



Mercer webcast



Maintaining Expatriate Assignment Costs in the Economic Revival

Cathy Loose, Asia Pacific Global Mobility Leader

Audio is streaming via your computer speakers. You may also choose to dial in via the tele-conference numbers provided in the reminder email.

Agenda

- Current and anticipated changes on international assignment program
- Case Studies
- Looking forward in 2010

What happened in 2009 ?

▪ Reduced budget



- Cost control
- Localizations
- Less exceptions
- Review of policies
- Reflections about need for Expats
- Closer look at total costs

▪ Hiring freezes



- Better selection of candidates
- Local hires
- Inter-regional moves
- Moves from low paying countries
- Reduction of HR staff

What happened in 2009 ?

▪ Currency Fluctuations



- Split pay
- Negative COLA
- Better communication
- One time payments for special situations

▪ Moment of “philosophical changes”



- Segmentation of policies
- Stricter monitoring
- New nationalities
- Complexity of processes
- Centralization

What happened in 2009 ?

Movement of the housing market



- Several destinations became cheaper (Moscow, London, Dubai)
- Negotiation power
- “realistic budgets”

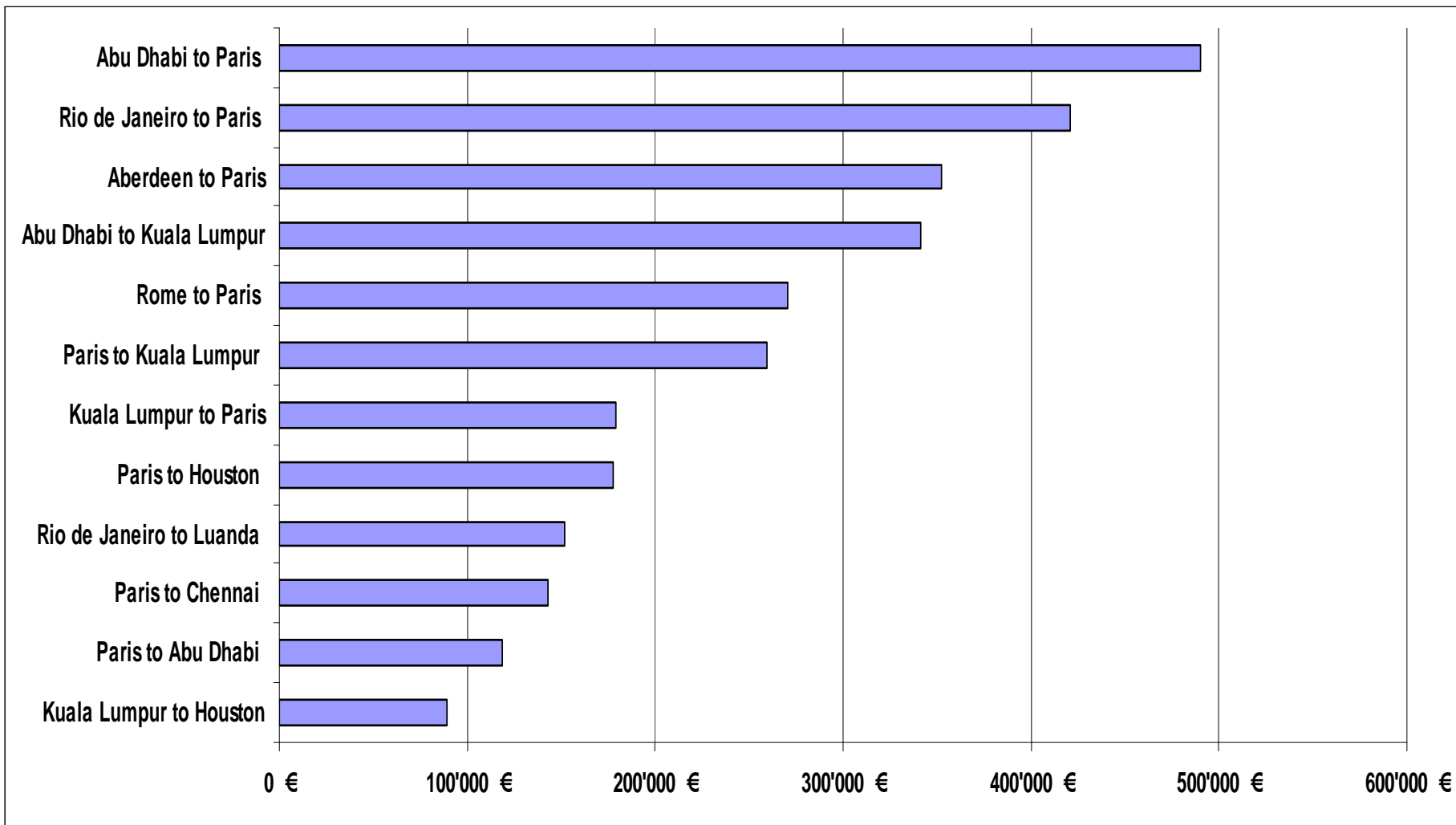
