

relocation benchmark report.

prepared exclusively for the
SPECIALTY RETAIL INDUSTRY



February 2017

Proprietary & Confidential
February 2017

25 companies similar in scope within the specialty retail industry.

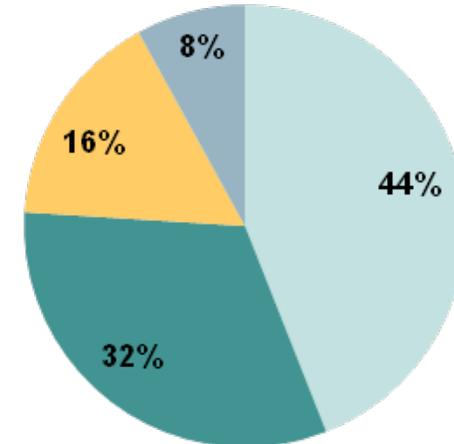
WHR Global helps companies relocate their employees to new opportunities all over the world.

We benchmarked twenty-five companies within the apparel industry on their employee relocation policies and practices. Company names have been randomized in data and assigned a generic title to maintain confidentiality, e.g. Company A, Company B, Company C.

The following pages will call out the obvious trends for each of the major benefits surveyed.

Employee Size

■ 1-10,000 ■ 10,001-50,000 ■ 50,001-100,000 ■ 100,001+



trends in
specialty
retail.



1. Given the current state of the apparel industry, what are you expecting to see in the future?

- Ten companies (40%) will be hiring less
 - Nine companies (36%) will be consolidating stores
 - Seven companies (28%) are offering fewer relocations
 - Three companies (12%) will be increasing their layoffs
 - No companies answered that they would be decreasing layoffs
- Seven companies (28%) expressed the anticipation of an increase in new hires
 - Four companies (16%) will be offering more relocations:
 - Two of these companies (50%) are anticipating more hiring in general



2. Are there any areas of your policy that are being expanded on or reduced in 2017?

- Twelve companies (48%) mentioned they are, in some fashion, revising current policies and practices

Benefits mentioned:

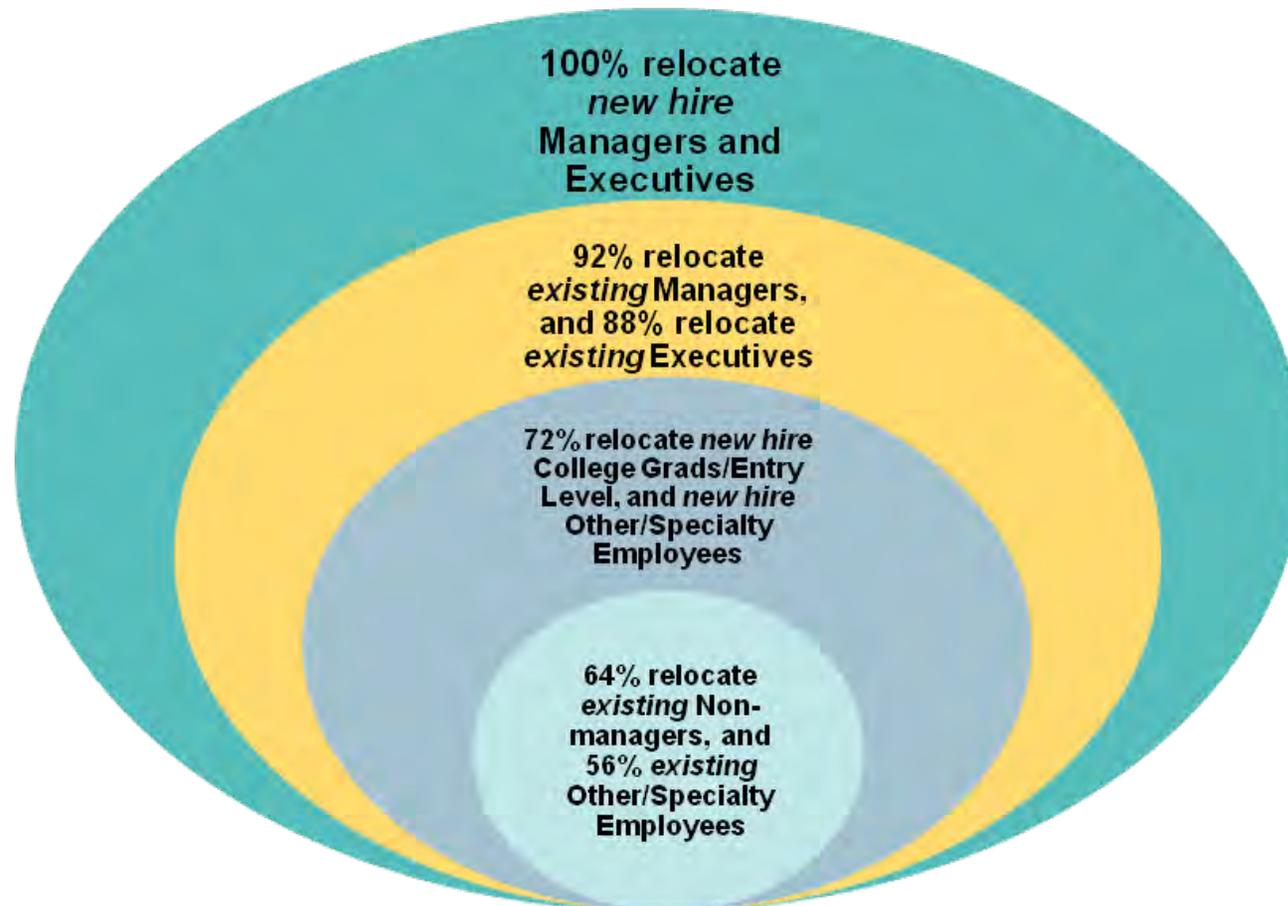
Expanded On:

- Lump sum options for entry-level positions
- Formalizing international policies

Reduced:

- Reducing home finding trips
- Removing maid service and unpacking
- Homesale bonuses
- Temporary living
- Capping destination closing costs

