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PARADIGM SHIFT IN INTERNATIONAL MOVING

PRICEPOINT MAY BE THE TRAVELOCITY
OF THE INDUSTRY

BY MICHELLE SANDLIN, SCRP, GMS-T

In every industry, sooner or later something comes along that is so revolutionary that it changes it forever. It is called a “disrupter.” In business terms, a disrupter is something that brings about a radical change, typically to an industry or business strategy, by introducing a new product or service that creates a new market. There are countless examples of disrupters from the past few years alone. A prime example would be the rise of Travelocity.com, which introduced a convenient pricing comparison tool for the average traveler. In so doing, it transformed the way business travelers and consumers shop for and book their flights, hotels, and other travel needs. Travelocity quickly became a one-stop shop where people could

easily compare the prices of different hotels, airlines, etc., before booking their trips. Soon additional players entered the marketplace, offering similar price comparison tools. The result was a significant paradigm shift for the travel industry.

When certain disrupters solve age-old problems in ways that we can't ignore, we eventually shift our way of thinking. That is because disrupters solve problems and face challenges in unique ways that previous products or systems failed to do. In many cases, it's about simply introducing a revolutionary idea to a not-so-revolutionary process.

RIPE FOR CHANGE

Take the international moving industry, for example. For a typical moving company, the challenges of competing in the global marketplace are complex and multifaceted. While having to keep pricing low and quality high, movers must interface with dozens of partners from around the world and also provide quality service to their corporate clients.

At the same time, some of the systems utilized to manage movers' international pricing are analog and unintegrated, forcing movers to reach out to their international counterparts on an ad hoc basis, with little in the way of automation. Historically, the process of pricing an international move was both time-consuming and inefficient, making this a segment of the mobility industry that is very ripe for change.

And that's exactly what led Ryan Keintz to develop PricePoint. Launched in 2011 as an online portal that automates the international move pricing process, PricePoint was first developed to help movers easily access and exchange pricing information with one another instantaneously.

As a veteran of the moving industry, Keintz was well aware of the challenges that movers faced when it came to their international pricing models, and he set out to provide a better solution.

"A typical mover has to do a lot of math and deal with many headaches, like currency exchanges, minimum densities, and break points," explains Keintz. "We took all of those calculation steps and automated them, so that the mover doesn't have to jump through so many hoops. Traditionally, the rate analysis or move coordinator has to remember to do 10 different things in order to properly calculate the price, and that creates a lot of potential for human error. PricePoint automates the pricing

process and eliminates the human error, allowing the mover to focus on the customer-centric competencies that they do best."

Wiebe van Bockel, chief commercial officer of Voerman International, a global moving company located in the Netherlands, says that as an early adopter, he can attest to the increased efficiency when pricing international moves through PricePoint.

"Voerman was one of the first companies to jump on board, because for us, it was a tool to make our processes much more efficient, and much easier," says van Bockel. "So, we have been very supportive of the system from the start, and we support getting other agents on board in that system."

He adds, "We have done a couple of demos for a couple of our corporate clients, and what we have seen is that there is a willingness on the corporate side at the moment for technical development, and for ease of use, which makes life easier."

Van Bockel says he sees PricePoint as a much-needed positive disrupter for the moving industry, but he also points to the important role it could play as more millennials enter the global workforce.

"With our current clients, and with millennials coming into play, we need to offer self-service solutions in a very smart way, and I think that one of those features is instant global pricing," van Bockel says.

He also points out that having pricing information at his fingertips helps his company to position itself for future growth. With access to pricing information from locations where they don't have business today, the company is well-positioned for any business they might have in that location tomorrow. The system enables them to instantaneously provide information and pricing to their current and future clients.

"The system potentially has a lot of reach into the relocation services space, so it's going to be interesting to see how that technology will be moving forward in this industry at large, and how our clients are going to adapt to those changes," says van Bockel.

OBJECTIVE INTERMEDIARY

From a big-picture perspective, one of the most important aspects of a system such as PricePoint is that it serves as a much-needed neutral party to the pricing process, which benefits everyone involved. It acts as a simple, transparent intermediary



between the mover and the relocation management company and/or corporate client, which in turn makes the pricing much easier to source and evaluate. This is possible through the use of unbiased third-party validation and benchmarking for international move pricing.

According to Keintz, most mobility professionals don't generally understand the complexities involved in pricing moves, but at the same time, they shouldn't have to. They should be able to rely on an objective, trusted intermediary that increases client confidence by independently validating mover pricing.

So, Keintz says, PricePoint set out to create that objective intermediary within a collaborative environment, so that it would be a win-win for all parties. Having an objective third party is key for movers to streamline their process, substantiate their prices, and win moves based on value. For the buyer, the transparency provided ensures that a mover's price is market competitive.

And, while PricePoint is inserting itself into the process, it is doing it in a way that is minimally disruptive, in much the same way that Carfax does for the car industry.

"We often compare ourselves to Carfax, because if you are buying a car, you can't necessarily trust what the car dealer tells you about that car," says Keintz. "You need a third party, like Carfax, which is objective and can validate the transaction. That's essentially what we are doing in this move-pricing environment."

