



The Baker's Dozen

HRO TODAY'S ANNUAL LIST OF THE TOP FULL-SERVICE, END-TO-END RELOCATION PROVIDERS.

It's time again for The Baker's Dozen—HRO Today's annual list of the top 13 full-service relocation providers and, undoubtedly, one of our most talked-about lists of the year. Each time that we update one of the magazine's annual lists, we try to include extra elements that add value for the reader by not only making the data more accurate but also providing additional data. This year's Baker's Dozen is no exception.

The first year we published The Baker's Dozen, we interviewed 10 of the largest relocation providers for their impressions on market size and their top competitors. The list was received with much fanfare and some criticism (mostly from those relocation providers clamoring to be included in next year's list.) The second year we published The Baker's Dozen, we interviewed 18 of the largest relocation providers and their clients, and asked them to provide data both on their relocation numbers and on those

of their top competitors. The list was again received with much fanfare—readers especially like the input from users of the services—and once again, some criticism. This time, it seemed that providers agreed with the overall rankings, but some still felt their total number of relocations were underestimated (a challenge in a market where little data is published and estimates can be off by a factor of 300 to 500 percent.)

So this year, our third year, we added yet a few more elements to the mix to try to come up with the most comprehensive, accurate data on the largest full-service relocation providers.

First, we surveyed 23 of the largest relocation providers, identified through research of databases such as Hoover's and Dun & Bradstreet and relocation publications.

Second, we asked relocation providers to provide us not only their relocation numbers but also to rank their top 10 to 15 competitors both in terms of num-

ber of yearly full-service relocations and in terms of average market size. (The table below explains how that data was used to come up with our final list of top 13 providers.) Our thanks to the many companies who were kind enough to share their in-depth market research, sometimes in the form of very large and complicated Excel spreadsheets!

Third, we once again surveyed clients of these top relocation providers for their input on the provider's best services, challenges facing HR executives in charge of relocation, and trends in the relocation market. We also asked the buyers and the providers what metrics they were using to track their relocation services.

All of this work, we hope, adds up to an even more comprehensive, accurate, and useful ranking of the top relocation providers for our readers. So without further ado, on to our third-annual ranking of The Baker's Dozen. ▶

THE BAKER'S DOZEN

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| <p>1 Cendant Mobility
www.cendantmobility.com</p> <p>2 Prudential Real Estate & Relocation
www.prudential.com</p> <p>3 SIRVA Relocation (acquired Executive Relocation)
www.sirva.com</p> <p>4 Weichert Relocation
www.wrri.com</p> <p>5 Primacy Relocation
www.primacy.com</p> <p>6 Royal LePage Relocation Services
www.rlrs.com</p> <p>7 GMAC Global Relocation Services
www.gmacglobalrelocation.com</p> | <p>8 AmeriCorp Global Relocation
www.americorp.com</p> <p>9 TheMIGroup
www.themigroup.com</p> <p>10 Hewitt Relocation Services (acquired Exult/ReloAction)
www.reloaction.com</p> <p>11 Paragon Relocation Resources
www.paragonrri.com</p> <p>12 ExcelerateHRO (EDS & Towers Perrin)
www.excelleratehro.com</p> <p>13 Cornerstone Relocation
www.crglobal.com</p> |
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Methodology: This list was developed by contacting 23 of the largest relocation providers and requesting the following information: number of full-service relocations that they executed in 2004; estimates on the number of full-service relocations their top 10 to 15 competitors executed in 2004; and a ranking of their top 10 to 15 competitors by market size. For those companies that could provide us with accurate audits of their 2004 relocations (required for publicly traded companies under Sarbanes-Oxley), that number was the final number used in determining the rankings. For those companies that were privately held and could not provide independent audits, we averaged the number they provided us with the overall average of their competitors' estimates to determine a final number of employees relocated. We then compared their rank based on the average number of employees relocated with their rank based on their competitors' estimates of market share. This enabled us to ensure that, although the final number of employees relocated may not be exact, the relocation companies' relative rankings within the list are. Although competitive estimates on number of relocations may have varied by several thousand, with the exception of one privately held company on the list, for which not much data was available, the competitive rankings all reflect the final rankings in this list. Our special thanks to Associate Editor Denise Doig for working with multiple relocation providers and clients to gather this data.

