



Transitioning from Lump Sum to a Full Relocation Program

A Strategic Guide for HR and Mobility Leaders

North American Van Lines Corporate Relocation Services

INTRODUCTION: WHY IT'S TIME TO RETHINK LUMP SUM BENEFITS

For years, lump sum relocation policies have offered simplicity and budget predictability for employers. A single payment to the employee – and the relocation box is checked.

But experience and research have shown that simplicity often comes with hidden costs. According to the [2024 Corporate Relocation Study](#), only 29.4% of companies still rely primarily on lump sum programs, as most have transitioned to structured, full-service, or hybrid policies that deliver better outcomes for both the employee and the organization.

The [2024 Mobility & Mindsets Study](#) found that 69% of employees received a relocation benefit, and those supported with professional full-service moves reported **higher satisfaction, faster productivity, and less stress** compared to lump-sum-only employees.

Transitioning to a comprehensive relocation policy isn't just about increasing spending, it's about improving retention, engagement, and recruitment outcomes.



1. BENEFITS OF MOVING BEYOND LUMP SUM FOR EMPLOYERS

- Improved retention and productivity – Employees with professional support ramp up faster and stay longer ([Mobility & Mindsets](#)).
- Greater cost control and visibility – Structured programs allow HR and Finance teams to forecast and report accurately.
- Competitive advantage in recruiting – A robust relocation benefit signals investment in talent and culture.
- Reduced exceptions – Consistent policy design minimizes case-by-case approvals.

FOR EMPLOYEES

- Reduced financial stress – Professional coordination and direct payments to vendors eliminate out-of-pocket surprises.
- Better experience – Employees feel supported through a major life event.
- Family support – Programs can include spousal job assistance, home sale help, and temporary housing, addressing key factors behind relocation reluctance ([Corporate Relocation Study](#)).



2. TRACK AND PRESENT DATA, THEN HAVE A STRATEGIC CONVERSATION

The biggest obstacle many mobility managers have to transitioning away from a lump sum policy is convincing management that doing so is a good idea. How is that done? With data.

- Document your existing lump sum policy; what it includes, how it works, etc.
- Track spending and employee experience for a set period of time under the Lump Sum policy.
- Create a report detailing the efficacy of the Lump Sum program as it relates to corporate goals. Highlight
 - Whether the lump sum was adequate for the relocation and if “exceptions” had to be made at an additional cost (and the amount of that cost)
 - Amount of the Lump Sum employees actually used for the move vs for non-moving items or activities (also, are employees returning any funds provided not used specifically for moving-related services?)

Now that you have empirical data about your Lump Sum program and buy-in from management to explore changing your policy it's essential to align on your organization's goals. Your first step should be a detailed consultation between your internal mobility stakeholders and your relocation partner.

ASK THE RIGHT QUESTIONS EARLY:

- Are we simply trying to control costs and streamline payments?
- Do we want to share moving costs through a **Capped Household Goods Moving Program?**
- Are we ready to adopt a **Core-Flex model** that balances a structured benefit with flexible/optional services?
- Do our leaders need a **VIP Program** that scales relocation benefits by seniority and complexity?

A candid conversation will define your intent, priorities, and long-term talent strategy, not just the move itself.



3. ALTERNATIVES TO LUMP SUM

A. CAPPED PROGRAM

The company pays a portion of moving costs through a preferred moving partner, and the employee pays the rest.

- **Pros:** Shared responsibility encourages value awareness; employees gain access to corporate moving rates.
- **Cons:** Requires more coordination than lump sum.
- **Who it fits:** Mid-level or lateral hires.

B. CORE-FLEX RELOCATION PROGRAM

Combines a set of **core services** (e.g., household goods move, temporary housing, relocation counseling) with **flexible options** chosen by the employee (e.g., spousal support, storage, childcare assistance).

