

What a Difference a Decade Makes: Reinventing How Destination Service Providers Achieve Their Goals

MOBILITY Magazine, January 2009

http://www.erc.org/MOBILITY_Online/MOBILITY_Online.shtml

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For the past decade, the ultimate goal of destination service providers (DSPs) has not changed: assist expatriates with a successful transition to the United States. The components of that successful transition likewise have remained constant: provide an area orientation, conduct school search and coordinate househunting, establish bank accounts, apply for Social Security, obtain a driver's license and, along the way, address the individual needs of the expatriate and family. Events of the last decade have affected dramatically the way in which these components are accomplished. DSPs have reinvented how they achieve this ultimate goal.

Travel back in time a decade ago, during the early days of the U.S.-bound international DSP industry. One of the biggest challenges is gaining recognition of the United States as an international destination for expatriates. Although U.S. employers are helping their U.S. workforce move abroad, are these same employers just beginning to provide assistance for their expatriates moving into the United States? Chicago, IL, to Berlin, Germany? Definitely. Berlin to Chicago? *Nein*. What could be so difficult about moving to America?

Often, the details of destination services are left to the local HR staff. Some employers are providing professional destination services to their U.S.-bound expatriates. These expatriates meet with the destination services consultant (DSC) and immediately go to the local bank to open checking and savings accounts and apply for a credit card. DSCs have established relationships with local bankers, and the fact that the expatriate lacks a Social Security number (SSN) or a U.S. address is no obstacle. The next stop is the Social Security Administration (SSA) office to apply for SSNs for the entire family. All of this is accomplished by lunchtime.

That afternoon and the next few days are spent on area orientation, choosing schools, and viewing the best available rental properties within the expatriate's budget. The area orientation consists of a thorough review of welcome pack materials and discussions of individual family needs, which might include volunteering options available for the spouse who is not eligible to work in the United States. Many employees accepting international assignments into the United States do not have children, or their children are elementary school-aged or younger. Education challenges in 1998 include limited international schools, private schools offering English as a Second Language (ESL), and public schools with experience in meeting the needs of expatriate children. The greatest challenge is meeting the expatriate's housing expectations. In 1998, an

attractive, four-bedroom, two-and-a-half bath house is not the typical rental property. Landlords are unfamiliar with the particular needs of expatriates. Obstacles including lease negotiations, acceptance of the diplomatic clause, and property condition are common.

Once the home is identified and the lease terms negotiated, the expatriate has an address and now can begin the state driver's license application process. A relatively painless written and driving test completed, the expatriate and spouse are now licensed drivers. As one of the final phases of this successful transition, the DSP initiates utility services in the expatriate's name. These utilities typically include gas, electric, and phone. With a little patience and a few phone calls, the connection of these necessities can be arranged in an afternoon. The destination services portion of the relocation may be close to completion within the first 10 days of the family's arrival. The principal measure of success available to the DSP is the number of thank you notes received from expatriates.

Returning to the Present

Now return to 2009. Employers, including those with headquarters outside the United States, offer far more services to their U.S.-bound expatriates. Local HR departments are no longer expected to navigate all the components of an international assignment. These employers use the expertise of DSPs, often through relocation management companies (RMCs). International destination services are now part of the everyday vocabulary of employers around the globe.

Political events and increased volume of international commerce fundamentally have altered the way DSP professionals deliver services in the United States. A focus on homeland security, identity theft, privacy concerns, and immigration fraud has increased for U.S. and global employers. This has created increasingly complex processes for securing a Social Security number, a U.S. bank account, a state driver's license, and utility services, as well as increased challenges in the ongoing settling-in experience. These complexities have resulted in delays of up to two to three months to the process expatriates faced a decade ago.

Today, opening a bank account without an SSN and a U.S. address is tightly regulated by both the Department of Homeland Security (DHS) and the Internal Revenue Service (IRS). Using the services of an expatriate personal banker continues to become more prevalent. Tightening lending standards also are making the services provided by these experts in expatriate banking more important than ever.

The rules of Social Security application have changed multiple times in the past decade, once again altering the entire protocol followed by DSPs. Today, only expatriates with visas allowing them to work, and E and L spouses are eligible for SSNs. However, the complexity of Social Security application has increased. The applicant now is advised to wait 10 business days after arrival in the United States to apply for an SSN. The SSA office must verify the immigration data used in applying for an SSN with the DHS database, "Systematic Alien Verification for Entitlements" (SAVE), before an expatriate or expatriate's spouse's application can be processed. Even after waiting 10 days, there may be substantial delays caused by data entry errors, common names, or other problems.

Today, E and L spouses can work during the expatriate's U.S. assignment. In 2002, to the delight of many expatriate families, and as the result of a great deal of effort supported by Worldwide ERC®, Multinational Employees for Working Spouses (MEWS) was successful. A law was passed allowing the spouses of E and L visa holders to work. Even now, there is no clear direction from SSA or DHS about whether an E or L spouse needs an employment authorization document (EAD) in addition to the visa and SSN. Currently the most common practice is that E and L spouses wishing to work get an EAD in addition to their SSN. Applications for Individual Taxpayer Identifications (ITINs) for the children are filed with the expatriate's first U.S. tax return.