Globalization was boosted by the crisis



- New markets
- New businesses (Energy, Telecommunication)
- BRIC countries
- China second largest exporting country

Case study 2009 – Total Cost Summary for a global Energy company

PC 57, including employer's Taxes and Social Security



Trends for 2010

After the crisis ?

- 36% of companies reviewed their international assignment policy in the last 24 months, 41% are currently reviewing and 14% are planning to review the policy
- Better selection process
- A new generation is entering the workforce – “not spoiling the kids”
- Segmentation
- Simplifications of expatriate management processes
- Total Costs
- Return on Investment

Reviewing International Assignment Policies

Questions for consideration

What drives your company to send employees on international assignments?

- Career and leadership development?
- Business expansion?
- Filling a position requiring specific technical skills?
- Fulfilling a specific project need?

Who are your expatriates?

- Seasoned executives?
- Skilled professionals?
- Rising talents?

Where are they coming from?

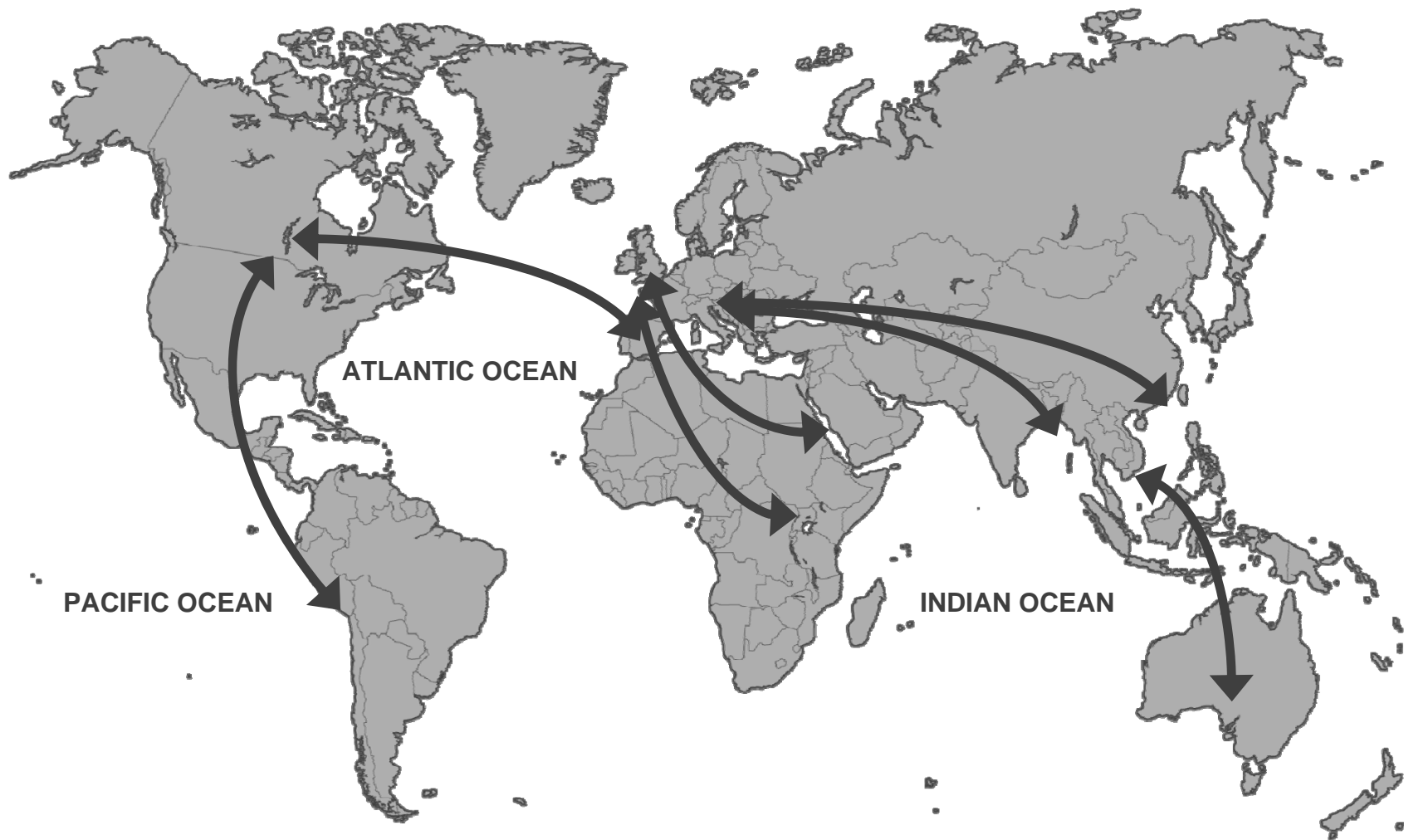
- Headquarters
- Operating companies
- Multiple locations
- International hires
- Nomads

