

Domestic Mobility
Management & Outsourcing
October 2021

pulse survey

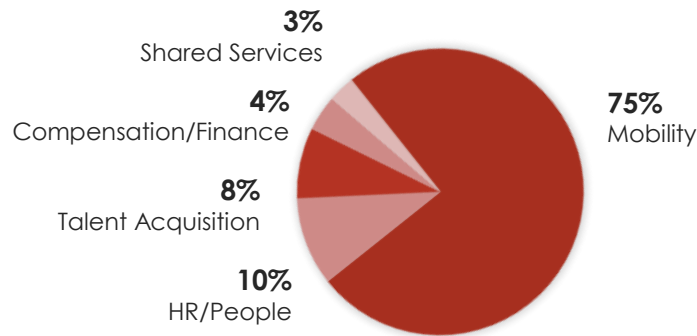


Pulse Survey - Domestic Mobility Management & Outsourcing

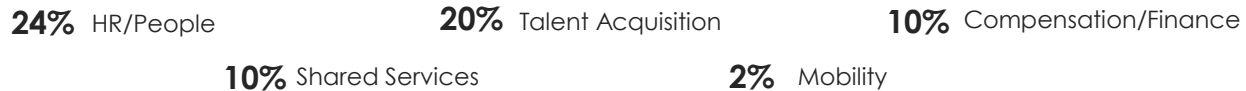
No two mobility programs are the same. Mobility programs are unique to their organizations. While it is important to align a mobility program to be competitive with similar programs, it is equally important to align a mobility program with the culture of its organization.

While there may be many differences with mobility programs, there are also some similarities. The latest Aires Pulse Survey focusing on domestic mobility management and outsourcing highlights those similarities and differences. Most programs are managed by Mobility (be it a Mobility team, Mobility manager, etc.) and most companies outsource to a relocation management company.

Primary Responsibility for The Domestic Mobility Function



Additional Responsibility



Mobility Management

Outsourcing, or hiring a third-party provider to perform services, is common when it comes to mobility management. Many companies outsource certain aspects of their mobility programs to third-party providers, which are often relocation management companies (RMCs). RMCs typically oversee the delivery of relocation provisions offered in a company's mobility policies, including policy counseling, selection and management of service providers, expense management, and ongoing support.

What is outsourced is not always the same for all companies; however, companies typically fall into one of three categories: outsourced, partially outsourced, or in-house.

Outsourced –
all or most mobility services are managed by one or more RMCs.

76%
of survey respondents identify as outsourced

Partially outsourced –
some mobility services are managed by one or more RMCs; some are managed in-house.

20%
of survey respondents identify as partially outsourced

In-house –
mobility is managed within an organization, with little to no assistance from an RMC.

4%
of survey respondents identify as in-house

Outsourcing of Mobility Program Services and Support	Percentage
Outsourced to one RMC	73%
Outsourced to more than one RMC	3%
Partially outsourced to one RMC	18%
Partially outsourced to more than one RMC	1%
In-house	5%

Outsourced

Companies with outsourced programs rely heavily on their RMCs to provide day-to-day support to their relocating employees. The types of services most often outsourced in domestic mobility include payment of all expenses and reimbursements, household goods (shipment, auto, storage, valuation coverage), temporary housing, real estate (sale and purchase), renter assistance, spouse/partner assistance, etc. RMCs manage all of the service providers and necessary steps that take place during the relocation.

A common question asked by companies: What is the right number of internal staff to have for our mobility program? This is often very difficult to answer without additional insight into the size and breadth of the organization and the particulars of their mobility program. There are many factors that impact the needed number of internal staff, including other functions or responsibility of the Mobility team.

In an attempt to answer this staffing question on a basic level, the survey asked respondents to identify the total number of full-time equivalents (FTE) that manage their domestic mobility programs as well their respective size (annual volume).

All respondents who outsource their domestic mobility program confirmed either having one, two, or three FTE mobility staff members. The size of the mobility program (number of domestic relocations per year) ranged from as little as two to as many as 2,000 relocations. Some also noted having temporary domestic assignments.