Rank	Company	Last Year's Rank	Transferred Employees 2004	URL
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 **Buyer's Choice**

1. One-stop shopping
2. Innovative International Move Management process that delivers cost savings with service focus
3. Six Sigma process that supports an ROI mindset



CENDANT MOBILITY

1

115,000

www.cendantmobility.com

For more than 50 years, Cendant has provided relocation services to corporate, government, and military clients. With a global presence across four continents, Cendant offers employee relocation—helping individuals sell and purchase homes, transporting personal belongings, move management, temporary housing, and settling in a new location. And with a new office in Shanghai, they are expanding their scope throughout the Asian marketplace.

Services: Supporting more than 2,000 clients worldwide. Offer consulting, intercultural training, mobility management, global supplier management, reporting, program administration, and technology solutions for move management. Support for international and domestic relocation includes home sale and home marketing assistance, household goods shipment, property rental management, closing services, home finding and destination assistance, rental assistance, mortgage services, expense administration, policy counseling, consulting, and group move management. Specialized expertise in cross-cultural and language training and global workforce development. Integrated, scalable technology to support international assignment compensation. Relocation management services to membership organizations (members receive assistance with home finding and purchasing, home listing and selling, and moving and mortgage services.)

Most Important Metric: Cendant's most important metric is simple: whatever metric is most important to their customers. That customer-driven metric varies from client to client. While delivery of outstanding client and customer service is an understood "given" in any service business, clients' key priorities vary depending on their organizational culture and business objectives. For some, it may be controlling costs or delivering cost saving recommendations. For others, it will be integrity, flexibility, or the ability to service a broad global footprint. Cendant uses a rigorous Six Sigma process to identify the critical-to-quality (CTQ) deliverables for each client. Looking at the input overall, the key CTQs for 2004 were: Accessibility—being able to communicate real time with account management through phone or e-mail; Responsiveness—responding to client requests for data, reports, updates, etc., in an agreed upon time frame; and Keeping Promises—do what you say you are going to do all the time.

 **Buyer's Choice**

1. Intercultural Training
2. Policy Counseling/Program Administration
3. Customer Service



PRUDENTIAL REAL ESTATE & RELOCATION SERVICES

2

45,225

www.prudential.com

Prudential provides global mobility management under their real estate network umbrella. They are involved in domestic and global corporate relocation, military and government relocation, and consulting.

Services: Domestic Consulting—concierge, partner assistance, policy development, cost accounting, amended value sales, buyer value option, guaranteed home sale, home finding, mortgage, marketing, policy counseling, rental, temp living, and transition management. Global Consulting—candidate assessment, intercultural and language training, global workforce development, compensation administration, cost projections and management, ongoing assignment support, policy counseling, repatriation and reassignment, destination services, education consulting, partner assistance, tenancy management, visa and immigration, short-term assignments, global business briefings, and mortgage. Received high marks for their intercultural training, inventory management, homesale program, policy counseling, program administration global consulting, reporting capabilities, customer service, accessibility and problem resolution, and realtor base.

Most Important Metric: Client retention (based on customer satisfaction and cost-effectiveness).

 **Buyer's Choice**

1. Management of the full relocation process
2. Management of policies and benchmarking
3. Providing monthly and quarterly valuable reports



SIRVA

5

43,213

www.sirva.com

With customized end-to-end relocation and moving services, SIRVA operates in 40 countries and has various partnerships in more than 175 countries. Their recent addition of a client technologies group will provide SIRVA customers with dedicated technology solutions and support. The end of 2004 saw the acquisition of Executive Relocation into the SIRVA network, creating a stronger platform for their services.