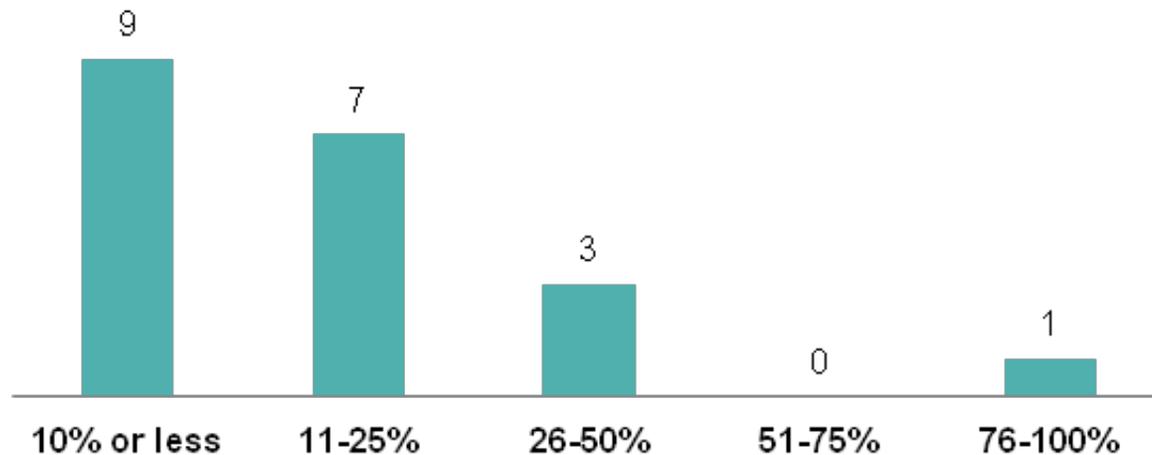
3. To whom do you offer relocation benefits?



4. On estimate, what percentage of total new hires are offered a relocation?

The most common response to this question was “10% or less,” which was selected by nine companies.

However, eleven companies relocate more than 10% of their new hire workforce.

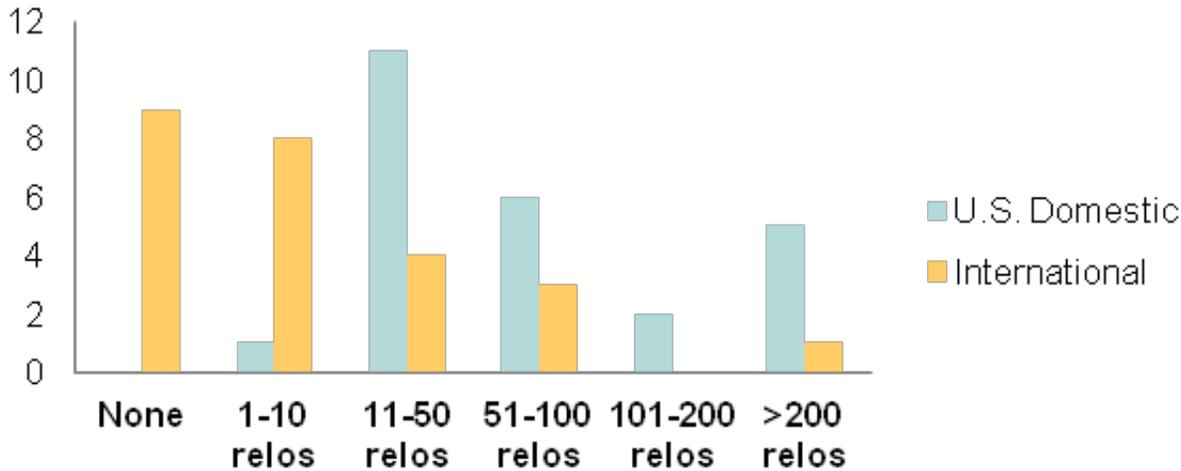


Note: One company did not respond to this question. Four of the twenty-five companies relocate new hires based on eligibility requirements only and, thus, were not included in the graph above. Their responses included: “60% of eligible,” “100% if over 50 miles,” “anyone who needs one,” and “99% of those outside of immediate area.”

5. How many relocation initiations do you average per year?

All twenty-five companies were asked how many relocation initiations they average per year.

Below is a summary of the data collected for both U.S. domestic as well as international relocations.



6. What department manages relocation internally?



Fifteen companies (60%) manage relocation as a function of Human Resources, non-specified



Four companies (16%) manage relocation as a function of the Compensation department within Human Resources

