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White Paper

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White Paper# 2: Corporate Mobility – The Corporate Perspective

Introduction

As an integral part of your corporate structure, human resources is faced with two goals. First, you need to find those individuals who will fulfill your staffing needs in order for you to remain competitive in the marketplace. Second, you need to locate these candidates in the most cost-effective manner. What have you done to increase the corporate bottom line recently? By properly using, the corporate mobility benefits that you have available, you can increase your bottom line both talent wise and financially wise.

In The Beginning

Before we get into the meat of this paper, let's all agree on the evolution of corporate mobility policies.

Corporate mobility policy components in a structured fashion are relatively new on the scene. It was not until the early 1960's that corporations began to offer the types of corporate mobility benefits that we are used to today.

Like all systems, corporate mobility has gone through a natural cycle as the needs of new employees created a requirement for corporations to change with the times.

Six Evolutionary Stages

There have been evolutionary stages to every corporate corporate mobility policy system.

STAGE #1: LUMP SUM PAYMENT

Shortly after the close of Word War II and with the passage of the GI Bill, companies began to assist their employees to become mobile by providing them with a lump sum amount to cover the costs of the move. Considering that in 1964, it cost corporations $3200 per transferee to fund the corporate mobility this was a natural progression.

The basic formula for calculating this lump sum payment was to use a percentage of the salary paid to the employee on an annual basis.

STAGE #2: DIRECT REIMBURSEMENT

As the real estate markets became more complex and prices began to rise, employees were asking for more assistance from their employers with corporate mobility assistance. The result was that corporations said, "We won't buy your home, however we will assist with the costs." The companies then began to cover some of the typical seller's closing costs such as the broker's commission and title costs.

STAGE #3: GUARANTEE AGAINST LOSS

As we reached the late 1950's and early 1960's, the employee was faced with a dip in the real estate market in which made employees less likely to accept a move. The result was that the real estate values began to drop. Now when employees were being asked to relocate they were refusing due to the losses they were incurring on their homes. The response from the corporate

community was that we will continue to offer the direct reimbursement program (Stage 2) but we will add a new twist. Based on an appraisal of the property, the corporation guaranteed that if the home sold for less than the appraised amount, the corporation would reimburse the employee for the difference. This is not the same as a loss on sale program in which the corporation took the purchase price plus capital improvements minus depreciation and then reimbursed the employee for the difference between value and sales price. The key here is that in no situation did the employer actually buy the home.

STAGE #4: IN-HOUSE PROGRAM

As job markets began to heat up, corporations were looking for a recruiting tool that could be used to compete with the "big boys." The solution was to set up internal real estate departments who entered into purchase agreements with their employees to buy the homes based on two appraisals. The two appraisals are averaged and the result is the corporate offer for the home.

STAGE #5: THIRD PARTY PROGRAM

As we entered the late 1980's and early 1990's the corporations found themselves in a position of having to re-engineer themselves in order to stay competitive. The result was that non-critical functions of the human resource departments were outsourced to vendors who specialized in certain areas. Corporate mobility was one of those areas. There are now approximately 42 different firms, which deal in the purchase of the employee's homes.

STAGE #6: LUMP SUM PROGRAM

As the end of the century arrived and costs were continuing to escalate ($57,000 in 2000 compared to $3200 in 1964), the attractiveness of the lump sum payment program returned. With the reduced headcount, the lump sum payment program required neither itemization of expenses nor documentation of how the money was spent. The employee received the funds and could spend them any way he or she desired. Lump sum payments were used either for pre-move expenses or for miscellaneous expenses after the move.

Eight Workplace Trends

There are eight primary trends, which affect corporate America and their corporate mobility programs

TREND #1:COST CONTAINMENT

We will not kid you. We know that the cost of providing corporate mobility benefits is not cheap. The amount of expense that you are willing to incur to get the talent you need is directly related to your corporate culture. This corporate culture manifests itself in one of three environments.

If you believe that the employee is primary in your eyes, the industry says that you have a womb to tomb attitude. Whatever the transferee needs, the transferee gets. Call it the Lola factor. The problem is that this does not control your costs.

