

achieving cost savings through policy design— part one

In an era of heightened fiscal scrutiny and evolving market dynamics, demonstrating cost-effectiveness is not just about reducing spending but maximizing the value and impact of mobility spend, fostering a balance between quality service delivery and financial responsibility.

In this two-part white paper series, we explore balancing mobility costs with the need to deliver a positive relocating experience for the assignee and their family. Part one provides strategic guidance on how to build a policy framework that will work for you and your relocating employees. [Part two](#) offers real-world examples of cost savings and efficiencies realized by Cartus clients.

getting started

It is important to develop a framework that drives consistency and equity in how decisions are made. One that gains critical buy-in from key stakeholders to ensure a smooth process. Approaches to cost-effectiveness will differ based on your industry's current dynamics, your international assignee population profile, destination locations, overall move volume, and your organization's tolerance for change.

ways to build your cost containment framework

It is good business practice to make sure your policies continue to meet the needs of your organization and relocating assignees. It is important to take the time to review your approach regularly, ensuring policies take into consideration changes in the macroenvironment and competitive landscape. Failing to review your policies regularly could affect your bottom line as well as your talent management program.

will you choose one methodology—or will it be more flexible?

Following are three methodologies used for policy review and cost containment:

1. holistic

The first step on the path to a holistic program is to consider if and how your mobility program is aligned with your organization's overall business goals. Begin by creating a holistic view of your organization's business objectives, employee demographics, and the rationale behind international relocation programs.

The second step is to evaluate your organization's mobility and talent management programs to ensure they complement one another and to identify which components offer the most value in the assignment experience while controlling costs.



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Step three is to assess assignment ROI, which becomes an important aspect of a holistic approach. Important questions to consider include:

Are international assignments occurring for the right reasons?

Which moves are business-critical?

Before an assignment or relocation, is there a detailed plan (the purpose of the assignment, the priorities, and desired outcomes)?

What alternatives are available to relocating employees? To what extent—for example—are suitable local resources available, or can a commuter policy be effectively deployed?

Are the right employees being chosen for each assignment? Are selection managers equipped to make the right choices? Do you have a structured candidate assessment program or candidate pools?

Is the receiving manager suitably informed and trained to enable them to maximize the potential of the assignment?

What needs to be in place to make sure the assignment succeeds? Is support in place for accompanying family members?

2. adopt more flexibility!

Cost efficiencies can be achieved by increasing your program's flexibility level. Flexible design models differ—broadly based on the requirements of an individual stakeholder or the guiding principles of your business overall. When considering designs for your flexible policy, you may find yourself weighing the merits of assignee experience versus cost containment, but the two need not be mutually exclusive. Adopting a more flexible approach to mobility combines these two seemingly competing focuses. Policies can be targeted. Tiered policies by level, move purpose, or core/flex policies provide relocating employees with choice and control—particularly important to Gen Zers and Millennials—while presenting cost containment opportunities.

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Starting your flexible mobility journey? [Learn how Amy Spiker, Global Talent Mobility Leader, Eaton, helped build her company's successful core/flex program.](#)



A core/flex approach typically consists of:

- Core benefits are pre-defined by your organization.
- An additional selection of benefits enables assignees to choose services and tailor them to their circumstances.
- A specified amount an individual can spend toward flex benefits.
- The potential to move a traditional core element, e.g., a miscellaneous allowance to a limited cash-out from unused relocation services.

A core/flex program provides your assignees with control and choice. A flexible policy approach can also offer innovative and inclusive options that are important to your macro-organizational initiatives. Such initiatives can influence mobility policy and enhance the assignee experience, e.g., allowing a friend or relative to join a single-parent assignee on the final trip to the host location to help with childcare while the assignee unpacks and settles in.

3. policy-benefit driven

This approach is most viable for organizations with a lower tolerance to change. Leave the framework of your policies unchanged and maximize cost-saving opportunities by completing:

- An analysis of data to identify areas representing the highest spend.
- An assessment of high-spend areas to eliminate excessive costs and streamline where possible while carefully considering the impact on the assignee experience and your organization's talent management strategy.
- A review of assignee communications to ensure they clearly set expectations from the outset.

refining your policy: next steps

Once you have determined your overall approach, we recommend adopting robust measures to guide and support the decisions you have secured agreement on to build a policy that will meet your objectives:

1. perception of stakeholders

Take appropriate steps to understand senior business unit and HR leaders' perceptions of your current mobility program. This can, for example, be achieved through an internal survey of key stakeholders. This will highlight potential resistance you may encounter when suggesting new approaches and changes, allowing you to design your strategy accordingly. While senior leaders may perceive certain benefits and services as vital, user feedback may suggest otherwise. Conversely, what may be considered a costly benefit could be a small portion of the overall program cost when you have completed a spend analysis.

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2. focus on the data

Employ, where possible, a data-driven approach and make the most of available reports to get an accurate picture of all aspects of your current mobility program, including:



Assignee demographics
(e.g., distribution of assignee bands/levels and move-types by region or key market)



Areas of high-cost



Service utilization patterns



Category and number of exception requests and approval/rejection rates



Levels of assignee satisfaction with current services



Employee performance while on assignment



Employee retention upon repatriation



The number and causes of any failed assignments

Focusing on the data available to you will allow for better decision-making and a clearer understanding of the potential impact of the measures you choose.

3. benchmark your policy

Benchmark your policy against other relevant companies (e.g., competitors or companies with comparable volumes of international employees, move patterns, and markets). This will allow you to determine how competitive your policy is, impacting your ability to attract talent and if any of your policy elements are above market standard. Once you know what elements are above or below market, a decision can be made about aligning the benefit or leaving it unchanged if it is important in your organization.

4. consider key objectives

When making your final decision, revisit what is important to your organization and what you are trying to achieve. For example, take into consideration how assignee satisfaction and productivity will be affected by a change in policy, for example:

- Offering a lump sum policy will increase the level of flexibility for an assignee yet may negatively affect productivity and levels of spend.
- Introducing tiered benefits will drive costs down yet may reduce flexibility and potentially satisfaction levels.

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influencing assignee choices

When refining your policy, be creative. Do not be restricted by an existing framework that has existed for years. Think about the demographic of the people you are relocating. As we know, in general, there can be generational differences in how employees approach things and what they deem to be priorities. What motivates them? How can they be incentivized to be cost-conscious? Whether that is imposing stricter time limits on temporary living to generate a greater sense of urgency to find permanent accommodation or introducing incentives for assignees who choose lower-cost options (e.g., traveling economy rather than business class). Such approaches can help foster a cost-saving culture among your assignee population.

Consider how potential changes will impact the level of complexity in implementing and managing your policies. Also, consider how the number and type of exceptions to policy may be affected by your cost-saving measures.

moving forward

Approach your policy review with an open mind, some creative thinking, and stakeholder input, and you will uncover new and innovative ways to enhance your program and deliver cost savings to your organization.

find out more

Read [Part Two](#) of this series, describing how organizations have applied the above strategies and realized cost savings.



For more information on this or any other aspect of your mobility program, email cartussolutions@cartus.com.