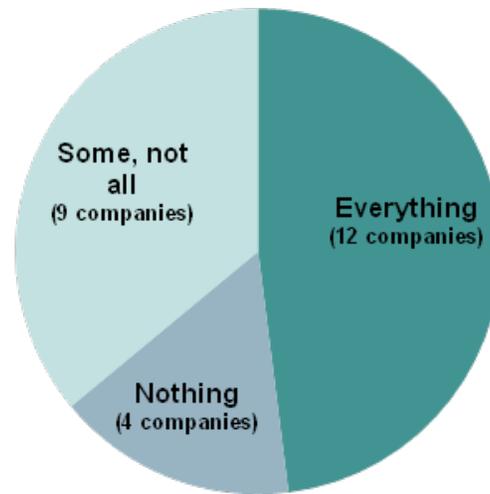


Another four companies (16%) have a department specifically for relocation



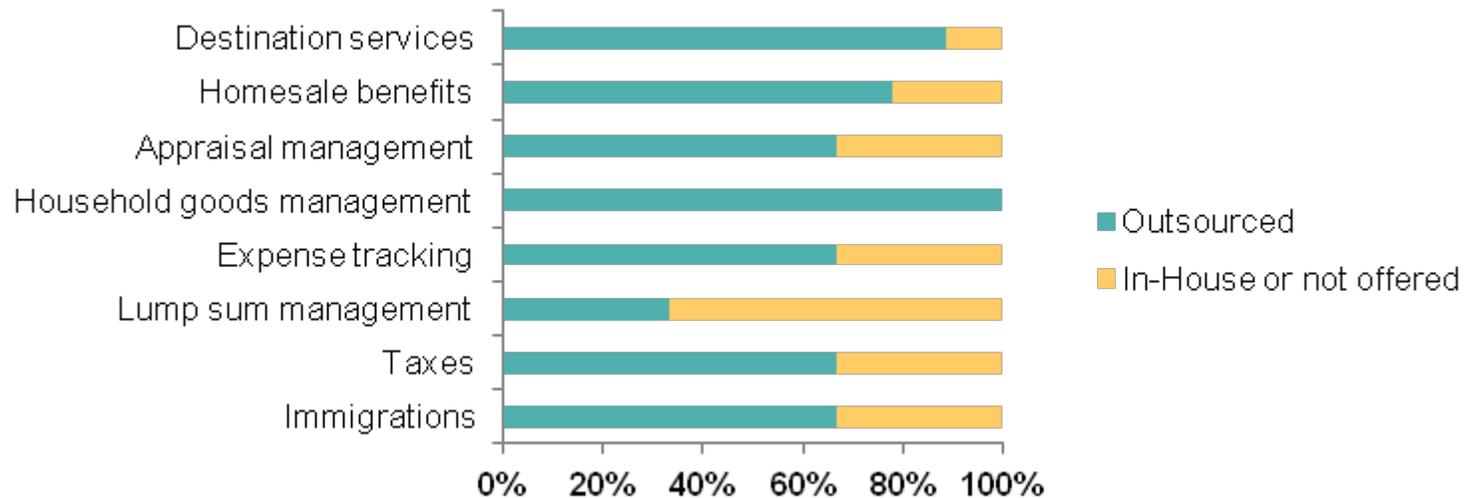
Two companies (8%) manage relocation as a function of Talent Acquisition or Total Rewards

7. Do you outsource?



Of the nine companies that outsource some, but not all, of their relocation benefits:

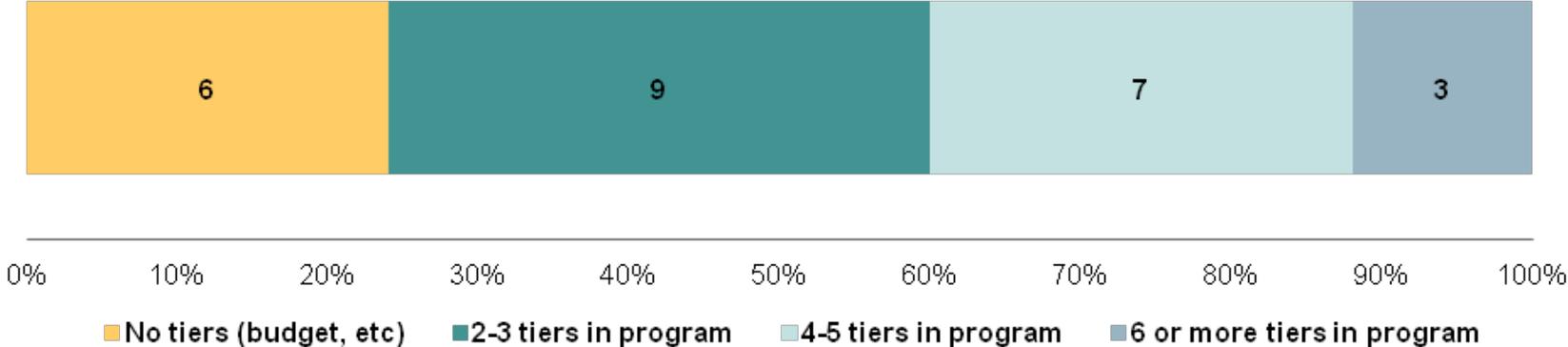
What benefits are outsourced?



relocation
service
offerings.



8. How many tiers does your U.S. domestic policy have?



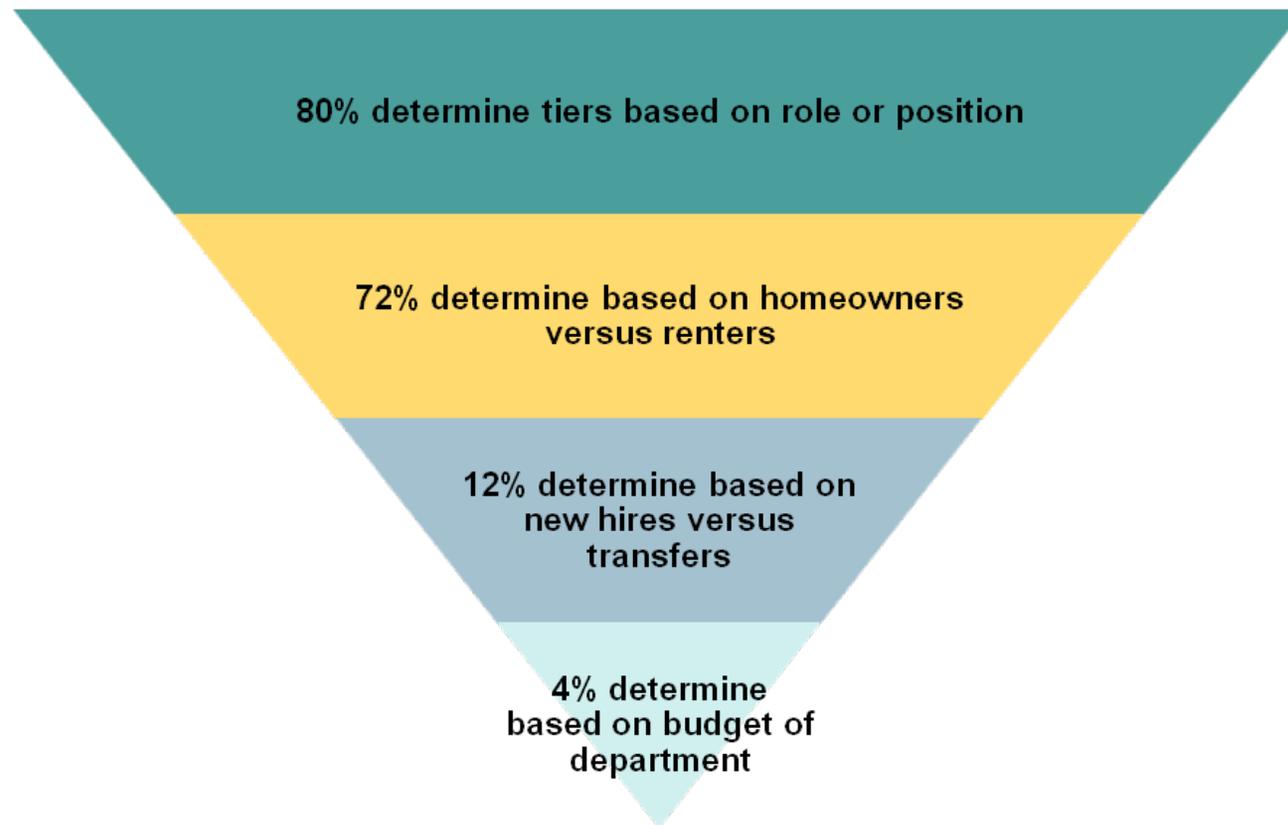
9. What are your U.S. domestic tiers based on?

