

Five Critical Features of an Effective Executive Relocation Package





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We are not about just scheduling moves and coordinating transactions. We are in the future business. We are about moving people and companies to their future. We are about supporting the ability to live, work and thrive anywhere, across a lifetime.”

Barry Morris, President & CEO
CapRelo

About Us

CapRelo is a full-service global relocation management company that manages over 10,000 worldwide relocations and assignments annually for all sizes of companies – small to major multinationals alike. With 24 years of mobility expertise, we have established an extensive global footprint with presence in the Americas, EMEA and APAC. Your purpose drives our focus and allows us to be uniquely positioned to help you both acquire and retain the best talent. Our vision is lived by our staff, our daily interactions with clients and industry colleagues and our commitment to the communities we serve. We are proud to support the relocation needs for living, working, thriving anywhere across a lifetime.

150+

Global clients

8k+

Relocations/year

96%

Transferee satisfaction

A comprehensive relocation program is critical for the recruitment and retention of executive talent. A well thought-out and detailed relocation package is a necessity, even with large salary and bonus offers. No matter how many incentives are offered, an executive managing their own relocation can pose issues. Offering an attractive relocation package is essential to recruiting and retaining top industry talent.

Mythbusting: Are Relocation Packages No Longer Necessary?

There is a myth that says relocation is rapidly becoming unnecessary, especially following the pandemic and subsequent rise in remote work. The idea is that with a strong real estate market and the ability to work from home, moves are unnecessary, or if they become necessary, homes will sell quickly.

To some, the relocation package is a vestige of a bygone era when the job market was bustling, and people could take risks like switching employers without fear. This thinking is short-sided and can spell doom for a corporation's efforts to recruit and retain talent, as well as limit their ability to expand and grow.

Five Features of an Attractive Relocation Package



**Comprehensive,
Not Complex**



**Flexible Solutions
to Common Relocation Issues**



**Real Estate
Assistance**



**Low-Stress Household
Goods (HHG) Move Options**



**Built-In Bonus
Incentives**

Five Features of an Attractive Relocation Package

Comprehensive, Not Complex



Offering relocation packages that are straightforward and easy to navigate is essential. At the same time, executive relocation packages should offer much more than simply hiring a moving company to transfer a bunch of boxes from Point A to Point B, or reimbursement for meals and air fare. Relocation packages must be carefully developed and refined to care for the needs of the relocating executive, from the inception to the completion of the relocation.

Bear in mind that the end goal of your relocation package should be to not only entice outside talent, but also to make an existing employee's transition from one location to another completely seamless. A minor bump in the road can cause a significant loss of productivity, so attention to detail and wholistic management of the relocation is vital.

Flexible Solutions to Common Relocation Issues



Capably tackling issues as they arise is only one part of a successful relocation. A staff of skilled relocation specialists is absolutely necessary for putting out fires, but the real key to success is anticipating problems before they occur.

It isn't necessary to be psychic to tune into what these issues may be. The company just needs to be sympathetic to the fact that relocation can be a daunting experience, particularly for those with families. Therefore, it's important to offer relocation packages that include destination services and flexible solutions for important issues, such as:

- Finding good local schools for the executive's potential children.
- Providing help finding work for a relocated employee's spouse.
- Researching local clubs and professional networks or associations to keep executives feeling connected after they move.
- Locating places of worship.
- Arranging for the moving of pets or plants, or any other belonging that doesn't fall under the purview of a traditional moving company.

Real Estate Assistance



The inclusion of assistance with the marketing, management of the listing broker and administrative work is key to ensuring the executive doesn't need to worry. This assistance can be provided in a variety of program structures and is critical in both challenging and strong real estate markets. In order to ensure success in this endeavor, companies should consider the following for their executives.