The second environment is one in which the transferee is given a set amount of benefits that fit within the budget and nothing else. An exception to policy is not allowed. We call this being cost conscious.

The final environment is that of rough justice. The corporation provides the employee with a check for discussion sake says $5,000 and says "See you on Monday morning." Move yourself and the corporate mobility is your responsibility.

The critical factor here is that corporate mobility is a taxable event. Many of the costs involved with corporate mobility add to the transferee's income as shown on the W-2.

The cost to move a transferee has escalated greatly over the past three decades. In 1964, the cost to move a transferee averaged $3200 per transferee. In 2000, the Employee Corporate mobility Council, reports that the cost had risen to over $57,000 per transferee.

There are ways to provide corporate mobility benefits, attract your best talent and still save money. You can still have the human resource function become a profit center.

TREND #2 – RELATIONSHIP DEVELOPMENT

It is a new world out there!

Mass marketing to the marketplace has been replaced by mass customization. The key to success today is not how much of the market do you control. Rather the key is how much of the client's business do you control. This change in focus comes from the development of relationship marketing.

Relationship marketing comes from the development of learning relationships with your clients (employees). Starting with the initial transferee you can develop a benchmark for future transferees. After establishing this benchmark, the question on each subsequent corporate mobility is whether the process is still the same as we have been doing or is there something unique for this transferee. The same question is posed for each transferee.

TREND #3 – THE GLOBAL MARKETPLACE

As we move towards an international business community, we need to review our attitudes towards the individual who is being relocated. When we recognize that the average international move can cost the corporation over $1,000,000, you need to get the best bang for the buck you can.

The new global worker is looking for a completely new world. They are the free agents, who report for a particular project and when it is complete, they move on to the next project. They are the modern migrant workers, characterized by the cell phone in their pocket and carry a laptop computer so that they can be reached and perform their duties anywhere in the world.
The impact on the corporation is that you need to find a way to stop the migration away from your operations when they return. Many managers operate with their heads in the sand. They say, "Great John Smith is back from the overseas assignment, his job is there and so just go back to work." The problem is that the employee is not the same person who left to go overseas. They have obtained:

A new outlook on life
A new perspective on the world
A new way of interacting with fellow employees

They are looking for their experiences and new skills to have meaning within the workplace.

TREND #4 – WORKPLACE SHIFTS

We are seeing new loyalties. People say corporate loyalty is dead and they are probably right. The focus of loyalties has changed and is moving towards increasing the employee's portfolio of valued skills. The question being asked by candidates is what is this position going to bring to my portfolio of experiences. In this regard, the workplace is shifting from a work environment to a project-based environment.

Work to complete this project, then move on to some other part of the firm, and begin a new project. If you have not already done so, read Charles Handy's "Age of Unreason" and his sequel "Age of paradox."

Another aspect of this workplace shift is the changing profile of the workforce. We are seeing the market shift from the traditional worker (husband works, wife stays home with the kids) to an increasing number of non-traditional workers. These non-traditional workers include women, minorities, seniors, immigrants and alternative sexual oriented couples. If you doubt their impact on the marketplace, consider that gay and lesbian couple's household incomes exceed $100,000 according to surveys conducted in the marketplace.

TREND #5 – LEGAL CHANGES

As we read and listen to the media, we see that the legal landscape affecting the operation of the human resources filed and corporate mobility is changing almost daily.

The seven major areas that we as human resource specialists need to be concerned with can easily show the impact:

• **Disclosure Laws**- As corporations moving our employees around the world, you are deemed to have deep pockets. We need to be cognizant of the problems that an employee might have with their properties. These problems range from radon gas to the proximity of toxic waste dumps. In some jurisdictions, the employee/corporation is even required to disclose if there has ever been a murder or some one was exposed to HIV in the home.

• **Family Medical and Leave Act –** One of the aspects of relocating a transferee without support is the development of behavior problems and illness. FMLA allows the employee to take time off to care for that ill family member. How does that affect your operation when you move the employee to fill a critical need and suddenly they ask for time off?