Four of the twenty-five companies (16%) indicated that they do not use tiers but rather use a budget or some other means of determining which benefits are offered.

Since this number is less than the six companies that responded “no tiers” to the previous question, our assumption is that companies may use the classifications below, for example, to guide the benefits but do not consider the difference between a homeowner and a renter as two different tiers.

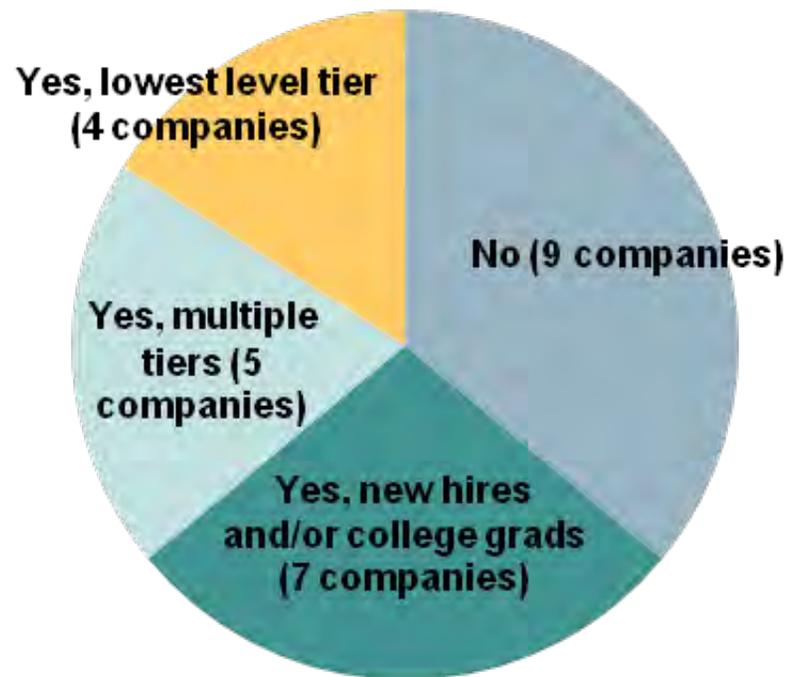
A deeper dive into the data:

- Four of the twenty companies with tiers that use the “role or position” of an employee (20%) use ONLY this to determine that employee’s tier
- Two of the eighteen companies that use “homeowners versus renters” status (11%) use ONLY this to determine the employee’s tier



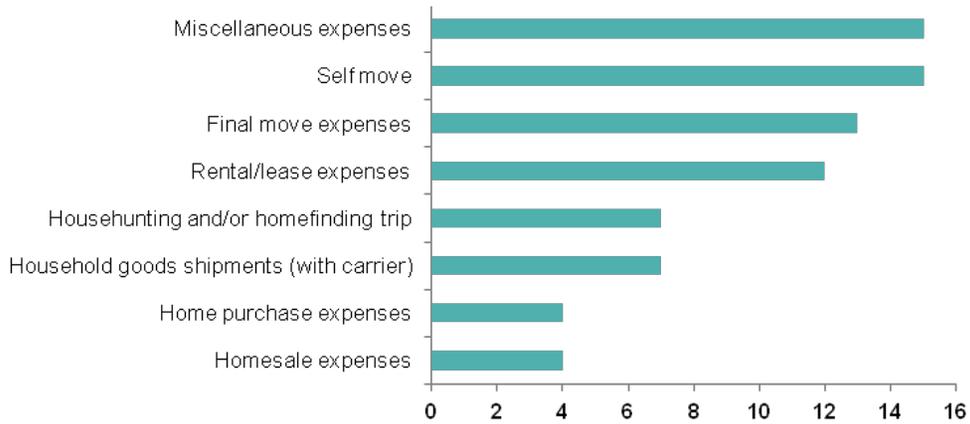
10. Do any employees receive a “lump sum only” relocation package?

“Lump sum only” questions relate to types of policies that ONLY offer a lump sum. These questions are intended to uncover the goals and intended uses behind a monetary benefit versus any other type of relocation benefit.

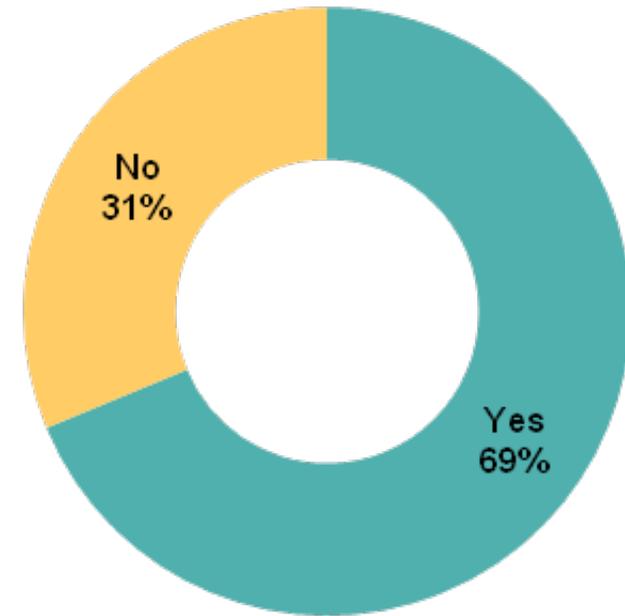


Note: See following pages for a deeper dive into lump sum usage.

