Relocation Programming Best Practices



Global Mobility Solutions™

A Study on the Medical/Healthcare Industry for Relocation Management

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Welcome

Executive Summary

Global Mobility Solutions (GMS) thanks you for the opportunity to provide industry specific benchmarking. This benchmarking debriefing tool is based on Worldwide Employee Relocation Council (ERC) Policy Standards and comparable assessments against 409 programs within 10 key industries and 14 key elements benchmarked (2017 Best Practices Policy Elements for Relocation).

10 Key Industries

- Medical/Health
- Education/Consulting
- Transportation/Logistics
- Construction/Engineering
- Retail
- Manufacturing
- Food & Beverage
- Technology
- Financial/Insurance Services
- Energy

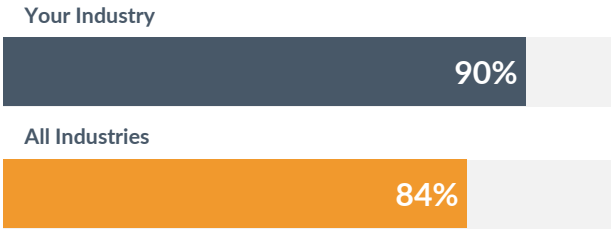
Number of participating companies: 32

- Repayment Agreement
- Expense Management
- Misc. Expense Allowance
- Cost of Living Allowance
- Career Spouse/Partner Assistance
- Home Disposition
- Home Sale Marketing Bonuses
- Equity Advances
- Loss On Sale
- Temporary Living
- Home Search Assistance
- Mortgage Programs
- Shipment of Goods
- Final Move

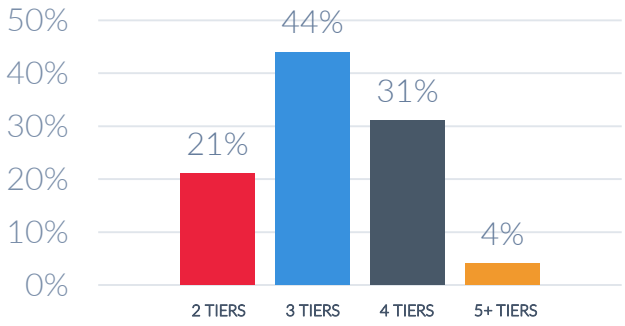
To Tier, or Not to Tier?

That is the question

Does your company utilize a tiered approach to relocation?



How many tiered programs and/or policies does your company utilize?



Best Practice Consideration(s)

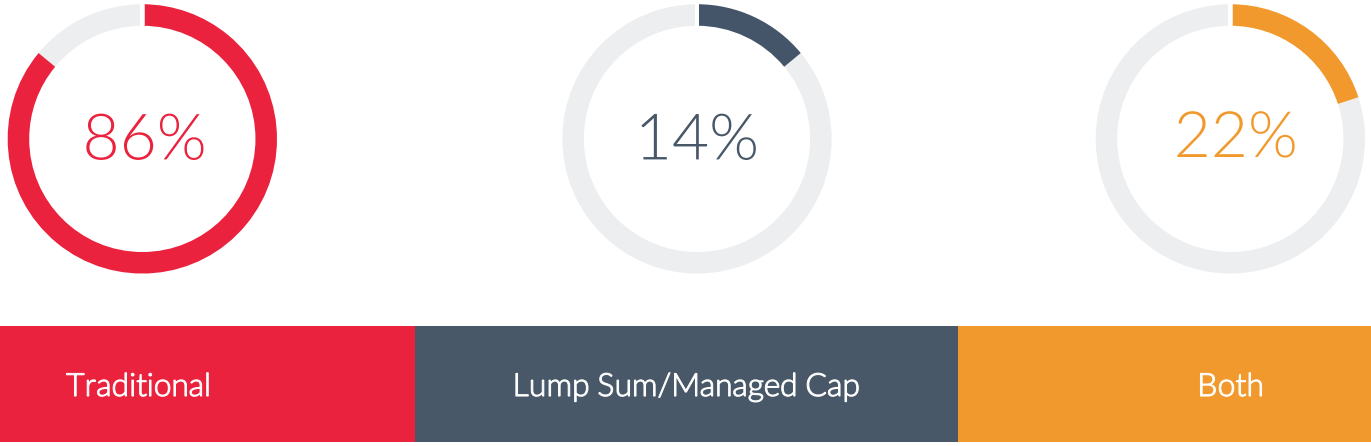
84% to 90% of companies in your industry utilize a tiered policy approach to relocation. The most common are by level or homeowner/renter status. Consider tiered policies by level, under a managed cap methodology. This will inherently produce improved efficiencies, provide your employees choice, enhance quality and contain costs.

Cost Savings Opportunity

A tiered managed cap with flexible elements will provide cost predictability, with added flexibility designed to reduce or eliminate costly exceptions. The savings for managed cap programs range from $2,300 to $4,300 per file.

Programming Models

Which methodology best describes your programming model?

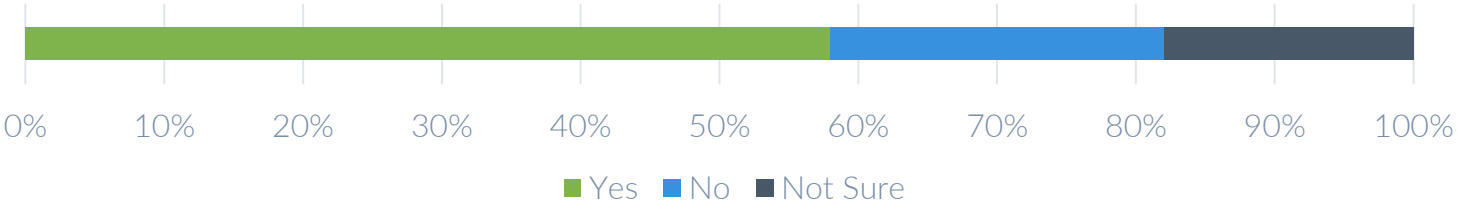


Best Practice Consideration(s)

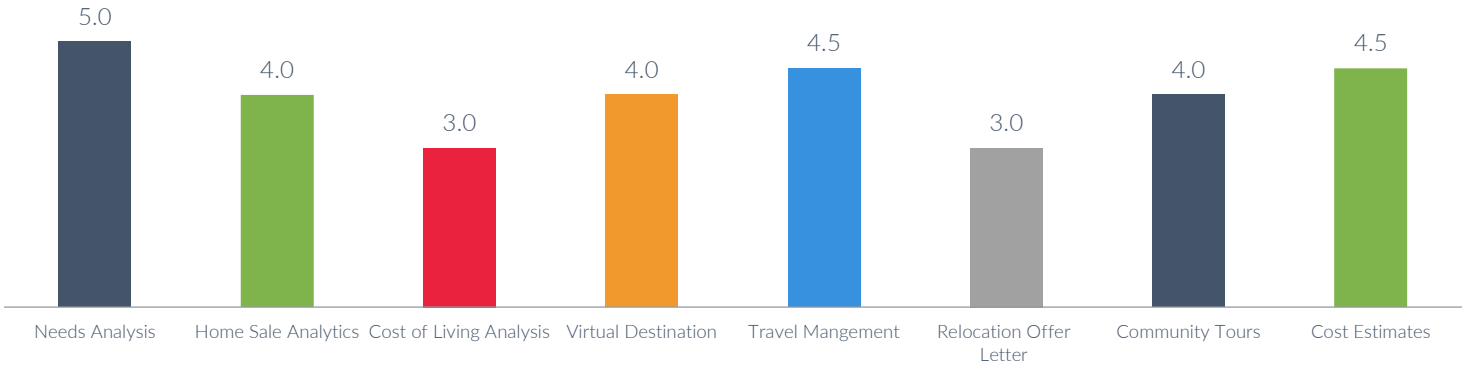
The figures above are typically associated with the stated tiers within your industry. Although traditional programming remains relevant, 14% of companies have a managed cap or lump sum programming model, while 22% have a combination approach. A best practice consideration is to adopt a combination of traditional and managed cap methods.

Pre-Decision/Relocation

Do you provide pre-decision/relocation?



Please rank the importance of each of the pre-decision/relocation service below (1 Low/5 High)



Best Practice Consideration(s)

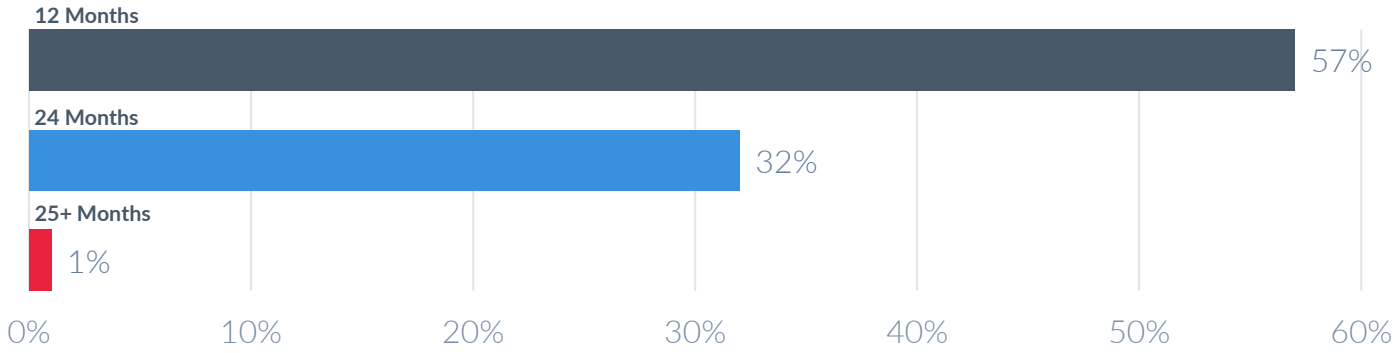
A well established pre-decision/relocation process is one of the most important things that contribute to high satisfaction rates. Recognizing the importance to overall satisfaction, there has been a significant increase in pre-decision/relocation service usage across all industries.

Cost Savings Opportunity

GMS will waive pre-decision/relocation management fees for a savings range of $295 to $500 per relocation.

Repayment Agreements

If you include repayment agreements, what is the duration?



Does your company include and execute repayment agreements?



Best Practice Consideration(s)

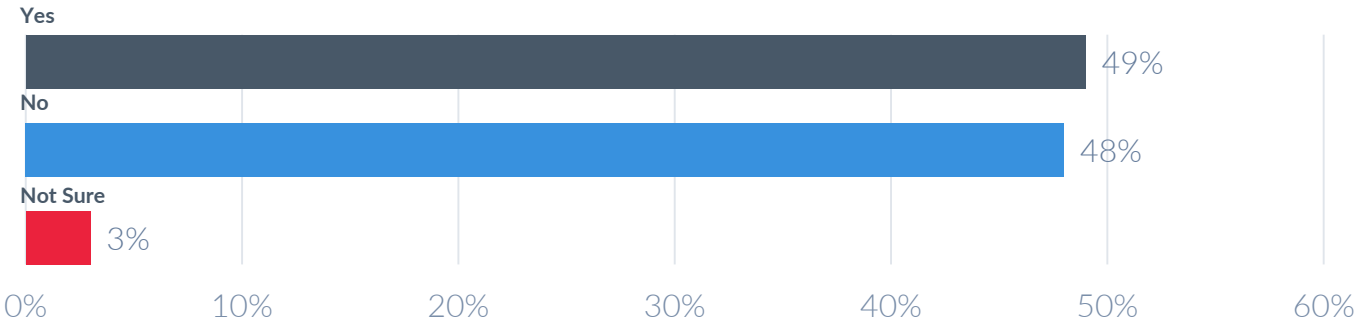
It is critical that these agreements and policy language contain the words “voluntarily terminate or terminated for cause”. Without it, a person who was planning to resign could escape the provisions of the Repayment Agreement by simply behaving in such a way that would result in them being “terminated”. GMS recommends a two year agreement with 100% of the expenses required to be repaid during the first year, and then prorated after the first year on an equal monthly basis.

Cost Savings Opportunity

By having GMS assume the development of relocation letters and/or repayment agreements, our clients save an estimated $105 per file.

Miscellaneous Expense Allowance

Does your company provide a miscellaneous/flex relocation allowance?



Best Practice Consideration(s)

A Miscellaneous Expense Allowance (MEA) covers expenses not otherwise included with the policy or program. Examples are license fees, deposits, pets, tips, child care, etc. When offered, the best practice is one month's salary, capped to a specific amount by policy tier. Capped amounts range from $2,500 to $10,000, depending on the policy tier.

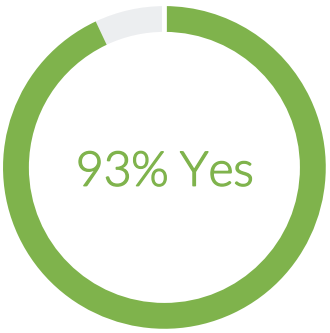
Note: 51% of companies provide tax assistance for this benefit.

Cost of Living Allowance

Do you currently view COLA as a standard offering?



Do you have a minimum threshold to qualify for COLA?



Best Practice Consideration(s)

The offer rate for COLA within your industry is 26%. The key driver for this offering is whether the company has low to high cost locations.

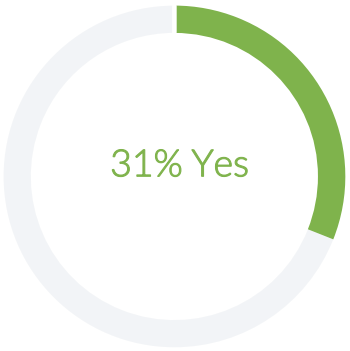
Conversely, 89% of companies view this benefit as non standard and would only offer on an exception basis. GMS recommends handling on a case by case basis with a 5% to 10% minimum threshold to qualify.

Cost Savings Opportunity

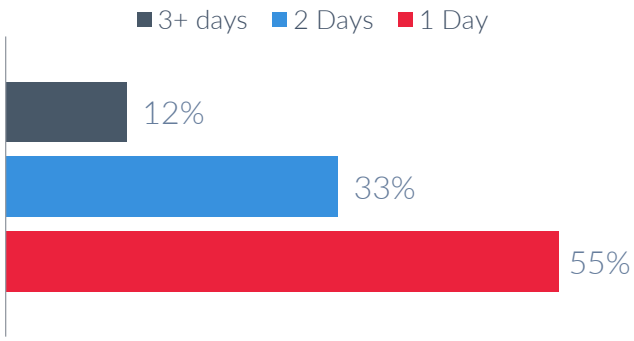
By incorporating minimum thresholds, companies save on COLA distributions, while remaining competitive in the market. Additionally, GMS clients save $250 per file due to GMS absorbing the cost of data tables for every ordered report.

Spouse/Partner Career Assistance

Do you currently offer some level of spouse/partner assistance?



Which programming type best describes your current offering?



Best Practice Consideration(s)

If the relocation requires a spouse/partner to obtain a new job in the destination location, 31% of companies offer some level of career support service to the legal partner or spouse. Consider inclusion on a case by case basis via policy amendment for higher level tiers.

Cost Savings Opportunity

Consider reinvesting program savings and offer the service at the employees discretion via MEA. At minimum, consider a low cost/high value program with a Career Assessment and Counseling, Resume Preparation and Job Market Research Assistance. When compared to comparable programs, the GMS model saves an average of $605 per relocation.

Home Disposition: Home Sale

Best Practice Consideration(s)

49% of companies within the industry provide a Buyer Value Option (BVO), Guaranteed Buy Out, or blended programs to higher level employees. This is a reduction from previous years due to improved real estate markets.



Conversely, 85% of companies within the industry offer some level of marketing assistance across all levels.

GMS recommends the following home sale programs:

- **Executive(s)** : BVO
- **Professional(s) or Management:** Marketing Assistance with reimbursement of up to 6% capped to $10,000 (not tax assisted)
- **Entry Level:** Marketing Assistance only

Cost Savings Opportunity

The GMS BVO model saves an average of 1% of the home sale value. Additionally, GMS typically does not charge non-compliance fees, which equates to a savings of $1,500 per file compared to other Relocation Management Companies.

Housing Disposition Support

Home Sale Incentives, Duplicate Housing, and Lease Break

Best Practice Consideration(s)

7% of companies within the industry offer a home sale incentive bonus for higher level employees (on an exception basis). This is a reduction from previous years due to an improved real estate market. GMS recommends this benefit on a case by case basis only.

14% of companies within your industry offer a duplicate housing on a case by case basis, due to an improved real estate market, i.e. less days on market at origin. GMS recommends this benefit on a case by case basis only.

76% of companies within the industry offer lease cancellation reimbursement of 2 to 3 months penalty reimbursement, as applicable. GMS recommends this benefits as a core element of your program.

Temporary Living

Housing and Return Trips

Number of temporary housing days provided?



Best Practice Consideration(s)

When new living arrangements cannot be secured to coincide with the date of relocation to the new location, companies typically provide temporary living up to 90 days. Consider 30 days for lower tiers and 60 days for higher levels. Also, companies typically offer up to one return trip per 30 days of temporary living with a maximum of 3 trips. Both adjustments will result in cost savings and ensure program competitiveness.

Cost Savings Opportunity

By implementing a dual bid process, GMS clients save between an average of $840 to $960 per month on corporate apartments and/or extended stays.

Home Finding Assistance

Best Practice Consideration(s)

Home finding trips based on employee level for the purposes of viewing properties (renting vs. purchasing) and conducting area as well as school tours are a best practice. Companies typically factor in the cost of lodging, round trip airfare or mileage reimbursement, local transportation (rental car, tolls, gasoline or mileage reimbursement) and meals as part of the managed allocation. Consider adding virtual Home Finding to compliment the benefit. Also, you can reduce the number of days for cost savings without compromising quality.

GMS recommends the following home finding programs:

Executive(s): Two trips not to exceed 10 days combined for personalized rental search or unlimited home purchase search. Travel lodging and meals are typically covered (the service may be continued during temporary living).

Professional(s) or Management: One trip not to exceed 5 days for personalized rental search or unlimited home purchase search. Travel lodging and meals are typically covered (the service may be continued during temporary living).

Entry Level: Virtual Home Finding and/or personalized rental search or unlimited home purchase search. Does not include home finding trips.

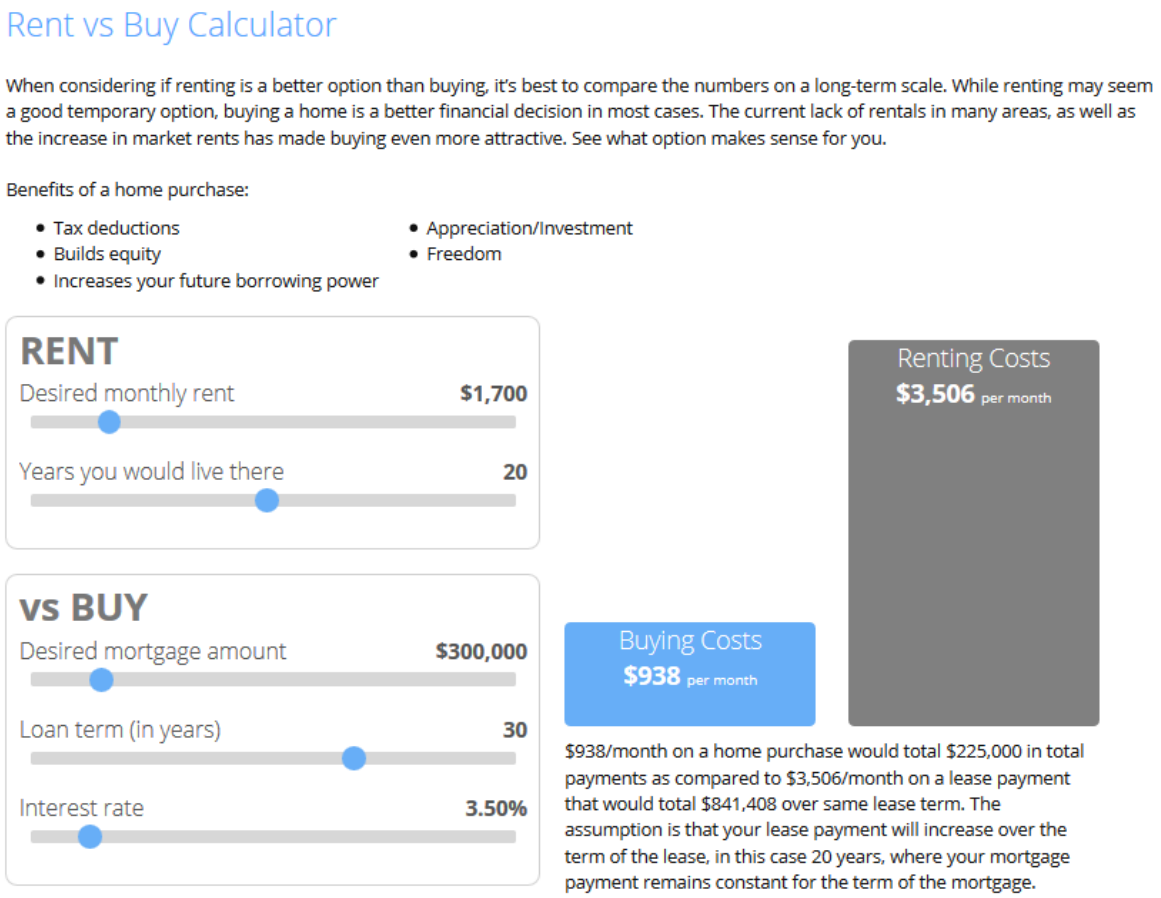
Cost Savings Opportunity

For employees purchasing in the new location, there are no direct costs for home finding. For employees renting, GMS can often waive network rental home finding charges (there is typically a $395 fee for non primary locations rental home finding).

Mortgage Assistance Programs

Best Practice Consideration(s)

- Executive Program: Direct bill or reimbursement up to 2% mortgage
- Professional Program: Direct bill or reimbursement up to 2% mortgage
- Entry Levels: Assistance with no financial support



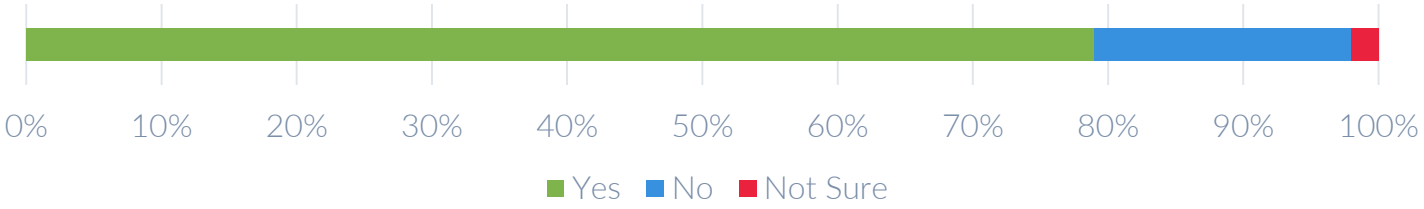
Cost Savings Opportunity

The GMS multiple-bid process ensures the most competitive rates within network. This results in an average mortgage interest savings of 0.32% for your employees.

Transportation Services

Shipment of Goods and Automobiles

Do you consider shipping personal belongings a core element of your relocation program?



Best Practice Consideration(s)

86% of companies within the industry consider shipping of goods a core benefit for relocation.

Maintain your current provisions for higher levels and consider a containerized solution for lower tiers and/or smaller shipments. This will provide immediate savings and high quality. Under a containerized solution, GMS will include free storage for up to 30 days for additional savings.

Regarding the shipment of vehicles, within your industry a 400 mile threshold is most common. If the distance does not meet the 400 mile threshold full mileage reimbursement is available.

- 1 Vehicle for the employee
- 2 Vehicles for employee and family

Cost Savings Opportunity

The GMS multiple bid process will save an average of between $1,473 to $1,604 per main shipment and $175 to $289 per auto shipped, across all tiers. In addition, our containerized solutions for smaller shipments come with free storage, due to no unload and reloading goods in storage. This equates to an average savings of $2,204 on storage costs.

Travel Management

Interviews, Return Trips, and Final Move

Best Practice Consideration(s)

Direct billing of reasonable expenses incurred as part of the relocation process.

Final Move: Air/coach, auto transportation, meals, and lodging at a reasonable cost are covered.

- 400 miles or less: airfare, meals, airport transfers, excess baggage
- 400 miles or greater: mileage reimbursement, meals, and lodging

Did you know?

8% of Relocation Management Companies offer Full Travel Solutions

GMS clients benefits from:

- Travel Policy Compliance – Allows the GMS Travel Portal to only display options that adhere to your policy guidelines
- Comprehensive and Customizable Reporting – Access to a suite of reporting tools

Cost Savings Opportunity

By allowing GMS to assume the administrative functions of planning and booking travel, our clients save on travel management costs, which equates to a $105 per file.

Best Practice Policy Grid

Relocation Program Provision	Entry Level	Professional(s) or Management	Executive(s)
Repayment Agreement	100% first year and prorated thereafter	100% first year and prorated thereafter	100% first year and prorated thereafter
Pre-Decision/Relocation Services	Include	Include	Include
Misc. Relocation or Flex Allowance	$2,500 to $3,500	$5,000 to $7,500	$7,500 to $10,000
Cost of Living Allowance	Case by case	Case by case	Case by case
Spouse/Partner Career	n/a	Up to 6 hours	Up to 9 hours
Home Disposition	Marketing assistance without financial support Lease break assistance with up to 2 months penalty capped to $2,500	Marketing assistance with direct reimbursement capped up to $10,000 Lease break assistance with up to 2 months penalty capped to $5,000	Buyer value option program Lease break assistance with up to 3 months penalty capped to $10,000
Home Sale Incentive	n/a	Case by case	Case by case
Duplicate Housing	n/a	Case by case	Case by case
Home Finding Trip	Virtual + 1 trip up to 3 days air, hotel, meals and transportation of Employee and Spouse/Legal Partner	Virtual + 1 trip up to 5 days air, hotel, meals and transportation of Employee and Spouse/Legal Partner	Virtual + 2 trips up to 10 days air, hotel, meals and transportation of Employee and Spouse/Legal Partner
Temporary Living	30 Days housing No return trips	60 Days 2 return trips	90 Days 3 return trips
Mortgage	Referral only	Referral and up to 2% reimbursement	Referral and up to 2% reimbursement
Transportation	Containerized solution Pack, load, delivery, insurance Up to 30 days storage	Traditional solution Pack, load, delivery, insurance Up to 60 days storage 1 vehicle for employee and up to 2 for employee and family	Traditional solution Pack, load, delivery, insurance Up to 90 days storage 1 vehicle for employee and up to 2 for employee and family
Final Move	Air and/or mileage transportation and meals (400 mile threshold)	Air and/or mileage transportation and meals (400 mile threshold)	Air and/or mileage transportation and meals (400 mile threshold)

Best Practice Policy Grid

Lump Sum and Managed Cap Programming

The figures below are typically associated with the stated tiers within your industry. Managed cap and lump sum programming is somewhat relevant with 14% of organizations benchmarked utilizing this model.

Programming Elements	Entry-Level	Professional
Real Estate Assistance/ Transactions	Marketing Assistance	Marketing Assistance with and without reimbursement
Household Goods Shipping/Storage	Containerized Solution with free 30 days storage	Containerized Solution with free 30 days storage
Rental Assistance/ Transactions	Virtual + 1 trip up to 3 days air, hotel, meals and transportation of Employee and Spouse/Legal Partner	Virtual + 1 trip up to 5 days air, hotel, meals and transportation of Employee and Spouse/Legal Partner
Travel Expenses	Air or mileage, meals and transfers	Air or mileage, meals and transfers
Temporary Housing	Up to 30 days	Up to 30 days

GMS does not recommends a lump sum or managed cap programming for upper management or executives levels.

Privacy Statement

GMS complies with the Safe Harbor as set forth by the U.S. Department of Commerce and European Union Privacy Shield framework regarding the collection, use, and retention of personal data from European Union member countries and Switzerland. GMS adheres to the Safe Harbor Privacy Principles of notice, choice, onward transfer, security, data integrity, access and enforcement.

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