• **American's with Disabilities Act –** You have found that perfect employee who fills that critical need in your operations. Have you considered whether the new offices are handicapped friendly? Do you know all the handicapped employees in the company? Are you willing to make the accommodations that are necessary for the employee to have a meaningful work experience?

• **Tax Law –** With changes in the tax law, the new capital gains law almost makes the need for loss on sale a moot point. However, the question remains as what to do about loss on sale situations. This becomes increasingly important in international moves, where their stay overseas might not count toward the two-year residency requirement. Another consideration is that corporate mobility is a taxable event. Under the current law, with the exception of the movement of household goods and the final trip to the new location, all other corporate mobility policy components can place added income burdens on the transferees. It becomes imperative that you have a tax counsel review your policies to minimize the impact on the transferee.

• **Environmental Issues –** Like the disclosure issues, the presence of environmental concerns can affect corporate mobility. Transferees can be susceptible to many things within the environment and they all must be taken into account. These issues include such things as radon gas, second hand smoke, and odors.

Case Study – Early in the 1970's, we worked as a corporate recruiter. One of our specialties was recruiting legal professionals. One attorney we talked to had just given up a lucrative law practice in New York and had relocated to Tucson. After a short period, the attorney was forced to move back to New York because his young daughter had developed childhood rheumatoid arthritis. The best physician to handle her care was back in New York.

In reality, these environmental issues can also affect the implementation of the Family and Medical Leave Act and other disability laws.

• **Referral fees –** You might be asking how do referral fees affect corporate mobility. Generally, there is no problem with the payment of referral fees in a corporate mobility transaction. The problem arises out of what the industry refers to as "After the Fact Referral Fees."

Let us look at two scenarios as to how After the fact Referral fees work.

Scenario #1: Payment of a referral fee
Her employer is relocating Mary Smith to the New York Metropolitan area. On her house-hunting trip, she makes the comment to her real estate agent that she has a home to sell in the old location. The agent calls a real estate broker in that location and refers Mary Smith to that agent. When the sale closes, the agent in the new location receives a portion of the commission on the referred side. This is legal.

Scenario #2: After the Fact Referral Fees
Upon notification of being relocated, Mary Smith calls her best friend who is the agent who sold them the home two years ago. The friend puts the home on the market and then proceeds to market the home in search of a buyer. After about two weeks, the agent is able to find a buyer who is ready, willing and able to buy the property at an acceptable value to Mary Smith. Consequently, Mary Smith agrees to sell the home to the buyer. It is now 48 hours before the scheduled closing, and the agent's telephone rings. The party on the other end of the call identifies themselves as being with a corporate mobility management company who works with Mary Smith's employer. The conversation then turns to the fact that part of the agreement with Mary Smith's employer is that the fees charged to them are based on how much referral fees they collect. Therefore, when Mary Smith's home closes the agent owes the corporate mobility management company a referral fee. Failure to pay the fee means that Mary Smith will not close on the property.

Many states are now passing laws banning the scenario shown in #2 above.

• **Changing Real Estate Markets –** As recently as two decades ago, you had employees turning down corporate mobilitys because they could not sell their homes. Interest rates were fast approaching 20% and homes could not be given away. Turn the clock forward to the year 2000, and interest rates are at a far lower level. The National Association of Realtors is reporting a drastic drop in the number of homes listed in the Multiple Listing Services across the company. Homes are selling for all time high levels in some markets. Recently ABC News discussed a home in California, which was purchased in 1992 for $500,000 and is currently listed for $792,000 and expected it to sell over $1,000,000. This hectic market has a double-edged sword. On one side, it means that the corporations can save some money since they will not need to take the homes into inventory. The other side means that it is difficult for transferees to find a replacement residence because of the rapid turnover in homes when they come on the market.

TREND #6 – ORGANIZATIONAL STRUCTURE

Corporate America ain't daddy's world anymore. As we already have stated earlier, the organizational structure has moved to a project basis rather than a job basis. Family reluctance has become the primary reason why employees refuse to accept a corporate mobility for a new position. Many employees rather than accept a transfer will change focuses and become telecommuters which opens a completely new set of issues. Another aspect of this organizational structure change is that there is no longer anything called lifetime employment.

