Unique Cost Containment
Reduce program costs without eliminating benefits

Robin Hughes-Taylor, HSBC Bank USA
Medina McDade, Walmart Stores, Inc.
Jeff Heisler, Home Sweet Home
David Welch, SIRVA Worldwide Relocation
Robin Hughes-Taylor
Vice President, HR Service Delivery
HSBC Bank USA
HSBC Mobility Program

GM Transformation Vision
Transforming the Global Mobility platform over the next 2 years to ensure the following:
• Mobility Policies are fit for purpose
• Operational delivery is efficient and using the latest technology
• Vendors are of high quality and well managed
• Provision of value add consultancy services to the business
• Meaningful MI reporting to the businesses on the ROI on their mobility investments

Scope of Service:
• International Secondees, International Managers, International Contract Executives, Short Term Assignments, International Transfers
• Domestic Relocation (UK & US only)
• Support of the Groups Location Strategy (UK & US)
• Global Immigration Initiative

Global Assignee Population
• International Secondments 729
• International Contract Executives 24
• International Managers 339
• Short Term Assignments 393
• Total 1485

• International Transfers on Local terms 1096 annual

GM Policy quick wins
• Short Term Assignee - Daily Overseas Allowance
• Education Assistance- Locally based education rates
• Mobility Premium
• International Assignee Travel Plan
Unique Cost Avoidance Opportunity

Long Term Assignments
- 22 IAs end their assignment by YE 2016
- 13 IAs end their assignment between Jan–June 2017
- 45 IAs have more than 1 year for assignment expiry

*Did you know……*
Unplanned extensions are costly
- If all assignments end on time by YE 2016, approximate Cost Avoidance of $6.7M*
- If all assignments end on time by June 2017, approximate Cost Avoidance of $10.3M*

Exit Population
July 2015 to July 2016
- Total 20

*Did you know……*
Investment is lost on each exit
- Approximately $12.3M* on voluntary exits

* Approximate costs for illustration purposes
Unique Cost Avoidance Opportunity

- Limiting assignments to 3 years
- Diligent management of repatriation
- Levels of endorsement and approval for back-to-back's
- Proper succession planning
- Career management = Cost management
Future Consideration

Partner Support Assistance

- Current approach – payment of GBP 5K net to assignee
- International Dual Career Network - [http://www.idcn.info/](http://www.idcn.info/)
- Local support networks, for example Focus in the UK - [http://www.focus-info.org/](http://www.focus-info.org/)
- New policies will remove partner support allowance and replace with dedicated counselling. Average cost will be GBP 2,100 per assignee.
Medina McDade
Director
Walmart Stores, Inc.
Walmart Stores Inc.
annual revenue
≈ $482 BILLION

- 2.3 million associates worldwide
- 11,500+ retail units
- 260 million customers per week
- 15 formats in 28 countries
- 85 Million Walmart.com monthly avg visitors
- 70 different brands and banners
G-CRSS – Global Corporate Relocation
Shared Services

We move people so our company can align talent and deliver value

- Associate Experience
- Every Day Low Cost
- Sustainability

- 7000+ new initiation volume annually
- 16 WM corporate associates; 30+ onsite suppliers; 80+ global support
Current Initiatives

• Behavioral patterns
  ✓ Talent development and training (time in position)
  ✓ Move lanes and distance
  ✓ Global Relocation Framework

• Cost Controls
  ✓ Flexibility with Temp Living lump sum
  ✓ Mileage reimbursement calculations

• Sustainability
  ✓ Discard and donate
Behavior – Move Lanes

• Walmart U.S. Store Division move patterns from 2014 and 2015
  ➢ Results = 39% of associates relocated over 500 miles
• Goal – analyze potential savings if sourcing talent less than 500 miles
  ➢ Potential savings of $3.3M
  ➢ Potential associate experience - stay closer to family
  ➢ Analysis also compared intra/interstate movement; not enough correlation
• Current Trending in current Fiscal Year shows 16 percentage points improvement
  ➢ 77% of relocations under 500 miles from 61% historical
Jeff Heisler
President
Home Sweet Home
## 2014 Average Component Costs

