

Data Analytics - The Data Revolution In International Mobility Management

Scott McCormick and Robin Brown of Deloitte LLP explore trends in data analytics technology for mobility and discuss how this technology is bringing fresh insight and innovation to mobility strategy, cost control and compliance.

There is a change underway in the way that organisations approach their data. Increasingly, data is being seen not only as an operational necessity, but as an asset in itself. The use of data analytics within organisations is growing, rapidly. Initially the use of this data has been confined to core business functions. For example, major supermarkets use the data collected through loyalty cards to give customers personalised special offers, or even predict the impact of placing certain products together on promotion. As the cost and availability of the technology comes down, similar techniques are now available for HR and mobility leaders to deal with the complex, challenging questions their programmes face.

Trends in Technology, Data Analytics and Mobility

Firstly, let's consider some of the contributing factors to the growing availability of analytics capability in both the HR and mobility functions.

- **Consolidated global data systems** – More organisations are investing heavily in making their transactional HR systems more globally consolidated, nimble and integrated with business operations. The driving influence is threefold; moving towards consistent global HR processes, leveraging cost efficiencies and, critically, aiming for global workforce planning. To the data analytics practitioner, these organisational and system changes allow access to a gold mine of data which can provide insight into organisations' key business problems
- **Availability and user experience of technology** – The past 5 years has seen the emergence of smartphones and tablet computers that have revolutionised how people experience and interact with technology. Accordingly there has been an upsurge in the user expectation that information will be readily available and presented in an elegant user experience.

With the emergence of cloud computing, information and data is now mobile, accessible from anywhere

- **Computing power** – The cost of cloud computing power has reduced significantly as more organisations have reaped the benefits of cloud-based services
- **Data volumes & types** – Demand for data storage is growing exponentially. The explosion in data volume is related to the similar explosion of data “moments” which are now recorded by individuals and organisations; from social media interactions to customer loyalty cards to phone records
- **Data transparency** – Organisations are customers too and there is an increasing expectation of service providers that data on service levels will be open, transparent and capable of audit. This means that service providers must open up their data to clients which was previously only used for internal tracking purposes: this is a threat and an opportunity for those vendors
- **Gaining a competitive edge** – Organisations seeking the extra edge are using data analytics to drive improved operational performance and enable better decision making. Data analytics is becoming a more familiar concept to business professionals who use data driven insight to make key decisions.

Building analytics capability

So what is a typical path for building analytics capability within a mobility function? The technology hardware, software and skills required are no longer out of reach to mobility practitioners but there is a clear decision emerging for organisations to either build capability internally or outsource to specific mobility analytics specialists to gain the benefit of lower technology costs and wider mobility expertise. Regardless of the delivery platform chosen, there are several key stages to an analytics implementation which we would advise as best practice in this area:

i. Identify your business need, key questions or hypotheses

Before jumping into data analysis, it is important to identify the key questions

or problems in which the business wishes to gain insight. One approach is to set hypotheses such as “our mobility programme is aligned to our strategic growth areas”: the objective of the analytics practitioner is to seek to prove or disprove this hypothesis with data. Does the business already have an opinion of the answer to the question? What is driving the need for analysis? What impact can it have?

ii. Know your data

You have identified the key questions to answer. The next step is to identify your “data eco-system” you will draw down from in making your analysis. You should at this stage cast your net widely and build an overall picture of your possible sources of data without at this point worrying about access to those data systems and whether the data within is of a sufficient quality. Once you have an overall understanding of your data sources, which may range from ERP systems, to payroll to outsourced vendor systems, you can begin the analysis of which systems offer the most reliable sources of data for your chosen analytics project. The hard task of integrating those data sets into one coherent, reliable data set now begins and many organisations choose at this point to involve a third party vendor to ensure the structure chosen is robust and suitable for analytics. A key part of this stage is to decide how frequently to update your data – is overnight required, or would management only typically access analytics reporting every week or month? The answer is different for every organisation and depends on how business critical your analysis is.