11. What is the lump sum intended for?

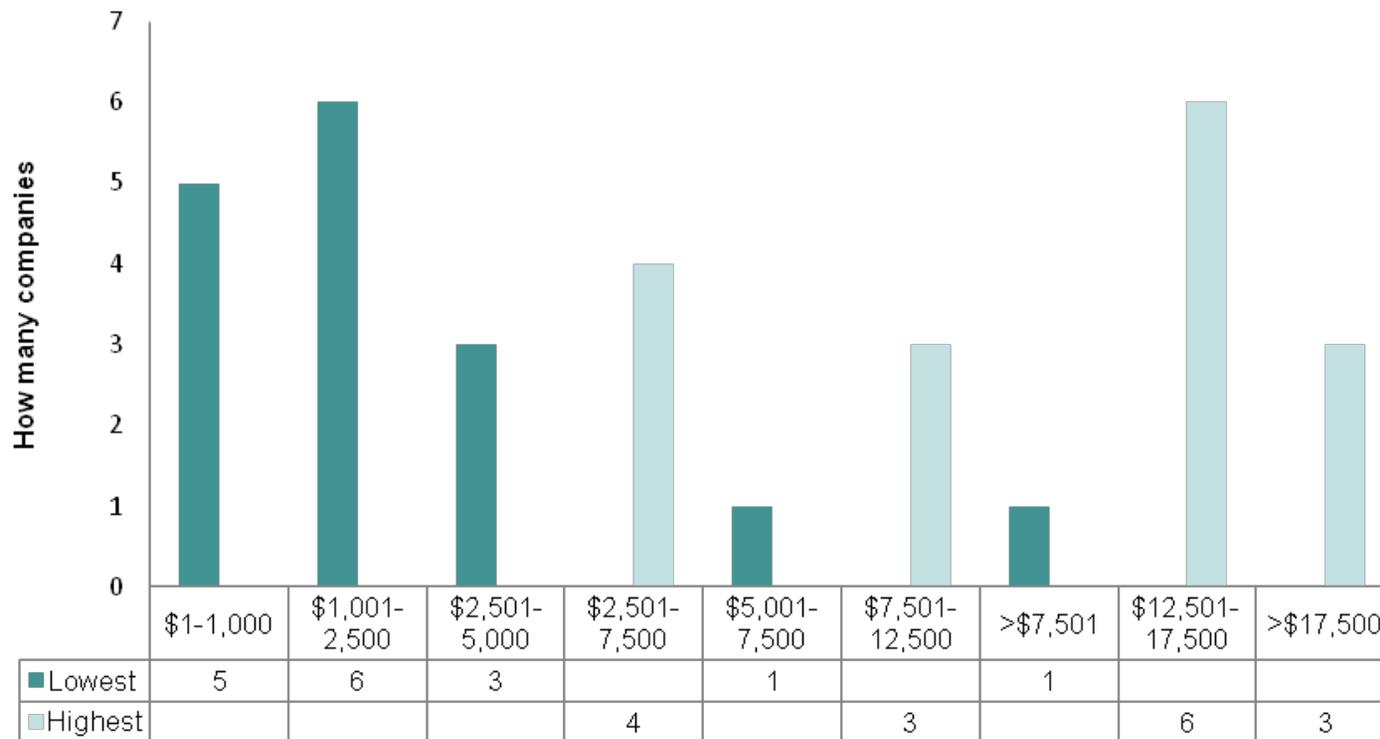


12. Is this lump sum grossed up for taxes?



Note: Sixteen of the twenty-five companies (64%) offer a lump sum.

13. What is the highest amount and lowest amount of lump sum you offer?



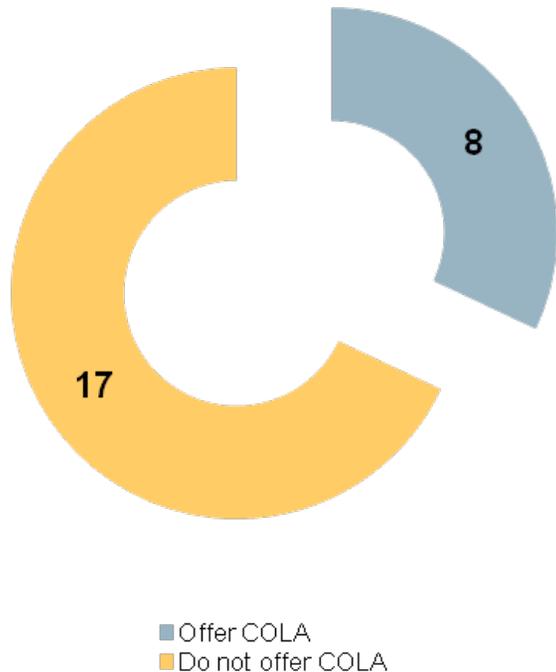
Note: Sixteen of the twenty-five companies (64%) offer a lump sum.

14. Do you offer a cost of living allowance (COLA)?

Eight of the twenty-five companies (32%) offer a COLA as part of their relocation program.

A deeper dive into the data:

- One of the eight companies offering COLA (13%) offers the benefit to all relocating employees
- Three of the eight companies (38%) only offer COLA to international transferees

