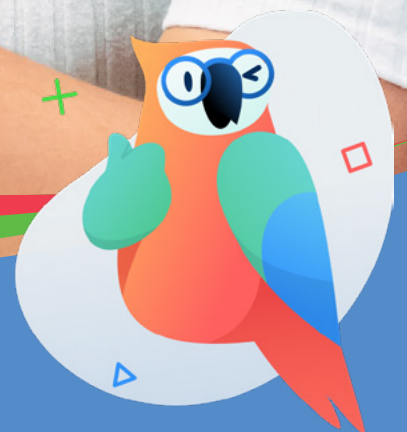




**Guide For People Leaders
How To Build A Cost-Efficient
Relocation Policy**



Written by the relocation experts



RELOCATION POLICIES – A FINE BALANCING ACT

Relocation is tricky, and not just for the person moving! In HR there are a lot of employee relocation expenses to consider, from home-finding to shipping, and everyone's needs are different. How do you strike a balance between supporting staff and protecting your bottom line?

Using our experience helping thousands of employees relocate around the world, we created this guide covering exactly how to set up a relocation policy that'll work for your whole team, from interns to the CEO. It'll offer the flexibility to cater to each person's individual needs, with no budget wasted.

In this guide we'll cover:

- ✓ [The basics - how much a typical policy costs, and the payment methods available...3](#)
- ✓ [Five key ways to save costs on your relocation policy...5](#)
- ✓ [How to cut costs by setting relocation policy bandings...9](#)
- ✓ [How to create an elite yet cost-efficient VIP package for your executives...13](#)





RELOCATION POLICY COSTS: THE BASICS

How much does a typical relocation cost?

Employee relocation costs can vary hugely based on your business needs, your employee's individual requirements and level of seniority, and their destination city, to name a few!

However, relocating employees has traditionally been a very expensive task. Factoring in travel, shipping, temporary housing and so on, you're easily talking tens of thousands of dollars.

Fear not! Thanks to the wonders of modern technology combined with a growing network of experienced relocation experts, new relocation services are emerging to enable you to manage moves at a fraction of the cost while still providing top-notch support and guidance.

It's all about the right balance. You need to budget enough so the move is as enjoyable, efficient and stress-free as possible - it's in your interests, since losing staff due to bad experiences will cost more in the long run! Yet, it's crucial to keep costs under control and not waste funds.

Later we'll explore the many ways to make your relocation policy truly cost-efficient without sacrificing the mover experience. First, let's dive into your options for spending your budget!



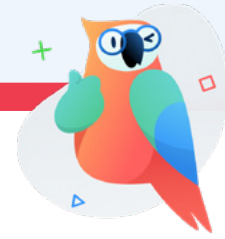
How to tackle the costs

There are a bunch of options for managing your relocation budget:



| Payment method | How does it work? | Pros | Cons |
|-----------------------|---|--|--|
| Direct billing | The employer manages relocations in-house and pays all vendors (shipping companies, airlines, etc.) directly. | <ul style="list-style-type: none"> • Employer has full control over relocation process • Potential loyalty discounts with vendors | <ul style="list-style-type: none"> • A LOT of extra administrative hassle for HR • Lack of flexibility for employees, leading to renegotiations (see above point!) |
| Lump sum | The employer provides the employee with a relocation budget, and the employee must handle their own move. | <ul style="list-style-type: none"> • Frees up administrative resource for HR • Employees have freedom to manage their move in the way they want | <ul style="list-style-type: none"> • Puts pressure of organisation on employees (not experts in relocation!) • Payment is usually estimated - may not be enough • Lump sum is taxable income, so employers must spend more to provide the same benefits |
| Reimbursement | The employee pays all costs around their move up-front (usually with a spend limit). The employer then reimburses them. | <ul style="list-style-type: none"> • Employer maintains some control over the details of the move • Employee maintains some freedom over how to manage the move | <ul style="list-style-type: none"> • Employees need to be able to cover costs - this will be difficult for most! • Hassle of keeping and submitting receipts; some costs fall through the cracks |
| Outsourced relocation | The employer outsources relocation management to a third party | <ul style="list-style-type: none"> • Frees up administrative resource for HR • Simplicity of dealing with one vendor, as opposed to many • Provides employee with expert support and guidance | <ul style="list-style-type: none"> • Additional cost of third party service |

