



Taking care of what matters the most



Bringing Families to Russia September 08 2009

General Overview of the Relocation Market

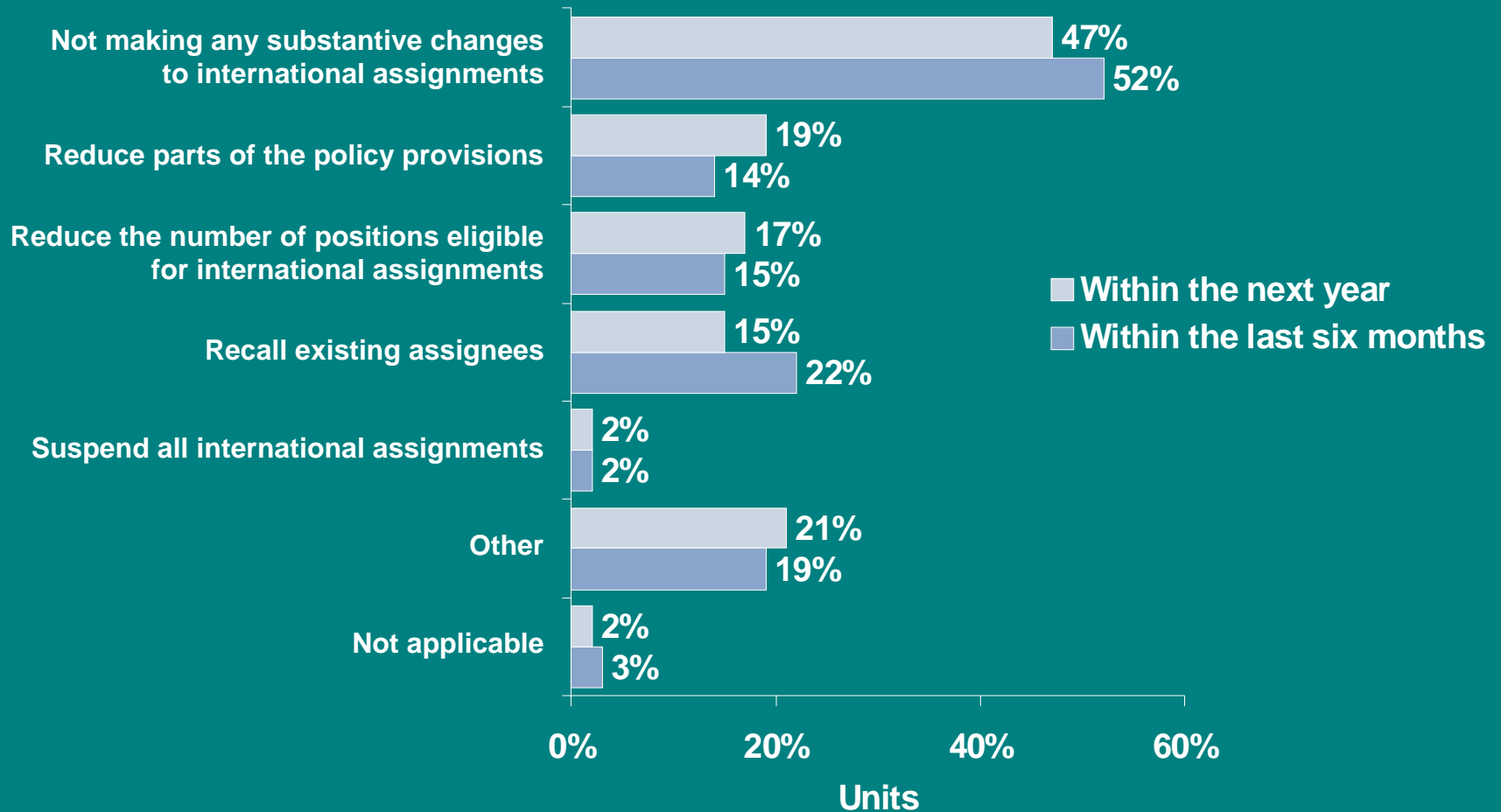
Agenda

- Global trends in international assignments
- Cost-saving trends in the current economic climate.
- Impact on local expatriate policies