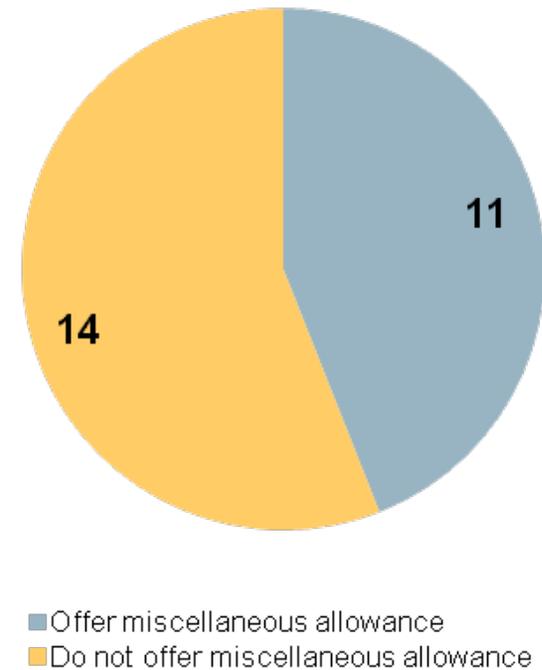


15. Do you offer a miscellaneous allowance?

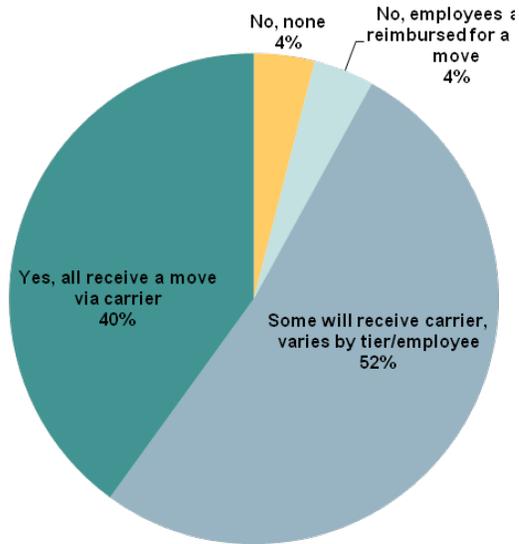
Eleven of the twenty-five companies (44%) offer an allowance to transferring employees outside of a lump sum or COLA.

A deeper dive into the data:

- Nine of the 11 companies (82%) noted the allowance is provided for any miscellaneous expenses not covered in the relocation package
- One of the 11 companies (9%) stated the allowance is for travel, temporary living, and household goods
- One of the 11 companies (9%) noted an allowance is given to international transferees for annual flights home during long-term assignments



16. Do all tiers receive a household goods move via carrier?



17. Do you cover storage?



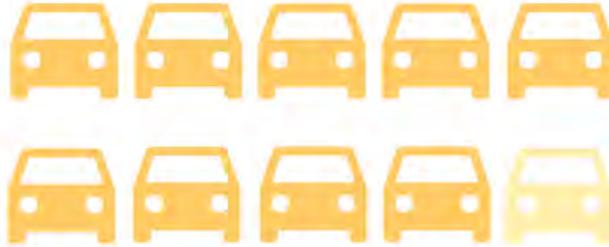
Twenty-one companies (84%) cover storage for their relocating employees

A deeper dive into those covering household goods storage:

How many days do you cover?

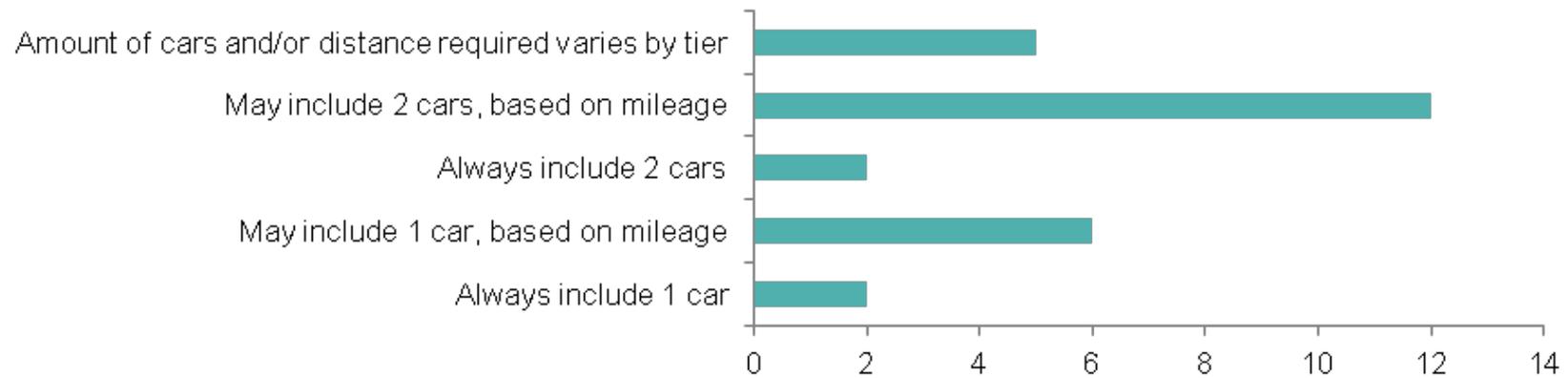


18. Do you ship autos?



Twenty-two companies (or 88%) ship autos for their relocating employees

A deeper dive into those shipping autos:



19. Do you offer temporary living or duplicate housing?

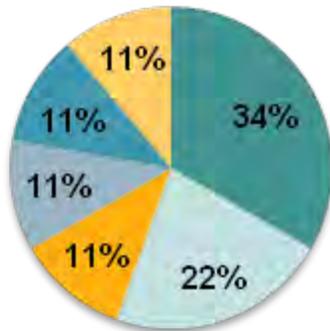
All twenty-five companies (100%) offer temporary living or duplicate housing to relocating employees. This figure is not surprising as all WHR Group conducted benchmark studies from 2016 show similar results.

A deeper dive into the data:

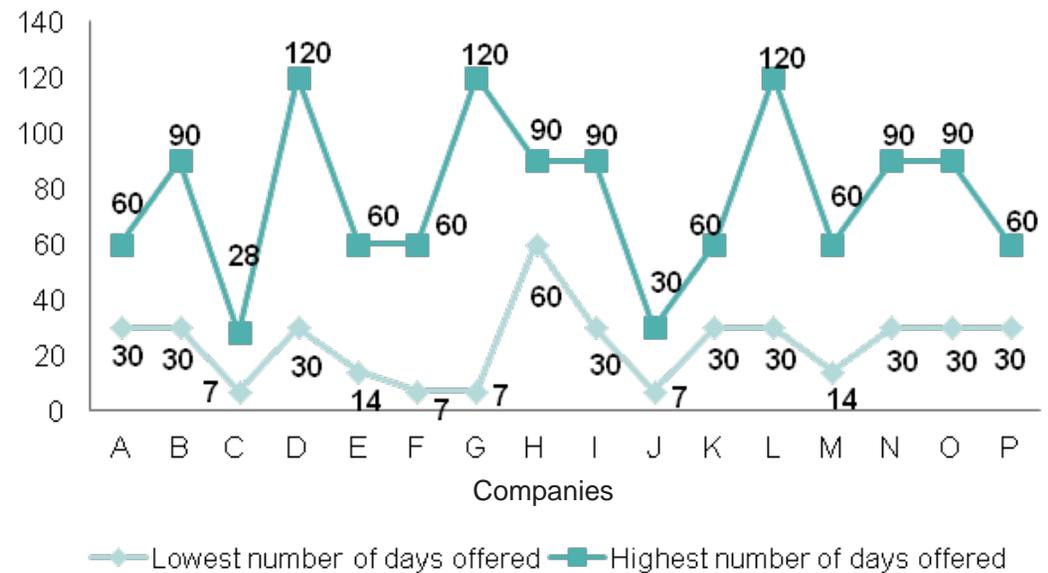
- Nine companies (36%) offer the same number of days to those relocating
- Sixteen companies (64%) offer a different amount of days to different tiers within the program (see below)