Where are they going to?

- Assignment from where , to where?
- Home ⇔ host ⇔ home
- Location to location

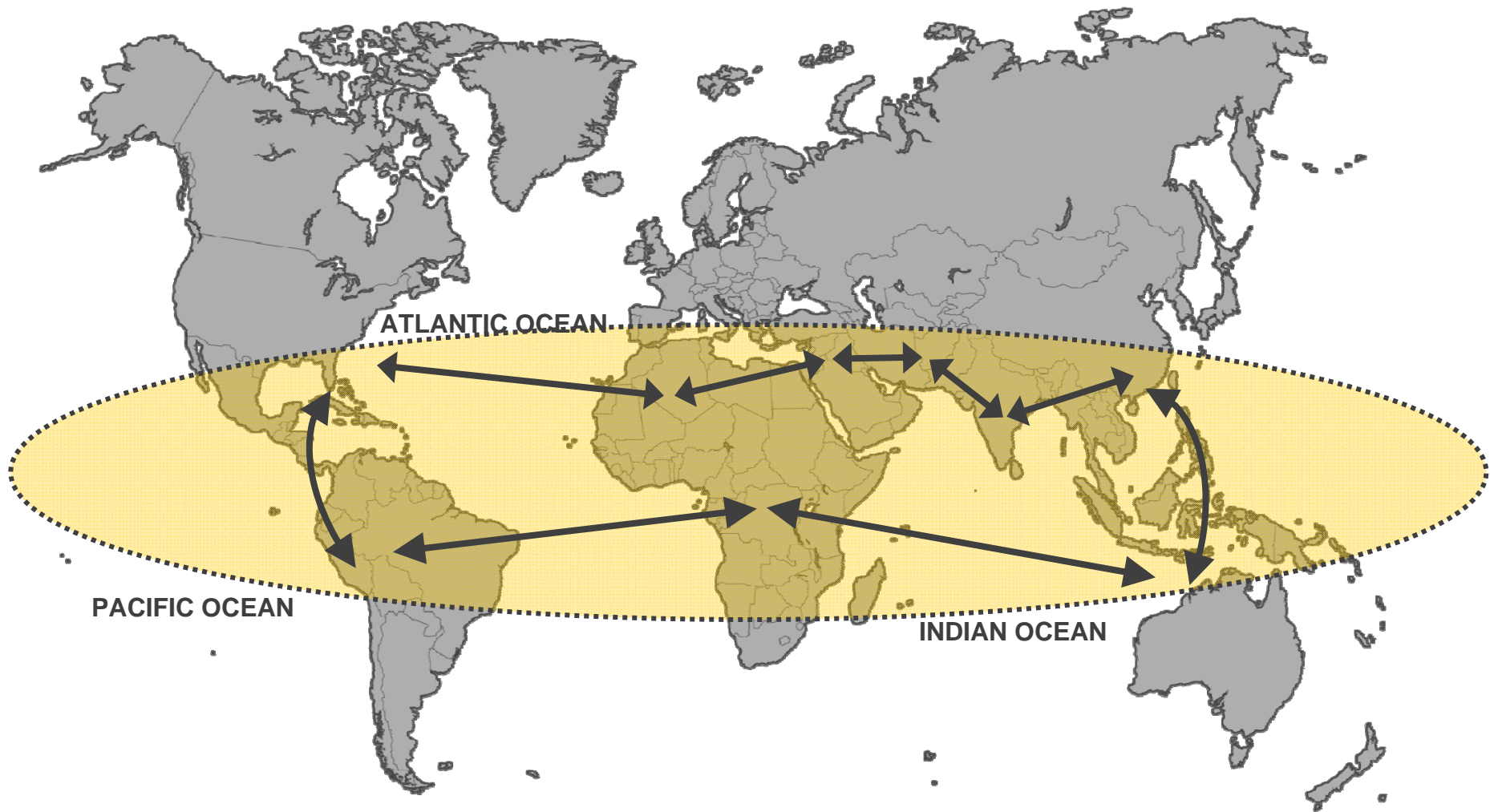
Previous Expat Movement

Longitudinal Mobility



To a New Dimension...