### Current employees

<table>
<thead>
<tr>
<th>Component Costs per Transferee</th>
<th>2014</th>
<th>2013</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase closing costs</td>
<td>$8,277</td>
<td>$7,216</td>
<td>15%</td>
</tr>
<tr>
<td>Travel and lodging at the time of the move</td>
<td>$1,705</td>
<td>$1,535</td>
<td>11%</td>
</tr>
<tr>
<td>Bonuses/Incentives given for employee-generated homesales</td>
<td>$7,752</td>
<td>$7,326</td>
<td>6%</td>
</tr>
<tr>
<td>Home-finding trips</td>
<td>$2,557</td>
<td>$2,461</td>
<td>5%</td>
</tr>
<tr>
<td>Spouse-employment assistance</td>
<td>$1,520</td>
<td>$1,459</td>
<td>4%</td>
</tr>
<tr>
<td>Shipping household goods</td>
<td>$12,935</td>
<td>$12,937</td>
<td>--</td>
</tr>
<tr>
<td>Federal tax liability</td>
<td>$12,600</td>
<td>$12,856</td>
<td>-2%</td>
</tr>
<tr>
<td>Miscellaneous expense allowance</td>
<td>$6,207</td>
<td>$6,479</td>
<td>-4%</td>
</tr>
<tr>
<td>Home-sale assistance</td>
<td>$42,584</td>
<td>$44,927</td>
<td>-5%</td>
</tr>
<tr>
<td>Duplicate housing assistance</td>
<td>$3,439</td>
<td>$3,635</td>
<td>-5%</td>
</tr>
<tr>
<td>Temporary living at new location (employee and family)</td>
<td>$5,811</td>
<td>$6,381</td>
<td>-9%</td>
</tr>
<tr>
<td>Loss-on-sale assistance</td>
<td>$23,912</td>
<td>$26,429</td>
<td>-10%</td>
</tr>
</tbody>
</table>
Options for Reducing HHG Costs
Discounts vs Smaller Shipments

Phoenix to Chicago (1750)

<table>
<thead>
<tr>
<th>Category</th>
<th>12000 lbs Shipped</th>
<th>10560 lbs Shipped</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full Tariff Cost</td>
<td>63% Discount</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 34,430</td>
<td>$13,149</td>
</tr>
<tr>
<td>Cost per Pound</td>
<td>$ 2.87</td>
<td>$ 1.10</td>
</tr>
</tbody>
</table>

- Net Savings $676
  - Impact on Van Lines / Drivers
    - Less revenue for same work
    - 70% of savings from reducing driver pay
    - Best drivers choose higher paying shipments
    - Industry struggles with driver retention and reinvestment

+ Net Savings $631
  - Gross Savings $1578
  - Downsize costs $947
+ Van Line / Driver revenue and costs move together
+ Improved transferee experience at origin and destination
+ Environmental benefits from smaller shipments
500 Pounds
1,000 Pounds
1,500 Pounds
Resistance to Downsizing

- No time
  - Generally overwhelmed
  - Dealing with higher priority issues
  - Transferee in one location, spouse in the other
- Too hard to decide what to purge
- Logistics of how/where to donate

“Company is paying for shipping anyway. I’ll deal with it at destination.”
Discard and Donate Program

• Guaranteed Cost Savings
• Support from Professional Organizer
• Eliminates much more weight (Discard AND Donate)
• Customized to each family’s needs, time and capabilities
• Organizer handles all the logistics
• Transferee receives charity receipts for items donated

Average net savings per move = $653
Win – Win – Win

Corporation saves money due to smaller shipments

Discard and Donate

Transferee

Local Community

Charitable donations

Receives help from a professional organizer for free and donation receipts from charity

- Weight Eliminated = 4,900,000 pounds
- Weight Donated = 3,200,000 pounds
- Packing Materials Reduced = 196,000 pounds 2015
- Trees Saved = 1,636
- Fuel Saved = 78,500 gallons
- Carbon Emissions Reduced = 698 Metric Tons
Keys to Success

• Systematic and policy driven approach
• Engage RMC and van lines in downsizing ideas and efforts
• Start downsizing efforts as early as possible in relocation process

It doesn’t matter how you downsize, just downsize
Questions & Answers
WE WANT TO HEAR FROM YOU!

After each session you attend, please go into the Global Workforce Symposium Mobile App and submit a session evaluation, letting us know what you thought. To access the evaluations within the app, tap the ‘Schedule’ icon and find the session you wish to evaluate. Scroll down to the bottom of the session page and tap ‘Session Evaluation.’ After each question, tap ‘Next’ until you reach the end when you’ll tap ‘Finish.’ It’s as easy as that!