One area within mobility where data has become more readily available for analysis is in relation to outsourced Global Compensation Management or payroll solutions which have in recent years been a more common feature of the vendor toolkit of large mobility programmes. The ability to pull data from such a solution clearly enables one of the critical data flows into the “eco-system” for analysis and drives the ability to accurately report on the total cost of the mobility programme.

iii. Data insight and visualisation - Dashboards

The use of dashboards as a means to make data available to key stakeholders is growing within the HR and mobility community, following from earlier implementations in Supply Chain, Operations and Finance functions. These typically deliver user-relevant data and analytics on a real-time basis, allowing monitoring of key trends, identification of risks, opportunity or to enable a particular business decision. Well-designed dashboards allow the user to understand both the macro- and micro-views needed for decision making and enable drill down to individual data records where useful. This is all part of a trend in analytics towards “data democracy” which has two key aspects:

1. Opening up data on demand to users who have a need and a right to that data
2. Securing data and reporting via dashboard delivery reduces the risk of data loss through manual creation and dissemination of, for example, Excel spreadsheets.

iv. Predictive Analytics

Moving beyond pure dashboard-style reporting, the upper performing tier of organisations will migrate to predictive analytics. For a mobility function, this will allow value to be unlocked for the business through identification and management of best in practice:

- Talent management, assignee selection and retention strategies
- Proactive cost management and modelling/forecasting
- Intelligent vendor management
- Calculation of mobility return on investment
- Mobility function operations and workflow

Mobility Analytics at Deloitte

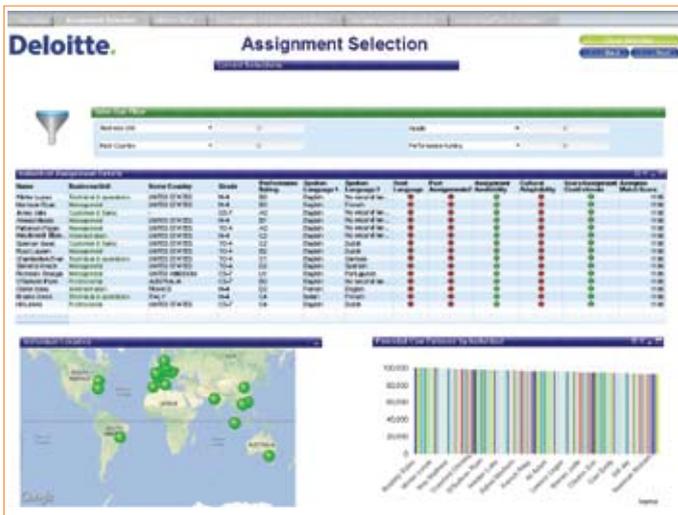
We have invested in the only full-time dedicated Mobility Analytics team within the big 4 which provides a range of standard and bespoke solutions to clients which support the entire mobility lifecycle from selection through on-going operations management through to return on investment and strategic change.

Although each of our client projects is unique, we outline below some of the key projects and solutions we are finding particular demand for in the market:

i. Business Travel Analysis

Identifying and tracking short-term business visitors is a long-standing problem for organisations and one which often falls between Finance, HR and Mobility with often the traveller bearing the brunt of the administration of reporting their travel. Our approach is to remove the traveller from the equation by sourcing, cleaning and importing data from clients’ and their vendors’ systems. As a primary compliance objective, this allows automatic identification of taxable travellers using our proprietary global tax engine. When thinking beyond income tax risk there are a wide number of potential use cases for this data which can drive significant value to the organisation, for example:

- Identification of corporate tax permanent establishment risk
- Establishing personal and corporate



immigration risk

- Managing overall travel spend and travel vendors, including extracting maximum cost synergies on airline route spend
- Identifying expense policy compliance
- Strategic management of the business case for travel.