Services: Consulting Benchmarking—policy evaluation, cost analysis, program development. Relocation Management Expense—management and tax evaluation; group move; internal training; lump-sum benefit administration; Web-based reporting and financial services; quarterly financial review; SLAs; lease cancellation; property management; appraisal values; home finding,

Rank	Company	Last Year's Rank	Transferred Employees 2004	URL
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marketing, buying, and selling; moving. Departure—home marketing, lease cancellation, agent recommendations, management. Destination Counseling—orientation, home finding, rental, temp living, partner career assistance, concierge. Global Solutions—assignment planning and administration, relocation and repatriation, compensation and payroll, tax services.

Most Important Metric: Customer service and performance metrics top SIRVA's list. Their "lean Six Sigma" quality-assurance program includes a "dashboard" of metrics developed for each customer. Through a series of "Voice of the Customer" roundtables, SIRVA determines which metrics are critical for each customer. Their customized reports are tracked internally and reviewed often with customers. This is a key metric that contributes to their 98 percent customer retention rate. In addition, other important metrics include relocation expense reduction realized for clients through detailed policy review and recommendations as well as the implementation of proprietary products and cost efficient processes.

 **Buyer's Choice**

1. Customer Service
2. Tax Expertise
3. Supplier Management

	WEICHERT RELOCATION RESOURCES INC.	3	24,900	www.wrri.com
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After experiencing its best year yet, Weichert continues to hold its own in the relocation market. The independently owned company provides service in more than 120 countries, offering a broad portfolio of capabilities—extensive global resources, enterprise-wide service, and integrated technology. Part of the larger Weichert Affiliated Companies serving the finance and real estate sectors, WRRRI has a client roster of more than 500 customers.

Services: Assignment management; consulting; cross-cultural and language training; cost-of-living analysis; destination services; lump-sum and financial administration; gross-up processing; group move; home finding, marketing, and sale; household goods and inventory management; mortgage; payroll; policy consulting; property management; rental; repatriation; spouse career services; supplier management; tax services; temp living; tenancy management; visa and immigration.

Most Important Metric: Employee/client satisfaction and year-to-year client cost reduction.

	PRIMACY RELOCATION	4	23,394	www.primacy.com
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With solutions that reach from the Americas, across Europe, and into Asia Pacific, Primacy's sole focus is on global relocation. Primacy provides a host of services in all three regions. They are a GSA certified supplier of relocation services to federal government agencies and have recently opened an office in Washington, DC, to solidify their presence within this sector.

Services: Corporate Program—policy consulting, cost projections, immigration, compensation/tax/payroll, expense audit reimbursement, repatriation, reporting. Real Estate—home sale, property management, leasing. Destination—culture programs, cost of living analysis, orientation, temp housing. HR Consulting—policy development, candidate assignment, global business assignment, spousal programs, risk management, benefit administration.

Most Important Metric: Client rating of value provided.

	ROYAL LEPAGE RELOCATION SERVICES	8	17,000	www.rlrs.com
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Based in Canada, Royal LePage has been in business for almost 100 years, with 40 years spent in the relocation sector. They are Canada's only full-service relocation organization providing mobility management for corporations and government agencies, supporting individual moves, and managing assignment solutions.

Services: Consulting—policy; group move; market, location, and property studies. Departure—home marketing and sale (with guaranteed buyout program); moving coordination. Destination—home search and purchase assistance; rental; temp living; education, elder care, career, and community connection programs. International relocation programs including orientation and training. Accounting and administrative funds management and invoicing, supplier management, performance reporting.

Most Important Metric: Customer satisfaction, transferee satisfaction, and cost/policy goals.