Total average number
of full-time equivalent
staff - **2**
Answers ranged from
1 to 3

Total average number
of permanent
domestic relocations
per year - **309**
Answers ranged from
2 to 2,000

Total average number
of temporary
domestic assignments
per year - **55**
Answers ranged from
2 to 464

When we break this down into companies that have one, two, or three FTEs managing domestic mobility, we see some similarities.

61% that outsource report having **1 Mobility FTE**

Average permanent domestic relocations per year	232 (range from 5 to 2,000)
Average temporary domestic assignments per year	25 (range from 2 to 125)

25% that outsource report having **2 Mobility FTEs**

Average permanent domestic relocations per year	445 (range from 2 to 2,000)
Average temporary domestic assignments per year	100 (range from 5 to 464)

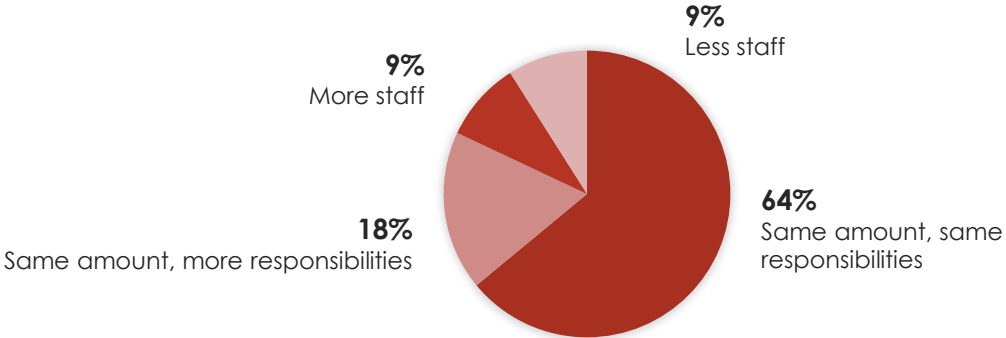
14% that outsource report having **3 Mobility FTEs**

Average permanent domestic relocations per year	406 (range from 100 to 1,600)
Average temporary domestic assignments per year	45 (range from 15 to 100)

Two respondents confirmed having outsourced staff on site.

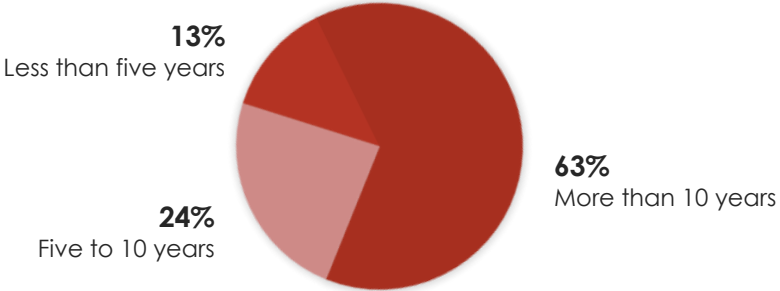
The pandemic has impacted many aspects of the mobility industry. The survey asked how the pandemic may have impacted staffing for those responsible for mobility. Almost two-thirds indicated no real change; they have the same size of staff with the same responsibilities. Just under one-fifth reported having the same size of staff but with more responsibilities. Just under one-fifth of respondents reported a change in staffing, with some reporting more staff and some reporting less.

Current Staffing of Outsourced Programs Compared to Pre-Pandemic Staffing



Companies that outsource have been doing so for a while. Generally speaking, the practices of outsourcing or managing a program in-house are both major investments. Staffing, knowledge, and technology all play key roles, so it is expected that companies currently outsourcing have been doing so for quite some time.

Outsourcing Mobility



86% of respondents that outsource domestic mobility confirm that the same group is responsible for global mobility.

Partially Outsourced

Working with an RMC gives an organization the option to pick and choose what services are managed and delivered by their RMC and what services are managed and delivered by their own staff. Managing some of the delivery of relocation services in-house but still working with an RMC to deliver other services and support is referred to as partially outsourced.

