Cartus
FLEXIBLE
MOBILITY
Series

Flexible Mobility: Building Budgets

Successfully creating a meaningful and sustainable flexible relocation policy can be a complex undertaking. With a multitude of objectives and stakeholders to satisfy, the number of considerations and breadth of analysis required can leave you with an imposing workstream to navigate.

Our previous white papers published in Cartus' *Flexible Mobility* series have looked at demystifying flexible mobility terms, discussed how to choose the right policy-type for your business, and shared details of a successful core/flex collaboration with Nike. In this paper, we examine the methods and considerations required when designing a new flexible policy—one that meets your business objectives and ensures relocation success for your relocating employees.

Cartus has supported organizations with tools and expertise to model their potential flexible program since the policy-type was first introduced. Contact us to discuss how we can support you. Or take our quick 5-question quiz to receive tailored guidance to suit your mobility needs.

BEGINNING WITH BUDGETS

Once you understand your business priorities for taking a more flexible approach to mobility and you know the preferred policy-type you want to create (e.g., lump sum or a fully serviced flexible model), next you need to establish an initial budget that you can measure other actions and choices against.

This figure could be based on an initial spend today, an aspirational target, or simply a placeholder to level set as you examine the more intricate details of your policy design.

Example Case

Forin Stance, Policy Design Lead at Genericorp, has been tasked with building a more flexible policy offering for relocating employees.

The company currently invests an average of $25,000 in supporting the non-compliance logistics of a relocation. Company leaders have set an aspirational target of $10,000 average spend for these services but have stated that employee experience is a higher priority overall.

To begin this process, Forin sets a testing budget of $10,000.

PREDICTABILITY AND PERMUTATIONS

For a number of organizations, cost forecasting and predictable spend are critical points to consider and can be achieved. However, it can be worth considering variables and the impact this may have on the complexity of your mobility program.

For base calculations, using global averages can help minimize your complexity, with further nuance added later. For organizations with a global model, an overall balance established across the entire relocation program, despite fluctuating individual cases, may simplify your overall design and enable a swifter implementation.

Variables in your budget could be geographical, move-type driven, or perhaps based on the individual relocating employee, e.g., job banding or family size.

> Forin's organization has a broad global reach and the potential to move individuals into or out of 150 countries. The organization is considering providing relocation budgets based on family size (single to five-plus members) and employee level (up to six).
>
> Using all these variables would create a potential **670,500 budget models (per policy)**
>
> Forin opts to use global average data for the purposes of modelling. Then later in the process, Forin will assess the country specifics of the five locations that account for 85% of the company's move volume.

At this stage, we recommend you be as imaginative as possible. If there is any interest from your organization to consider a service or area of support, include it for evaluation.

SERVICE SELECTION

From a flexible package of managed relocation services to a lump sum offering, deciding the support you expect the allocated resources to be able to cover forms your next component. Following are key considerations when you arrive at this stage of the policy design process:

- What benefits exist in your policy today?
- Which benefits or support have your employees requested in the past?
- What are your competitors for talent offering?
- Which elements will remain a core provision to all employees? (e.g., immigration services)
- How can your new policy support internal initiatives? (e.g., talent retention; diversity, equity, and inclusion objectives; sustainability)

Specific to a managed flexible mobility policy:

- Are there any services which may be multi-selected in blocks (e.g., language tuition in 20-hour blocks)?
- Which services would you like to provide as a hybrid offering (e.g., base-level support for all, which can be increased using an employee's flexible budget—e.g., language lessons or essentials shipments)?
- Are any services likely to be mutually exclusive (e.g., furniture rental or large shipments)?

At this stage, we recommend you be as imaginative as possible. If there is any interest from your organization to consider a service or area of support, include it for evaluation. Whether working internally or with a relocation services partner, gathering broad data initially will make the experimentation phase and fine-tuning your model a more rewarding experience. This way, you can easily assess the impact of including or excluding potential offerings.

WORRIED ABOUT PROVIDING "TOO MUCH CHOICE"?

Look out for future publications in Cartus' _Flexible Mobility_ series, focusing on how to present choice to relocating employees.

