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Cendant Mobility Wins Shell Oil Account— Takes Over from Prudential Relocation

Cendant Mobility takes over the Shell Oil domestic relocation account from Prudential Relocation, which has serviced the contract since 1983. The transportation piece will go to three moving companies including Graebel and Sudduth. Loss of the \$4 million account repre-

sents a blow to Prudential and leaves realtors handling Shell Oil transferee moves in limbo as Cendant turns over referrals to its own preferred agent network and other brokers of choice.

Pamela Braun from Shell Oil confirmed that the contract was awarded to Cendant but would not comment on why the switch took place.

Prudential Relocation officials also declined comment. Sources familiar with the RFP process, however, say both companies tied in ratings for customer satisfaction and Shell Oil was happy with Prudential services, but Cendant won the bid because of its call center

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Prudential Brokers Step Aside As Cendant Network Takes Over

Prudential realtors and independent brokers are not likely to get referrals to move Shell Oil transferees once Cendant takes over the account from Prudential Relocation. "Prudential agents will lose business," says a relocation director, "because Cendant will feed its own brokers. They own a franchise so why give the business to anyone else? Cendant probably gets 6 to 8% of every transaction as a franchise fee on top of the referral fee. They won't get that if they go to a Prudential broker."

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Lessons Learned

- ➔ Be proactive by finding out what other companies are offering
- ➔ Arm yourself with knowledge about the latest technology available
- ➔ Don't assume that the lowest rock bottom price will guarantee business
- ➔ Don't wait until an RFP comes out to offer clients better deals.
- ➔ Listen to what the company says it wants.
- ➔ Give the company what it wants not what you think it needs

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Cendant Mobility Wins Account

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capabilities—now used to operate its affinity business—and innovative pricing structure. Cendant's pricing methodology, they say, involves sharing expenses of the relocation operation, guaranteeing both the third party and corporate client some financial benefits.

Cendant confirmed it was awarded the Shell account but said it won't release information about the contract. Samantha Rider, Cendant Mobility's manager of public relations, tells *Relocation Report*.

She pointed out, however, that the term "call center" used in the email requesting comment

You win some, you lose some. Prudential lost Shell Oil to Cendant, but also picked up accounts from competitors. Prudential officials would not comment on corporate accounts, but Relocation Report has compiled a list of contract awards over the past year.

- Bayer from SIRVA
- Nissan group move, under separate contract
- Ingersoll Rand homesale program, from Cendant

may create confusion. "We do not operate in a call center environment," Rider says in an email response "Rather, each transferring employee is served by a dedicated Consultant, who is their single point of contact at Cendant Mobility. That Consultant has an integrated technology and telephone system at their desktop that supports them to drive an outstanding customer experience."

Pricing revolving around the use of call centers has been adopted in other industries and, if some variation can be adopted in the relocation industry, could revolutionize the way third-parties do business. The current pricing structure has been highly criticized by relocation subcontractors frustrated with third-parties' bombardment of extra fees for the service. Third-parties themselves are under pressure to offer corporation zero fee contracts to get the business.

Shell Oil Switched Providers For the Sake Of Change

Others say Shell Oil switched providers because the company needed a fresh start. "Being an incumbent for a long time is a negative in the industry," says an industry consultant.

"At some point, procurement just asks, 'How do you now they're that good?'" Incumbents are often on the defensive since they are up against competitors proposing different, purportedly better programs and pricing. Corporations typically issue RFPs to find out if they are getting the best deal from their provider or they could do better elsewhere.

"All RFPs are intended to find out what the marketplace will bear," says an industry consultant. Companies will compare technologies to see if other companies offer newer, more efficient systems to manage relocation as well as pricing.

Did Cendant propose to do the moves for less money? Sources did not talk about specific aspects of Cendant's contract, but they speculate money, while an important consideration, was not the driving force for the change. Shell Oil chose Cendant despite Prudential's last minute efforts to offer its client better pricing.

When Prudential caught wind of an RFP coming out, a source says, the third-party offered Shell a zero fee contract with 40% of the referral fee

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going back to Shell—a higher than usual share. An internal memo, he said, was sent out by Prudential's former executive account manager before the RFP was issued outlining the

third-party's strategy to retain the contract. But the offer was not attractive enough. Sources say Prudential did not have the technology know-how or capability to compete with Cendant.

Prudential Brokers

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Referrals are likely to stay within Cendant unless Shell Oil requires the third party to use outside agents—an unlikely scenario. "Brokers can tell Shell Oil executives to say to Cendant, 'I still want to continue working with your employees, Mr. CEO, even if the third parties change. Can you make sure I stay on the list? Some CEOs would be turned off and say, 'I don't want to work that way.' Others may give you the time of day. But to pursue this arrangement clients have to be very hands on. Shell doesn't seem to micromanage to that point.

"There isn't much more agents outside the Cendant network can do to continue getting referrals," she says.

Which agents are most likely to get the business? "The first people to get the business will probably be wholly owned brokers purchased by NRT, like the one in Southern California and Dallas," the source adds. Second on line will be Coldwell Banker broker franchise affiliates which are not wholly owned. The next rung includes ERA brokers and others. Top level executives with multi million dollar properties will be referred to Sotheby's

Cendant Only Relo Firm Geared Up For Call Center

"Cendant is the only relocation company that could offer this (call-center based model)" says an industry source who worked at a call center, "because they have call centers and strong affinity programs, with clients like Costco and USAA. Other large third-parties are not set up to do this." Cendant's program may operate differently. Speaking from his own experience, though, companies that use call centers save money because of streamlined processes. "Much of the work is done online and there is less human interaction," he says.

Companies can also monitor the counselors and tell them to speak more quickly, explain policies more clearly or approach callers differently. "This is how a virtual relocation would work," he continues. "Say Mr. Smith wants to move from Boston to Chicago. The call center counselor calls or emails Mr. Smith and says, 'I'll email you the entire policy concerning home-sale. Then you can send me this and that via email. The traditional way of offering zero fees and rebates, even with high rebates, just isn't good enough... the margins in relocation are so low."

MSI On the Radar With Hyatt, Airbus Signings

First, Hyatt Regency. Now, Airbus North America. For a relatively unknown company, Mobility Services

International (MSI) is picking up big-name clients. Early this year, MSI signed a relocation contract with Hyatt Regency, replacing a larger, well-established, third-party without going through RFP process.

Last month, MSI signed a contract with Airbus North America to provide domestic and international relocation services to its employees.

The leading commercial aircraft manufacturer will be opening a center in Mobile, Ala., next January, hiring 150 engineers. MSI will benchmark Airbus N.A.'s current relocation policy against industry best practices and make specific recommendations to ensure the company's competitiveness.

Airbus sought a single-source vendor for its global employee relocation needs.