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Savings Realized When Corporate Clients Strike Deals Directly With Movers

Cendant Mobility will continue negotiating contracts with moving companies on behalf of General Electric because striking a deal directly with transportation providers would not be likely to produce significant savings, a GE source tells *Relocation Report*. GE said audits of company records related to employee moves revealed that switching contract arrangements would not be worthwhile.

"We are keeping the same process we have," says Ann Dzenutis from GE's global mobility services. "After we did an audit we found it would be better to improve the process (we have) rather than flip it." Cendant Mobility holds GE's domestic and international relocation contracts. The company,

she says, moves 5,000 employees domestically, and 2,000 internationally.

Some Clients Cut Deals Directly With Movers

Many corporations, however, are negotiating contracts directly with transportation vendors to get better deals, Don Fisher, president of Fisher & Son Consulting, Inc., tells *Relocation Report*. "The third-parties have a contract rate with the van lines at a discount," he explains. "Because nobody within HR has the core competency to look at bills, they approve them and assume they are getting a better buy."

HR staff can't tell by looking at bills what the charges pertain

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Banner Ads Good Way For Council Members To Gain Exposure

Relocation providers are increasing their visibility within the industry by running banner ads throughout local relocation council's websites. Flashing banner ads to gain more exposure has become so popular that some relocation councils are offering members different sponsorship levels, giving more play to companies that pay the most.

"It's okay for relocation councils to give the Gold sponsors more exposure than Silver sponsors because they paid more," says Kweku Sampson, an account executive with Association Management

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Savings Realized

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to, how the fees are determined and how much money third-parties are making off the deal. "We say that by carving out transportation, they (corporations) can save anywhere from \$4 million to \$10 million, depending on the size of the company. We ask corporations, 'Do you want to carve it out?' Transportation is a big money maker to third-parties."

In most cases, he adds, the client has no relationship with the carrier—and that can adversely affect service. "Carriers become a cog in the wheel," Fisher says, insisting that clients should have a more direct link with carriers since "they are moving the biggest asset of any company—the people." Some companies will tell third-parties to use certain providers, but they still allow the relocation companies to conduct contract negotiations on the clients' behalf.

Corporations hire Fisher to help them negotiate good rates with movers. After the company selects the carriers and negotiates favorable rates, it turns over management to the third-party overseeing the entire relocation program. "Every one of my clients has switched and carved it while still working with the third-party," he explains. "I work with the procurement department, human resource department" to help negotiate movers' contracts.

Clients pay him an audit fee or consulting fee for his services. His job is to prove to companies

Prudential Program Enhances Service Delivery

Prudential Relocation launched a new management program designed to improve service delivery. "One of the great opportunities in today's marketplace is to implement global relocation programs that work at the local level," said Margery Marshall, president, Prudential Relocation. "With service delivery centers throughout major regions of the world, we want to create a new standard in service delivery for our clients. Our aim is to provide our clients with excellence in relationship and transition management as well as the best technology and support."

To this end, Prudential's Global Transition Management and consulting teams have been formally integrated to create a full-service consulting practice, linking policy development, group move and transition support teams charged with strengthening U.S. domestic and global platforms. Team members located around the world will work with clients to implement global programs at the local level.

A newly created Account Manager position based in Phoenix will anchor the company's field-based Account Executives, working with service teams worldwide.

"This is a best-of-both-worlds solution," Marshall said. "Our clients around the world have a field-based account executive consulting face-to-face on strategy and program design elements, supported by additional resources addressing day-to-day account needs." A new financial platform delivered to clients gives them access to online transactions, multi-currency capabilities and a global platform for managing relocation financials.

In addition, the first phase of the company's Global Service Platform (GSP), a service model enhancement built on the foundation of Microsoft's award-winning Customer Relationship Management (CRM) platform, is expected to be in place by late fall.

Prudential Relocation, which operates as Pricoa Relocation in Europe and Asia, serves approximately 800 active clients and last year completed more than 250,000 relocation transactions for 45,000 relocating employees and their families. Locations outside the US include Canada, United Kingdom, France, Mexico, Hong Kong, Singapore, Taipei, Tokyo, and Shanghai.

that they can buy household goods shipment services directly and save money as well as improve services. How does he prove it? Fisher offers to audit a few old moving bills at no cost to the client to show inconsistencies in pricing. "We don't

look at 200 files" for free, he says. "We'll say to them, 'Give us a few random files and we'll look at them.' Usually, Fisher's company will find some charges that raise eyebrows quickly. If we find nothing, so be it, and we walk away."