According to Alexandra Ruttenberg, director of education services at Full Circle, McLean, VA, an RSS Company, more expatriates now are choosing to move to the United States with children

who are in middle school or even high school, and many encounter challenges reintegrating into their home country school system. Others face difficult decisions about where their children will go to college or university. Language issues often are more challenging for the older child. Additionally, Ruttenberg notes an increasing trend of expatriate families concerned with the education of their very young children, ages two years and older.

Fortunately for today's international parents, there are far more expatriate children in schools throughout the United States, and these schools have well-developed, successful ESL programs. There are more international schools and International Baccalaureate programs in the United States. The availability of "Saturday" schools that are language- and culture-specific continues to increase. Families sometimes may receive assistance from educational consulting firms that have the expertise to identify the needs of individual students; assess the curriculum in local schools, both public and private; and make professional recommendations.

Some Things Remain the Same

Not everything has changed. Unrealistic expectations of everyday life in the United States still prevail. Now, however, instead of a rental property out of a "Dynasty" stage set, an expatriate envisions an estate reminiscent of a Paris neighborhood—Paris Hilton's neighborhood. *Bien sur*. In addition, expatriates still consistently ask the same two questions: "Why do I have to talk to so many people?" and, "Why do I have to tell everyone the same thing over and over again?"

Fortunately, to provide a better answer for those questions, employers and RMCs strive to minimize the number of suppliers interacting with the expatriate, while emphasizing a single point of contact. Technological advances create opportunities for relocation-specific systems that continually update data involving all aspects of an expatriate's move—from needs assessment to immigration paperwork to tracking the homefinding process. This information is then available to the expatriate, his employer, and the corresponding service provider. These efforts are reducing the "whys," but attempts to eliminate them continue to be investigated and implemented.

And there is another piece of good news. The increased volume of expatriates relocating to the United States has created a pool of enlightened landlords who understand the special requirements of expatriate tenants. Diplomatic clauses are easier to negotiate. A company employment letter can stand in the place of a U.S. credit reference. In certain areas of the country, many landlords are expatriates themselves, and rely on professional property management firms. In fact, tenancy management services are growing among DSPs as a valuable addition to their program packages.

New Challenges

Unfortunately, there are new challenges developing in these unstable economic times. Some tenants are finding that the home they are leasing has been foreclosed on because their landlord has not made the required mortgage payments. Some homeowners, unable to sell their homes, have decided to rent the property even though they have no experience managing a rental property. Presented with these recent difficulties, DSPs are continuously generating new solutions.

Another common question is "When do I get my U.S. driver's license?" Today, just as in the past, many expatriates are unaware that driver's licenses are issued by the individual states and are under the false impression that they can drive legally on an international driver's license throughout their time in the United States. About seven years ago, states began requiring an SSN to apply for a driver's license. There have been many rules and many revisions over the years. Variations throughout the country include anything from requiring the actual Social Security card, to requiring only the Social Security number, to accepting a denial letter from the SSA, to requiring the applicant to sign an affidavit stating that he or she does not have an SSN.

Presently, there are about 50 different rules that apply at any given time throughout the United

States. In addition, these multiple changes have left the staff in many offices unclear about the rules, leaving the expatriate and the well-informed DSC at the mercy of confused administrative personnel.

Until recently, one constant had remained: as a legal alien living and working in the United States, an expatriate must obtain a state driver's license. However, some states now are basing a driver's license on expiration of the visa. Many other states are considering efforts to link visa and driver's license expiration dates. These frequent and unpredictable changes make it necessary for DSPs to establish processes that are adaptable to changing situations.

Utility startup now can take much more than patience and a few phone calls. Many utility providers now require an SSN in addition to a substantial upfront deposit. DSPs are noticing a continuing trend of difficulty in establishing utility services on behalf of expatriates. In light of today's privacy concerns, expatriates are understandably reluctant to provide personal information, i.e. passport and home country license copies, let alone their new, highly-prized, SSN. Adding to this utility connection complexity is the variety of choices. *Bienvenidos a los Estados Unidos*. It is not just the gas, electric, and phone anymore. With the deregulation of markets across the country, expatriates now may have multiple choices as to which electric, gas, and phone company they wish to use. Options for cable, Internet, satellite, and mobile phone providers can be overwhelming. Once again, the DSC must be aware of all alternatives available, the ins and outs of connecting these services, as well as be able to explain why some choices may not fit the needs of the expatriate or be available to someone without an excellent U.S. credit history.

Formalized Metrics and An Eye Toward the Future

Formalized metrics to evaluate service delivery and DSP performance are the trend of today and the wave of the future. Replacing the personal thank you note, customer service evaluations have become a staple of today's relocation programs. These evaluations typically are completed electronically and analyzed thoroughly to develop process improvements. Six Sigma and other quality management tools provide answers to root causes, proposed action plans, and measurement of the success of the action plans. These efforts are designed to eliminate defects and identify opportunities to increase expatriate satisfaction.

No one knows what the future holds. It is certain to contain much analysis, constant improvement, and adaptability to the ever-changing world around us. RMCs and DSPs, along with expatriate personal bankers, professional property managers, and educational consultants, will continue to partner together to serve the needs of expatriates. Though DSP processes have changed dramatically during the past decade, the ultimate goal of ensuring a successful transition to the United States for expatriates remains a constant.

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