Remember, you don't have to pick just one of these methods! They can usually be blended to suit your business and employee needs, creating more flexibility for both parties. And if there's one thing we're in favour of when it comes to relocation plans, it's flexibility - let's find out why!



How to save costs on your relocation policy

Here we'll walk through five key ways to make your relocation policy more cost-efficient and still comprehensive, without sacrificing the standard of support your employees need.

1 - FLEX YOUR POLICY

To make your staff relocation costs more cost-effective, flexibility is key. Our number one piece of advice is to avoid a one-size-fits-all policy - this is an easy way to waste money.

We've seen many examples of companies being guilty of this:

- ✔ Putting restrictions against where money can be spent, and
- ✔ Insisting that employees receive support for items that aren't a high priority for them.

For example, we've worked with a major retailer that used to give all employees a huge shipping container as part of their relocation policy. One of their young movers with very few personal belongings had nothing to ship, so ended up buying bicycles in the UK to try to fill her container!

Everyone has different needs, and will want their budget to be focused on the elements that are the highest priority for them. The best way to manage this is by implementing a core-flex relocation policy. This is where you shape your relocation packages to be able to concentrate funds on what's important to the individual. This way, you can make your budget work smarter.

Core-flex support comes in two parts:

1. A Core benefit, which is a specific set of services that every employee receives, and
2. A Flex benefit, which is an additional allowance (often as a financial sum) that can be allocated to what matters most for the individual from a list of additional services.

Core benefit examples:

- ✔ Home-finding - enquiries, viewings and applications, contract review (according to a PerchPeek survey, over 90% of movers find this the hardest part of relocating)
- ✔ Tax and immigration support
- ✔ Utility setup support

Things like getting a work permit and finding a place to live are the base elements of support that employees at all levels will need and should be entitled to, in order to help their relocation go as smoothly as possible and help you avoid lost productivity or employee attrition.



Flex benefit examples:

- ✓ Shipping - from a few bags and boxes, to a full house move
- ✓ Staying in temporary accommodation for longer, while they look for a long term home
- ✓ School support from a local consultant, for those moving with children

The beauty of flex benefits is not forcing upon your employees any services they really don't need or want. This creates a better moving experience and of course, your budget goes further.

Ways to flex a package:

- ✓ Don't shell out on a shipping container if your mover only intends to pack one suitcase!
- ✓ While some staff will benefit from a serviced apartment, others prefer a cheaper option
- ✓ Formal cross-cultural training is rarely of value outside the executive level

Here's one of our clients' thoughts on the core-flex model they adopted through PerchPeek:

"We used to just offer a cash allowance to relocators as we struggled to find affordable relocation services that could provide high value support in a range of markets. Now, our employees feel incredibly supported throughout their relocation but still get ownership over how they spend their allowance."

Global Director,
Recruitment & Outreach
- Framestore

To build on the core-flex approach, a great way to control relocation costs while empowering your staff is to make your policy more employee-driven, where appropriate.

Some of the more tech-based relocation companies provide more self-service-based relocation programmes. These are highly suited to more tech-driven, younger demographics and greatly reduce cost vs. manual hand-hold services. PerchPeek supports a lot of junior employees and intern relocation assignees in this manner.

2 - SET POLICY BANDINGS

One way to manage relocation costs is to put bandings in place. This is when one defines a number of fixed employee relocation cost packages with increasing levels of predefined support, then allocates a specific package to each employee depending on their seniority.

This is a cost-saver because having this variation of packages allows companies to manage annual relocation spend easily and without ambiguity. With this method they can adjust bandings according to what their budget is and make sure they adhere to that.