Nine companies offering a flat amount of days

- Up to 30 days
- Up to 60 days
- 8-14 days
- Up to 90 days
- More than 90 days
- 1-7 days



Sixteen companies offering a range of days

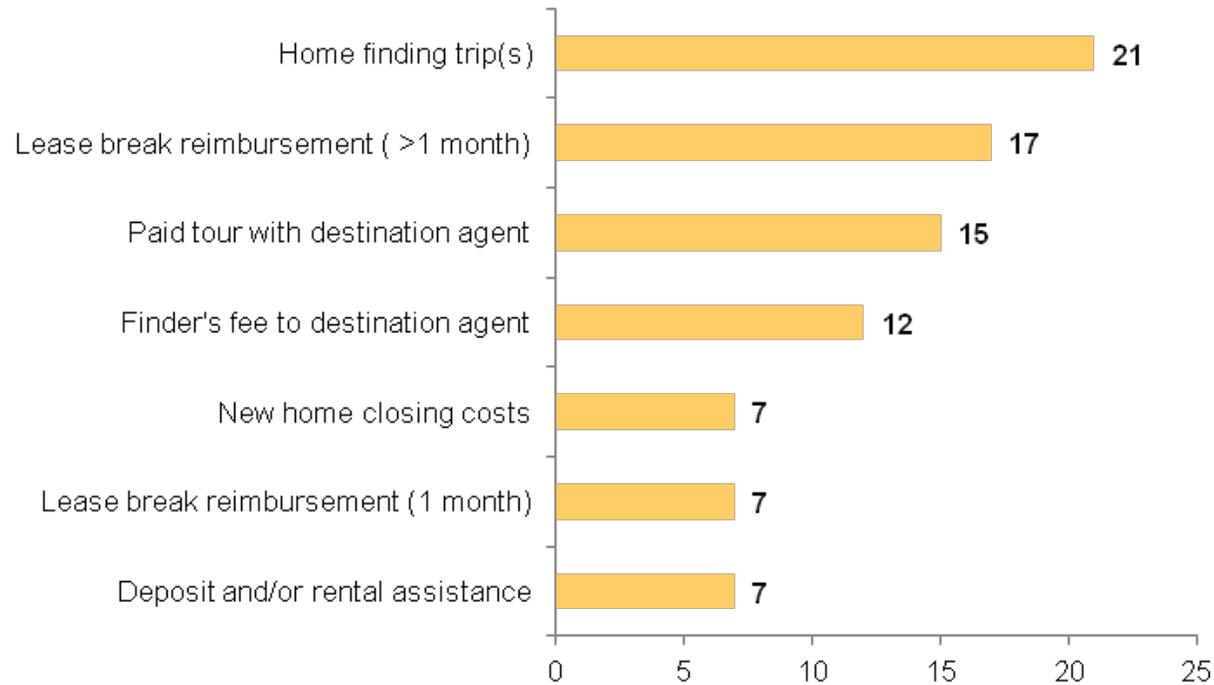


Note: Companies reporting "more than 3 months" are represented by 120 days in the above graphic.

20. What rental benefits do you offer?

One of the most common ways companies structure their relocation policy is to distinguish between homeowners and renters. This portion of the study will address which benefits are being offered to renters.

Two of the twenty-five companies (8%) do not offer any rental benefits.



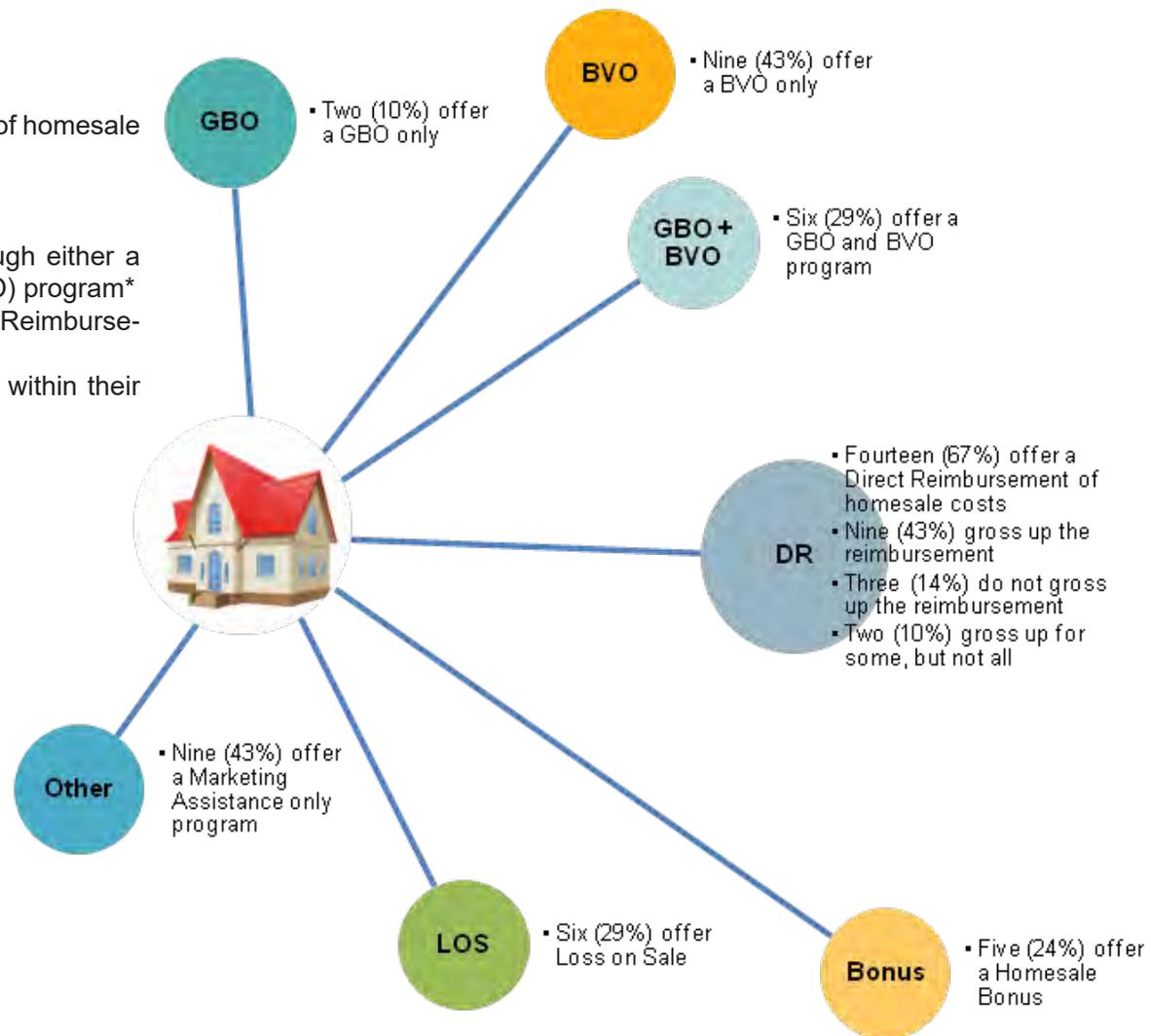
21. Explain your homesale benefits.