Global Trends

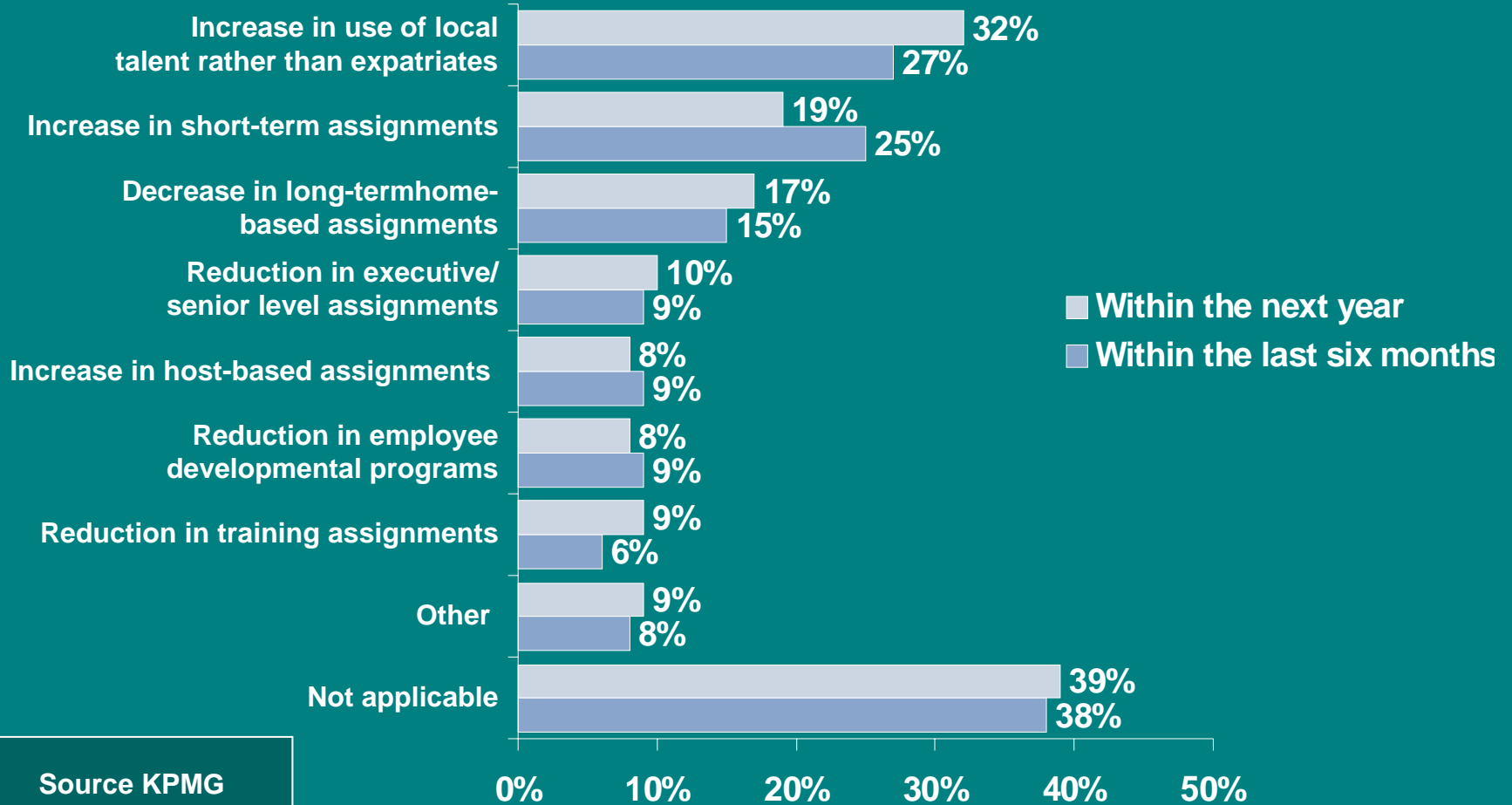
- Companies are applying cost cutting measures to many areas
- Almost half of all companies are making some form of change to their assignment programme

With regard to international assignments, which, if any, of the following are actions that your organisation has taken?