Rank	Company	Last Year's Rank	Transferred Employees 2004	URL
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 Buyer's Choice

1. Relocation Consulting Services
2. Household Goods Services
3. Home Sale Program

7	GMAC GLOBAL RELOCATION SERVICES	7	12,812	www.gmacglobalrelocation.com
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With a network that connects through global service centers and relationships in more than 100 countries, GMAC is one of the leaders in global corporate relocation and assignment management services. As a division of GMAC Home Services, the relocation arm is part of the greater General Motors family. GMAC provides domestic relocation program management, global assignment services, and strategic consultancy. More importantly, GMAC provides the tools and technology to allow clients access to current status reports on every employee in the GMAC system. In 2004, GMAC signed a three-year contract renewal with Hewlett-Packard to provide relocation services for HP employees and their families in more than 50 countries.

Services: Global—supply chain management and transition management of assignees. Consulting—research, policy development, joint venture, M&A, workforce reduction, other HR. Domestic—comprehensive program management for departure and destination including financial administration, plus GM vehicle assistance, mortgage, and credit services. International—range of services for host and home locations to more than 110 countries.

Most Important Metric: 97 percent overall client satisfaction rating for 2004.

 Buyer's Choice

1. Coordination of all relocation services
2. Global Assignment Services
3. Technology and Web Capabilities

8	AMERICORP GLOBAL RELOCATION	9	12,625	www.americorp.com
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With partnerships in more than 150 countries, AmeriCorp handles full-service relocation services anywhere in the world, including assistance with departure, destination, logistics, and administration. Using their own software capabilities—Strategic Technology Application for Relocation—AmeriCorp provides document and financial management, messaging, reporting, estimating, research, and technical support for clients and transferees.

Services: Corporate—education, policy development, benchmarking, recruiting and retention, reporting, group moves, cost of living analysis. Departure—counseling, needs assessment, lease cancellation. Destination—counseling, needs assessment, orientation, career assistance, dependant care, pet transport, rental, mortgage, purchasing, home value program, closing assistance. Global—move manager, single booking agent, freight, audit process. International—policy consultation, candidate selection, visas, tax and Social Security, property management, transportation of goods.

Most Important Metric: Measurable service and financial improvements for each client every year.

9	TheMIGroup	not listed	10,375	www.themigroup.com
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This global relocation management company is supported by customized technology and systems, seasoned staff, and provides services that cover all aspects of both domestic and international relocation. TheMIGroup is owned by more than 40 members of the management team who provide involvement and personal commitment of the highest order.

Services: Domestic Relocation—domestic destination programs, real estate services, family assistance services, property management, expense administration; International Relocations—international destination programs, international moving, international risk management, international spousal career program, expense administration; Client Program Administration; Relocation Consulting.

 Buyer's Choice

1. Relocation Expense Administration
2. Policy Administration
3. Homesale

10	HEWITT RELOCATION SERVICES	11	10,000	www.reloaction.com
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2004 was the year of relocation M&A—Hewitt expanded their service offerings by acquiring Exult, who had acquired ReloAction the previous year. Hewitt prides itself on being a single-source contact for relocation; they are there from start to finish. Incorporating the ReloAction technology platform, Hewitt can deliver time and cost savings to their clients. The industry is actively waiting for what Hewitt can bring to the marketplace as they begin to expand their relocation services.

Services: Departure—marketing, market value purchase, home buyout. Destination—consulting, home finding, renting, executive

Rank	Company	Last Year's Rank	Transferred Employees 2004	URL
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assistance, affordability analysis, mortgage. Administration—outsourced administration, household goods management, temp living. Relocation Accounting (domestic)—cost estimator, expense management, tax reporting, lump-sum administration, closing cost reimbursement, employee loan administration. Consulting (domestic)—policy analysis, development, and review; group moves; training. International—pre-departure candidate assessment, cost estimate, work permit, home sale, cultural and language training, partner counseling. Other—ongoing assignment support, repatriation, international consulting.

Most Important Metric: Transferee satisfaction.

 11	PARAGON RELOCATION RESOURCES	10	8,457	www.paragonri.com
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Since their inception in 1987, Paragon has assisted more than 100,000 families with their domestic and global relocation services. They cover North America, Asia Pacific, and the EMEA region. Paragon's relocation services include global mobility consulting services, domestic and international relocation, global assignment, group move management, and affinity programs.

