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# MOBILITY

Magazine of Worldwide ERC®

November 2013

## Under the Microscope

THE WHY AND HOW OF BACKGROUND CHECKS

MAKING THE GLOBAL IMMIGRATION

### SUPPLY CHAIN

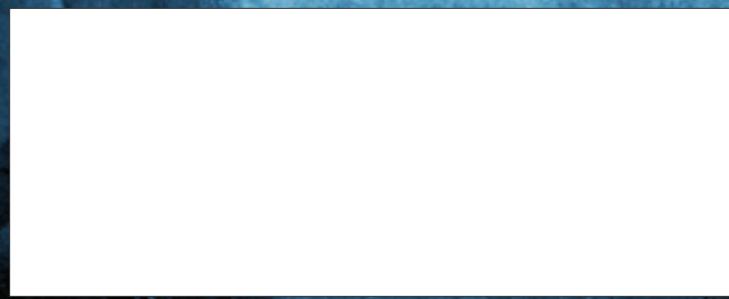
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# OPTIMIZING THE GLOBAL IMMIGRATION SUPPLY CHAIN

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An overview of initial considerations for HR,  
mobility, and procurement professionals to  
create an optimal global immigration supply  
chain for business needs



**S**uccessful global mobility programs are anchored by successful supplier partnerships. Supplier partnerships exist wherever all or part of the mobility program is outsourced. In addition to international assignment management, outsourced mobility services may include the major areas of mobility compliance—immigration, employment, and tax. With multinational corporations sending their assignees to multiple destinations around the world, there can be a multitude of suppliers. As such, more companies are partnering HR/mobility with supply chain management/procurement teams to source and manage suppliers.

Suppliers for a mobility program, including immigration suppliers, can be sourced and managed directly, or by a contracted or subcontracted supplier. In some instances, a supplier may fill one or multiple mobility functions, or provide specialized services. Thus, the mobility and global immigration supply chain can vary in length, function, and adaptability.

To create an optimal global immigration supply chain, there will be several initial points to consider. This article provides a brief timeline of global immigration services and the paradigm shift of the emerging role of supply chain managers and procurement. We will also review how the current types of service delivery models fit into a larger mobility program. Finally, we will review some high-level changes affecting today's global immigration compliance and what companies should consider when sourcing immigration suppliers.

## A NEW PARADIGM IN THE EVOLUTION OF IMMIGRATION SERVICES

As shown in the "Evolution of Global Immigration Services in the U.S." timeline at the top of the following pages, the globalization of U.S. business over the past 30 years has spurred the evolution of the global mobility and immigration industries. The progressive elimination of trade barriers, global expansion of the Internet, and technological developments have been driving factors in the development of these industries.

As with the global mobility and immigration industries, global supply chain management has moved to the forefront of operating a successful multinational business. Today, businesses in all sectors are focused on hiring procurement and supply chain professionals to develop cost savings and efficiencies or, in some cases, simply tweak their existing global supplier networks. Traditionally, supply chain management focused on manufacturing industries. In recent years, however, there has been a growing application of supply chain management for service industries.

In general, a procurement or supply chain manager may be involved in administering the following duties:

- Financial analysis and management
- Sourcing (RFPs, bids)
- Contract management (including contract negotiations and monitoring suppliers for compliance with contract terms and fees)
- Supplier management



## EVOLUTION OF GLOBAL IMMIGRATION SERVICES IN THE U.S.



The supply chain management and procurement functions have evolved from being a sideline in corporations to working hand in hand with HR/mobility to realize successful management of the following mobility services:

- Global immigration
- Tax
- Real estate/housing
- Customs/household goods
- School placement
- Destination services providers (DSPs)

According to Sophy King, managing director of Peregrine Immigration Management, Ltd., which specializes in advising companies on how to handle their global immigration needs, “It is important for companies outsourcing immigration services to understand the different types of suppliers in the market and to choose the one that fits what they want best, taking into account multiple factors, including their own internal resources, their typical home and host locations, annual volume of international moves, requirements for technological support in tracking and reporting, and so on. Global ‘single point of contact’ services can provide good added value for some companies but may be slow and needlessly cumbersome for others.”

Today, talent is originating from and going to countries that were not part of the traditional assignment program even five years ago. As such, HR and mobility professionals are looking at a new paradigm of potentially more flexible immigration support models.

### A REVIEW OF ESTABLISHED GLOBAL IMMIGRATION SUPPLY MODELS

For companies wanting to remain competitive in the global market, now is the time to review diversifying their immigration supply chain. In addition, there is an opportunity for immigration suppliers to

collaborate with one another to offer clients a more tailored suite of services.

The following are brief descriptions of how companies may choose to administer immigration services as part of their global mobility program.