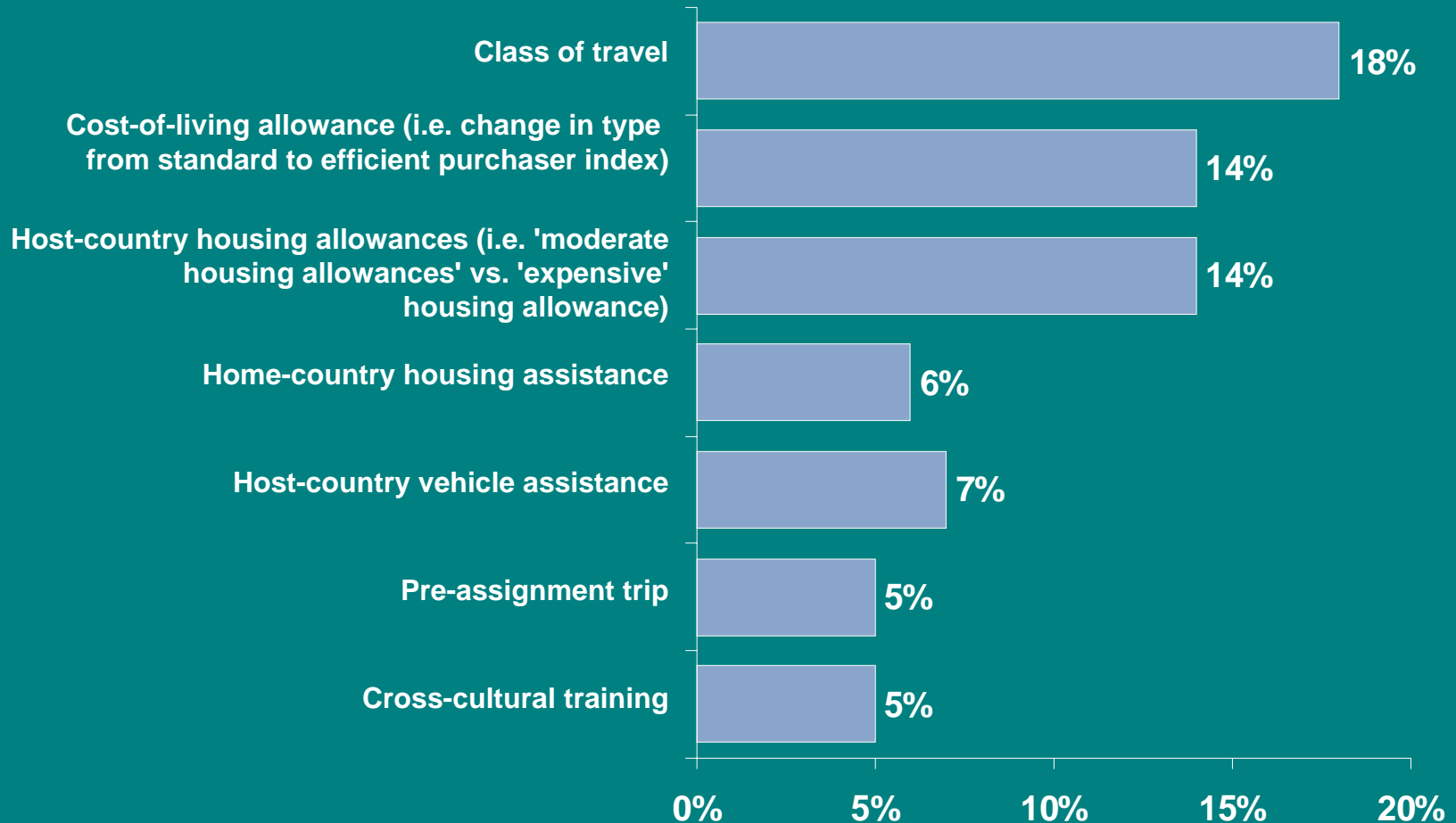
Source – KPMG

With regard to International Assignment types, which, if any, of the following are steps your organisation has taken?