- **Pros:** Balance of cost predictability and employee personalization.
- **Cons:** Requires clear communication and tracking.
- **Who it fits:** Organizations seeking flexibility across diverse move types.
- **Supporting data:** Companies offering hybrid models report higher satisfaction among mid-level employees ([2025 HR Executive's Guide to Purchasing Relocation Services](#)).

C. FULL RELOCATION OR VIP PROGRAM

A comprehensive, end-to-end service covering all relocation needs i.e., home sale and purchase, packing, vehicle transport, temporary housing, family support, and more.

- **Pros:** Maximum support, minimal disruption for senior employees.
- **Cons:** Highest administrative involvement and cost per move.
- **Who it fits:** Executive and VIP moves where relocation success impacts business performance.

The [Strategic Role of Corporate Relocation Study](#) found that well-designed, full-service relocation programs drive stronger retention and career advancement outcomes across all job levels.

4. BUILDING A TIERED RELOCATION STRUCTURE

Most organizations find success using a tiered policy framework that matches benefit levels to employee seniority and move complexity.

Tier	Employee Level	Policy Type	Typical Benefits
Tier 1	Entry / Early Career	Capped Program	Partial reimbursement, basic household goods move
Tier 2	Mid-Level / Managers	Core-Flex	Managed move, short-term housing, limited flexible add-ons
Tier 3	Senior Leaders / VIP	Full Relocation	Home sale/purchase, vehicle transport, full family support

This tiered approach ensures cost alignment while providing the right level of support for each situation.

5. STEPS TO TRANSITION YOUR POLICY

Transitioning from lump sum to a full-service or hybrid relocation program requires planning, collaboration, and internal buy-in.

STEP 1: ASSESS YOUR CURRENT STATE

Document existing program to provide data for management review. Analyze your relocation spend, exceptions, and employee feedback. Identify pain points i.e., are employees struggling with the process or is management frustrated by lack of cost visibility or your talent acquisition efforts? Document existing program as evidence for management.

STEP 2: DEFINE YOUR GOALS

Determine what success looks like. Do you want to improve satisfaction, reduce exceptions, or better support recruitment? Your goals drive your policy framework.

STEP 3: DESIGN YOUR PROGRAM FRAMEWORK

Choose your structure – Capped Lump Sum, Core-Flex, Full-Service/VIP Program, Tiered program or something in between. Define eligibility, budgets, and policy rules.

STEP 4: PARTNER WITH A RELOCATION EXPERT

Select a relocation provider with proven results and deep data insights. The [2024 Corporate Relocation Study](#) found that companies using relocation management partners with moving expertise gained 36% more budget control than those managing moves internally.

STEP 5: COMMUNICATE AND TRAIN

Inform HR, talent acquisition, and employees about new program details. Clear communication ensures better adoption and fewer exceptions.

STEP 6: MONITOR, MEASURE, AND REFINE

According to the 2024 Corporate Relocation Study, 78.7% of companies now review relocation policies annually. Regular reviews ensure your program stays competitive and cost-effective.

6. THE NORTH AMERICAN VAN LINES ADVANTAGE

With over 90 years of relocation experience and the highest employee satisfaction rating in the industry (Trippel Survey, 2025) for seven years in a row, **North American Van Lines** partners with organizations to build smarter, more scalable relocation programs.

OUR EXPERTISE INCLUDES

- Policy design and benchmarking
- Tiered and core-flex model development
- Global network of certified movers and partners
- Data-driven reporting and policy optimization
- Employee-first experience and counseling



CONCLUSION: BUILD FOR LONG-TERM MOBILITY SUCCESS

Lump sum programs served their purpose when cost and simplicity were the top priorities. Today's workforce, however, demands flexibility, transparency, and support.

By understanding your goals, aligning with the right mobility partner, and implementing a structured tiered policy, you can improve employee satisfaction, protect your budget, and position your organization for long-term talent success.

READY TO GET STARTED?

Schedule a consultation with **North American Van Lines Corporate Mobility Services** today.

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