- Providing easy access to a real estate broker with a proven ability to sell homes in the price-range of typical executives. Likewise, it is important to seek out a real estate broker at the destination location to find housing that adequately matches the size and cost of the home at origin.
- Offering the employee a preferred mortgage financing program.
- If the market calls for it, connecting the relocating homeowner with a real estate attorney who can review sale and purchase contracts, perform home walk-throughs, and ensure any needed changes or repairs are made prior to closing.
- Adding buyer incentives to improve a home's curb appeal. This can be accomplished by hiring a third-party company to "stage" the home for sale, improving the chances for it to sell more quickly.
- Building in quick sale bonuses for real estate brokers to incentivize them to move property quickly.

Low-Stress Household Goods (HHG) Move Options



The late stand-up comic George Carlin claimed that "the whole meaning of life is trying to find a place for your stuff!" There's lots of truth to this if you understand that to the vast majority of people in the world, their "stuff" is everything to them.

The transportation of household goods is one of the primary concerns of many relocating executives. If they have to arrange the move themselves or cannot be promised a high-quality experience, they may turn down a lucrative position to avoid the inconvenience.

Many relocation packages offer 100% reimbursement of all moving expenses. Others even advance the money necessary to move. Either option should be considered a baseline standard inclusion for a corporate relocation package. Great effort should be taken to handle every aspect of the move for the employee, going beyond the bare minimum. This includes tasks such as contacting a qualified moving company and making arrangements for timely pickup and delivery.

Relocation packages should also be comprehensive and designed to reduce the stress of a household move both for the executive and their family. Moving can be stressful even under the best circumstances, and it only becomes more burdensome if the relocating employee must make arrangements themselves. Making the executive shoulder the burden is the worst thing a company can do for productivity. A DIY move might cost less up-front, but the long-term costs in lost productivity and frustrated employees are rarely worth it.

Built-In Bonus Incentives



Sometimes, a little ‘icing on the cake’ tips the scales in favor of an executive accepting a relocation opportunity. According to a corporate relocation survey performed by Atlas Van Lines, companies that offer incentives in addition to the standard inclusions of a relocation package are far more successful at getting their employees to relocate than those who don’t.

Some popular incentives among employees – and those that are the most likely to win over an individual that is having a hard time deciding – include the following.

An extension of temporary housing benefits.

While reimbursement for temporary housing is a standard inclusion of most relocation packages, the ability to extend those benefits if an employee has difficulty finding a permanent home can make a big difference in the deciding process.

Monetary bonuses for relocating.

This benefit has its pros and cons. Because a bonus is considered taxable income, a gross-up from the employer is necessary to ensure the executive receives his or her full bonus amount. Companies will have to decide if the extra expense is worth it.

Protection against a loss on the sale of the employee’s home at origin.

The real estate market is ever-changing, and it can be difficult to convince an executive to sell their home, even in a hot market. This becomes even more challenging if they are faced with a potential loss on sale. Offering protection against this is vital.

Cost of living salary adjustments.

An executive earning top dollar in Topeka may find that their salary isn’t enough to maintain their current lifestyle if they relocate to San Francisco. Typically, this is offset by a separate compensation package and not a relocation benefit. However, in some cases it may be included in the latter.

Thinking Outside the Box

Creating relocation packages is an opportunity for corporations to think outside the box when it comes to improving executive employee satisfaction rates. The company should encourage original ideas to accommodate the needs of relocated employees and their families. A relocation package should seek not only to facilitate a physical move, but also to make sure that executives and their families are satisfied with their new home and surroundings even though they may have moved away from family and friends.

Conclusion

With the time and resources it takes to hire and retain high-level, high-visibility employees, it is important to both meet their needs and remove obstacles to their productivity for your company.

Generally, the best way to meet your goals and avoid issues with executive relocations is to hire relocation experts to run your program. While the budgetary cost of hiring experts can be higher than running the program yourself, the advantages far outweigh the disadvantages.

Whether you run your own program or hire a third-party relocation management company, be sure to focus on the key areas of destination services, real estate and household goods moving. Mishandling any of these three areas can break a smooth relocation, causing lost productivity and unnecessary stress for your executive and their family.

At the end of the day, developing an executive relocation package is a science. Its goals: to avoid distractions, achieve a quicker return to productivity and to eliminate the reasons why an employee might turn down a relocation offer. Effective relocation packages address all these goals.



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