TREND #7 – FOCUS SHIFT

The focus shift looks at where the employee is focusing their lives on. Their primary focus has switched from the company to the family. This change has forced corporations and transferees to look at the role of the parent and the family members.

Many transferees are in a sandwich generation situation. The employee and the spouse are responsible for both the children and the parents. The National Center for Women and Aging at Brandeis University recently reported that the average employee who is the caregiver for an elderly relative suffers an average loss of income of $659,000 over their work careers.

This focus shift causes corporations to more intensely consider both childcare and elder care issues when they ask an employee to move. They also need to take into consideration that from the time the employee is asked to move until they are assimilated in the new location, they must complete over 300 separate activities. According to the Internal Revenue Service, in 1999 981,233 individuals claimed moving expenses on their tax returns.

TREND #8 – TECHNOLOGY SHIFT

Like every other aspect of life today, the Internet has changed the way we do business. Your transferees can now do most of the research on a new area on line. It also changes the timetable as to the availability of information.

The transferee can go to **http://www.realtor.com** and practically every home listed by a Realtor in the United States with full information on the amenities. As an alternative, they can go to **http://www,mapquest.com** and get a printout of all the amenities such as shopping, hospitals, parks and services around any address. If the family has young kids, they can go to **http://www.schoolreport.com** and obtain the ratings on most of the schools in the country.
If the transferee needs more information, they can look at **http://www.homeprice.net** and for a fee of $24.95 obtains information on the home they are thinking of buying. In addition, the report includes up to 30 comparable properties that have sold within a half-mile radius over the past six months. The report also includes full information on the local schools and the neighborhood services such as shopping, police, hospitals, doctors etc.
The Internet brings to the transferee data, which before this took days to uncover. Now it can be discovered at a click of a mouse.

Corporate mobility@NetSpeedStrategies

You can deliver corporate mobility services to your transferees cost effectively. In this section, we will look at several integrated areas:
Strategy I - **Why Corporate mobility Benefits in the first place.** This section analyzes the role corporate mobility plays in the recruiting process.
Strategy II – **Buyer Value Option** shares with the reader how this new benefit works and how it can save you money in the end. It will also walk you through a typical Buyer Value Option transaction.
Strategy III – **Lump Sum Payment** shows the way to manage the lump sum program in such away as to limit the taxable exposure for the transferee and lower the costs for the corporation.

Strategy IV – **Corporate mobility Debit Card**, which is a new vehicle for managing the lump sum payments to transferees.
Strategy V- **Pre-marketing assistance** in which we share with you how to save money by properly marketing a residence for its maximum value.
Strategy VI – **Pre-purchase appraisals** shares the steps to assist the transferee to make a wise and informed choice of properties in the new area.
Strategy VII – **Use of a corporate mobility consultant**, which discusses that at times, the best strategy is to bring outside expertise. Corporate mobility is one of these times. This strategy shares the benefits that a corporate mobility consultant can bring to the table.

Strategy I – Why Corporate mobility Benefits?

Dr. John Sullivan, former Chairman of the Human Resource Management Program at San Francisco State University, recently wrote an article for the Electronic Recruiting Exchange entitled "The War for Talent is Over, and Guess who Won?" The winner in this war is the candidate. We can just hear some of you now. That is ridiculous. We decide based on corporate policy what a new employee receives in the way of corporate mobility benefits. Think again.

> **Item:** An Austin, Texas based corporation interviewed a candidate for a position. They offered the candidate the position. The candidate responded that he liked the job and the corporation, but if they wanted him, they had to move his brother and his roommate. Not only did they do so, but they hired them also.
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> **Item:** An Alpharetta, Georgia Technology Company decided they needed to take steps to retain the present employee base of 40 employees and have an extra carrot for future hires. In September of 1998, he went down to a local automobile dealership and leased brand new BMW's with the amenities of their choice for each employee. Their status with the company had no influence on the package.
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> **Item:** The Wall Street Journal recently reported that a restaurant in the Silicon Valley of California paid a $4000 signing bonus for a pancake flipper.

