



THE PROCUREMENT PROFESSIONAL'S GUIDE TO: **CREATING A COST-EFFECTIVE** CORPORATE RELOCATION PROGRAM

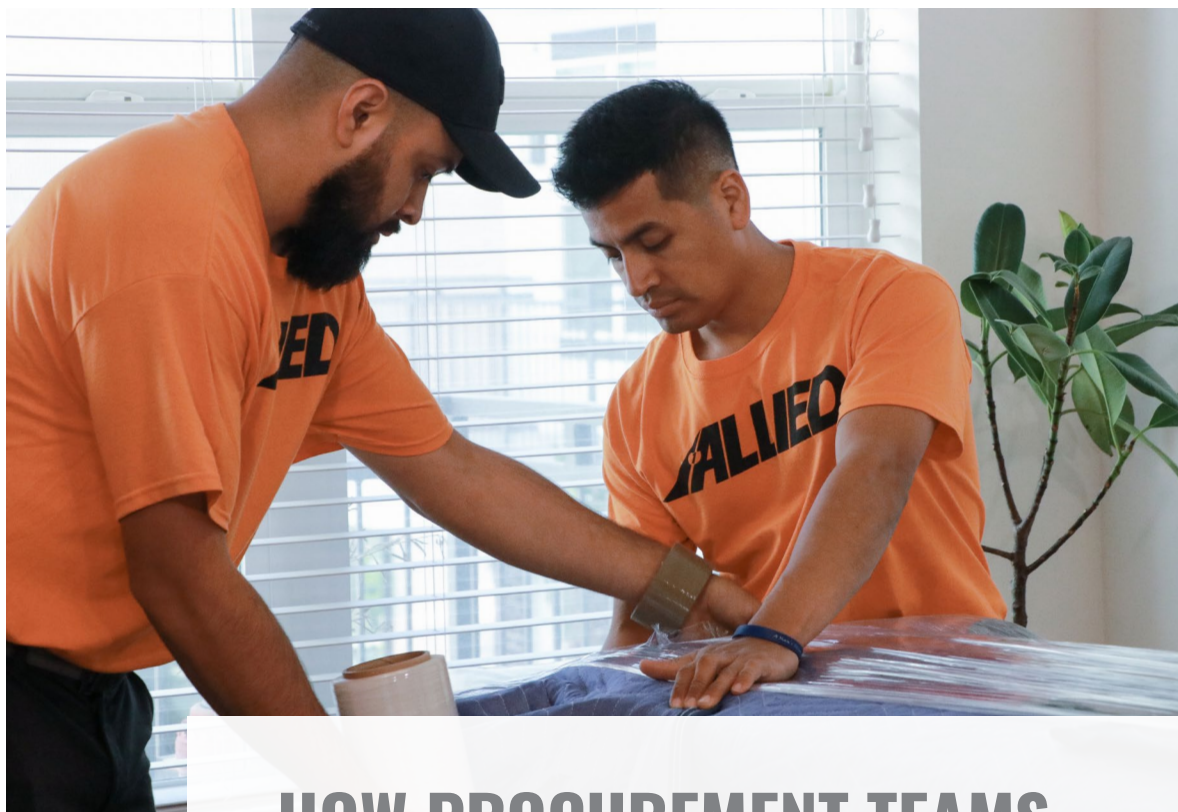
Three ways procurement teams can ensure the most value from employee relocations





TABLE OF CONTENTS

This white paper discusses the steps procurement teams should take and the details to consider when creating an employee relocation program that is both valuable and cost-effective.



HOW PROCUREMENT TEAMS CAN LEAD THE WAY

A corporate relocation program is a critical benefit to improve recruiting and employee retention, but can be costly and time-consuming when not set up or managed properly.

Procurement teams have the opportunity to help their organization establish a valuable yet cost-effective corporate relocation program by determining a budget based on industry and company trends, selecting a relocation package that makes the most of the company's budget and vetting and selecting quality, trusted vendors.





SET YOUR TEAM UP FOR SUCCESS

To develop a cost-effective relocation program that still meets your team's needs and goals, you'll need to do the necessary prep work and research to set your program up for success. The procurement team can lead the way by working across departments to develop a budget based on industry standards for corporate relocation programs, team expectations and employee needs.



Know the Budget

Like with any new addition to your company's budget line items, it's important to know how much your organization is willing to spend. You may be given a budget to work with or company leaders may ask you to propose a budget. Ensure you have clear expectations of who's doing what at this step of the process.

If you're proposing a budget – or able to give feedback on a budget that's given to your team – it's beneficial to research how much other companies spend on relocations. While the cost of moving may be [down](#) thanks to higher interest rates and a slower housing market, moving costs still range in the thousands. Some businesses can spend up to [\\$97,000](#) to cover moving expenses for employees. These numbers can vary drastically based on what your company is and isn't willing to cover, the distance people are moving, the size of your business and more.

Set Expectations

With those budget averages in mind, your team can then dig into setting expectations of how the program will operate. If your company is looking to establish a relocation program, that likely means they anticipate an increase in employees moving for work, or have already noticed one. Combining historical employee moves data from your organization (if it's available) and data related to national trends can give your team a good idea of how often your program will be used. According to the U.S. Census Bureau, roughly [15%](#) of Americans who moved in 2021 and 2022 did so for job-related reasons. Among 2023 college graduates, [71%](#) report being willing to relocate for the right job. Even with remote work options, Americans are still willing to relocate for better opportunities.

