Mission: Incomplete
Disaster Recovery for Your Third-Party Program

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In selecting a new relocation management company, you feel like you did everything right: months of due diligence, a thorough RFI/RFP process, multiple presentations, perhaps a site visit and a thorough implementation process. Yet now, a few months down the road, you have a sinking feeling that you have made a mistake.

Perhaps you are already having service issues during what should be the honeymoon period of the relationship. Maybe your new RMC's seemingly slick technology really does not work very well in practice or it is unable to interface properly with your systems to give you the information you need. Or maybe the RMC's supplier network is not as carefully vetted and managed as you expected. In the more egregious cases, you might feel like the RMC has materially misrepresented itself and that you have bought something entirely different than you expected.

With all that you have invested in the selection process and the potential loss of face in your organization, it is understandable to feel at least a mild sense of panic in this situation. It is important, though, to step back, identify the specific issues that are causing angst and their cause and then determine your best course of action: fix or flee.

What is the RMC's Response?

A few minor blips in the course of a complex implementation and early startup are not necessarily cause for alarm; the bigger question is how well the RMC responds to these hiccups. In the single-point-of-accountability model that most RMCs use today, the buck stops with your day-to-day contact. If you are having a problem with the RMC's technology or billing, you should not have to seek out resources helter skelter throughout the RMC to assist you.

Is your primary contact available, engaged and proactive? Has he or she taken action to address the immediate situation and to prevent its recurrence? If your contact is slow to react, defensive or dismissive of your concerns, this is a more serious sign of trouble. You should not hesitate to reach out to a more senior member of the RMC's management in this case. A change in your day-to-day contact might be indicated.

Single point of contact notwithstanding, in the early days of your partnership with the RMC, your best-established relationship might be with the RMC's sales representative. It is not unusual for RMC sales professionals and prospective clients to have a dialogue for months or even years before a contract is signed. A truly professional RMC sales representative is consultative and will be closely engaged during the implementation process and early days of the relationship as it is transitioned to the RMC's service team. He or she will have a personal, and financial, interest in ensuring that your program has been launched successfully, and can serve as a powerful internal advocate if problems arise.

Service SOS

Systems and accounting problems are annoying, but service problems can sink your entire program and even your job. Dissatisfied transferees generally do not hesitate to share their stories with anyone and everyone in the organization, and if the dissatisfied transferee happens to be a member of management, the repercussions for the relocation manager are not pleasant.

It is important to get behind the service evaluations, though, and determine where the problem lies. Are complaints specifically directed at the RMC's counselor and the service he or she is providing? Or are transferees venting their displeasure with aspects of their benefits? You should ensure that the RMC's service evaluation is granular enough to capture the transferee's satisfaction with the service provided by the RMC and its subcontractors at various stages of the process and also his or her feelings about the benefits offered. Your RMC should be willing to customize its standard survey to capture your specific program parameters.

If service is truly a concern then a meeting with your primary contact and possibly with other members of the service team is in order. If a particular counselor is consistently garnering subpar evaluations by failing to return calls promptly, providing erroneous information and the like, it is certainly reasonable to ask that he or she be replaced on the team.

I Just Got Your Invoice!

Unexpectedly high program costs are another common cause of buyer's remorse. This problem, however, is more complex to diagnose and resolve than poor service or inaccurate billing. Program costs are partially related to the RMC's policy administration but are also materially tied to the relocation policies themselves.

In a proper implementation, the RMC should assess the policies you have in place in light of current best practices and make recommendations to ensure that your program is competitive and cost-effective. If your policies were not reviewed during implementation, and costs are a concern, you should ask your RMC to evaluate your current program and to make concrete, cost-saving recommendations.

In some cases, the RMC *does* make cost-saving suggestions, but the client opts not to implement them. Perhaps the company culture does not support the reduced benefits recommended or senior management is not convinced that changes are needed.

