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SIRVA Buys D.J. Knight — Becomes First Large Third-Party in Manhattan

SIRVA's purchase of destination and relocation services provider D.J. Knight & Co., Ltd., marks SIRVA as the first large third-party company to establish a presence in Manhattan—a tough city for third-parties to penetrate because of its highly specialized housing market. This purchase will also increase the number of SIRVA's corporate clientele dramatically, David Knight, president of D.J. Knight tells **Relocation Report**.

The decision to sell the company, he explains, took place after five months of negotiations with SIRVA, one of seven large relocation companies which approached Knight about selling his company.

SIRVA announced its purchase of D.J. Knight on September 16, as part of its ongoing effort to enhance

its global relocation services. D.J. Knight is a destination services firm providing corporate housing, area orientation, home purchase and rental assistance, settling-in services, and residential brokerage to corporate customers. The firm, founded in 1987 by Knight, has clients in London, Paris, Zurich and other major European business centers. D.J. Knight's clients include well-known financial, consumer banking, consulting and insurance companies.

D.J. Knight will become part of SIRVA Relocation effective immediately. Knight will be managing director of SIRVA's global customer development—a newly formed division within the company. Knight will be working with Stephen Branch, SIRVA's executive senior vice

continued on page 2

Impact Group Sets Up Offices Overseas at Request of Third-Parties

From its headquarters in St. Louis, The IMPACT Group has been counseling families moving into the U. S. and those relocating abroad to ensure a smooth transition. But the company is now setting up offices overseas to provide the same services at the request of its third-party clients. "We've been doing international services for 12 years," says Laura Herring, The IMPACT Group's president, CEO and founder. "For the most part, we've mostly helped foreign nationals who come into the United States.

"But now," she continues, "because of the global marketplace, we
continued on page 3

IN THIS ISSUE

<i>Third-Party Purchasing Destination Services—Trend or Fluke?</i>	4
<i>Exult Signs More Contracts, But Hewitt Still Undecided on Relocation Provider</i>	6
<i>News Briefs</i>	7
<i>Who's Where</i>	7

Exult Signs More Contracts, But Hewitt Still Undecided on Relocation Provider

Hewitt Associates' purchase of Exult is not a done deal—and Hewitt officials won't say which relocation companies they will use to move their own employees as well as clients' transferees until the deal is sealed.

A Hewitt Associates spokesperson will not say whether the human resource outsourcing firm (HRO) will offer relocation services to its employees and clients through its current providers—Cendant Mobility and Moving Station—or switch to using Exult's relocation company, ReloAction. "Because the merger is not final yet," a Hewitt spokesperson tells **Relocation Report**, "we cannot share information about the future use of relocation companies. We are expecting the merger to be closed shortly."

Hewitt Associates provides companies with a range of services including human resources, payroll and benefits outsourcing; health care; retirement and financial management; and organizational change. Hewitt purchased Exult, a provider of business process outsourcing (BPO) services last June. The acquisition came two months after Exult announced its purchase of ReloAction, marking the first time an HRO bought a relocation company.

Exult's acquisition of ReloAction raised concerns among relocation sources about the role HRO's would play in providing clients relocation services. Will more HROs

purchase relocation companies and add relocation to their list of services? Will HROs partner with third-parties instead? Or will third-parties simply continue working directly with corporations, bypassing the HRO relationship altogether?

Third-parties should not feel threatened by HROs, Harry Feinberg, chairman and CEO of Outsourcing Today, publisher of *HRO Today*, tells **Relocation Report**. "The only deal I know of HROs in terms of acquisitions of relocation companies is the ReloAction purchase by Exult. I don't think the purchase of relocation companies is on the priority list of HRO companies. Mostly, they'll be working with relocation companies in terms of alliances." HROs, he adds, are more interested in purchasing firms that specialize in providing training services.

Hewitt's purchase of Exult may change the relationship ReloAction enjoyed with Exult—short-lived as it was. In the meantime, industry sources wonder which relocation company will get more business when Exult signs contracts with corporations to help them recruit and retain employees, manage workers' benefits, track employee records and help the company grow.

In September, Exult announced its plans to sign three major contracts with Air Canada, Warner Music Group in the U.S., and Grupo

Semco in Brazil—continuing to build momentum for the merger with Hewitt.

Exult's BPO Contracts—What They Entail

- The contract with Air Canada serves as Exult's second comprehensive BPO contract with a major multinational in the Canadian marketplace. It also represents the first comprehensive human resource BPO contract signed in the airline industry. Exult will also take over management of core administrative and HR services and provide technology tools to support Air Canada's more than 30,000 employees.

- Warner Music Group will be Exult's third BPO client in the entertainment industry, following a contract with Universal Music Group and Vivendi Universal Entertainment. The letter of intent calls for Exult to assume responsibility for managing benefits and payroll and technology to support those functions.

- Grupo Semco, a leading management service provider in Brazil, will be Exult's fourth contract in Brazil. Proposed length of the contract is five years, covering core administrative and finance and accounting services. Processes Exult will take over include payroll, benefits administration, recruiting, training and taxation.