Services: Program Administration—international and domestic relocation; global and short-term assignment; recruitment; relocation benefits; home marketing, sale, and finding; property management; mortgage; rental; temp living; spouse assistance; outplacement; transportation of household goods; travel management; tax program. Global Relocation—assessment surveys, communications, program and relocation center development, supplier selection, staff augmentation, training, global business entry and expansion management. Group Move—organization re-engineering, move planning, employee demographic study, communications, orientation, business continuity planning, facility move management.

Most Important Metric: Client-service metric that includes: expense-processing time; household goods claims rates (on-time delivery rates, insurance claim ratios); direct homesale costs; overall service to customer; and client service ratings.

 12	EXCELLERATEHRO (EDS & TOWERS PERRIN)	12	4,500	www.excelleratehro.com
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ExcellerateHRO is the jointly owned HR business of EDS and Towers Perrin. Its Relocation and Assignment Services assumes complete process management responsibility for an organization's relocation operations by helping transferees find the right home, appropriate schools, day and senior care, recreation opportunities, and spousal employment. In addition, they address any cross-cultural and cost-of-living issues that may arise in each transferee's new location. The company also offers consulting teams and can reduce the costs associated with moving household goods as well as the tax liabilities created from reimbursement programs.

Services: Global Relocation Management and Technology Suite—program administration, supplier selection and management, employee counseling, departure and destination services, expense administration, household goods and property management, group move, vehicle assistance, student relocation. Global Assignment—assignment management, visa and immigration, intercultural services, spouse support, language training, tenancy management, transit insurance. Consulting—global policy consulting, benchmark studies, trends report, M&A and joint ventures planning, group moves, global HR strategy, and workforce planning.

Most Important Metric: Transferee satisfaction.

 13	CORNERSTONE RELOCATION	13	4,500	www.crgglobal.com
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Delivering comprehensive relocation programs to corporations, employees, and their families since 1990.

Services: Consulting—policy development and review, benchmarking, group move. Departure—home marketing, home sale. Destination—home search, mortgage, temp living, rental, family assistance programs. Global—orientation, settlement services, home search, temp living, cultural and language training, consulting. Accounting—expense management and tax reporting, funding, lump-sum administration, closing cost reimbursement. Administration—transportation assistance and outsourced administration.

Most Important Metric: Client satisfaction and transferee satisfaction.

 **Buyer's Choice**

1. Service Coordinators
2. Choice in Vendors
3. Administration/Computer Systems

 **Buyer's Choice**

1. On-site Service
2. Third-party Service
3. Family/Settling in Service

Relocation Buyers Weigh-In

WE SURVEYED BUYERS OF RELOCATION SERVICES ON THEIR EXPERIENCES WORKING WITH RELOCATION PROVIDERS, HOT TRENDS THEY SEE IN THE MARKET, AND OTHER TOP TIPS FOR GIVING THEIR EMPLOYEES THE BEST RELOCATION EXPERIENCE POSSIBLE. HERE ARE THEIR INSIGHTS...

Most important qualities of a relocation provider:

- A strong partnership—the ability and awareness to listen, understand our goals and objectives, and deliver. Flexibility—ability to tailor their services and solutions to our specific needs. Resources—full complement of services and a global footprint (the ability to grow with us).
- Policy innovation and updates, partnership (assisting vendor and client in meeting corporate goals together), and service recovery (responding to employee needs and issues)
- Global scale, global scope of services and flexibility, global expense administration
- Consistently provide exceptional service, treating a client as a partner from a cost savings prospective and best interest perspective, and responding immediately to a request or an issue
- Experience, strategic reasoning, and flexibility
- First, constantly improving customer service and customer support shows a commitment to service. Second, having flexibility and multiple options of relocation programs.
- High quality customer service and commitment, ability to reduce relocation costs, standing as an industry leader/knowledge of industry
- Partnering relationship, integrity, flexibility, communication, and service delivery
- Quality of service, international capabilities, technology, price
- Stability, data accuracy
- Data accuracy, responsiveness, partnering, knowledgeable resources, proactive

The one thing HR departments most often overlook in relocating employees:

41% of respondents cited the impact of relocation on families was the most overlooked factor in relocating employees.