Twenty-one of the twenty-five companies (84%) offer some level of homesale benefits to their transferees.

A deeper dive into the data:

- Seventeen of the 21 companies (81%) offer a buyout through either a Buyer Value Option (BVO) or Guaranteed Buyout Offer (GBO) program*
- Four companies (19%) offer Marketing Assistance or a Direct Reimbursement program
- Fifteen companies (71%) offer multiple homesale programs within their policy
- Six companies (29%) offer only one homesale program type

*Some companies offer both.



22. Explain any additional tax assistance/gross up

Throughout this study, we've addressed whether companies are offering tax assistance benefits, such as lump sum and destination closing cost reimbursements.

Grossed up benefits

- Twelve of the 25 companies (48%) gross up everything that is taxable
- Six companies (24%) do not gross up any benefits
- Seven companies offer a partial gross up
- Five companies (20%) gross up allowances
- Two companies (8%) gross up COLA payments
- One company (4%) grosses up other bonuses

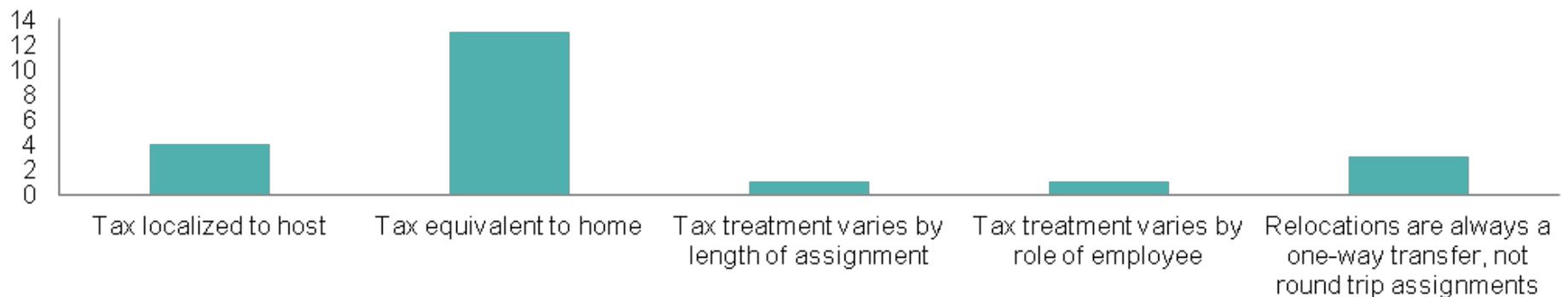
Note: One company (4%) does not offer tax assistance on everything taxable but had multiple answers.

23. What types of international tax assistance are you offering?

Sixteen of the twenty-five companies (64%) relocate employees internationally and were asked to tell us which types of tax treatment are offered.



Breakdown of international responses



While all companies claim a commitment to top customer service, we take things one step further to prove our dedication. We use the Net Promoter Score™ to measure not just service but also loyalty. On a -100 to 100 scale, a score of 100 is perfect. Scores above 70 are superior. So, what's ours?



What does this mean for you? It means you won't just be working with a customer satisfaction supplier; you'll be working with a customer satisfaction innovator.



Net Promoter, Net Promoter Score and NPS are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

**Temkin Group Q3 2015 Consumer Benchmark Survey*

WHR Global is pleased to be named a Top Work-place for a third consecutive year. The Milwaukee Journal Sentinel joined forces with Philadelphia-based research firm WorkplaceDynamics, LLP for a seventh year to survey employee engagement at large, medium, and small companies throughout Southeastern Wisconsin.

According to the Journal Sentinel, "The best employers recognize that employees are their most precious asset, and those employers work hard to provide a workplace that gives each individual the greatest opportunity to succeed. Those are the businesses and organizations we want to recognize."

WHR Global's success is driven by talented, energized, and engaged employees. This award is a great recognition of the ongoing efforts to create a work environment that brings out the best in our co-workers and gives us all a place we look forward to coming to everyday.



WHR Global is a SOC 1® certified service organization for system design, operating effectiveness, and internal controls.

To ensure that WHR Global protects clients' and employees' highly sensitive data, funds, and personally identifiable information, WHR Group completes this annual SOC audit of our relocation system, conducted by an independent firm.

This formal audit is designed to test the operational controls that we have in place to protect the interests of relocation data.

Since our first audit in 2008, we have passed the audit without exception every year.



advancing. lives. forward.

WHR Global

N27 W23681 Paul Rd. • Pewaukee, WI 53072

262-523-2800 • www.whrg.com