



Case study: using cost estimates

We are increasingly finding that several challenges our clients face can be managed with the appropriate introduction of a technology solution. In this series of case studies, we take a look at some of the challenges faced by our clients and how they resolved them using technology.

The background

Our client spoke to us about a common issue – their role is to support their business as part of the global mobility team, and it can be difficult to get the balance right between enabling a move and ensuring the business is fully aware of the cost implications early on. Often, full information about the various costs is not available at the outset – and so many moves progress a fair way before this is considered.

It is a surprise to many managers that the cost of moving someone overseas can be so expensive. Even when a move is employee driven, there can be host country tax costs as well as social security costs and potentially the need to file tax returns. Unexpected costs impact on budget, particularly where a cost centre was not expecting to be charged.

The global mobility function can be seen as a gatekeeper pre-programmed to say “no”, and in fact we imagine some businesses find ways to avoid engaging with them as they suspect they might not like the answers!

The challenge

“I had been trying to explain to the business that moving someone could be costly” our client explained. “We were moving someone from the UK to the US, and the business said we might as well do it for a period of five years, because that is what they thought the work permit would give us. I didn’t feel that the business was really getting what I was saying and was conscious that I was being seen as a blocker to the move. I was worried that they would face unexpected costs that they had not budgeted for.”

Our advice

We were keen to help our client work out how to get the balance right between being seen to enable moves as well as making the business aware of the potential costs.

We worked with them to develop a presentation to key business leaders, acknowledging the critical role of mobility as well as highlighting the risks, and the importance of managing these. In addition, we worked with them to implement streamlined and clear processes. As part of this we recommended that our client have the ability to

give the business an overview of the potential costs at an early stage, in addition to a more detailed cost estimate requirement as part of the authorisation process.

Why they chose Workia

They decided to use the cost estimate and planning functionality in [Workia](#) to enable them to assess the costs and use this to have an informed dialogue with the business. Workia enables them to run multiple versions of cost estimates that give a level of visibility at an early stage of the process of planning moves.

Through the Planner, they can create a [high-level cost estimate based on the length of the move](#), the individual’s base salary and family size. Importantly, the planner also gives an indication of the other elements of a move that need to be considered, such as immigration.

How they chose Workia

Our client told us what happened.

"I used the cost estimate feature in Workia to produce a cost estimate. The individual's base salary was £75,000 - and the total cost of the assignment came out at over \$1 million for the 5-year period. The business was shocked – they simply couldn't believe it. I was able to show them the breakdown over the total assignment period and of course a breakdown of the costs involved."

"The beauty of Workia is that we could then edit and rerun the estimates, changing the allowances to bring down the overall cost. We also made the assignment shorter. In the past this would have caused a big issue – I recall on more than one occasion being involved in some difficult discussions where an invoice had hit someone's cost centre, and they had not budgeted for it."

"The cost estimates can be a make or break for us – and having the evidence to hand makes my job so much easier."

What might this mean for you?

Do you struggle to understand cost implications when in the early stages of planning of a move? Do you end up having unpleasant conversations with the business about unbudgeted or unexpected costs?

Using the [cost estimate](#) and [planner tool](#) in Workia gives you an early indication of cost – and this might be the difference between a move going ahead or not.

Talk to us, to find out how Fathers & Lavan can help invigorate your global mobility program

<https://www.fathers-lavan.com/>