#### MODEL 1: MOBILITY SINGLE POINT OF CONTACT (SPOC)

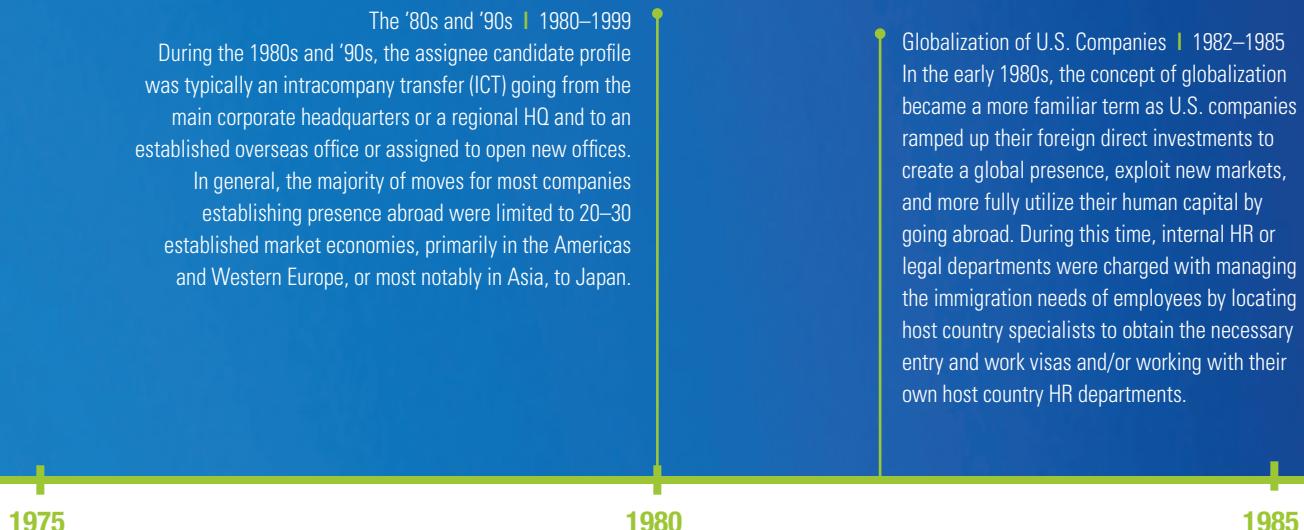
1. A company contracts with a mobility supplier (Tier 1 supplier).
2. The mobility supplier contracts with a global immigration supplier (Tier 2 supplier).
3. In those locations where an immigration supplier does not have offices, the global immigration supplier contracts with a host country immigration provider (Tier 3 supplier).
4. The in-country immigration supplier may contract with other local/remote location providers (Tier 4 supplier).

This is a common model used by large and midsized companies in managing all aspects of the mobility function. Single point of contact models may involve a Tier 1 supplier to subcontract the immigration component to a Tier 2 supplier, who may utilize a network of local in-country experts—Tier 3, the tertiary contractor—to manage specific cases.

The benefit of this supply model is that it is the least cumbersome for the corporation, as all aspects of mobility, including immigration, are outsourced to a single supplier. In exchange for a single point of service, companies should weigh the possibility of a long supply chain for delivery of services and all mobility services being tied to a single provider.

#### MODEL 2—GLOBAL IMMIGRATION SPOC

1. A company contracts directly with a global immigration supplier (Tier 1). A company may also choose to contract separately with a



mobility supplier for services such as international assignment management.

2. In locations where an immigration supplier does not have offices, the global immigration supplier contracts with a host country immigration provider (Tier 2).
3. The in-country immigration supplier may contract with other local/remote location providers (Tier 3).

This model allows flexibility for companies to engage their global immigration supplier to pre-assess whether an assignee candidate is qualified for overseas work authorization prior to engaging a mobility service provider.

While abbreviated in structure over a mobility supplier SPOC model and having the added advantage of a pre-assessment, this structure will more than likely require more proactive coordination and frequent communication between the global immigration supplier and mobility supplier.

Within the industry, alternatives are available for the client account and case management structure, which can add value depending on the client's needs.

The main benefit of this structure is that the single point of contact is managing the entire global immigration function, reducing the burden of case management and managing country suppliers, enabling the HR/mobility teams to focus on other core assignment needs.

Having a single, dedicated provider of immigration services may range from the contracted global immigration supplier (Tier 1) having direct ownership of a broad network of regional and local overseas offices, to the supplier utilizing a combination of directly owned regional or local offices in some locations, and outsourcing to a network of local in-country immigration suppliers (Tier 2 and Tier 3) to cover other locations.

