

# Outsourcing



## The Issue

A robust mobility program can expand business, develop leaders, and optimize your talent strategy. Yet, many HR, payroll, and tax departments lack the expertise to navigate mobile talent risks. Outsourcing, or “co-sourcing,” allows in-house mobility professionals to collaborate with experts, delivering a compliant program. Whether fully or partially outsourced, relocation functions are contracted to a supplier, usually a Relocation Management Company (RMC), providing scalable access to the personnel, time, expertise, and services needed to achieve goals.



## The Mobility Impact

This trend towards outsourcing has evolved in recent years as companies recognize the value that it brings to their organization. From information technology to human resources to administrative support to finance and accounting, most global companies outsource at least a portion of their business processes.

Recent industry studies reveal that anywhere from 30 to 90 percent of all organizations outsource at least one HR function, over 40 percent of companies outsource some or all of their mobility program, and many plan to increase their outsourcing of services in the coming year.

With an increased demand on tax and legal compliance, as well as duty of care concerns around the well-being of your mobile workforce, most mobility professionals agree that it is no longer feasible for an internal mobility team to stay abreast of the ever-changing mobility landscape, from tax and visa obligations to country-specific requirements and industry best practices.

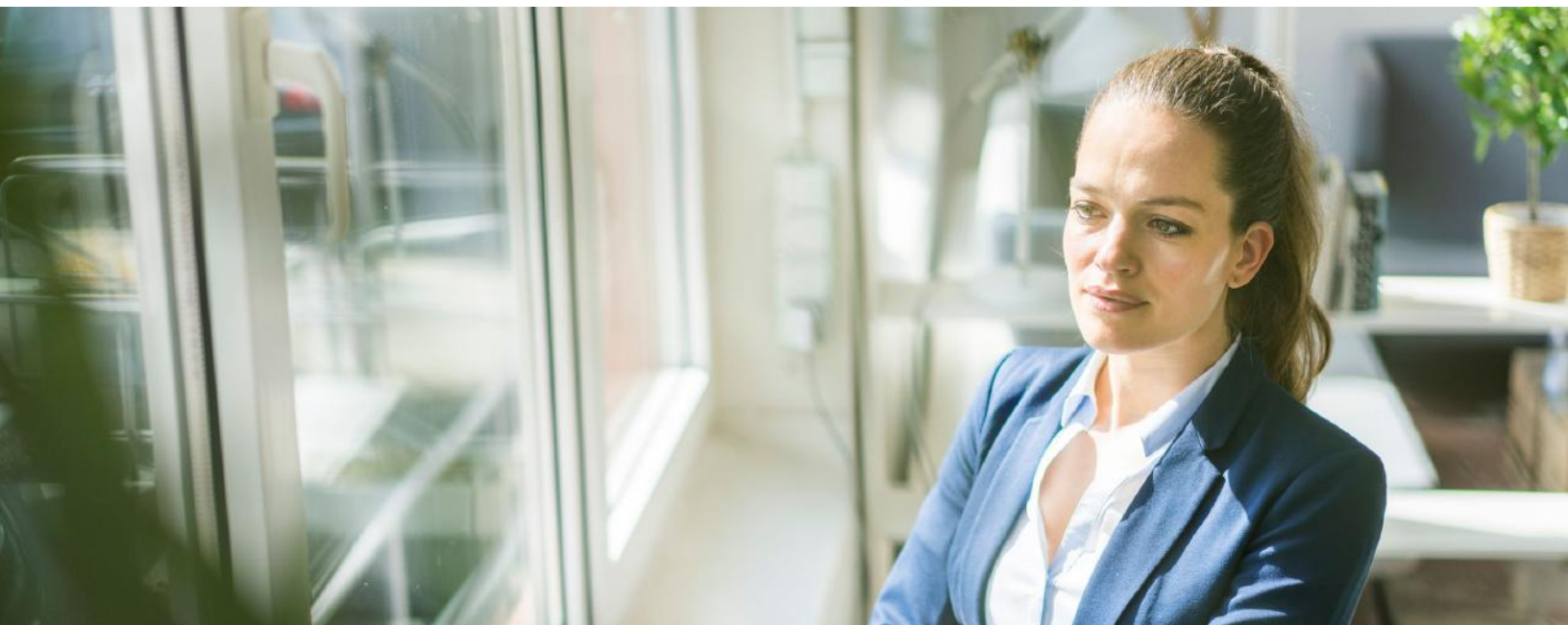
# Outsourcing



## Client Impact

One Weichert client's head of global mobility recently found herself in an unenviable situation. Impacts to their industry dictated across-the-board budget cuts, and senior leadership indicated global mobility would need to reduce costs by \$2 million. This in-house team managed around 1,000 transfers and assignments annually with a reputation for exceptional service. Senior leadership expected activity to remain steady and wanted assurances that transferee service would continue to be outstanding. After reducing the size of the team by three FTEs and making some policy changes, our contact had exhausted her portfolio of ideas.