The programs that are partially outsourced report a higher average FTE count than those that are fully outsourced. This makes sense considering if they are partially outsourced, they likely have more responsibility for day-to-day relocation management. The average number of annual domestic relocations is higher, as is the average number of temporary domestic assignments.

Total average number
of full-time equivalent
staff – **2.4**
Answers ranged from
1 to 4

Total average number
of permanent
domestic relocations
per year - **418**
Answers ranged from
15 to 2,000

Total average number
of temporary
domestic assignments
per year - **213**
Answers ranged from
2 to 300

Only 19% of survey respondents have a partially outsourced program. The sample size likely contributed to fewer similarities among the calculated averages which explains why the averages vary significantly. The amount of work that is outsourced or insourced also impacts averages.



When we break this down into companies that have one, two, or three FTEs managing domestic mobility, we see some similarities.

38% that outsource report having **1 Mobility FTE**

Average permanent domestic relocations per year	80 (range from 15 to 2,000)
Average temporary domestic assignments per year	151 (range from 2 to 300)

12% that outsource report having **2 Mobility FTEs**

Average permanent domestic relocations per year	231
Average temporary domestic assignments per year	0

25% that outsource report having **3 Mobility FTEs**

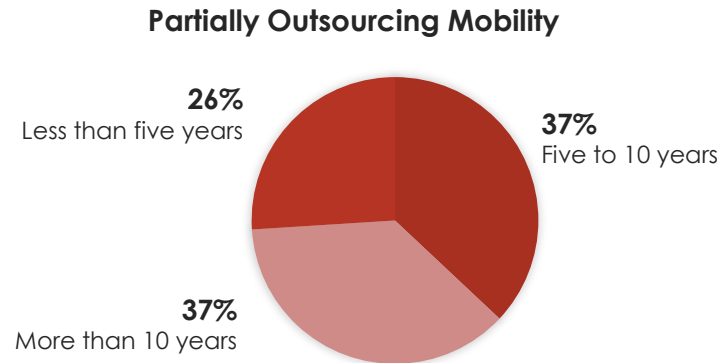
Average permanent domestic relocations per year	455 (range from 391 to 500)
Average temporary domestic assignments per year	251

25% that outsource report having **4 Mobility FTEs**

Average permanent domestic relocations per year	90 (range from 80 to 100)
Average temporary domestic assignments per year	0

100% of respondents that partially outsource have the same number of staff members with the same responsibilities.

Companies that partially outsource have been doing so for a significant period of time; however, there are reportedly fewer that have partially outsourced for the length of time of those that have been fully outsourced.



Only one respondent that identifies as partially outsourced is looking to possibly make a change. That change is “moving to a fully outsourced program.”

Based on the responses from those with partially outsourced programs, there are varying degrees of what is outsourced and what is managed in-house. Calculating the gross-up is the least common outsourced provision; there is a heavy concentration on outsourcing real estate, rental, household goods, and temporary housing services.

Benchmark of Outsourced Relocation Provisions	Percentage
Temporary Housing	88%
Rental home finding/area tour	88%
Home Sale (GBO/BVO)	83%
Household Goods Shipping	75%
Gross-up	25%

Organizations that outsource rely on their RMC to issue payments to relocating employees; however, those that partially outsource are more likely to issue certain payments from within rather than solely rely on their RMC.

Benchmark of In-House Payments	Percentage
COLA payment	60%
Lump Sum	43%
Per Diem	40%
Reimbursement of Lease Cancellation	37%
Misc. Allowance	28%
Reimbursement of Expenses	28%

Why only partially outsource? We asked respondents to identify their top considerations in deciding what to outsource versus what to manage in-house. Their answers varied, but all centered around the cost and administration of the mobility program and the end experience for the relocating employee.



62% of respondents that partially outsource domestic mobility confirm that the same group is responsible for global mobility.

In-house

Some organizations choose to manage their mobility programs with little to no assistance from an RMC. Three respondents to the survey identify as having an in-house program.

The programs that are managed in-house report a higher average FTE count than those that are fully or partially outsourced (all three reported eight FTEs). Please note that the average number of annual domestic relocations and temporary domestic assignments skews high primarily due to one outlier with an extremely high volume.