Of course, this approach to corporate relocation costs has its advantages and disadvantages, and it's important that within each band there are still options to flex the budget to the mover's individual needs. We've explored the pros and cons of this approach and offered advice on flexing banded policies further down; keep reading to find out more!

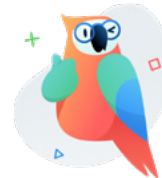


3 - CREATE ELITE YET HIGHLY FOCUSED VIP PACKAGES

While staff at all levels will benefit from a base level of relocation support, keep in mind that when it comes to your executives, the stakes are highest: if their relocation goes badly, it could have a catastrophic effect on your business. That's why it's so important to make every effort to make sure they have a first-rate move.

There are many things a VIP relocation policy can include to transform a typical move into a five-star experience, but the key to keeping costs down is to make it feel 'VIP' by tailoring it to your executive's needs. Not only will this mean you're not wasting any budget on services that are going to go unused, it'll also make for an even better mover experience - win-win!

Read on to find out more about VIP policies, where we take a deep dive into the elements that an elite VIP package could include, and how to flex the budget to keep it cost-efficient and more suitable for the individual's requirements and expectations.



4 - USE A WIDER VARIETY OF HOUSING OPTIONS

Flexible housing options - traditionally, the norm in relocation has been to place employees in serviced apartments; these can cost up to an eye-watering \$400 per night in some places!

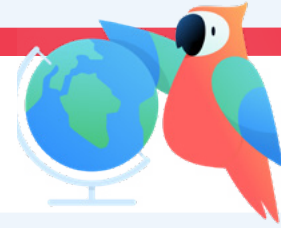
Don't get us wrong - in some cases these are the best option, and when it comes to more senior employees, this is exactly what they expect. However, other accommodation providers like Airbnb* can provide a comparable 'home-away-from-home' experience at a lower cost.

This is a great tactic for more junior employees; by giving them the option of alternative housing types, the remaining budget can be flexed towards other needs.

** Note: All accommodation providers should be vetted thoroughly to ensure employee safety.*

Shared accommodation - If moving several junior employees at once, consider arranging shared housing. As well as being far more economical than individual serviced apartments, it means the team can start building those all-important relationships and offer mutual support.

5 - PIVOT TO RESULTS-BASED SUPPLIER FEES

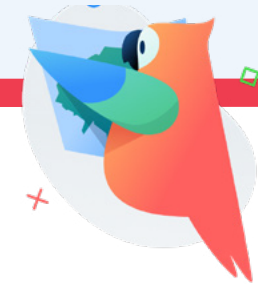


Many traditional relocation providers charge clients based on the number of days of service, such as a two- or three-day home search. If the job isn't completed during that period, this means needing to add in additional time and extra fees being added on as a result.

Additional days of home-searching can cost well over \$1,000 (USD) per day, and be extremely damaging to budgets for future movers. What's more, in current housing markets across the US and in major European cities such as London, Dublin, Berlin and Amsterdam, housing searches are so competitive that these payments are required more and more frequently.

You'll get more from your budget by switching to a supplier that charges based on results achieved, rather than the number of days spent on the project; with more impetus to get the job done, efficiency is higher.





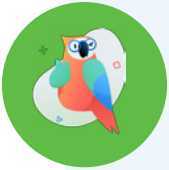
CASE STUDY ON COST SAVINGS

Low Budget Movers

Relocation support is no longer just for executives. At PerchPeek we've developed a suite of packages to cover the full range of budget options, making comprehensive assistance accessible to staff at all levels.

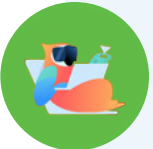
Check out this case study on how we provided cost-effective relocation support to one of the world's leading tech giants!

WHAT WAS THE SITUATION?



