

TURN YOUR POLICY INTO A PLAN

- ■ Improve your relocation program by creating a relocation plan for each relocating employee.



CoPilotTM
by NuCompass

When you look at relocation options for your organization, you see that most companies, especially larger ones, manage relocations with policies.

Policies typically cover different services, depending on factors such as position, seniority, homeownership, and whether you're relocating a new hire or a current employee.

Though popular today, using policies to manage relocation may not be the best way to meet the goals of a modern relocation program.

In this paper, we analyze the issues associated with relocation policies, explain why policies remain popular, and propose that you take your policy to the next level by creating a relocation plan.



THREE BIG PROBLEMS WITH RELOCATION POLICIES

Using policies for relocation is an accepted approach for organizations that regularly relocate employees. The assumption is that policies create a consistent experience that doesn't require reinventing the wheel every time a company wants to relocate an employee. Policies were born out of pragmatism to ensure fairness, control costs, and increase efficiency.

Unfortunately, the policy approach has some real problems.

Policies can become entitlements

Policies create expectations. Let's say that you're moving an employee from Chicago to Phoenix. He happens to be single and a renter. The policy calls for 30 days of temporary housing. But this particular employee has a brother with a guestroom. He asks if he can use the temporary housing money to move his boat.

Simply stated, policies don't take into account what an employee specifically needs to complete a relocation. The types and levels of services offered are estimates. If you offer more than is needed, the employee tries to find a way to get the full benefit of the policy. If you offer too little ... you encounter the next problem.





Policies breed exceptions

If you don't have a brother with a guestroom and you actually need 30 additional days of temporary housing, you are going to ask your employer to solve the problem. Though policies were designed to keep costs under control, exceptions are common. (Our experience indicates that exceptions add 10 to 15 percent to the costs of a typical relocation.)

Exception management is a very inefficient way to manage costs, mainly because exceptions often occur later in the process when it is difficult, if not impossible, for the company to refuse the request.



Policies don't help you make a cost-benefit decision

Does your policy encourage a hiring manager to evaluate whether it's worth it to pay for a relocation in the first place? It most likely doesn't. Policies usually apply to what happens after the decision is made. They don't help make a cost-benefit decision. In many ways, this may be the most important decision of all.

*Two-thirds of companies rate their organization **fair or worse** when asked how well they link their mobility initiatives to their talent management strategy.*

— 2014 WORLDWIDE ERC® RESEARCH

WHY DO WE KEEP USING POLICIES?

Relocation professionals have known about these problems for years, but we have all adjusted to them. For example, exception management is built into the process at most companies.

“Policy creep” has prolonged the usefulness of policies. Today, companies have more policies than ever: a policy for executives, a policy for midlevel managers, one for renters, one for new college hires, etc. In essence, companies modify policies so they will better fit the circumstances of a specific group of relocating employees.

The one-size-fits-all approach, or even the eight-sizes-fit-many approach, still falls short. In trying to be fair to everyone, policies ignore the fact that each individual outcome can be vastly different, even within a narrow classification of employees. By its very nature, relocation consists of a unique set of circumstances for each employee. It's time to rethink the way policies work.



A NEW WAY OF THINKING ABOUT POLICIES — TURN THEM INTO RELOCATION PLANS

It's time to address the individual circumstances of relocating employees rather than trying to fit them into a policy box. It's time to rethink the way we make relocation decisions.

We believe that it's time to take your policy to the next level by *creating a relocation plan that fits the specific circumstances of each relocating employee.*

This new approach rests on two fundamental principles.



1

Treat relocation as compensation

Relocation usually falls on the benefits side of compensation and benefits. But does it really belong there? Employee benefits are offered to every employee. Whether it's healthcare or vacation time, you've created a benefits mix for every employee to use. On the other hand, compensation is unique to the individual, like relocation.

Relocation is not available to every employee. It is only used in select circumstances. Both management and the employee ultimately have to decide if it makes sense. Costs are based on the circumstances. Not everybody gets the same deal. And all payments are run through payroll because the IRS considers relocation expenses to be compensation.


2

Turn your policy into a relocation plan


Instead of using the policy to guide the relocation itself, use it as a framework for establishing a realistic relocation plan for each situation. And prepare the plan before a final decision is made.

A good relocation plan is based on the circumstances of the individual employee, it includes a budget for the services to be provided, and it has buy-in from management and the employee.

A relocation plan approach has two huge benefits.



For employees, it focuses on what is actually needed to complete the move — before the move begins — and commits them to completing the move according to the plan.



For employers, it provides an opportunity for the hiring manager to weigh the costs and benefits of the move before a final decision is made.

Upon approval, the budget is known and the plan guides the process until the employee is on the job and settled in the new location.

The biggest shift in adopting this approach is acknowledging that every relocation is going to be different. The results are less exception management, better cost control, and fewer surprises. Most important, it gives the employee a better chance to make a successful transition and remain engaged with the organization through one of the most stressful events in anyone's life.

TECHNOLOGY IS THE KEY TO CREATING RELOCATION PLANS

Let's assume you're convinced that preparing a relocation plan for each relocating employee is a really good idea and you'd like to do it. But it seems like a lot of work. You need to collect a lot of information. Many different people need to be involved. And there is never enough time when decisions need to be made yesterday.

That used to be the case, but not any longer. Now there is a technology solution, CoPilot™ by NuCompass, which is a cloud-based platform that makes relocation planning a reality. And it does much, much more. It not only helps an employer create a relocation plan, it also supports the employee through every step of the process to get settled in their new location, ready to start their new job.

Using CoPilot, you can get input from the employee and instantly prepare a cost estimate based on the employee's situation.

- ▶ You can weigh the costs vs. benefits and make a business decision to proceed or not.
- ▶ You can circulate the information for management approval.
- ▶ You get the employee's commitment to a relocation agreement.

All of which can be done online in a matter of hours, not days.



CoPilot is a software and services solution. After a decision is made, your employee gains access to a personalized portal to help manage every step of the move, 24/7, using any device. The portal connects the employee directly to pre-approved and vetted suppliers for all of the required services. Support is provided by the experienced experts at NuCompass until the move is complete.

Contact us today and let us help you get the most out of your relocation plan. Visit us online at **www.nucompass.com/copilot**.