Having that trusted third-party validation can be an essential ingredient for a trusted relationship between RMCs and their supplier partners, as well as their corporate clients.

APPLES TO APPLES

Jill Ayers-O'Neil, vice president of supplier partner management of Bristol Global Mobility, headquartered in Phoenix, says her company has a long history of partnering with PricePoint, and that they have been involved in beta-testing the system since its inception.

"We move thousands of people around the globe each year," Ayers-O'Neil explains. "One of the initial reasons we chose to partner with PricePoint was that we saw an opportunity to bring about a greater degree of pricing transparency and control."

She has seen firsthand how it can solve the everyday challenges of evaluating international move pricing. She says that before Bristol started using the system, a lot of their clients were using a two-bid process in order to meet service-level agreements of lowest price and best quality, but that in comparing the bids it was rarely apples to apples. Bristol would have to rely on the pricing provided by both movers, then compare the two, which was a cumbersome process at best, and one that couldn't consistently ensure the absolute best available price.

"That's when we started using PricePoint, which allows us to break out the origin rates, freight and destination costs, as well as being able to see the coordination fee charged by the movers," notes Ayers-O'Neil. "So, PricePoint instantly gave us far greater visibility and real-time pricing."

She says she is able to take advantage of the fact that the platform provides a report for every move, detailing the origin, destination, freight, supplemental costs, number of inventory items, and average weight, and that it compares that move

with the benchmarks of the more than 700 movers currently in the system.

Keintz says the system can also help expedite the assignment management process, which traditionally involves a multiple home survey process. It shifts the time-consuming nature of the home survey to post-bid, rather than pre-bid. In so doing, the home survey becomes an unnecessary part of the bid process. As a result, the mover and the client are given an additional two weeks of prep time for the move, which tends to be a hugely underappreciated quality influencer.

“You know what the pricing is on day one,” explains Keintz. “The RMCs can see which of their preferred suppliers are competitive in a particular market, evaluate their quality scores, and instantaneously award the move to the supplier that provides the best value. So, they get about two weeks back on the life cycle, and that reduces the administrative costs for the whole move.”

PRICE IS NOT THE ONLY CONSIDERATION

Ayers-O’Neil says that using the platform makes it a lot easier to get pricing when they have someone who is moving from London to Chicago, for example, and needs a 20-foot container. She can simply input that information into the system, and it will give her the pricing for all of the carriers in Bristol’s network. Since these are Bristol’s vetted suppliers, they are already assured of quality, which means that she is able to focus on the price.

But Ayers-O’Neil also points out that price—while a crucial part of the consideration—isn’t the only factor when selecting a supplier.

“Our primary goal is not to simply drive price down,” she says. “It’s to ensure, within our carefully vetted network, that we are offering the most competitive price. We don’t always select the mover with the lowest price. To a very large extent, individual client needs and expectations are a significant factor when it comes to mover selection. PricePoint level sets pricing for us, because the tool reports back to the movers stating where they rank and where their pricing is compared to the industry average, and compared with their peers within the Bristol network.”

Thus, Ayers-O’Neil says, using the system saves time for the company, its clients, its supplier partners, and the assignee. Even if the client is looking only for preliminary pricing, Bristol is able to give that to them in real time. However, she says that perhaps

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— RYAN KEINTZ

the greatest advantage it brings to the RMCs is the transparency factor in terms of the pricing.

In the spirit of collaboration, Ayers-O’Neil says that Bristol continues to partner with PricePoint in order to help them improve and expand the capabilities of the platform, which will likely include advantages for domestic move pricing in the future as the capabilities of the system continue to grow.

She says, “In keeping with Bristol’s supplier-partner philosophy, we work as true partners in order to enhance the product, which will ultimately benefit the industry at large, as well as Bristol and the hundreds of clients we serve. Partnering with PricePoint allows us to effect change and provide industry leadership. We are able to be a part of strengthening the product, while helping our partners be stronger from a pricing and quality standpoint.”

Ayers-O’Neil also says it has been a natural fit for Bristol to partner with PricePoint and work with them to come up with an innovative tool for RMCs that simplifies pricing, helps with competitiveness, and ensures that they are able to clearly show the cost savings to their clients, while meeting their SLAs.

For example, she says that like many other RMCs, Bristol has several clients that mandate specific cost-savings targets. By using the PricePoint system, they are able to easily provide that information, because it keeps track of the cost savings among different suppliers.

AN INDUSTRY DISRUPTER

Ayers-O’Neil says that, as a disrupter to the industry, “PricePoint is truly an industry leader, leveling

the playing field and bringing a Travelocity-type experience to the moving industry. The tool meshes well with the younger assignees we so often see, and it's extremely easy to use, providing a wealth of vital information at your fingertips."

It's exciting to think about the future capabilities of a platform that has already been responsible for driving radical change in the way that movers are providing international pricing, and how that is impacting both the movers and their clients. And, it is able to do so with complete transparency, which is driven by what companies such as Bristol and their corporate clients expect from their supplier partners.

It serves as yet another example of how supplier partners are working together to move our industry forward. *M*

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For another look at innovation and disruption happening in the household goods moving industry, see also "Startups on the Move: Disruptive Business Models in the Moving Industry" at WorldwideERC.org/article/the-future-of-moving.



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