Lateral Mobility



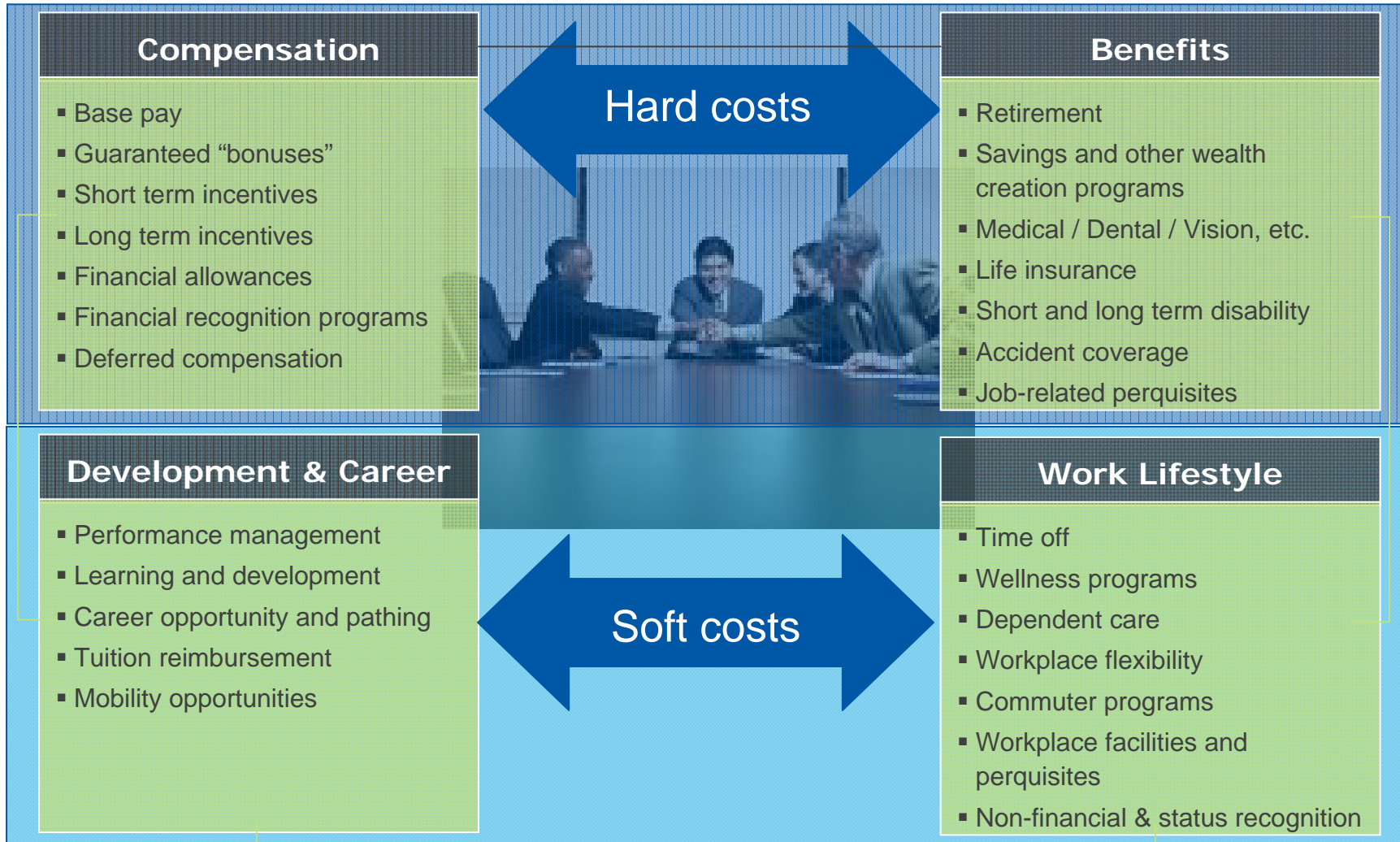
Virtual Teams - Enabled by Technology

Many interactions across borders – source of misunderstanding

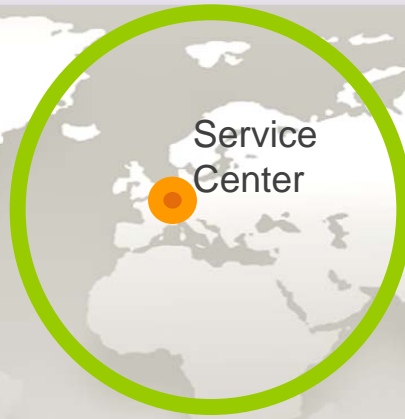
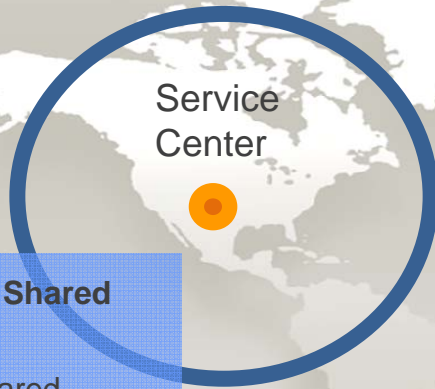