Other factors included:

- The role that relocation can play in achieving business objectives—even with small-volume programs, the right approaches can deliver significant value through improved productivity and cost savings.
- Personal finance of transferring employees
- The cost involved in relocation and assessing whether or not the employee and family will be able to acclimate well to a new area
- The loss on sale in home-sale situations
- Full understanding of the needs of all employees and the expectation of total costs to manage a full-service relocation program
- Communication
- Failure to recognize the financial impact of exceptions to policy
- Effective management of expectations of employees

Current trends in the relocation market:

- A global war on talent: drivers including aging workforce, emerging countries, high degree of technological requirements. Sarbanes-Oxley business controls, security issues, and overall risk management. New challenges from continuing globalization, as exemplified by the surge of business in APAC and, most recently, China.
- New pricing models, more lump-sum programs, settling-in services domestic versus internationally, and various mortgage subsidies options
- Emphasis on cost containment resulting in a potential decrease in relocation volume or actual benefits being offered, use of short-term assignments in lieu of full relocation benefits, exclusive use of established relationships with such suppliers as mortgage companies and career assistance to leverage service and costs
- More processes being electronically driven, allowing employees to have greater access to information
- Decline in overall transfer volume
- Full-service international destination services
- Cap moves are becoming more popular with the focus on cost containment, companies are relocating equal numbers of renter and homeowners, higher resistance from employee/family to move, higher housing costs
- Companies are more frequently choosing the RFP process to evaluate their cost and service delivery options. Companies have increased services to renters or employees not selling homes. Volume for renters or employees not selling homes has increased. There has been an increase in business consolidation due to acquisitions and mergers. Relocation companies are attempting to respond to client needs with enhanced technology, reporting, etc. The purchasing and procurement departments hold much greater influence in the decision-making process than in previous years. There is a definite trend toward buying from a cost perspective versus a service perspective. There has been an increase in less traditional international assignments, e.g., extended business trips, short-term assignments, and localization. There is an increased presence of governmental involvement in the relocation industry.
- Threats from the IRS on tax issues, lump-sum relocation programs, and cost of relocation
- Desire for more self service capabilities—both for the transferee and HR manager
- Capped moves (setting a dollar limit on total expense of a relocation)

Case Study: Domestic Relocation

NATIONAL RETAILER FINDS A TRUE BARGAIN IN RELOCATION OUTSOURCING

A national retail company was looking for a partner for its domestic relocations. Following successful completion and award of RFP, they decided upon Xonex, who met with the retail company to begin process mapping and implementation. Unfortunately, the company's senior management had just reduced the relocation budget dramatically, while at the same time, the volume was increasing. The company had a budget of about \$6.5 million dollars, now reduced to \$4 million. Their annual relocation volume was expected to rise approximately 17 percent.

Their goal through outsourcing was to create completely new efficiencies both internally and externally that would maintain the benefits to the transferees and still meet the budgetary requirements. Xonex began by developing

multiple-tier policies and then developed a dollar "cap" for each tier. Because the retailer's employees were used to a very hands-on approach, Xonex recommended that utilizing a lump sum (except at the college graduate new hire level) would be counter-productive to service satisfaction. By using the "cap" approach by tier and by anticipated volume, they came up with an overall relocation budget that would theoretically work for the retailer. Now, it needed to implement the new program.

To manage the cost containment, Xonex developed an online interactive "aggregate budget sweep account" that would automatically notate dollars needed for a successful relocation and compare it to overall budget caps and transferees needs. For example, a needs assessment for two different transferees, both at the

same tier, was done. One transferee was single and required \$22,000 for a successful move; the other had a family of four and required \$37,000 to complete the move successfully. Unfortunately, the dollar cap for moves was \$30,000. Because they reviewed actual costs versus budget, Xonex was able to automatically shift dollars in order to satisfy both transferees. This would not be possible under a lump sum program. The retailer was satisfied because the moves were within the aggregate budget, and the two transferees were satisfied because they received the exact services needed for a successful relocation.