Whether your company has multiple branches or just one location can also impact how and how often your employee relocation program will be used. Are employees moving from location to location? Or will your program be focused on supporting recruitment efforts by relocating new hires to your city? Understanding the goals and expectations will help inform program and budget decisions down the line.



Determine Employee Needs ////

What do your employees need for a successful move? The answers may vary from employee to employee, but understanding the trends in their answers will help your team set an effective budget. If you have the resources, conducting a survey of employees who previously moved for work can provide helpful insights into the details of moving that will need to be considered in your program. Some expenses your program can cover include:

- The cost of movers or a moving van
- Temporary living expenses
- Home-finding trips
- Shipment of household goods

With this knowledge in hand, you'll need to determine how [comprehensive](#) you want your program to be. Does your company plan on just covering the basics? Or do they want a program that takes everything off of the relocating employee's hands? Will benefits be extended to new hires or will relocation support be offered exclusively to existing employees? This is the time to work across departments to find the answers to every question your team has surrounding employee relocation to create a budget that meets your team's needs and adds value without breaking the bank.

CORPORATE RELOCATION BY THE NUMBERS



64% of employees moving for work received a relocation compensation package



35% of relocating employees were expected to cover the costs themselves



37% of employees aged 25-35 were most likely to be willing to move



23% of employees aged 35-44 were most likely to be willing to move



The majority of relocating workers, **34%**, were given between 1 - 2 months to move



The majority, **23%**, of employees who moved for work came from a company of 100-499 employees

Source: <https://www.allied.com/infographic/job-relocation-survey>



REVIEW RELOCATION PACKAGE OPTIONS

Now that you have a budget in mind, it's time to review the different relocation package options and determine what option will provide the most value for your team. There are a variety of options that your team can choose based on your budget, needs and goals for your program.

Lump Sum

Lump sum packages are an often-utilized option for employers, particularly for junior and entry-level moves. This option sees the relocating employee receive a standard amount that they can use as they see fit for their move.

Pros

- Fixed-cost and predictable budget
- Reduced admin time as the employee handles all decisions and the cost is fixed
- Flexibility in vendor selection for employee
- Prevents employees from needing to front the costs and provide an expense report for reimbursement

Cons

- Reduced support for employees
- Employees may still need to pay out-of-pocket for moving expenses that exceed the lump sum amount
- Lack of equity as employees have a variety of different moving needs
- Loss of data as employees don't need to report where the money is being used
- Increased risk to employees who may use cheaper vendors
- Loss of productivity for employees who are being tasked with moving decisions





Capped Allowance Plans

Capped allowance plans are an evolution of lump sums that add more structure and take a less one-size-fits-all approach. With a capped allowance plan, companies also provide more oversight and typically set rules for how the money can be spent.

Pros

- Flexibility for employees to dictate costs
- The cost cap keeps budgeting simple - you can pre-determine the highest amount that can be spent
- Provides data and insights into where the money is spent and how much moving costs

Cons

- Employees are still responsible for finding their own vendors
- Loss of productivity
- A capped allowance still might not cover all moving expenses

Managed Support

Managed support offers the most customizable option as businesses work with each moving employee to develop a relocation package that meets their specific needs. With this option, your team will take a more active approach and handle managing the move instead of asking the employee to handle it.

Pros

- Takes the stress of finding and vetting vendors off your employee's shoulders
- Creates an easier and more welcoming experience for employees
- Reduces [security/scam risk](#)
- Creates a streamlined yet customizable experience for employees
- Fulfills your [duty of care](#)
- Provides data insights into what relocation funds are being spent on
- Increases productivity as employees won't need to spend extra time figuring out moving details
- Makes it easier for your team to provide additional moving benefits that employees may not know about or be able to afford with other package options
- Helps make relocation more of a benefit than a burden

Cons

- Less streamlined budgeting as the cost will vary for each move



WHAT TO LOOK FOR IN A CORPORATE MOVING PROVIDER

Outsourcing and working with a corporate relocation provider can make a major impact on the overall cost and value of a move while also increasing employee productivity both for the moving employees and the HR team. Though outsourcing can seem like an unnecessary additional expense, working with a relocation provider gives you access to their wealth of expertise and connections, protecting your team from subpar movers, hidden fees and surprise expenses.

In addition to that, corporate moving providers can also provide your team with a single point of contact and accountability for all of your employee relocations, allowing you to build a more robust program that meets your needs and grows with your team while remaining budget-conscious.

When choosing a corporate moving provider – like with any other vendor or partner – it's important to know what to look for to make the best choice for your company. During your research, consider companies that:

- Have consistently good reviews from partners and customers
- Offer comprehensive support that meets your needs
- Has access to a national network to make relocations easy for employees no matter where they're moving from
- Prioritize transparency
- Align with your organization's DE&I and ESG goals





TRUST **ALLIED**

Allied has 95 years of experience managing relocations and providing customized, comprehensive service within your budget. Backed by Sirva, Allied is one of the largest single-source end-to-end corporate relocation providers. Our network of agents spans the nation – and the world – ready to provide your team with long-distance support and local knowledge. Beyond serving your relocation needs, Allied's commitment to transparency, sustainability and inclusion can help your organization meet your ESG goals. Learn more about how Allied can take your corporate relocation program to the next level.