Who is driving policy decisions? Looking at corporate mobility policy benefits calls for a broader view of corporate mobility than typically has been the case. Corporate mobility is not just loading their personal effects on a moving van and sending them on their way to the new location. Corporate mobility involves all the issues involved in completing a move from family issues to tax issues.

Corporate mobility Policy is a

> **Matter of Survival –** You need to place your company on an even keel with the competition. Your corporate mobility policy will be benchmarked against the other corporations the candidates are interviewing with.
> **Cost of Doing Business –** You have done your research and determined that you critically need certain types of talent for the movement into the next decade. You have determined the resources you are going to use to locate hire and retain good employees to fill those needs. Corporate mobility benefits are part of that equation.
> **Recruiting Tool –** Corporate mobility policies can make or break a job offer. Corporate mobility benefits can determine whether you have truly reached all the available talent. Corporate mobility benefits can determine whether you keep that employee.

The good news is that corporate mobility benefits can be provided cost-effectively.

Strategy #2 – Buyer Value Option

A buyer value option transaction is an alternative to the strictly home-marketing assistance program. In the process of implementing the buyer value option, there are no appraisals obtained and usually no initial offer is made to the employee. Although these transactions are sometimes referred to as “amended from zero “or” offers prior to appraisal.,” there is no initial appraised value offer to “amend.” Rather, the only unconditional offer is made at the “buyer value” that is, the fair market value as determined by an offer from a potential buyer.

The procedures generally are as follows: After the employer/corporate mobility company is notified that the employee is being relocated, the employer/corporate mobility company contacts the employee, explains the buyer value option, and offers home marketing assistance, broker selection, or other assistance available under the corporate mobility program. The employee proceeds to market the home seeking a potential buyer. The employee may choose to enter a listing agreement with a real estate broker that he or she selects. The listing agreement must include a provision to the effect that the broker will earn no commission if the employee sells the home to the Employer/corporate mobility company. This provision is referred as an exclusion clause. If a potential buyer is found, the employer/corporate mobility company verifies that the potential buyer’s written offer is bona fide and makes an offer to buy the home from the employee for an amount equivalent to the price offered by the potential buyer. This buying process involves making any necessary adjustments to reflect the differences between the offer from the potential buyer and the offer from the employer/corporate mobility company so that the two offers may be compared on an all-cash basis. This comparison of terms is for the benefit of the employer and assures the reasonableness of the marketplace offer.

If a potential buyer is not found, the employer/corporate mobility company would not make any offer to buy the home from the employee and the employee would retain ownership of the home.

How the Buyer Value Option Works

Step 1 Within 24 hours of being notified of an eligible employee, the corporate mobility administrator will contact the relocating employee and:

a) Explain the BVO program
b) Forward a package, which includes all the instructions and paperwork, required to use the program.

Step 2 Follow-up calls by the corporate mobility administrator will be made to the employee throughout the marketing process to check on the status and to answer any questions.

Step 3 When the employee receives a written offer from a potential buyer, the corporate mobility administrator will help the employee evaluate the offer and plan any negotiation strategy, if necessary; approve the offer to purchase; sign the offer as the seller; send the employee a Contract for Sale that reflects an offer from the employer that is equal to the offer from the potential buyer, and enter into a new listing agreement with the employee’s broker.

Step 4 Upon the employee’s utilization of the BVO, the corporate mobility administrator will call and review items such as equity disbursement, possession, utilities, mortgage payments, and final settlements.

Step 5 The corporation will oversee the process to ensure that the closing takes place in a timely and cost-effective manner.

Step 6 The employee will receive their equity payment before the final closing of the sale to the new buyer.

Step 7 In the unlikely event that the sale does not close, the client would need to decide between the following options:

1. Have corporation retain the contractual ownership of the home at the value determined by the BVO, immediately re-market the home implementing creative marketing strategies and consistent market value pricing. This would result in maintaining the tax-free status of the transaction. The cost savings would be used to cover the ongoing management of the inventory property.
2. Return the property to the homeowner and provide him/ her with marketing assistance as noted above and closing assistance upon reaching another sales agreement. If the property is returned, the transaction would lose its tax-free status and the company would be responsible for grossing up the additional income at the time of closing in order to keep the employee whole.

Note: Where we have said corporation, the typical situation involving this program uses an outside corporate mobility consultant to administer the program.

Example of Estimated Cost Calculations:

Home Sale Price:	$320,000
Estimated Closing Costs	$ 25,000
Management Fee	$ 2,500
Estimated Gross Up ($.55/$1.00)	$ 0
Total Cost to Company	$27,500
Estimated Cost with Marketing and Closing Assistance Program	$40,250
Estimated Savings	**$12,750**

Strategy #3 – Lump Sum Payments

This strategy involves payments made directly to the employee for the costs incurred during the corporate mobility process. Usually it is paid in a one-time check separate from the payroll check. Corporations like this program because it requires no itemization or documentation on how the monies are spent. If the transferee spends less than the allotted amount, they see a windfall. If the transferee spends more than the allotted amount, the transferee is responsible for the extra costs. Understand exceptions to policy mean higher costs. With a lump sum program, there are no exceptions to policy. What you get is what you get. Lump sum payments to a transferee are considered taxable income, are subject to withholding, and must appear on the W-2. Some corporations cover this tax liability by grossing up the salaries.

Save costs by Managing the Lump Sum Program

Step 1 Establish an account with sufficient funds to cover the approximate costs that are anticipated by the move. This can be obtained by looking at past histories of moves within your company for the same size family.

Step 2 Transferee submits his/her expenses and the funds are deducted from the account and paid directly to the vendor. These disbursements represent the total amount the transferee has spent on the move. This also represents only that which they are taxed on.

Step 3 Expenses are then divided into two groups. The first group is that of excludable from the income tax calculations. Specifically, those costs for household goods

movement and the expenses for the final trip to the new location. All other costs are considered non-excludable and appear on the W-2.

The benefit is that the transferee incurs the tax liability only for those expenses actually incurred and not for the total amount in the account. Excess funds in the account are returned to the corporation.

Strategy #4 – Corporate mobility Debit Card

The Corporate mobility Card will allow corporations to provide their employees with lump sum corporate mobility funds via a debit card. The corporation will be able to request the creation of cards assigned with individual dollar amounts for their respective employees. The relocating employees can use the cards to access their funds via either ATM's or point of sale transactions. It is most likely to be used by companies that issue lump sum corporate mobility disbursements and those currently using direct reimbursement but moving towards lump sum disbursements.

Once the employee has used the total funding on the card the card becomes invalid.

Corporate mobility Card Product Benefits

Company
• Quick and Easy movement of corporate mobility funds
• Card can be customized by company name
• Eliminates the hassle of direct reimbursements
• Reduction in check processing/issuance expenses and benefit of float associated with balances in account.
• Ability to monitor/analyze employee spending habits through corporate mobility reports.
• Monthly employee card statements

Employee
• Quick and easy access to the corporate mobility allocation
• Access to cash at over 534,000 ATM; s nationwide
• Purchasing ability at over 18 million Visa merchant locations.
• No need to use own money or file expense reports
• Separation of corporate mobility funds from family funds.
• Monthly card activity statements- record of moving expenses for easy tax keeping

Strategy #5 – Pre-Marketing Assistance

In the course of their lifetime, a transferee's largest single investment is in the purchase of a home. This causes some problems. Transferees do not know how to detach themselves from the home and look at it as a product.

When selling a home emotion has nothing to do with the ultimate sale.

Pre-marketing assistance is the education tool to prepare the transferee for the sale of the home. It helps present a clear picture of what of what needs to be done in order to market the property.

The pre-marketing assistance program is centered on several issues.

Issue #1: Price – Everyone thinks they know what the home is worth. Nevertheless, reality and impression may not be the same. The pre-marketing program shows the transferee what comparable homes have sold for in the immediate area within the past six months and the effect these sales have on the sale of their home.

Issue #2: Décor – Every one of us has our distinct tastes. However, those tastes maybe in direct\ conflict with the demands of the market.

Example –We had a home not too long ago where the spouse in decorating her new home put down blood read carpet. The first prospective buyer in the home wanted to know what matador lived here. When the transferee accepted the offer to sell the home to the corporation, we replaced the carpet with neutral colors.

Issue #3: Condition – The program assists the homeowner in making sure that the home does not sell against itself. These include conditions such as peeling wallpaper, fresh paint and other cosmetic items, which might make the buyer, consider either a lower price or a different home.

Strategy #6 – Pre=Purchase Appraisals

Like the pre-marketing assistance, the pre-purchase appraisal is an educational tool designed to assist the transferee in purchasing a home wisely in an area they may not know at all.

Policy calls for the purchase contract to contain a clause calling for an appraisal and a general home inspection before the finalization of the contract for sale. If the home inspection contains any major issues or the appraisal does not equal the value of the contract, the transferee has the right to walk from the deal with all deposits returned.

The cost-effective aspect comes into play when the policy further reads that the transferee is free to go ahead with the deal even if it does not match the value of the appraisal. However, when they move again if they purchased the property for higher than the appraised value, they will not be entitled to the home sale program.

By matching the appraisal, the corporation is ensuring the absence of a loss on sale at the time of the resale.

Strategy #7 – Use of a Corporate mobility Consultant

One of the things that corporate America has discovered is that when they reduced staffing numbers through downsizing the workload did not also reduce.

The use of a corporate mobility consultant can bring you savings in the end on your corporate mobility costs in five distinct areas.

Area #1: Cost Savings and Control

Vendors within the industry with all the new programs available are constantly approaching the corporate mobility consultants. Due to their volume levels, they are able to design their service offerings based on an economy of scale. This means that their clients are able to benefit from lower costs by the nature that they have negotiated these costs with their selected vendors.

Another aspect of cost control is that due to the way their programs are structured, they get to monitor the costs involved with your program administration, Part of their service is to constantly audit those costs to determine if there is a better way to do the same thing resulting in lower costs to you.

Area #2: Specialized Services

We indicated earlier that one of the aspects of **Corporate Corporate mobility @Netspeed** was that you had to be flexible in your program. A corporate mobility consultant has the resources to develop new programs to service the particular needs of a particular transferee.

It is during the initiation interview, that the consultant gets involved in discussions of what it would take to quickly get the transferee and his/her family fully productive in the new location. with this knowledge and their contacts, the consultant can create programs accordingly.

The sooner they are up and productive, the less lost time is wasted. The less time involved means lower costs to you the client.

Area #3: Greater Program Flexibility

We have talked earlier about developing learning relationships with our clients. This is never truer than in this area. As the corporate mobility consultant develops these relationships, they can design custom corporate mobility packages for the transferee.

It also enables the consultant to work around different schedules for being available for the transferee and their families. As the human resource representative, you have many other duties than talking with employees all day long about their corporate mobility problems. The consultant becomes the buffers between you and the employee.

Area #4: Greater Efficiency

Since corporate mobility is all the corporate mobility consultant does, they can dedicate ourselves to doing what is necessary to assist the transferee on a determined schedule.

Their goal and commitment to their clients is to get the process running on a schedule and get it done right and on time.

Area #5: Single Point of Responsibility

Have you ever hear of Schultz's Law? Schultz's Law is the driving factor behind the delivery of corporate mobility services.

Schultz's law simply says that Murphy was too damn optimistic.

Let us look at two different scenarios

Scenario #1: Without a Corporate mobility Consultant

You have just moved John Smith and his family from California to Des Moines. They arrive in the city and the following problems begin to raise their heads:

- Hotel has no reservation
- Mover is going to be delayed
- There is a hitch in the mortgage
- Family pets are lost in transit

The transferee calls you in a panic. You are then forced to begin calling each of the vendors to try to find out what the problems are and what the solution is.

