal Mobility Checklist

**A wide range of organizations, from small start-ups to Fortune 50 behemoths, have used an Internal Mobility Program to support talent deployment and promote initiatives.**

**The most successful programs require three things:**

- [ ] **Centralized, knowledgeable and loyal SMEs.** Nobody knows your organization better than you do.
- [ ] **Mobility strategy with documented processes, verified goals and an established decision-making hierarchy.** You routinely monitor and analyze your Mobility Program, so you know where its flaws are. More importantly, you have a strategy to resolve them.
- [ ] **Technology to automatically track and parse data.** You know that Excel isn't enough. So you invested in automated software to understand your assignee population better and to measure true costs, exceptions and ROI.

## Partner with the experts

There's no question that your organization values Mobility. It's central in the quest to drive new business today while developing tomorrow's leaders. But you may not have the internal resources to effectively run a robust, cost-effective Mobility Program. There are many external sources to simplify corporate Mobility Programs for organizations like yours. These firms are dedicated to the Mobility industry and can offer customized services to meet your unique needs.

## + Advantages of Outsourcing

- **Cost savings.** It's about more than resources and training. Whether it's recommending policies or deftly managing compliance and tax issues, outsourced organizations can offer unique expertise cultivated through many engagements in many locations.

- **Informed decisions.** An outsourced provider offers proven processes and technologies to track costs, trends and other details accurately, so you can make more informed Mobility decisions with confidence.

- **Compliance.** Outsourced providers have the tools, resources and relationships to be acutely aware of the latest worldwide developments to help you navigate ever-changing tax and compliance requirements.

- **Regional specific expertise.** There can be vast differences between dispatching one employee to Minneapolis and another to Mumbai. Learning the intricacies of both locations requires time, patience and connections. Once you gain a grasp on the region, everything can change in an instant. Outscourced firms dedicate resources to capture trends from popular destinations and regions around the world.

- **Core competencies.** Your HR, compensation, benefits and other groups can be inundated with non-Mobility challenges at any given time. An outsourced team is focused only on your Mobility program. Plus, it can track performance and drive initiatives that support your overall strategy.

- **Technology.** Many Mobility firms have proprietary or third-party technology designed specifically to simplify everyday tasks and capture critical metrics that can be analyzed to improve future decisions. The technology can be updated automatically to address new industry compliances and policies. Additionally, the cost of technology dramatically decreases as relocation firms foot the bill for the software, implementation and licensing, which is a massive value-add for Mobility teams who could be currently burdened by these costs.

- **Comprehensive supply chain.** Global Mobility firms may have partnerships with dozens or more vendors. They know the capabilities of each, often through past experience. They know who's reliable. They know who's most responsive. As such, they can leverage their place in the market to find the best solutions and pricing for your unique needs.

- **Best practices.** Few things are static, especially in Mobility. With people constantly on the move, it's important to be ready for any challenge at any time. Outsourced firms rely on best practices cultivated from industry experience and expertise to help you adapt quickly to new developments.

## - Disadvantages of Outsourcing

- **Familiarity.** The greatest asset an organization has is its people. Are you able to tap into your internal talent and knowledge in new ways, or will you marginalize a smart, dedicated employee by opting for outside help?
- **Continuity.** Business relationships can dissolve. Eventually, you may want to change vendors. How long will it take — and how much will it cost — for the next vendor to get up to speed?
- **Company culture.** Every organization has an identity. And if it's been cultivated, it can be a unique differentiator. Not every outside Mobility firm will be an ideal fit, so you'll need to conduct due diligence to find a partner with similar values and investment into your key objectives.
- **Costs.** Your organization may have a flatter, more streamlined Mobility Program with smart people managing smart technologies and making smart decisions. So why change it up? Then again, is it agile enough to accommodate emerging external changes?