Weichert worked with the company to review and document every aspect of their current program and identify several process improvements. A financial audit followed to determine average program costs and develop a unique "Weichert Enterprise" solution that consolidated volume across real estate, corporate housing, mortgage services, and HHG transportation to achieve a \$2.3 million annual savings *without headcount reduction*. In fact, the client's mobility team supported a quick implementation, was retained, and actually *boosted their engagement* with more interesting strategic work, leveraging Weichert Go to better track activity, savings, and service satisfaction. A perfect example of how outsourcing doesn't replace but rather helps augment and enhance the potential of our client's in-house teams.



# Outsourcing



## By the Numbers

→ **15-25%**

Annual savings achieved by Weichert clients by using a 3rd party provider through a Weichert relationship.

→ **81%**

of companies outsource some or all mobility services to a third-party provider.



## Our Recommendations

The decision to move to a full or partially outsourced model can be difficult, even if it is ultimately the best decision for your company. There are many stakeholders involved, and getting buy-in can be challenging, particularly if there is the perception that service quality or jobs may be impacted.

As part of the decision process, consider your company's internal ability to provide the specialized support required in the recruitment, deployment, and ongoing management of mobile employees. And consider your team's ability to overcome some of these common stumbling blocks to in-house program management:

- **Talent Management:** What is your ability to recruit, train, manage, deploy, and retain a global team of specialized relocation professionals? What overhead costs are associated with maintaining the team, including addressing turnover?
- **Service Availability and Scalability:** Can your team manage services and address employee concerns quickly and adequately regardless of volume spikes, illness, holidays, and time zones, 24/7/365?



# Outsourcing

- **Strategic Support:** Do you have regular access to global data supporting policy best practices, benchmarking, emergency action (evacuation of employees due to natural disasters or political unrest), process and workflow analysis, or regional support models, etc.?
- **Compliance:** Are you confident that your team knows where to access global country and city expertise in all matters pertaining to mobility (legislative, immigration, security/terrorism, household goods movement, pet importation, etc.)? Is your team comfortable with the complexities of the home sale process or domestic tax issues?
- **Program Management:** Is your team adequately resourced to deliver counseling to employees to ensure policy understanding and compliance; employee needs analysis; development of customized relocation calendars; provider selection and management; service delivery follow-up; troubleshooting and issue resolution; administration of exception requests; total program demographic reporting and analysis; service level reporting and analysis with improvements recommendations, etc.?
- **Financial Management:** Are you able to capture cost reporting and analysis accurately? Can you effectively manage recurring rental payments and employee expense reimbursement, including foreign currency exchange and restricted currency issues, as well as reclaimable VAT/GST? Can you provide timely equity and home closing advances to employees for home sale/purchase or rush payment purchasing? Are you auditing provider invoices and remitting in the required currency?
- **Supply Chain Management:** Are you able to source, qualify, and approve global providers and negotiate pricing schedules, service level agreements, and service delivery parameters? Do you have a process for the ongoing review and management of providers, including service results analysis? Can you leverage volume-driven purchasing opportunities?
- **Technological Support:** Do you have a technology platform to support the above for your internal management team and mobile employees?



# Outsourcing

These questions demonstrate both the enormity and complexity of global mobility administration. If you answered “no” to more than a few of them, don’t worry. Mobility professionals agree that the growing intricacies of our industry and the subsequent demand on internal mobility teams for expertise and answers are driving the shift towards outsourcing as a viable solution for many organizations.

Career suicide? Hardly. As our case story illustrates, in-house mobility team members play a pivotal role in an outsourced relocation program, and today’s robust service providers offer relocation professionals a wealth of solutions and services that might otherwise be out of reach. Moving the ownership of these tasks to an RMC enables the mobility program owner to focus on more strategic issues, such as talent management and succession planning, to better support the C-Suite (and whatever other responsibilities might be on your plate!) rather than getting tangled in the *weeds* of day-to-day service delivery.



## The Bottom Line

Today, more companies are pursuing outsourcing as a strategic initiative to improve the function of their program and better respond to the company’s mobility objectives. If the mobility team’s mission is to add value to their organization, then proactive professionals can benefit from conducting an audit of current programs to determine if outsourcing is right for their company.

### Further Reading:

[Does this Org Chart Make My Global Mobility Program Look Big?: Weichert Workforce Mobility](#)

[5 Benefits of Outsourcing to an Employee Relocation Service](#)

### References:

*Weichert Workforce Mobility Benchmarking Database*

*Atlas 2023 Corporate Relocation Survey*

*CERC 2021 and 2023 Employee Relocation Policy Surveys*

*Weichert Workforce Mobility has prepared this information from the most current data available. However, the client is advised to consult with their own tax and legal counsel with regard to any interpretation of IRS regulations or subsequent changes in policy.*

**Looking for more information on this or any mobility topic?**

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