Scenario #2: With a corporate mobility consultant

You have just moved John Smith and his family from California to Des Moines. They arrive in the city and the following problems begin to raise their heads:

- Hotel has no reservation
- Mover is going to be delayed
- There is a hitch in the mortgage
- Family pets are lost in transit

Since the corporate mobility consultant has been monitoring the process from day 1, they know exactly how to make the process work. During the initiation interview, the transferee has been informed that the consultant is their primary contact for problems with the process. Any good consultant will have all the contact numbers for the vendors. This means that they can wake a vendor contact up out of bed if necessary to find out why something is not going along as scheduled.

Used correctly, corporate mobility services delivered at NetSpeed as part of your recruiting package can provide you with

• A Competitive Edge
This comes from providing you with a larger candidate pool and higher quality candidates. By providing corporate mobility benefits, you open doors to a wider market from which to recruit from.

• An improved talent bottom line
With a wider market to choose from, you can get those exceptional candidates that you need to fill those hard to find positions.

• An improved financial bottom line
By using the Netspeed strategies we have discussed, you can deliver corporate mobility benefits on a cost-effective basis. The dictionary defines profit as adding one more dollar to the plus side of the equation. These strategies will do that for you. How your company spends, the profit is your decision.

Action plan for policy development

Have you ever hear of the question “Which comes first the chicken or the egg?” Corporate mobility policy development is one of those areas. It is not uncommon for the start-up corporation to start relocating someone before they have a policy in place. This usually leads to higher costs for the corporate mobility process. Below is a simple checklist for the development of a corporate mobility policy.

STEP #1 – MANAGEMENT APPROVAL

Develop a simple but to the point reason why the corporation can benefit from providing corporate mobility benefits to the current and new employees of the organization.

STEP #2 – ELIGIBILITY

Takes a two-step process.

First, you need to decide which employees are going to be eligible to receive corporate mobility benefits.

Second, you need to determine how the policy components are going to be delivered. Do you provide the same benefits to everyone? Do you provide certain benefits to certain types of employees based on their position within the company? Do you offer a cafeteria-style package of corporate mobility benefits based on the needs of each employee who is being moved?

STEP #3 – WRITE THE POLICY

Your answers to the questions in step 2 will assist you in writing the policy. Each component must be spelled out in detail. All policy statements must be clear, concise and easily communicated to all parties.

STEP #4 – MANAGEMENT APPROVAL

The finish product should be submitted to management, so they can see what is expected of their department and employees. Gain their final approval on the contents of the policy.

STEP #5 – COMMUNICATE POLICY

The final step is to develop the communication pieces, which will be used to inform the employees of the new corporate mobility benefits being provided to them, if the corporation should ask them to move.

Corporate mobility Resources

The resources shown below are good sources to keep you aware of the changes that occur within the corporate mobility industry.

• Corporate mobility Industry Trade Association

Like every industry, corporate mobility has its own voice in the marketplace. Since 1964, the Employee Relocation Council (http://www.erc.org) has been at the forefront of the industry. They have conducted ongoing research on the issues facing the corporate environment as they move their employees in the global marketplace.

• Print Media

There are a number of good publications on the market, which discuss corporate mobility issues. Some of the better ones are:

Corporate mobility Journal (http://www.relojournal.com) – Published electronically on a weekly basis, Newsbreak discusses industry trends, meetings and issues. They also categorize the subject items by both domestic and international in focus. The site also contains the online version of the Corporate mobility Journal.

Mobility Magazine (http://www.erc.org/mobility) - Mobility Magazine is the official publication of the Employee Corporate mobility Council. Published monthly, it provides its readers with update information on issues facing the corporate mobility industry. The March issue every year is entirely devoted to HR issues.

Corporate Relocation News (http://www.CRNews.com) - Published by Ed Cohen this publications provides it's readership with news and information impacting career management and employee mobility.

• Internet Sites

People can turn to, in their search for corporate mobility information many sites. Some of the better sites are shown below:

Monster Moving (http://www.monstermoving.com) – A portal to all kinds of corporate mobility resources. Recently has been purchased by Monster.com.

Home Fair (http://www.homefair.com) - Provides a number of corporate mobility tools for the transferee, including cost of living calculators and mortgage calculators.

Realtor.com (http://www.realtor.com) - Provides access to every home listed with a broker member of the National Association of Realtors Multiple Listing Systems in the United States.

Date