Consider all Elements of Rewards

It is not just about compensation and benefits

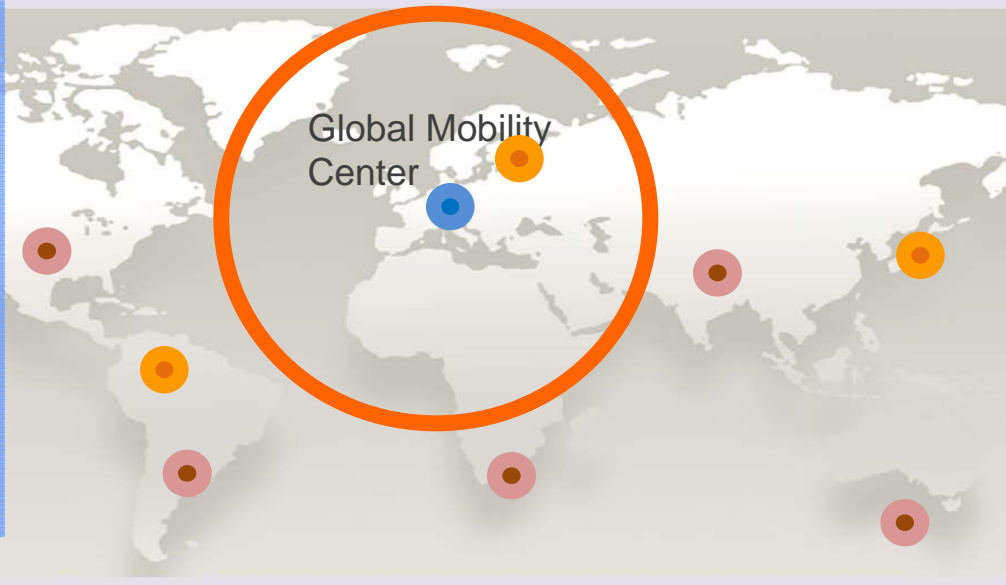


Global versus Regional Expatriate Management Administration?



Global Mobility in Shared Service Role:

- Strong Central Shared Services that administers expatriates assignments
- Receives varying levels of support from home / host HR
- Outsourcing is limited to key areas (relocation, tax, medical, etc.)
- Compensation and Benefits generally designs mobility policies with input from Global Mobility Leader