Today, we are faced with expanding choice in nearly all aspects of life, and many of us have come to expect and value choice more than ever. According to proprietary industry research Cartus produced with Worldwide ERC®, more than 70% of organizations are now using flexible mobility policies as part of their relocation programs.

It is important, however, not to overwhelm a relocating employee when it comes to the benefit selection process. The problem is rarely the volume of choice. In modern life, the simple act of ordering lunch provides an example where people successfully navigate selections with thousands of variable outcomes, without a second thought.

The key is how diverse options are presented, to make them digestible to the user. Offering your relocating employees a broad range of options and equity of choice will ensure your relocation program supports diverse talent in ways that no volume of persona modelling alone can accommodate.

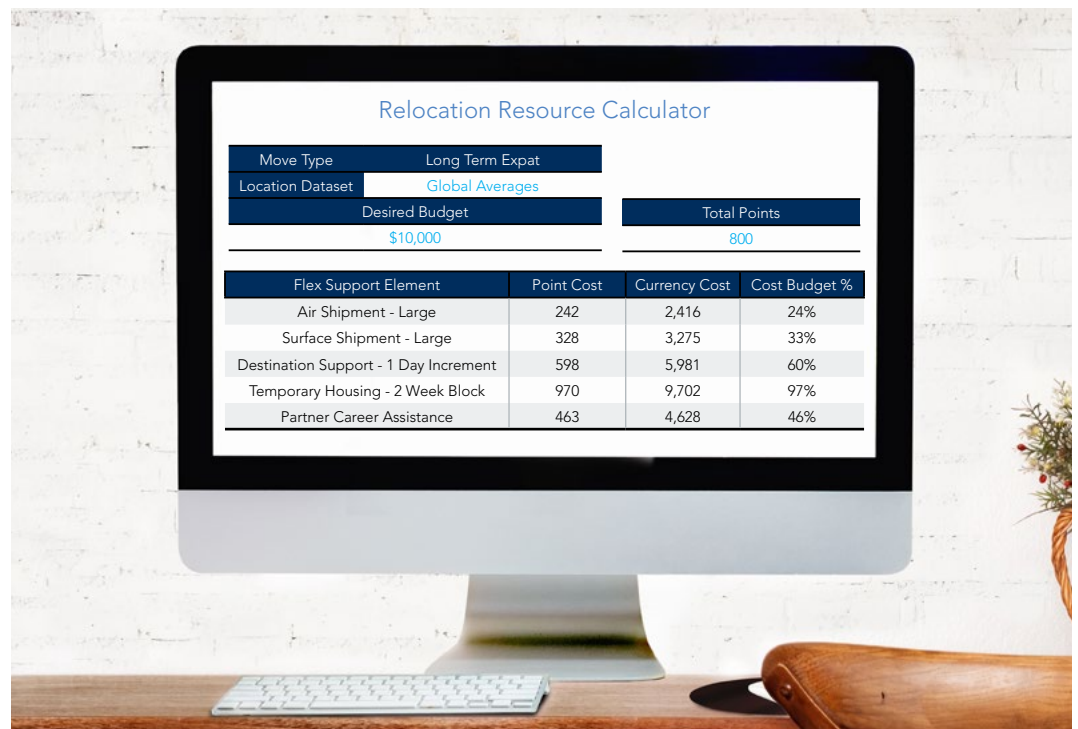Genericorp have tasked Forin with developing a managed core/flex policy.

Based on their existing policy, Forin and the team begin modelling with the following services in play:

- **Immigration Services:** Provided as a core service with a flexible option to secure advice for additional non-dependents.
- **Destination Services:** One day provided as a core service for lease checking. Additional flexible option to add up to four additional days for home/school finding, area orientation, and settling-in assistance.
- **Household Goods:** Flexible options for small and large air/surface shipments **OR** furniture allowance.
- **Language Support:** 20 hours provided to each family member as a core service, with a flexible option, which permits unlimited additional 20-hour blocks (up to budgetary limit).
- **Dependent Career Assistance:** A flexible option to provide careers guidance to a relocating dependent.
- **Family Wellbeing Support:** An experimental flexible benefit whereby the company funds a one-year membership for the relocating family at a fitness/wellbeing center of their choice, to encourage positive lifestyle and community integration.

