

Have relocation plan in place to lure top talent

By **Michael Hunter**
STAFF WRITER

According to the Worldwide Employee Relocation Council, U.S. corporations spent \$25 billion in 2009 on employee relocation, with the average cost of a relocation exceeding \$60,000.

The more important the employee, the greater the cost of the relocation and the greater the importance of a company having an attractive relocation policy in place to lure talent.

“As a rule, companies give C-suite employees the maximum benefit,” said Jill Heineck, public relations chair for the **Society for Human Resource Management** and chief relocation officer of **Focus Relocation LLC**, an independent Atlanta relocation consulting company. “People look at relocation as part of their compensation.”

The current real estate market is having a dramatic effect on relocation policies.

“Real estate is playing a big role in talent acquisition,” Heineck said. She cited real estate loss as the No. 1 reason a relocation can fail. “Sometimes, the salary and bonus will not make candidates whole for the loss on their house,” she said.

The current real estate market is “one of the most difficult I’ve seen in the last 25 years,” said GeLaine Joachim, vice president of the board of directors of the **Southeastern Regional Relocation Council** and senior vice president of global mobility for **Promisor Relocation**.

Both experts agree there are policies that savvy companies can put in place to help mitigate the current real estate market shortfalls.

According to Heineck, a typical relocation will include Realtor recommendations, as well as a paid home-finding trip, home marketing assistance and the moving of household goods. Some companies will give an employee a bonus if they sell the home on their own and, as a last resort, buy the house from the employee to facilitate the relocation.

Because it can take “up to three times longer” to sell a house these days, companies are looking at other real estate options, Heineck said. Many companies are giving their prospects temporary rental allow-

ances, used to hire a property management company to rent the property for a set period of time until it can be sold at a better price.

Joachim said some companies are providing loss-on-sale coverage, making prospects whole on their real estate loss, as well as extending the time the company will pay for temporary housing. Also, companies are allowing employees to keep their status as homeowners for the purpose of future relocations even if they choose to rent in their new market.

“Consider relocation as part of your marketing strategy,” Heineck advised.

Too often, she said, companies approach relocation benefits in a reactionary way. Relocation benefits should be figured in during your annual budgeting meetings, she said.

A big mistake many companies make is to have an employee bill the company for any expenses incurred. This can set the company up for potential tax nightmares, Heineck said.

“The IRS gives guidelines that have to be followed,” Joachim said.

A company can benefit from the expertise of a third-party relocation company with in-depth knowledge of the pertinent regulations. When choosing a relocation company to aid your efforts, Heineck recommended making sure the company has a good communications strategy.

“Disconnection between all the parties can lead to problems in a relocation,” she said. “And a lot of times it is the reason why a relocation doesn’t stick.”

Joachim agreed communication is essential. A company needs a firm that is “constantly updating them on what’s going on,” she said.

“Look for a partner, not a vendor,” she said. Companies should be looking for a firm that is not there for one transaction, but in it for the long haul, she said.

“In this current environment, they should look for a company that is creative and flexible, with longtime employees who have experienced difficult real estate markets,” she added.

Companies should look for relocation professionals who are certified through the

Employee Relocation Council with the CRP (Certified Relocation Professional) designation, Joachim said.

Once the employee is on the job in the new market, the relocation is not complete, Heineck cautioned. It typically takes a professional relocation team nine months to complete a relocation: up to three months for the move and up to six months helping an employee get acclimated to his new surroundings. Companies should provide spousal assistance to help the employee’s partner transition to the new location as well.

“Well-executed relocations can have a huge impact on your internal and external brand,” Heineck said.

Employees should feel engaged, excited about the move, their job and feel that the company cares about them.



Heineck
Society for Human
Resource Management



Joachim
Southeastern
Regional Relocation
Council

HOW TO

RELOCATION

Tips to aid your search:

- 1 Plan ahead. Relocation expenses should be part of your annual budgeting discussions.
- 2 Define your financial focus. How much are you willing to spend to acquire the talent?
- 3 Do your homework. What is your competition doing? How does your relocation policy compare?