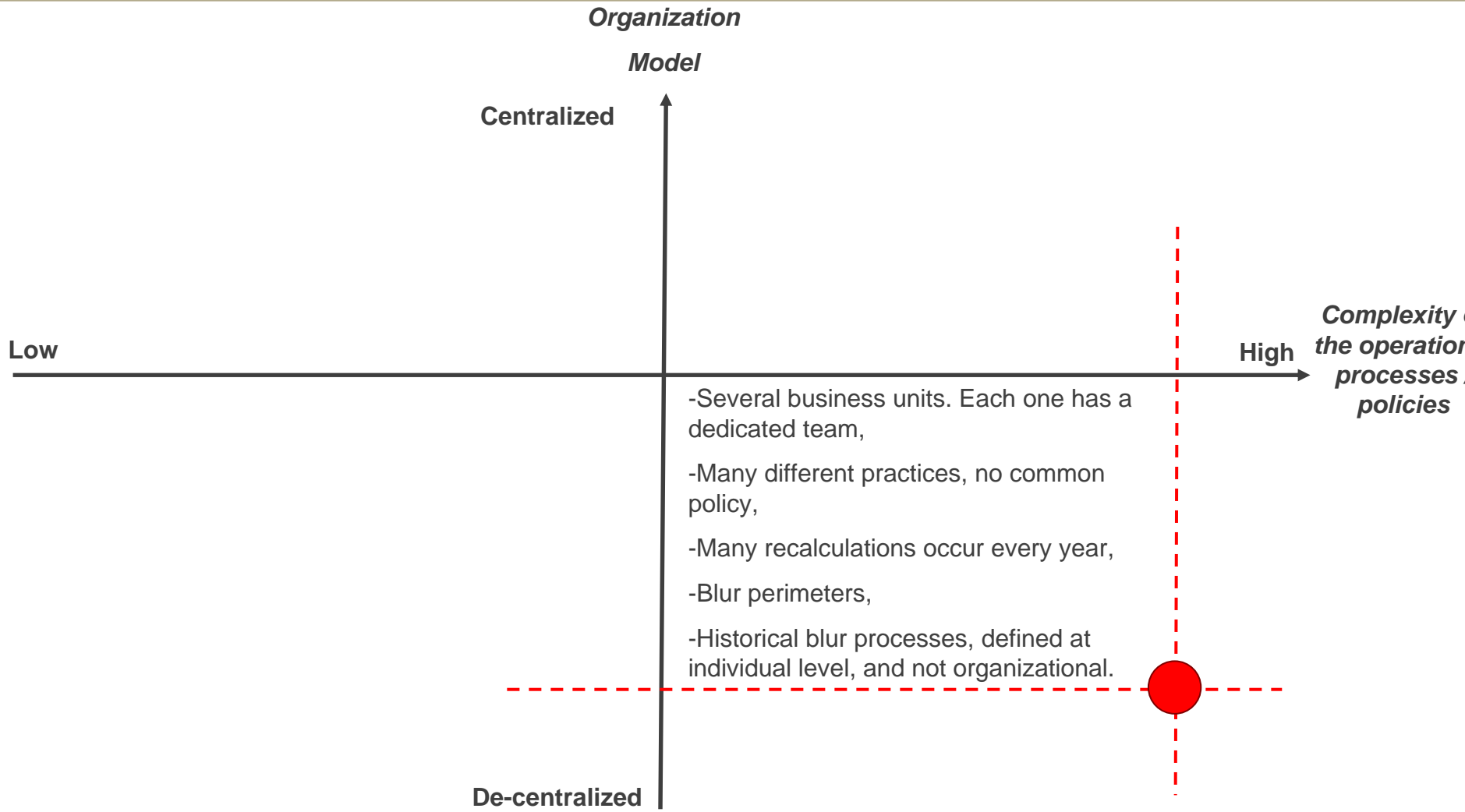


Global Mobility in Centers of Expertise Role:

- Outsourcing is end-to-end process that works directly with expatriates and home / host HR
- Outsourced Vendor implements design elements
- Core group of global mobility experts focusing on overall programme design
- Home / Host HR generally deal directly with outsourced provider for all needs.
- Global Mobility Leader designs policy with input from C&B (usually for Long Term assignments)

Case Study: Energy Company

Implementation of a tool in order to manage assignees



Case Study: Energy Company

Implementation of a tool in order to manage assignees

Rationale for Implementation

- Identify International Mobility stakeholders,
- Describe current roles, responsibilities and perimeters of the International Mobility stakeholders,
- List and formalize the operational processes,
- Identify main issues : blur perimeters, processes disruptions, etc...
- Is your International Mobility domain mature enough?

Plan Project Steps – HR-e

- Define clear project scope, requirements and goals,
- Harmonize policies and practices,
- Clarify perimeters, roles and responsibilities,
- Smooth operational processes, understand disruptions,
- Identify processes being supported by the tool,
- Anticipate change management,
- Implement the tool.

Case Study: Energy Company

Implementation of a tool in order to manage assignees

Implementation / Change Management

- Communication and buy ins from countries / business units / identified users,
- Communication to both managers, HRs and expatriates,
- Development of policy handbooks,
- Organize trainings,
- Roll processes and tool out.