### MODEL 3—DIRECT MANAGEMENT (MULTIPLE SUPPLIERS)

1. A company has in-house personnel to manage an internal mobility and immigration supply chain. For specific cases, a company may contract directly with an outside immigration and mobility supplier for specific needs within its global mobility program. For immigration services, this model also means direct management of all tiers of immigration supplier, including in-country immigration attorneys and global immigration consultants.
2. Within this model, certain host-country immigration suppliers are associated with dedicated partners who are experts in the host country's employment and tax laws, effectively creating their own in-country global mobility partnership to address major compliance issues on an inbound assignment. Immigration suppliers partnering in this way can effectively manage assignments at initial assessment by taking into account local and host country tax, employment, and immigration regulatory requirements at the outset to avoid issues further down the line.

The advantage of this short supply chain model is that the company maintains direct control over all immigration supplier contracts and supplier relationships, and eliminates dependency on a contractor or subcontractor's own network of suppliers. The company can also directly monitor contract compliance, including terms of service, performance, and costs. In addition, if there are performance or cost concerns, the corporation can directly change individual country immigration suppliers as needed.

Those opting for this model should take care to ensure that immigration suppliers are delivering service consistent with the company's expectations

End of Cold War | 1989–1991  
U.S. and Western European companies began more rapid economic expansion.

Barriers Fall | 1990–1999  
Regional trade agreements (e.g., EFTA, EU, MERCOSUR, NAFTA) removed trade barriers for goods and services, and fostered freedom of movement of human capital.

Expatriate Assignment Programs | 1992–1997  
HR concentrated more on developing international personnel management policies ("expatriate management"). This marked a shift by HR to outsource management of global immigration compliance to their home country immigration suppliers (e.g., law firms, registered migration agents, passport and visa filing services) to facilitate and manage the process of obtaining multiple foreign visas.

1995

2000

The Late '90s | 1999

The arrival of the "stealth expatriate" business visitor and rise in nontraditional ICT assignments (e.g., short-term project work at client sites or augmenting staff by using highly skilled third-party contractors) created new immigration compliance concerns. This, along with a burgeoning demand for consolidation of services by large global mobility service providers or large accounting firms, changed how growing companies managed immigration compliance and other aspects of a move, such as tax compliance, customs support services, and homefinding assistance.

and in coordination with an outside mobility supplier or the company's internal mobility team. In addition, it is recommended that the corporation secure expert guidance in global immigration to optimize sourcing and procurement of immigration suppliers, along with performance management.

When outsourcing the mobility function, some corporations require the option of choosing their own preferred global immigration suppliers versus a highly centralized model. As such, a customizable and flexible approach to partnership with immigration suppliers and development of the supply chain structure may lead to happier clients and better results.

### CHANGES AFFECTING GLOBAL IMMIGRATION

At a macro level, the demands of global sourcing and relocation of talent are juxtaposed against companies struggling to place their skilled talent in countries where there continues to be high, if not massive, local unemployment.

Every day, global HR managers seek ways to effectively leverage their talent management programs while trying to navigate an even broader spectrum of widely varied immigration protocols and regulations in sometimes untried or even exotic destination countries.

Management of assignments is also becoming more difficult in a world where immigration policy is now highly politicized, causing more governments to enact protectionist regulations for economic migrants. This can be readily seen in many governments recently overhauling their entire immigration policy, tightening work permit rules, increasing border enforcement, and imposing heightened immigration compliance requirements on host company sponsors. In addition, some countries have significantly increased work permit filing fees or are imposing higher civil fines for noncompliance.

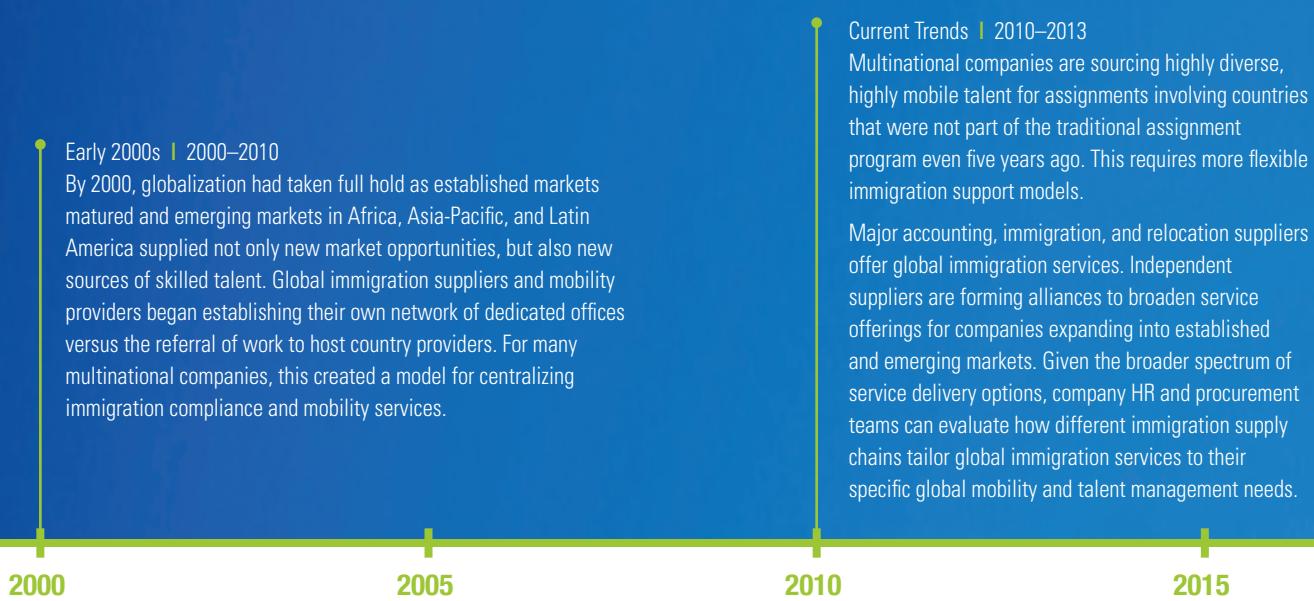
In light of these major changes, companies are realizing the importance of mitigating compliance risks to attract the best and brightest global talent. These new challenges make global immigration compliance even more critical. Qualified immigration suppliers must ensure that the employee is properly assessed as a candidate and the host company is also qualified to sponsor the employee candidate—otherwise, there is no assignment.