## Outsourced Mobility Checklist

**For more than 50 years, companies have used outsourcing to supplement core capabilities. Today, organizations of all kinds routinely outsource back-office operations, including human resources, payroll, Global Mobility and others.**

**Things to look for when considering outsourcing:**

- [ ] **Administrative tasks monopolize your time.** If you're too busy putting out proverbial fires, how can you ever figure out how to prevent them from igniting? Delegate some of those tasks to others, so you can concentrate on crafting more efficient workflows and strategies.
- [ ] **Lack of resources.** Do you have the SMEs? Budget? Technology? Operating a fully functional and efficient Global Mobility Program requires dedicated resources that many organizations are unable to develop or incapable of maintaining.
- [ ] **Inability to track or control costs.** Depending on the provider and your internal resources, opinions vary about the potential cost savings of using an outsourced model. But proven expertise from an industry insider does offer significant benefits in setting expectations and budgets and adhering to them consistently.

## Design a customized program of your own

Still unsure which model makes sense for your unique organization? Take the best of the Internal and Outsourced Models to accommodate your specific needs and agenda using a Hybrid Mobility Model. Some tasks are performed in-house, while others are outsourced to professional Mobility firms. You design it. You manage it. You own it — with some outside help, of course.

## CHOOSING FUNCTIONS TO OUTSOURCE

The functions you outsource depend entirely on your internal resources. But you can learn from other organizations, where certain Global Mobility functions are outsourced much more often than others.

1. **Tax management is the most outsourced service at 81.6%**
2. **Immigration services are outsourced 79.4% of the time**
3. **Calculating cost of living data is outsourced 73.8% of the time**
4. **Technology is outsourced 46.8% of the time**
5. **Conversely, payroll is outsourced only 3.6% of the time**

You can outsource one function, a few of them, or most of them. Plus, with a Hybrid Mobility Model, you can make adjustments quickly to accommodate market, personnel and budget changes.

*Managing the Global Mobility Function 2017*, Forum for Expatriate Management

## + Advantages of Hybrid Model

> **Retain and obtain an extensive knowledge base.** You have smart, savvy Mobility professionals on your team. There are experienced Mobility experts from offshore firms ready to partner with them to fill critical gaps within your program.

> **Customization.** Create your own program, from beginning to end. Many organizations farm out transactional tasks to take advantage of the outside firm's automated technologies and vendor relationships. Others seek out outside counsel for higher-level strategic planning and operations because they lack the internal experience to manage it.

> **Optimize resources.** You have talented individuals and legacy investments. Leverage the resources you have, and opt for outside resources where necessary to improve the health of your program.

> **Costs.** Pay only for what you need. Choose between internal/external responsibilities based on cost for specific responsibilities or internal resources. For example, you may have a talented team that can handle most day-to-day tasks cost-effectively, so you can outsource only the highest level activities and make the most of your budget.

> **Transparency.** It's important to have everybody, including employees, clients and key stakeholders, plugged into your relocation process at all times. Use a Hybrid model to shore up the areas that have operated in the dark previously. For example, you may not have much experience with international tax codes in new regions. Partner with an experienced outside firm that's adept in that region to simplify compliance issues.