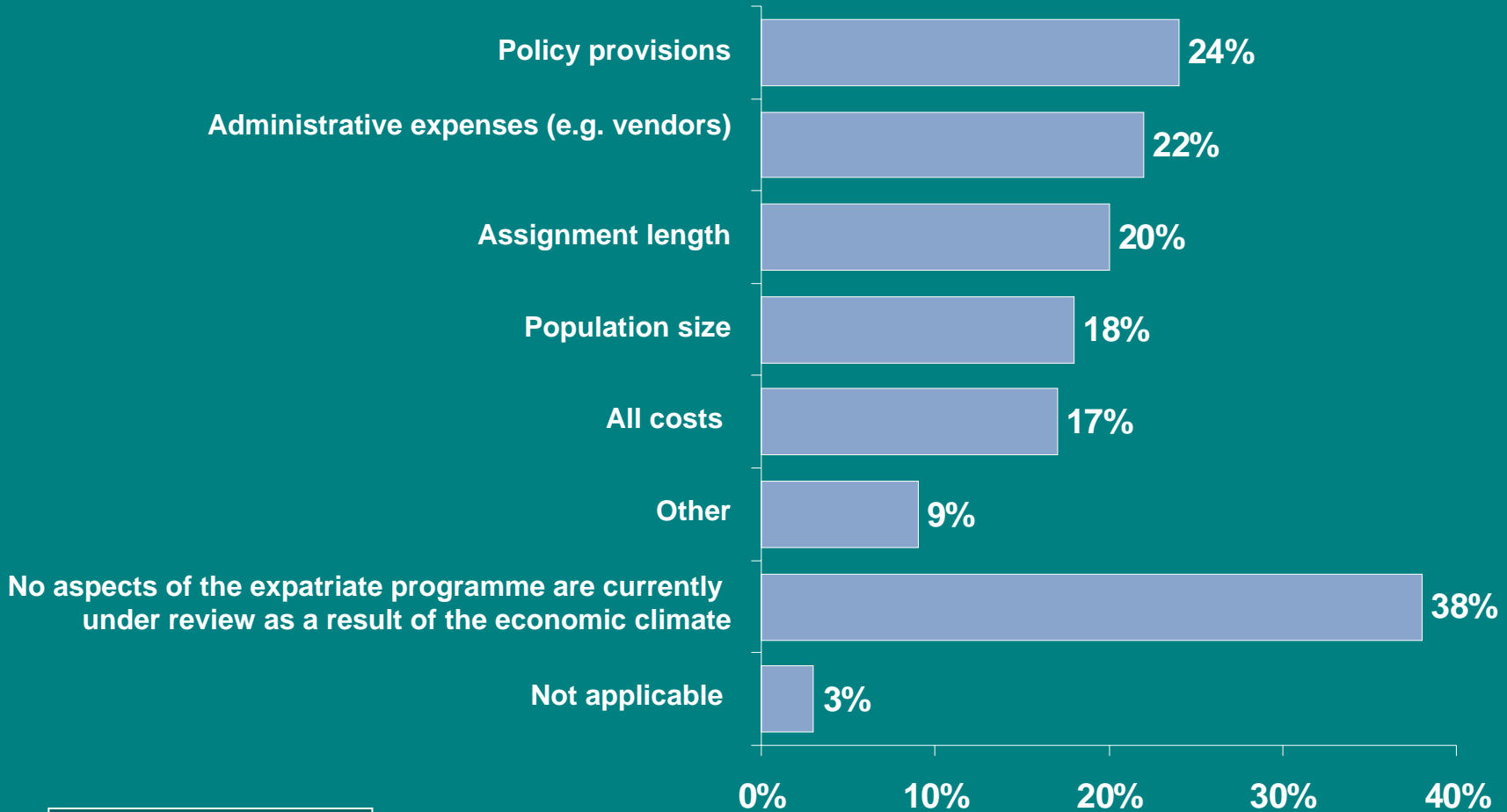
Source KPMG

With regard to the expatriate programme, which, if any, policy provisions are being reviewed for potential decrease or elimination because of the current economic climate?



Source - KPMG

What, if any, aspects of the expatriate programme are currently under review for potential budget cuts that are a result of the current economic climate?