Administration Management

- Track processes disruptions, exceptions to policy,
- Measure efficiency (time required to packages preparation, time required to send an assignee abroad, number of mistakes, number of disruptions, etc..),
- Analyze,
- Enhance.

Maintaining Expatriate Assignment Costs in the Economic Revival

Trends for 2010

- **Segment policy**
- **Long Term Assignments reduced to 3 years**
- **Don't extend Short Term Assignments**
- **Localize after 5 years**
- **Check local HR costs (housing budgets)**
- **Limit exceptions**
- **Select candidates well**
- **Consider local hires**
- **Clear responsibilities and roles**
- **Clear communication**
- **Look at efficient processes**
- **Track ROI and Total costs**

Questions and contacts

Cathy Loose

Tokyo, Japan

+81 3 5354 1056

Cathy.loose@mercer.com



Take the survey today to receive **40% OFF** the report!
Deadline for data completion is **February 23rd 2010**

Questions

Please type your questions in the Q&A section of the toolbar and we will do our best to answer as many questions as we have time for.

To submit a question while in full screen mode, use the Q&A button on the bottom right-hand side of your screen.

To submit a question while in half screen mode, use the Q&A panel on the bottom right-hand side of your screen.



CLICK HERE TO ASK A QUESTION TO "ALL PANELISTS"

Survey

Please take the time to fill out the survey at the end of this web briefing so we can continue to improve. The survey will pop-up in a new window when the session ends.

mercer.com/webbriefings

View past recordings and sign up for upcoming web briefings

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN