

Making Executives Fully Aware Of The Many Undercounted Business Impacts From Effective Talent Relocation

Convincing your customers to invest more on talent mobility

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5 goals for today

- **To make you think**
- **To get you to focus on the value you add... rather than the costs**
- **To add at least 5 talent areas to your list of mobility benefits**
- **To up your ROI calculation**
- **To answer all of your questions**

**My specialty is putting a dollar value on talent
I have advised over 200 corporations including...**

Apple

Facebook

Google

Microsoft

Twitter

Intel

Dell

Oracle

HP

NIKE

Marriott

Chevron

Pepsi

Starbucks

McDonald's

GE

Johnson & Johnson

BMW

E&Y

McKinsey

Nestlé

Bank of America

Lockheed Martin

Pfizer



Today's goal is to have a conversation

**so Please interrupt at any time with
questions or comments**



**Let's put talent mobility costs
in perspective**

**The 1st step is to convert into dollars the
impacts of mobility**

You can quantify the \$ value that mobility adds...

If you know the baseline dollars produced by the average employee...

That baseline value is... the average revenue per employee per year

Amazon	\$373,000
Costco	\$601,000
J&J	\$604,000
GM	\$842,000
Microsoft 	\$931,000
Google	\$1,440,000
Apple	\$1,960,000
Valero	\$11,200,000

Ex. of the value added - The cost of relocating a new-hire homeowner is **\$72,000**

But if effective relocation services increased a Microsoft new-hire's productivity by 10%... that is worth **\$93,100**

These numbers are available on MarketWatch.com

As of 5/5/19

More examples of the \$ impact from great new-hire relocation

An average revenue per employee at GM is... \$842,000

- Settling for a second choice candidate results in a 15% lower output
- So if GM had to settle for a single second choice candidate because of weak or no relocation... their loss would be \$126,300

An average employee at Google produces \$1.44 million per year

- Top-performing employees there produce **9x** more
- So if Google lost a single top performing recruit because of weak or no relocation, the loss would be \$13 million

An average employee at Apple produces \$1.96 million per year

- Innovators at Apple produce **25** times more
- So if Apple landed a single innovator recruit because of an attractive relocation package... the gain would be \$49 million

Remember the cost of relocating a new-hire homeowner is \$72,000₇

(Source: ERC Worldwide Survey 2013)

The theme for today is...

**to consider the possibility that... effective
mobility more than pays for itself**

Any questions?

Part II



Next we will look at... the impacts of effective mobility in all talent areas

- 1. Recruiting**
- 2. Retention**
- 3. Productivity**
- 4. Leader development**
- 5. Innovation**
- 6. Revenue**



**mobility offerings can have a tremendous
impact on...
recruiting**

Converting to \$ – Mobility's impact on recruitment

- The **average new-hire** produces **2x their salary** (D. Bloom 2001)
- When mobility helps to land **a top-performing new-hire**... they will produce up to **18 times their salary**

The often undercounted economic value-added by relocation

Recruiting impacts – Mobility can build an attractive brand image

- Social media comments will expose weak mobility – Frustrated candidates are likely to mention your unwillingness to offer adequate mobility on **glassdoor.com...** and that'll **reduce future applications**
- 50% of candidates read online review sites (Source: Software Advice)
- An empathetic image will attract – given **the housing prices** in many areas, offering sufficient relocation will let the candidate know that **your firm has empathy for new-hires**
- An image of generosity will further attract – applicants may use your **generous offering as an indicator...**and assume that while on the job... **your firm will remain generous**

Mobility attracts applicants



Recruiting impacts – Mobility will attract more applicants

- Candidate search strings include the word relocation -
So when candidates search for jobs on job boards... and you omit the word... they may not find your job opening
- **Relocation will be noticed in your job ads** – candidates will be drawn to job announcements that mention relocation
- Applicants will notice relocation on the firm's corporate website – even if they don't need it... seeing it may increase their interest

Mobility will decrease candidate dropouts

Recruiting impacts – Mobility improves the candidate experience

- You will experience fewer candidate dropouts –
When mobility is not mentioned upfront... fewer candidates will ghost you later... after finding out you don't offer sufficient relocation
- Learning more details will increase their interest –
Revealing the generous details of your mobility ability offerings during the interview process... will help to **increase their interest in completing the interview process**

Mobility increases offer acceptance

Recruiting impacts – Higher offer acceptance rates

- It's a major offer acceptance factor –
Offering sufficient mobility support... may be a major offer acceptance factor
- **Not having it may be a dealbreaker** – for a candidate that **must relocate for family/personal reasons**... it may be an absolute dealbreaker
- **Mobility is an offer differentiator** – for candidates **with multiple offers**... it makes yours stand out
- **You must match other offers** – when others offer it... you must match it or you will lose candidates that have multiple offers

Mobility increases offer acceptance

Recruiting impacts – Higher offer acceptance rates (continued)

- **Physically working alongside their team is a plus** –
Knowing that they will be physically relocated... so that they can work in the same location as their exceptional teammates... may be viewed as **an added reason to accept**
- **A superior offer including relocation will allow you to hire faster**
Attractive relocation will cause candidates to say “yes” faster
Faster hiring speed means that the position will be **open fewer days** (so there will be less loss productivity and fewer project delays)

Mobility can allow you to hire better performing people

Recruiting impacts – Mobility allows you to hire better performers

Top performing teammates produce **9 times more...** than the average

- **Mobility lands higher performing new-hires** -
Offering generous mobility is a competitive advantage... that allows a firm to land sought after more qualified hires... who will produce more... **because they have superior qualifications**
- **Increased diversity in more locations** –
Relocation and mobility allows the movement of diverse talent **into geographic areas where the firm has a shortage...** and customer reflection diversity has shown to increase outputs



**mobility offerings can have a tremendous
impact on...**

retention

Converting to \$ – Mobility reduces expensive turnover costs

- **Recruiting** a replacement employee costs **1.5 to 3x** their salary
- **Turnover also creates vacant position days** that cut productivity
(**Ex. At GM it's \$4,800 per day X 42 days = \$198,000 per turnover**)

Mobility reduces new-hire turnover

Retention impacts – Mobility issues may cause new-hires to quit

- Additional disappointment may cause new-hires to quit –
- 61% of hires find that their new job was not what was promised...
And if they are already disappointed with their relocation...
Together these factors may cause new-hires to quit

- No relocation may cause new-hires to keep looking -
After starting their job... hires that received no relocation help...
may keep looking for another job at a local firm... **to get even**

- **Grateful new-hires** may stay longer – because of your empathy and generosity, new-hires may decide to pay you back by staying longer

Internal mobility can improve retention

Retention impacts - Internal mobility can improve retention

- **Mobility can retain the best that are going to get a better job –**

The best employees seek growth... and mobility expands their internal growth opportunities...

So they don't have to listen to external offers

- **Increased retention of those seeking a lower cost of living –**

Cost pressures in a location can force employees to quit and relocate...

But **internal mobility can keep them within your firm** and also...
reduce pressure for salary increases

Internal mobility can improve retention

Retention impacts - Internal mobility can improve retention (continued)

- **It can retain employees that must move –**
Some employees are **forced to move** because of family/personal issues...
They **won't quit if you relocate them** to where they need to be (thus saving recruiting, lost productivity and training costs)
- **Mobility can help you retain surplus employees –**
When you have a surplus of talent in a single location...
Internal movement to areas where talent is needed... can allow you to keep surplus employees... **and avoid costly layoffs**



**Any questions
at this point?**



**mobility offerings can have a significant
impact on...**

productivity

Converting to \$ – Mobility's impacts on productivity

**Example - the average employee at Valero produces \$11.2 mil.
If a new-hire gets up to speed in 135 days (vs 500)... that's **\$1.2 mil.****

Mobility impacts productivity



Productivity impacts – New-hire relocation can improve productivity

- **Fast relocation allows workers to start work sooner – Utilizing accelerated relocation services... means that they can **literally start working sooner****
- **Relocation issues slow new-hire time to initial productivity – If the relocation is problematic... **because of the created worry, stress or family issues that distract...**
New-hires will take longer to get up to speed on the job**
- **Managers must devote more time to frustrated employees – Employees that are stressed or frustrated as a result of weak relocation... **will require a great deal of their managers time****

Mobility makes the workforce more fluid

Productivity impacts – Internal mobility increases productivity

➤ Moving underutilized talent to higher impact areas increases productivity –

Moving underutilized talent to areas where their skills can be better utilized... increases overall productivity overall

➤ Moving already trained talent to growth areas increases productivity immediately –

Because new-hires take time to get up to speed...