Source - KPMG

Predicting the future of international assignment management

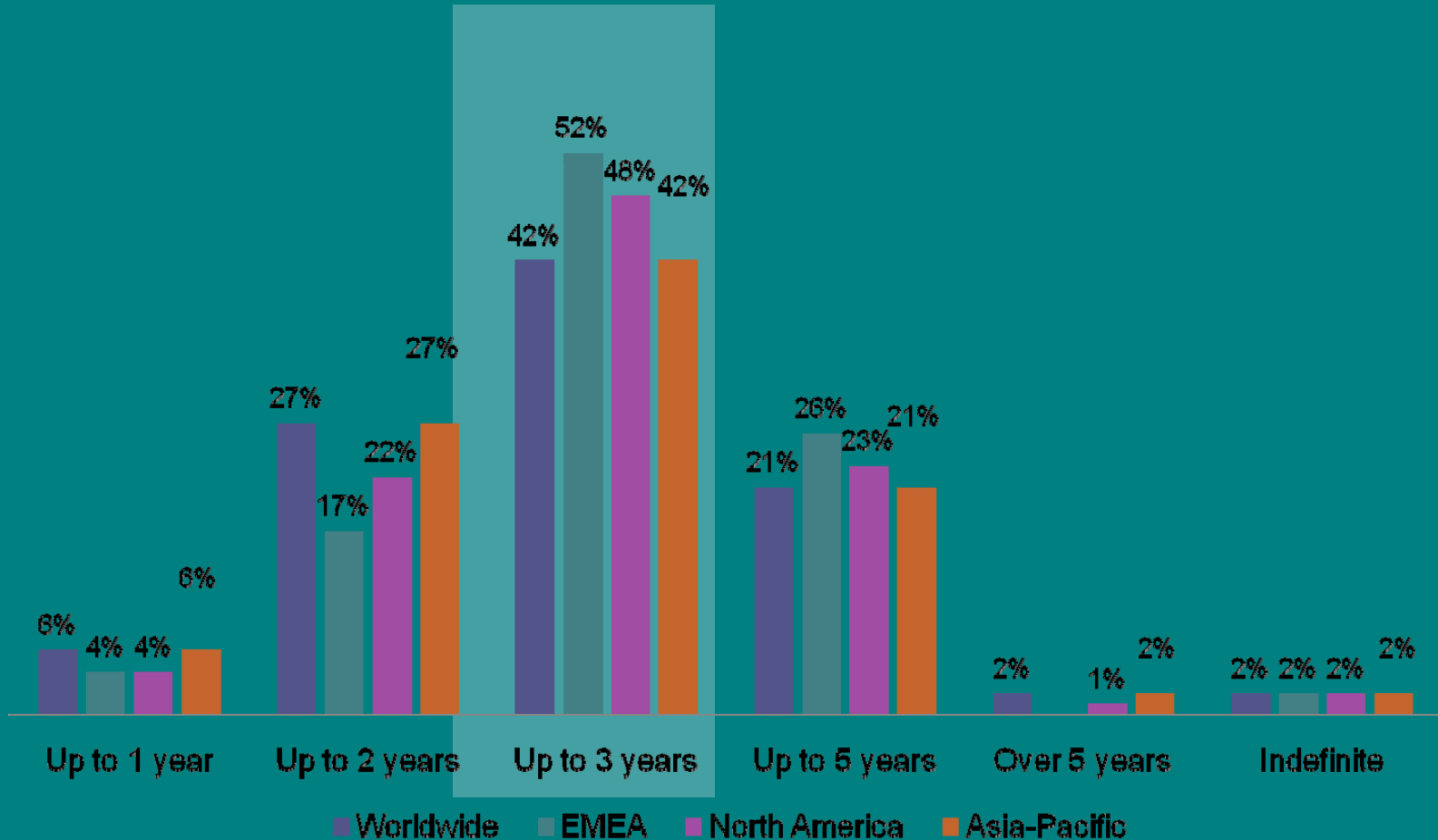
A greater focus on:

- Effective use of expatriates
- Cost management
- Greater use of alternative assignment types
- Streamlining administration
- Talent management and performance
- Return on investment
- Work-life balance
- Family support



Source ORC

Pattern of assignments*



* Excluding short-term assignments

Key cost-saving trends in the current economic climate

Top Five Initiatives

- **Reduction of non-essential business travel**
- **Localization of expatriates**
- **Vendor and cost review**
- **Reduction in the overall number of expatriates**
- **Short-term assignees and commuters instead of long-term assignees**

Other initiatives

- **Tiered policies for different assignment types**
- **Less costly housing policies**
- **Home leave policy modification**

WHAT'S AHEAD...

**How will this affect us in
Russia?**

Global Relocation Trends Survey

Russia is –

- 6th most frequently selected location for expatriate assignments
- 3rd emerging new location for international assignments
- 3rd locations presenting greatest expatriate challenges
- 3rd locations presenting greatest administrator challenges
- 5th locations with highest rate of assignment failure

Areas for Review

HOUSING

- Full expat versus modest approach to host housing
- House Savings programme
- Deductibles – no 'free housing', reflective of home country costs

COST OF LIVING

- Full expat standard versus conservative living pattern
- What elements are included – is anything being double counted (club, transport, medical) ?
- Calculated on full base salary ?

VACATION LEAVE

- Class of Travel
- Frequency of Flights
- Location / Intention

EXCEPTION MANAGEMENT

- Centralised / regional process

Property - the elephant in the room

- Review housing allowances
- Location, location, location
- Don't show property over budget
- Hotels, serviced accommodation, rentals
- Bulk deals
- Fees – v – commission
- Incentivise DSPs
- Shared Accommodation



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