THE NUMBERS

With data parameters and desired services ready for review, your design team (possibly with the support of your relocation services partner) should provide costs associated with each benefit, ready for analysis.

Ideally, you will have access to tools, which allow both simple modelling for whole costs, while also experimenting with services being a hybrid of core and flexible support, along with options that can be selected multiple times. For any mutually exclusive services, modelling outputs should also accommodate for the fact that employees will not choose both options when assessing your model.

Relocation Resource Calculator

Move Type	Long Term Expat
Location Dataset	Global Averages

Desired Budget	Total Points
$10,000	800

Flex Support Element	Point Cost	Currency Cost	Cost Budget %
Air Shipment - Large	242	2,416	24%
Surface Shipment - Large	328	3,275	33%
Destination Support - 1 Day Increment	598	5,981	60%
Temporary Housing - 2 Week Block	970	9,702	97%
Partner Career Assistance	463	4,628	46%

For both lump sum models and managed programs, using real data to establish cost will help you understand how viable your new model is, clarify the impact of each desired service, and provide you with insights on how you may wish to adjust the model based on your priorities.

Key data points to review:

- Anticipated cost per service
- Percentage of the current budget that use of the service would absorb
- Maximum total spend (maximum cost, using highest cost exclusive service)

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TEST, TWEAK, AND TEST AGAIN!

With your policy design modelled and backed-up by data, it is time to test it. Following are some tests you may consider:

Budget Viability

Do your chosen services meet your chosen budget? If cost data shows a single service may either be unaffordable or take an unreasonable proportion of the budget, it may be time to return to your priorities and decide whether to remove the service or increase the budget to accommodate.

In addition to the impact of individual services, assess whether you have a good balance of high- and low-cost services by examining how much of your budget all non-exclusive services would use. If it is all but impossible to use the entire budget, you could potentially adjust it downward, or consider adding more options. Likewise, if the budget is exhausted on a small number of benefit items, adding some additional lower-cost options could increase user choice.

User Testing

Build individual mock moves with the options and data you have available, to understand how your policy performs.

- Use historic moves (perhaps some with exceptions)
- Utilize model individuals and test their potential choices based on needs and expected interests
- Use your in-house design team or a pilot group to seek diverse input for testing… can anyone break your model?

Seek diverse input for testing by using your in-house design team or a pilot group. Can anyone break your model?

Business Output

Using the data you have gathered and the tests you have conducted, you can report your findings to a wider audience, e.g., expected file spend, savings versus current or maximum spend, and service combination metrics to demonstrate flexibility. Each of these data points can now be showcased to share crucial visibility on your progress, influence needed adjustments, and set expectations for change impacts.

Based on your findings and the feedback you receive, adjust your new mobility model, and keep testing until you are happy that you have found the correct balance to meet your project's key priorities.

For the strongest design experience, access to tools that enable real-time model changes are ideal. Such tools can avoid extended lead time between builds and allow for more collaborative experimentation, so are worth the investment in setting up, if possible. With the pace of change continuing to rise, building a foundation from which to easily re-evaluate your program, adding new support to meet evolving needs, or simply revising your budgets to match economic changes are all tasks that—with the proper tools and attention—will make for a far smoother experience.

During testing, Forin and the design team identify that the inclusion of a large surface shipment is impacting the overall viability of their model, with service cost expected to account for >90% of an average user's budget.

Real-time testing indicates that a budget adjustment from $10,000 to $13,000 brings the budget percentage into a more acceptable range, and the service can continue to be offered.

Forin models the impact of both removing the service and increasing the budget to present to stakeholders, providing a recommendation that aligns with overall design priorities.

AND... BREATHE

The initial build of a new mobility model is a huge step in flexible policy design and one of the major hurdles to overcome. From this point there are many directions your design can take. As we continue Cartus' *Flexible Mobility* series, we will focus on a number of these components, including:

- Fine detail design: Currency versus points and cash-outs, carryovers, and compensation
- Presenting choice: The user experience
- Further benefits of flexible policy design: Supporting diversity, equity, and inclusion and sustainability with a new relocation policy
- Future-proofing mobility policy: How to pulse check and evolve your policy to avoid stagnation

FIND OUT MORE

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