Our solution takes away the burden of gathering the data necessary to track travellers and presents back the data in an understandable format to the business, identifying risks and cost reduction opportunities. Multiple stakeholders within the business can then take the appropriate actions based on their role, now with the benefit of insight from the underlying data.

ii. Total programme analytics

Most mobility and reward programme leaders lack the insight into data to help them make better and richer decisions, whether operational or strategic. Our Total Programme Analytics approach allows our clients laser focus on all programme data, trends, demographics, compensation and policy modelling and tracking costs against budgets.

Our focus is on centralising all data in one interactive, secure environment and constantly searching for insight into how our clients can make their programmes more effective and enhance return on investment. We develop bespoke return on investment calculators which allow our clients to assess the direction of travel of their programme and how to communicate this up the management chain and to enhance the conversations with business unit leaders.

iii. Assignment selection

For many organisations, the ability to rapidly respond to resourcing and relocation requests underpins successful execution of key business strategies. For instance, an organisation may be bidding for a contract in a particular location recurring mass concurrent relocations. It is necessary for the mobility team to support the business in quickly identifying if and how a particular project can be fulfilled in order to successfully win the contract. An analytics deployment combining HR and assignment data can identify individuals available with the skills required at an individual or team level. Are there sufficient people in the organisation? Are contractors required? What is the estimated workforce cost?

Can a competitive bid be submitted? Which is the best individual for the assignment based on all economic and non-economic factors? We have developed a smart assignee selection tool that enables mobility functions to engage with business units to plan forward for headcount and resourcing capability and to match the best individuals in your organisation with assignment opportunities.

iv. Assignee attrition risk

It is well known that international assignees typically carry a greater attrition risk (i.e. risk of leaving the organisation) than domestic employees, especially in the 12-24 month period after repatriation. We have developed a proprietary algorithm specific to mobility which analyses the data in a mobility programme and can predict heightened attrition risk. This is presented to our clients as a radar view of employees at risk, allowing intervention and proactive strategies to be used by HR and business unit managers. Analysing attrition risk by cause allows for wider business engagement on changes to working practices, policies and behaviours. Reducing attrition for high performing employees is critical to demonstrating return on investment in your programme.

The Data Revolution is here

The tools, techniques and methods outlined here are not out of reach of HR and Mobility – the technology exists today for those organisations wishing to enhance their operational effectiveness and strategic direction using the power of analytics.

We recently concluded a large analytics project with one of the world's largest mobility programmes. The driving motivation behind the project was twofold; firstly to accurately and consistently report on the total cost of the programme on an on-going basis (and to provide a rich user experience in being able to interrogate and understand that data in more detail), and secondly to be able to confidently pass analysis up the management chain. This resulted in much greater ability of the mobility function to monitor policy and compensation trends, predict resourcing roadblocks within the mobility operations team and to get laser insight into individual assignee data to support assignment and career conversations. The next phase of the project will be to utilise this vast

repository of data to better plan and execute international assignments whilst contributing to the organisation-wide debate on a key business problem: what is the return on investment of our mobility programme?

What are your key business problems? The chances are that your data has the answer and we can unlock it for you.

Scott McCormick & Robin Brown

work in Deloitte LLP's Global Employer Services practice with a specific focus on helping organisations to manage, and gain insights into, the data in their international mobility and reward programmes. International Mobility is just one strand of Deloitte's wider approach to Workforce Analytics, itself part of Deloitte's global focus on Data Analytics across all business functions & industries.

If you would like to understand how Deloitte's approach to Mobility Analytics could unlock value in your international mobility programme, please contact scmccormick@deloitte.co.uk or robbrown@deloitte.co.uk.

FREE SEMINAR

at

*The 2014 Corporate Relocation
Conference & Exhibition
Monday 3rd February 2014
at Hotel Russell, London*

2.45pm

Unlocking Hidden Insights From Your Mobility Programme Through Data Analytics

This seminar will explore how to deploy data analytics techniques through a range of live demonstrations to more effectively manage your mobility programme, deliver insight to management and contribute to wider workforce planning. Hosted by Robin Brown, Senior Manager, Global Employer Services Analytics, Deloitte LLP

For further information or to reserve your place, please email:
helen@internationalhradviser.com