Cost Savings Explained

Cost Containment remains a significant driver across the Mobility Industry, yet many organizations struggle with how to effectively control costs.

TRANSACTIONAL SAVINGS | *Identify opportunities to cut cost within individual moves. For example deliver language training online instead of in person.*

STRATEGIC SAVINGS | *Review programs and policy with a focus on the following:*

- *Existing Provider Agreements and Performance*
- *Policy Exceptions*
- *Utilization*
- *Best Practices and Competitive Advantages*
- *Process Reviews*

SUPPLY CHAIN SAVINGS | *Leverage your Relocation Management Company's global volumes and pre-negotiated rates.*

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10 areas to consider
to balance quality and cost savings

Tracking and reviewing savings frequently (i.e quarterly) allows for easy trend identification.

- *Core-Flex program or Tiered programs to limit exceptions and reduce benefits for lower tier employees*
- *Localization programs or Local-plus packages for long-term assignees*
- *Managed Cap programs as an alternative to Lump-sum programs*
- *Candidate assessment and repatriation planning to reduce assignment failure*
- *Bundle services*

- *Review and benchmark policies to ensure benefits are appropriate for employee population, and are not overly generous*
- *Appraise a property as vacant for a lower guaranteed plan price*
- *List price restrictions to get a faster sale and keep home out of inventory*
- *Home sale incentive/bonus to encourage listing at an appropriate price*
- *Outsource your mobility program*

A different look at cost savings

*Relocation spend can be hard to track, and understanding your total savings can be complicated. Ensure you are considering **all possible areas** of savings. For example, here are some areas where a strong Supply Chain Management (SCM) team can save you money.*

Hard Cost Savings
Reduced Provider fee in the contract renewals process

Soft Cost Savings
Original RFP bid price vs the final negotiated agreements price

Potential Cost Savings
Actual savings that would have been captured if a different provider was utilized

Cost Avoidance
SCM's effort to actively prevent increases in fees

Top 5 Cost Drivers

- Home in Inventory
- Administrative Requirements
- Long Term Assignments
- Failed Assignments
- Benefit-heavy Packages

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