Total average number
of full-time equivalent
staff
8

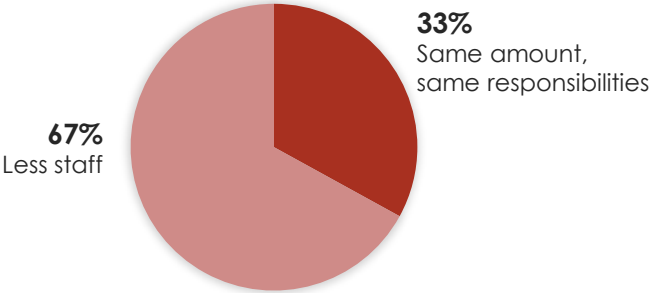
Total average number
of permanent
domestic relocations
per year – **2,190**
(Answers ranged from
250 to 5,320)

Total average number
of temporary
domestic assignments
per year - **360**

Only 5% of survey respondents have an in-house program, and the size of their programs vary greatly with 250, 1,000, and 5,320 permanent domestic relocations per year. Only one respondent reports having temporary assignments. Even though the sample size is small, there are differences noted with other areas when comparing the in-house programs to outsourced and partially outsourced programs.

Statistically speaking, the respondents with in-house programs have fewer staff members now than before the pandemic when compared to outsourced and partially outsourced programs.

Current Staffing of In-House Programs Compared to Pre-Pandemic Staffing



100% of in-house programs have been in-house for more than 10 years

Why manage mobility in-house? We asked respondents to identify the benefits to their organization for managing all mobility support internally. The answers varied but centered on the needs of the business, processes, and costs.

“Use of systems already in place”

“Understand our business”

“Adjust based on trends”

“Cost and control”

Challenges with managing mobility internally that respondents reported included swings in volume and the lack of peer data and benchmarking.

All three respondents that manage domestic mobility internally are also responsible for global mobility.

Conclusion

The results of the survey show that mobility programs are different in many ways, including who is responsible for mobility, the number of people managing mobility, the size of the programs, and of course, the services, support, and expenses that are all part of each mobility program.

Why Outsource? While the survey responses give us some idea of why companies choose to rely on an RMC and why some choose to manage the process internally, organizations have told us over the years why they choose to outsource:

Supplier management – access to global network of vetted service providers

Agility – ability to adjust to volume changes

Technology – client-facing and employee-facing platforms that enhance the relocation process

Knowledge – serviced by subject matter experts

Consistency – processes, communication, service delivery

Payment processing – payments to non-payroll-ed employees, RMCs ability to process payments/reimbursements faster

Budgeting, forecasting – often incorporated into technology platform

Cost – leveraging RMC and paying fees (which are often a very small percentage of mobility spend) is often more cost effective than bearing the full cost it takes to staff/manage those relocations.

It is important to know that there is no right or wrong answer. All organizations have to determine what is best for them based on their structure, volume, budget, and culture (to name just a few considerations).

Survey Participant Profile

There was a total of 66 companies that participated in this survey. No one particular industry outsourced, partially outsourced, or managed their programs in-house proportionately more than any other industry. Also, there were no noted correlations based on the size of the organizations.

Industries	Percentage
Aerospace/Defense	3%
Agriculture	1%
Automotive	7%
Chemicals	1%
Consumer Products	6%
Energy	9%
Finance/Insurance/Investment	14%
Food/Beverage	5%
Hospitality/Leisure	3%
Manufacturing/Construction	15%
Pharmaceuticals/Medical	9%
Retails/Restaurants	6%
Technology	17%
Telecommunications	3%
Transportation/Packaging/Distribution	1%

Total Employees	Percentage
100,001 or more	21%
50,001 – 100,000	18%
20,001 – 50,000	18%
5,001 – 20,000	26%
1,001 – 5,000	17%

Social Media Poll

We asked our 10,000+ followers to describe their mobility staff's current work environment. Here is what they said:

43%

Working from home

42%

Working a hybrid model

15%

Working from office



Survey Conducted By



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