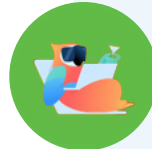
- One of the world's largest ecommerce corporations was looking to provide a base level of relocation support for hundreds of new international tech hires.
- This would be to its major offices across the world, in London, Seattle, New York, Dublin, Munich, Luxembourg and Amsterdam.
- The relocation budget for these employees wasn't very large. Besides some shipping support, most were receiving a cash lump sum and taking the leap to a new country and culture totally solo. They'd need to find homes and sort everything out themselves.

WHAT HELP WAS MOST IMPORTANT?



- According to our relocater survey, 90% of movers say that home-search is often the most difficult part of any relocation.
- The company wanted to provide effective destination support in what was often a young and inexperienced employee's journey.
- So, they were thrilled to find a relocation provider who could give the light-package employees the option to enjoy core relocation support!

HOW DID IT WORK?



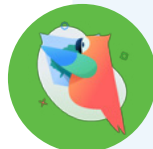
- We set up an opt-in system where movers could have a no-obligation chat with a PerchPeek consultant to find out about our packages, and choose to opt in or not.
- If they opted in, they would pay PerchPeek a one-time fee which includes relocation support for a full year - and we'd get to work helping them move!

WAS IT AFFORDABLE?

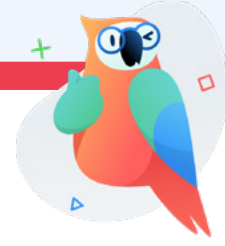


- With PerchPeek's award-winning tech allowing packages to be set at a very accessible price point, employees would have more than enough money in their lump sum to cover PerchPeek services with the vast majority still remaining!

WHAT'S THE LATEST?



- Over 25% of these employees now choose to opt in to PerchPeek support, with the remainder knowing they have the option of support should they want it.
- This is reducing escalations and challenges with unconfident movers from coming back to their HR team.



HOW TO SAVE USING POLICY BANDINGS

What is a banded relocation policy?

A banded relocation policy is when a company defines a small number (roughly 3-8) of fixed employee relocation cost packages with increasing levels of predefined support, then allocates a specific package to a relocating employee depending on their seniority.

For example, you'd offer a basic package to an intern or entry-level employee, while executives would get a more extensive package.

Of course, this approach to corporate relocation costs has its advantages and disadvantages. It's important to weigh them up to see whether it'll work for your business and your employees.



Pros of relocation policy bandings:

- ✓ **Streamlining** - A clearly defined banded system makes things plain and simple. For all employees, from an intern to the CEO, you'll know exactly what their package includes.
- ✓ **Cost clarity** - Bandings remove all ambiguity and guesswork around costs. This makes your budgeting process far more straightforward and means avoiding unexpected bills.
- ✓ **Cost control** - Budgeting for team members is often in the wheelhouse of team managers, and bandings ensure they can plan their people spend more easily.
- ✓ **Transparency and fairness** - Standardising a scale of packages across the board will reduce instances of employees negotiating for extra benefits, which can be unfair.
- ✓ **Employee motivation** - A relocation package is an awesome perk! And the prospect of a more extensive package is a great motivator for junior employees to progress further.
- ✓ **Talent attraction** - Offering a comprehensive, tangible relocation package as a benefit of a high level position at your company will be very attractive to executives.
- ✓ **Employee ownership** - A defined policy with clear band delineation means managers can confidently walk employees through their benefits, for more visibility and ownership.



Cons of relocation policy bandings:

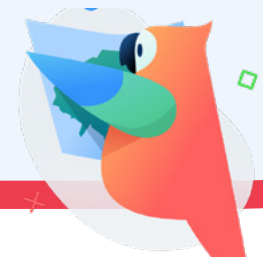
- ✓ **Inequality** - It's important to tread carefully here. While there are many justifications for a higher allowance for senior staff, there's a risk that junior employees feel less valued.
- ✓ **Individual needs** - Bandings based on seniority level only don't account for other needs, like extra family support. Policies should have an element of flex for employee situations.
- ✓ **Costs vary by location** - Having flat worldwide package costs is problematic as living costs vary hugely by destination, but this can be overcome with regional package costs.
- ✓ **No bespoke packages** - Rigid bandings don't allow for the freedom to create a unique package for an individual. However, this can be solved by ensuring that your bandings still have an element of core-flex as we talked about above.
- ✓ **Vendor network** - Employees will require strong vendors to help them use their budget effectively. There's no risk however if you use a reputable relocation company.
- ✓ **Cost review** - It's more advice than a 'con', but you'll need to review the bands regularly to make sure they stay competitive and in line with inflation and other changing factors.