## - Disadvantages of Hybrid Model

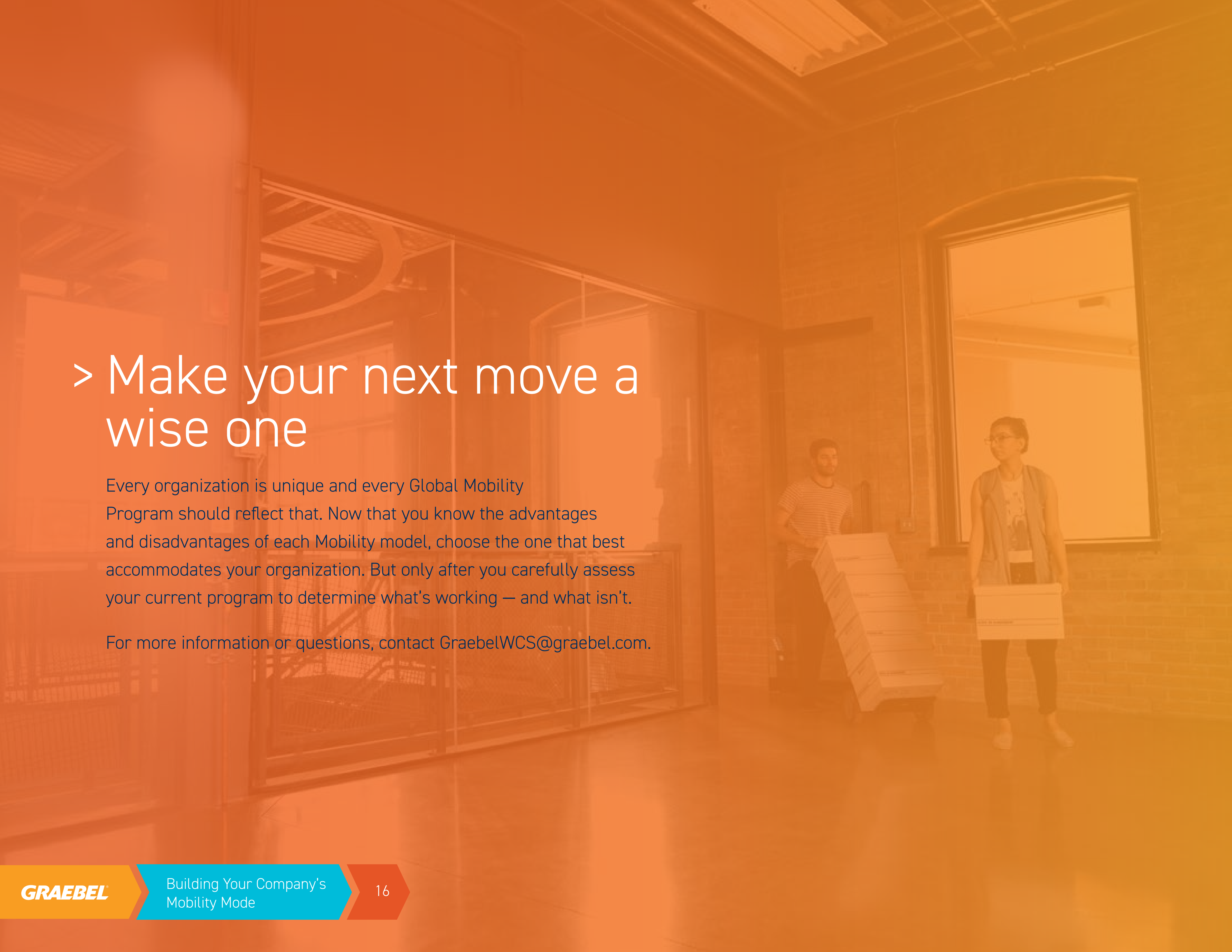
- **Redundancies.** You never want to do the same task twice. Likewise, you don't want something to be missed entirely either. Communication between internal/external resources is critical. Be sure to craft a clear strategy to delineate responsibilities and share it with all parties. Then routinely amend it when necessary.
- **Technology.** Often, an internal team is using antiquated technologies such as Excel while the outsourced Mobility vendor has different or even competing technologies and strategies.
- **Stagnancy.** The marketplace will change, and you'll have to change with it. Some organizations struggle to change the status quo in-house, as well as their relationship with the outside Mobility firm. It's imperative that you conduct routine assessments of your program to ensure you're maximizing resources both internally and externally.

## Hybrid Mobility Checklist

**There isn't a single solution that works for everybody. So why not create your own? For decades, organizations have outsourced only specific parts of the business to enable the Global Mobility team to develop its own talent and free up time for future proofing and advancing their program.**

**Is a Hybrid Mobility model right for you?**

- [ ] **Enhance your internal Mobility team.** You have a knowledgeable and talented team. It's simply overworked. Outsourcing specific tasks can free team members to do what they do best, and meet the needs of the business as well as key stakeholders.
- [ ] **Customization.** Nobody knows your Global Mobility Program better than you do. You know exactly what kind of help you need. Pick and choose what kind of outsourced assistance your organization needs.
- [ ] **Ease into the transition.** Giving way to an outside firm isn't easy. Ease into outsourcing by delegating only specific tasks and responsibilities — while maintaining complete control of the overall direction of the program.



# > Make your next move a wise one

Every organization is unique and every Global Mobility Program should reflect that. Now that you know the advantages and disadvantages of each Mobility model, choose the one that best accommodates your organization. But only after you carefully assess your current program to determine what's working — and what isn't.

For more information or questions, contact GraebelWCS@graebel.com.

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