### GENERAL CONSIDERATIONS WHEN SOURCING IMMIGRATION SUPPLIERS

Over a 30-year period, U.S. and overseas immigration suppliers have joined to devise, develop, and support better ways of ensuring compliance in corporate global mobility programs. In addition, advancements in technology have allowed immigration suppliers to work closely with their clients to develop new applications to assess, track, and monitor immigration compliance as a seamless part of their business travel and assignee programs.

Now, more than ever, companies and mobility suppliers have a variety of ways to manage their immigration supply chains. Key in any immigration model, however, is the immigration expert in the destination or host country, who will provide the final assessment and timelines for securing appropriate entry visas and work and residence authorization. It is the host country supplier who will be the key partner in executing the strategy in the supply chain.

In addition, global immigration suppliers and their in-country experts must be fluent in understanding the application of how immigration requirements affect the two other critical components of a long-term assignment: tax liability, and employment and labor requirements. Katy Henderson, a director of H&P Associates, Ltd., in the U.K. says, "The world of global immigration is ever changing, with more



companies around the world ramping up their need for immigration assistance. It is now more about what is most cost-effective for the client and to deliver effective, tailor-made services. The value added is when the client can see that a service being provided is in their best interest. The ‘one-size-fits-all’ approach is not necessarily the most valuable.”

Failure by a company or relocation service provider to implement a successful immigration supply chain can lead to lost time and money, and missed business opportunities. Thus, to remain competitive on a global scale, corporations must secure the best mobility and immigration services, whether sourced internally, outsourced, or a combination of the two.

## FAILURE BY A COMPANY OR RELOCATION SERVICE PROVIDER TO IMPLEMENT A SUCCESSFUL IMMIGRATION SUPPLY CHAIN CAN LEAD TO LOST TIME AND MONEY, AND MISSED BUSINESS OPPORTUNITIES.

### LOOKING AHEAD

Global immigration partnerships are becoming more fluid. A company seeking to align the best immigration suppliers with its current and future mobility needs may find it helpful to continually assess the adaptability and performance of its immigration supply chain. Business needs will determine which supply chain network and service delivery models are the best fit.

HR and procurement teams can liaise with the host-country HR managers to discuss how well local immigration suppliers are supporting the destination country's overall assignment program. HR and

procurement can then have an objective discussion with their global immigration supplier to determine whether the current services are sufficient or if the supplier would consider a more tailored approach to meet specific assignment profiles in the future.

From an ROI perspective, this examination may also assist the company’s procurement team to better understand the logistics and timelines involved in placing talent in a particular host location. Bearing in mind the behind-the-scenes realities of delivering immigration services against time-sensitive deadlines, procurement teams may have a more enlightened view when assessing true quantifiable costs to build more flexibility in the company’s budget for immigration services.

For global immigration suppliers, there will be an advantage in assessing their own business goals and identifying their target client market. Offering specialized immigration services, such as industry-specific expertise, may foster the supplier’s understanding of a client’s specific supply chain and procurement needs. At a macro level, specialization of global immigration services may lead to more collaboration between suppliers to create more successful, tailored supplier partnerships.

Looking ahead, suppliers that are able to provide collaborative support and “think outside the box” will provide a high value for professionals tasked with maintaining a compliant and competitive mobility program. Just as successful HR/mobility and supply chain/procurement partnerships increase company financial returns, so will successful and strategic client-supplier partnerships. [M](#)

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