Moving already trained and experienced talent to growth areas will increase productivity immediately

How many days does it take a new-hire to move, become assimilated and get to full productivity? **500 days**

(Source: D. Bloom 2001)

Mobility makes the workforce more fluid

Productivity impacts – Internal mobility increases productivity (continued)

➤ **Mobility increases best practice sharing and that increases productivity –**

Moving leaders and workers between business units **will increase best practice sharing** and... **the cross-pollenization of ideas**

➤ **Mobility increases inter-business unit cooperation and that increases productivity –**

In larger firms, **business units and silos that interact with each other** are often in different geographic locations

But internal movement between the units **improves cooperation and understanding** between them (especially in multinational firms)



**mobility offerings can have a tremendous
impact on...**

Leadership development

Converting to \$ – The value add by a developed leader

The development of a team's leader will increase the revenue
of their unit by 2 to 3%

Mobility develops leaders



Leadership impacts - **Internal mobility develops leaders**

- **Internal movement speeds up leadership development –**
Because on-the-job learning is the best way to build leaders...
Moving them to superior development opportunities in a new location will improve the assessment of their leader potential...
And build their leadership skills
- **Mobility facilitates promotions –**
In business units where promotions are limited...
Mobility in effect expands the # of promotional opportunities...
And promotions increase leadership capability and retention



**mobility offerings can have a tremendous
impact on...
innovation**

Converting to \$ – The value added by an innovator

An innovator produces between **10 and 300 times** the value produced
by an average worker in the same job

Increasing innovation



Innovation impacts – Relocation spurs innovation

- **Moving close to major research universities spurs innovation –**
In many cases, innovators (both new-hires and employees) desire to work in geographic areas that are close to major research universities or the corporation's research center...

Working there will likely accelerate their innovations

Many innovators dislike working in isolated areas – and they are often eager to move anywhere... where they can interact with more intellectuals

Increasing innovation



Innovation impacts - Internal mobility enhances innovation

- **Mobility spreads innovation faster –**
Moving creative and innovative employees between business units and locations **increases the sharing of innovations**
- **You increase collaboration when you place innovators in the same location –**
- Relocating innovators so that they work in the same location dramatically **improves collaboration**... the key driver of innovation
- And **that unified team effort** makes it more likely that innovative **ideas will be implemented faster** (speeding up TTM)



**mobility offerings can have a tremendous
impact on...**

Revenue and business results

Converting to \$ – The value added by a top salesperson

Top-performing salespeople sell between 4 and 10 times more than average salesperson and **they sell 70%** more than their pay

The business impacts of mobility

Revenue and business impacts from mobility

- **Placing sales and revenue generators in lucrative locations increases revenue –**
Moving your best revenue generators from low return geographies...
To more lucrative regions will directly increase revenue
And the resulting increase in commissions will likely reduce salesperson turnover and reduce travel costs
- **Moving teams closer to their B2B customers will increase interactions –**
Moving individuals or teams closer to their corporate customers will **increase the amount of interactions and understanding.** And that might improve product development

The business impacts of mobility

Revenue and business impacts (continued)

- **Moving teams closer to their work sites cuts costs –**
Moving individuals or teams closer to their work sites will save on **travel cost and time**
- **Mobility can help to hire/retain top performers in revenue-generating positions – and that will directly increase sales and revenue**



And finally...

**What are
the costs of scrimping
on mobility services?**

Mobility “on the cheap” can be expensive

“Saving money” on mobility can end up costing a firm money

- **Weak relocation may cause long commutes –**
When weak home purchase support forces new-hires to have a **long commute...**
The created stress will likely cause them **to leave within 18 months**
Their commute is the #4 cause of turnover (Glassdoor)
- **Weak relocation may cause new-hires to keep looking –**
Some may initially take advantage of your weak package...
But once established... their frustration may cause them **to take another job at a local firm**

The often undercounted economic value-added by relocation

“Saving money” on mobility can end up costing a firm money (continued)

- **Weak spousal job finding services cause stress –**
Long delays in finding the spouse a job will negatively impact new-hire productivity...
And it may eventually cause the individual to quit and move to another location



Conclusion

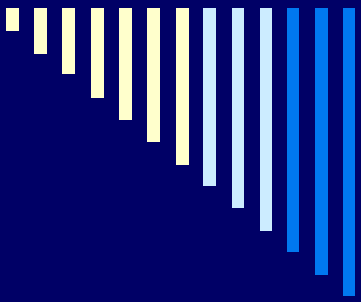
The wise use of mobility services will make a firm a boatload of money





A Reminder Action Checklist

- ☑ Focus on your returns and not the costs
- ☑ Quantify those returns in dollars of revenue impact
- ☑ Work with the CFO's office to ensure credibility
- ☑ Develop a business case template for your customers
- ☑ Compare the job performance of relo's to non-relo's
- ☑ Survey indemand prospects to ID their attraction features
- ☑ Prioritize candidates / employees & focus mobility on revenue generators, top performers and innovators



Did I make you think?

Did you get a few takeaways?

Please also take a minute... and follow me on **LinkedIn**