Exceptions can also contribute substantially to program costs, and once again, culture plays a significant role. If the company culture is to keep transferees happy—and quiet—no matter what, the total program costs will reflect this largesse, and the RMC can hardly be blamed. The RMC does owe it to the client to present the standard benefits package as favorably as possible and not to reflexively offer to seek exceptions. Beware, though, that a harder line on benefits and exceptions can tie directly back to employee satisfaction—and be reflected in service evaluations.

Regardless of the policies you started the relationship with, if you feel they are not meeting your cost or service needs, or if you find yourself entertaining far too many exception requests, you should discuss policy refinements with your primary contact. And your SLA should contain specific KPIs for program cost elements, allowing you to track the RMC's performance objectively and consistently over time.

That's not in the Contract!

Ideally, your contract negotiations with the RMC should have resulted in a detailed document, with service parameters, SLAs, performance rewards and remedies and all expected fees clearly outlined. If the service being provided or the charges assessed are not in line with the terms of your contractual agreement, then you need to bring this to the attention of your primary contact immediately.

Again, the RMC's response will go a long way in helping you make your fix or flee decision. If the RMC seems more intent on pressing its interpretation of the agreements than in satisfying you, that does not bode well for the future of the relationship.

All of the Above

If you are having problems on multiple fronts, it can be worthwhile to reconvene the appropriate members of your implementation team. Perhaps the implementation process was too hasty (or possibly nonexistent if your need was immediate), and expectations and procedures were not adequately defined and communicated.

Follow-up, in-person meetings can sometimes accomplish much more than repeated emails and phone calls, where details and nuance are often lost. For example, if you are having IT or expense administration issues, getting the responsible professionals from both sides in a room can often facilitate communication and mutual understanding and result in a solution. It is far easier to demonstrate some problems in person than to describe them in an email or phone call.

Should I Stay or Should I Go?

Only you can make this decision. It is safe to say that given all that you invested in the RMC selection process, it is always better to try to solve even multiple problems first, before considering more drastic action. Again, many problems are the result of incomplete communication during the implementation process, and they can be more easily fixed early in the relationship, before systems, processes and personnel have fully gelled. If the RMC is concerned, proactive and engaged in recovering from these early missteps, then you can certainly get past these issues and go on to have a productive, mutually beneficial partnership.

If the RMC is bungling not only the service but the service recovery; if it has flagrantly misrepresented its terms or capabilities; if its financial wherewithal and stability are suddenly questionable, then you need to consider a change. If you conducted a thorough selection process, your final contenders were likely competitive in terms of capabilities, pricing and personnel. You should quietly reach out to the other close finalists and have a frank discussion about your situation. Ask them how they would manage your account if you awarded it to them tomorrow. Your white knight will be the RMC that can willingly jump into this breach, expedite the transition, minimize any disruption to your program and transferees in process and mitigate any embarrassment for you.

How to Avoid this Situation in the First Place

Taking a step back, how can you help to ensure that you never find yourself in this situation in the first place? Quite simply, by assessing the RMC's organization as thoroughly as its pricing and other quantitative measures. Even some intricate procurement processes give short shrift to the issues of people, cultural fit, longevity, client retention, stability and other key factors.

According to Lynn Davis, a consultant and industry veteran, with extensive experience on both the RMC and corporate sides of the business, "Too often, there's a perception that you can get more for less. Some companies will try to apply the same rigid cost model that they would use for office supplies to relocation service and it just doesn't work. These models can't account for the human factor and the many variables that make each relocation unique. The reality is that nothing is free. If you want attentive service, well-trained professionals, minimal disruption for your employees and a prompt return to productivity, you have to establish a collaborative, mutually rewarding business relationship, and pricing is just one factor."

Ultimately, your objective is not to find the "best" (or cheapest) RMC: it is to find *the best service partner for your company*. If your culture is radically different from the RMC's, problems are almost assured—no matter how good the RMC looked on paper. It is important to tailor your selection process, your RFP questions and your face-to-face meeting agendas to your company's unique needs —and culture.

Davis adds: "You need a strong relationship where you can pick up the phone and work through issues—not a customer and subservient vendor dynamic. That doesn't serve anyone's interests. And you need an ongoing, forward-looking strategic dialogue, where you can frankly assess what's working and what's not and build a true partnership."