At the end of the relocation year, Xonex had managed the retailer's relocations all at 14 percent less than the overall budget and with a transferee satisfaction rating of 98.7 percent. HRO

Case Study: International Relocation

MEETING THE MULTIPLE NEEDS OF BAE SYSTEMS APPLIED TECHNOLOGIES

BAE Systems North America has become one of the top 10 suppliers to the U.S. Department of Defense. The Technology Solutions Sector of BAE Systems North America, with an office in Fort Worth, Texas, provides a full-spectrum of systems engineering, technical services, and ordinance systems to its customers in disciplines essential for successful systems development, operating, and maintenance.

Such a dynamic company demands that its relocation partner of choice provide them with solutions for the multiple relocation needs of their employees. BAE Systems Applied Technologies Inc. decided that Crown Relocations could perform at a high level and face the challenges.

"From the start, we needed a relocation company that had its own people on the ground where BAE Systems would be doing business," said Richard Love, Manager Human Resources Services, BAE Systems Applied

Technologies Inc. "Crown met those requirements and it's one of the reasons why they won the contract."

Besides having local representation, BAE Systems Applied Technologies Inc., also required a list of other services: packing and shipping goods between foreign countries and the United States; local services, including destination short- and long-term housing; and local information about schools, stores, utilities, and government services.

Having one point of contact was also extremely important to BAE Systems, especially with the communication challenges that face HR professionals when relocating employees. "One contact person assures continuity of service," remarked Mr. Love. "It's very clear who we need to go to for answers. We can also make certain that the Crown representative understands and follows the unique processes and procedures that BAE Systems follows. Communication is then

successful at both ends."

This successful communication trickles down to the transferee. If BAE Systems Applied Technologies Inc. and Crown are on the same page, then the information that is presented to the transferee is clear. "One of the biggest challenges that faced our transferees was getting used to the cultural differences," said Mr. Love. "Our transferees had to learn how leases get done in the United States and how medical service is provided. Between the diligent work of our BAE Systems Human Resource department and the Customer Service people at Crown, we were able to advise them and put their minds at ease."

Facing the task of meeting the multiple needs of a very important client, Crown Relocations worked with BAE Systems Applied Technologies Inc., to make certain their transferees were prepared to succeed in their new environment. HRO

Case Study: Global Relocation

EXCEEDING EXPECTATIONS: USING METRICS AND MEASURES TO BUILD A WINNING GLOBAL RELOCATION PROGRAM. BY WENDY RICHARDSON AND TOM MEDOWANEC

Alcoa, Inc. aims high. The world's leading producer of primary aluminum, Alcoa wants to be the best in the eyes of its customers, shareholders, and people. With 120,000 people in 41 countries and growing, that is not an easy vision to fulfill. For Vanessa Davis, Alcoa's manager of Relocation and Work Life Benefits, it starts with increasing the peace of mind, and thus the productivity, of the company's transferees.

"As a large and complex company, we have far-reaching global initiatives," Davis said. "It is not unusual for us to move nearly 400 homeowners and 150 renters in the United States each year, and nearly 300 global assignees." To gauge the success of the company's relocation policies, Davis relies on the Alcoa tradition of using measures and metrics. "Alcoa looks hard at quality," she said. "Our management wants detailed metrics and mapped-out processes that measure efficiency, incorporate core values like safety and integrity, and result in better policies as well as cost-savings."

Those were the imperatives Davis took to Heidi Craik, account executive with Prudential Relocation, Alcoa's long-time partner. "Alcoa is committed to exceeding expectations," said Craik. "As their long-time relocation partner, we were eager to work with them to develop the kinds of monthly performance metrics that would really tell us how we are doing." The plan was to develop metrics to identify the key areas of outsourced relocation services.

The goal was simple. "I want to know about issues before employees are on the phone," Davis said. "With monthly metrics, you know immediately whenever something is wrong." Davis and Craik zeroed in on seven key areas:

1. Procedural and Financial Accuracy (timely payment of vendor invoices)—10 percent of vendor invoices were reviewed each month. Measuring six main points, including one-time payments to payroll, cost-coding, cost-management, and timeliness of payment, uncovered a nearly 100 percent accuracy rate, a 7 percent increase over the previous 12-month period. "We took a team approach to the entire process," Craik said. "We identified the owner of each key area and got them involved—including groups

such as accounts payable, service delivery and cost management—so they could take responsibility for the metrics in their area of expertise and to achieve the necessary buy-in."

2. Processing Time for Expense Reports—When the 72-hour processing of employee travel expenses dropped one month from 100 to 63 percent, the source, an inadvertent reporting error, was identified and adjusted quickly.

3. Service Turnaround (how quickly transferee is contacted)—Metrics measurement revealed 100 percent efficiency in this area, with transferees consistently receiving initial contact within 24 hours.

4. Home Sale Offer Turnaround (time between appraisal and offer)—Accurate home appraisals combined with consistent follow-up reduced the time between inspection date and written offer from an average of 30 days to 22.


5. Home Sale Time on Market—While 50 homes in inventory was the average, Alcoa had 70 homes in inventory when Prudential Relocation agreed to look at better ways to market inventory property. The goal was to reduce the number of homes going into inventory, build a more efficient internal approval process within Alcoa for R&I buyer incentives, and increase creativity in the way properties were marketed by Prudential Relocation. "It was important to see Days on Market numbers drifting downward month after month," Davis said. By the end of 18 months, Alcoa's home inventory was consistently under 15 properties. "Homeowner initiations did not change," said Craik. "But we were able to dramatically reduce the number of homes held in inventory. When you figure the carrying cost of 1.5 percent per month per property in inventory, that resulted in significant cost savings to Alcoa."

6. Customer Satisfaction—Alcoa's goal for relocation customer satisfaction is four or higher on a scale of five. To supplement traditional employee surveys and get real-time feedback, Prudential Relocation developed a two-page, Alcoa-specific survey. A random sampling of 10 to 15 percent of transferees were called each month and questioned about their relocation counselor's friendliness, confidence, profession-

alism, and ability to explain policy, answer questions and handle problems or complaints. "We were gratified to learn that the satisfaction rate was four or higher in 100 percent of the customers surveyed," Davis said.

7. Capability of Relocation Associates—High marks in customer satisfaction were deemed an indication of provider counselors' professionalism. "We have every reason to believe that the high level of transferee satisfaction is due in large measure to the capability and experience levels of Prudential Relocation's counselors and property specialists," Davis said.

The team approach and commitment to identifying, measuring, and improving outcomes contributed greatly to the success of the metrics measurement program. Consistently good outcomes over a period of months were even used in the performance reviews of Prudential Relocation employees. Alcoa's internal auditors pronounced the data they were providing as 100 percent accurate.

Working with Prudential Relocation to apply stringent metrics to Alcoa's relocation program enabled both companies' management to see how well their programs were working, put components for improvement in place, and evaluate cost-savings to the company. "Prudential Relocation's people were willing and worthy partners, and the process was worth every minute of the initially heavy time investment," Davis said. "The fact is, the time we spend on it now is perhaps two hours a month collectively." 

TIPS FOR A WINNING METRICS PROGRAM

- Identify specific areas in which metrics measurement could identify and improve outcomes in your company's relocation policies/processes.
- Partner with a relocation provider who agrees to share ownership of every aspect of the metrics project and its outcomes.
- Make planned and deliberate policy decisions based on metrics and cause/effect factors.
- Don't rely on traditional surveys; be bold enough to create surveys customized to your needs and timelines.
- Believe that "Metrics Create Magic." Define the areas to measure and refine each process as needed to eliminate surprises.