BANDINGS CASE STUDY

PerchPeek recently worked with a major sports apparel designer in Birmingham, UK. They wanted to provide core relocation support to all employees, but offer more extensive packages to more senior members of staff, where the stakes of their relocation going well are highest.

Here's an outline of the policy bandings we devised with them, to suit the requirements and expectations of their employees at all levels.

- ✓ **Band A - Self-Directed:** Complete home search guidance with consultancy support on all additional services and budget management, plus basic travel support and basic shipping
- ✓ **Band B - Early Career:** Complete home search guidance with consultancy support on all additional services and budget management, plus contribution to initial rent and deposit, travel including transfers, basic shipping and basic temporary accommodation
- ✓ **Band C - Mid Career:** Full support package on all services including complete consultant-led home search, plus full family travel, small home shipping, school support, temporary home for 30 days and initial rent and deposit payments on a two-bed property
- ✓ **Band D - Business Critical:** Full support package on all services including complete consultant-led home search, plus full family travel and return travel, large home shipping, school support, temporary accommodation, spousal support and three months' car rental



Setting these policy bandings allowed this client to offer relocation support to all staff, regardless of their level, while satisfying the additional needs and expectations of more senior employees. What's more, all bandings still have the flexibility to cater a move to individual priorities.

It also allowed the company to reduce costs on their relocation policy, and use spend figures to make data-driven decisions on package adjustments and save further costs down the line.



Key takeaways on bandings

Having considered all the pros and cons, this should put you in a good position to decide which way to go. Whether you opt for bandings or not, remember these two key pieces of advice:

1. **Provide base support to all employees** - Regardless of seniority, all staff should receive a basic level of support that'll enable them to reach and settle into their new home. This includes things like visas and work permits, and help finding a place to live.
2. **Flex your bandings!** - We keep chirping about it, but because it's true - for a policy to be truly cost-efficient, it needs some flexibility! Even within bandings, you should leave some wiggle room for employees to be able to choose the services that matter to them.

It's a great idea to have a chat with your employees to gain understanding of their individual situation. As well as helping you pinpoint what their needs are, they'll feel valued as a result.

If you're feeling unsure about how best to go about setting bandings and flexing your policy, feel free to [reach out](#) for a chat! We'll be happy to help and offer our advice for your specific needs.

HOW TO SAVE ON VIP RELOCATION PLANS

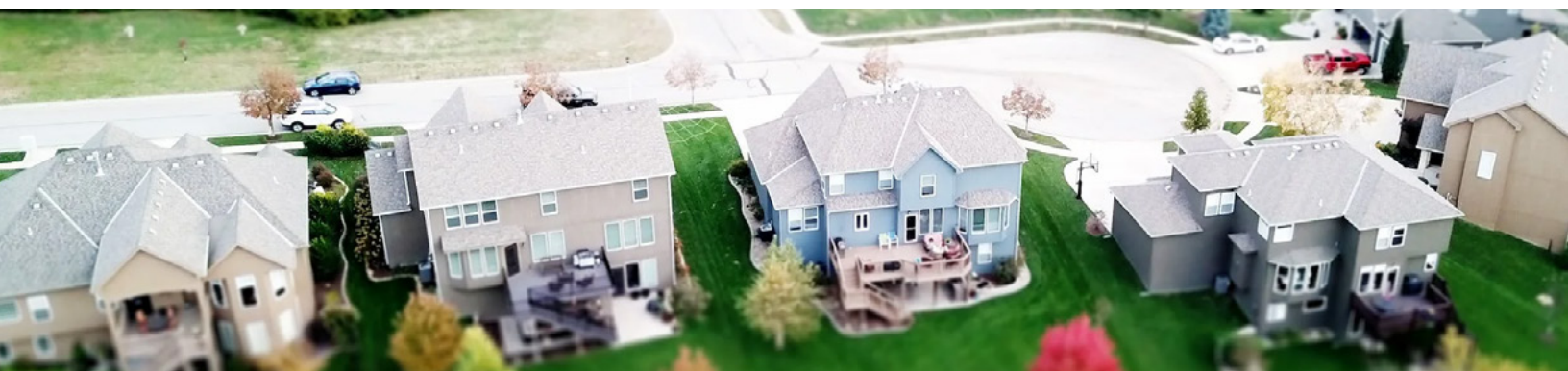


Relocating VIPs

While every employee should be supported throughout their move, key executives and top-tier staff with many demands on their time both need and expect the highest level of support. It's therefore essential to carefully consider how to ensure your VIPs receive the best treatment.

When relocating senior executives, the stakes are high, and so are the expectations. You don't want to risk delays to start dates, lost productivity, or at worst, losing them from your company altogether, which at their level could have a catastrophic impact on your business.

Consider also that many of those who've reached these career heights are likely to be at the slightly older end of the scale. This means they're more likely to have a family and perhaps a larger home full of more stuff, so as well as having higher expectations, their relocations can become a bit more complicated and costly.





What does a VIP relocation plan include?

Every VIP relocation plan is different, and the best ones can be flexed to suit the needs of the individual. However there are a number of major support items that are often on the menu when a VIP package is assembled, and we've brought these together in the list below. Here's what to consider including in a five-star relocation experience package:

Dedicated, one-on-one support - Having a constant, reliable point of contact is an invaluable source of support for a busy executive. Some providers even offer 24/7 assistance.

Spousal support - It's so important to support your VIP's partner and family. The most common cause of relocations failing is the family not settling, which could put your company in jeopardy.

International tax support - Getting your expat tax affairs in order is complicated and requires time your VIP just can't afford to lose. Expert support here takes that burden off their shoulders.

Home-finding - Support in making enquiries, reviewing documents, and accompaniment on viewings. Some policies will also include a housing allowance for purchasing a property.

School support - This can include assistance from a local educational consultant who'll provide guidance through the enrolment process, and having school fees paid (or a contribution).

Luxury airport transfers - A private, luxury car transfer helps set the tone from the moment your VIP touches down, and means a comfortable and peaceful journey to their final destination.

Transport - You may want to arrange public transport passes and information about getting around, especially in major cities, or a car lease to help your VIP explore their new home.

Regular flights home - For temporary assignments, flying a VIP between their home and host cities periodically will help them take care of personal business and make the transition easier.

Club membership - Physical and mental wellbeing is worth investing in. Offering memberships to gyms, hobby clubs, social groups or anything your VIP is interested in will help them thrive.

Cross-cultural training - No one wants to make a faux pas in the boardroom! Expert training in local customs and traditions will help your VIP get settled in quickly to their new environment.

Serviced apartments - A 'home away from home' for some or all of the assignment, including amenities like a working area and a laundry service. Some packages offer welcome baskets too!

Luxury shipping and settling-in services - Full packing up of all belongings into boxes, followed by unpacking and home setup, furniture assembly and utilities setup.

How can I save on costs and still make it an exceptional VIP experience?

Corporate relocation costs can really vary, especially when it comes to your critical talent. There can be a lot of big-ticket items within their job relocation expenses, so what you do and don't include in your policy can make a big difference. In our experience, a competitive VIP package will usually range upwards of \$50,000 (USD) for the most senior team members, and can reach well into six figures.

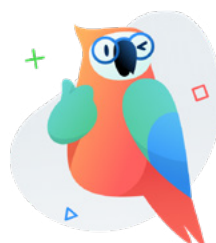
However, even with a VIP package, you can keep it cost-efficient without sacrificing quality of service. The key is again to avoid a one-size-fits-all approach and opt for a core-flex policy. It's too easy to waste job relocation expenses by allocating money to services that don't get used. If your executive doesn't have children, don't waste your money on a local school consultant!



Other things to consider for VIPs

Here are some final points to bear in mind to ensure your VIP has a first-class experience:

- ✔ Give them as much advance notice as possible of any deadlines and necessary actions. If they're older and have a family, there can be a lot more to uproot, which takes time.
- ✔ Make sure to manage their expectations very well. Relocation is a huge thing, and if your VIP is at the older end of the scale, they might be a little slower to adapt to changes.
- ✔ Consider the culture fit with the new location, especially when it comes to older VIPs - again, they can find it harder to adapt, so make sure they're prepared and on board.
- ✔ Check in with them often, keeping visibility strong to ensure they're happy. Tech-based relocation solutions, with easy access to instant support, can really help here.



Saving time and resource, as well as money

As well as the challenge of making your relocation policy cost-effective, you'll already know how tricky it can be to support relocating employees, and how much time and resource it takes up for HR. That's why we're squawking about how outsourcing this support can lighten your load.

- ✔ Let's start with the big one - all that time and stress for HR! On average, HR teams save half a day's work per employee relocating with our services.
- ✔ Employees trying to figure this stuff out on their own often have a terrible experience. Expert support and handy resources at their fingertips make it a lot less stressful.
- ✔ Handing the process over to experienced global mobility consultants means more efficient relocations - and that means less lost productivity without staff stuck in transit!
- ✔ Forget having to deal with a bunch of different suppliers and providers, all on different contracts - by outsourcing you just have one point of contact, who does all that legwork.
- ✔ Attracting the best candidates isn't easy, and by offering standardised support via a tech-based solution means you can access more talent from all over the world.

And don't just take our word for it - here's what one client had to say about our service:

"PerchPeek's modern, tech-driven approach to home-finding and relocation in general has allowed us to provide high quality, safe, end-to-end relocations to our employees, giving a massively improved onboarding experience, and saving a lot of HR hours!"

Their tech-based support model allows them to be incredibly thorough and detailed with each mover, giving them a level of detail and care we were unable to find elsewhere at such a price."

Global Director, Recruitment & Outreach - Framestore

To find out more about how PerchPeek can support you by offering flexible, cost-effective options combining award-winning technology with dedicated support, head to perchpeek.com!





Make your own cost-efficient relocation policy - get a free cost estimation

It can be tricky to know where to start with relocation expenses for employees, whether you're setting up a brand new policy or you want to validate and cultivate your existing one.

PerchPeek are more than happy to help any HR team construct a highly flexible, cost-effective relocation policy. Simply let us know a few key details about your business needs and we'll provide a free cost estimation.

We specialise in flexible policies to make your budget go further by focusing on what really matters, helping set practical staff relocation costs to suit employees at all levels.

PerchPeek's free relocation policy cost estimator tool can help:

- ✓ If you're building a relocation policy from scratch
- ✓ If you want to tighten up your policy to make it more cost-efficient
- ✓ If you want to develop your policy further, e.g. make it more self-driven

Click [here](#) for your free estimation!



About PerchPeek

It's PerchPeek's mission to help companies support their employees through every stage of relocation by providing affordable, scalable and high-value support, powered by technology and relocation expertise. In 2022 we've helped over 2,250 employees relocate to 28 countries around the world! So we'd say we know a thing or two about relocation, and in particular how to create a relocation policy that's cost-efficient while still providing comprehensive support for all staff.

Need help?
We love to chat.

If you'd like to learn more about how to get relocation support set up for your employees, just drop us a note [here](#).

We'll be more than happy to arrange a call with you so we can find out more about your needs and answer any questions you may have.

