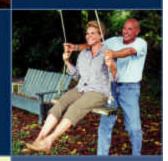


One Company's View... Royal LePage Looks Ahead Presentation to the Eighth Annual Conference Canadian Association of Movers

November 24, 2003







Agenda



Environmental Assessment

- Economic
- Political
- Social/ Demographic
- Technological

Looking Ahead

- Non Traditional competitors
- Globalization
- Commoditization

Who Will Succeed?





Prolonged Corporate Focus on Cost Reduction

• Balance sheet clean ups, pension deficits, weak economy – HR departments have to do more with less

Risk Aversion

- Uncertainty and physical risk economy, war, terrorism
- Home "ownership" risky loss on sale, mold, pyrite, UFFI, lead, radon, etc.

Shift away from traditional Relocation programs

- Trend is toward lump sum programs (over 50% now using) less risk, lower cost
- A strong real estate market means fewer guarantee files, but cyclical in nature people continue to move



Environment - Economic



Margins are shrinking...

- Declining volumes create more competition
- E-bidding
- Management fees under attack
 - Price cutting
 - Greater reliance on referral fees

Survivors are consolidating to regain profitability

- Weichert/ RRI
- SIRVA

This trend will continue

A return to better economic conditions will not mean a return to "business as usual"



Environment - Political



Immigration

- Forecasted North American shortage of workers 5 to 10 million by 2010
- Canada must compete relaxed "red tape" to meet this shortage
- Skilled immigrants will be targeted
- Obtaining a visa will become easier

Tax

- Canada more attractive to business than the US
- May follow US lead and increase taxes on relocation
- Canada will trade less with US, more abroad as US adopts a protectionist trade policy





Increasingly, the company doesn't want to move people, and people don't want to be moved.

The Company's perspective...

- Low cost
- Low risk
- Flexibility

The Employee's perspective...

- Lateral transfer vs. promotions
- Rent vs own
- Assignments (potentially unaccompanied) vs Relocations
- "Self help" vs "Full Meal Deal"





A mobile population...

- Trans-national migration as North America addresses skilled labour shortage
- May see relocation volumes increase as competition to attract the right people heats up

Baby Boomers

- Aging
- Becoming more rooted

Female Participation Rate

- 40% increase in female managers
- Two career families fewer permanent relocations?





US and International Third Parties

Technology Solutions

• Monster Moving, Location Inc.

HROs

- Service providers find their way deeper under the covers
- HROs will either create their own relocation management capability or will create strategic alliances (Exult/ Reloaction)



Globalization



- North American industry moves abroad
- International corporations locate in North America to meet trade restrictions
- Multi-nationals want global relocation solutions
 - It's no longer good enough to be great in Canada if you want the big prize – strategic partnership to deliver service anywhere/anytime is a necessity
 - Advantage to the large international Third Parties and HROs
- 'Virtual' relocation:
 - Locating offshore doesn't mean relocating talent companies are hiring locally
 - Flex teams shorter duration, highly flexible, connected remotely

Commoditization of Relocation



- Corporate Executives do not view relocation as a strategic competency
- Procurement mentality now e-procurement
 - Loss of personal relationships
 - Erosion of margins
- HROs
 - another player in the delivery channel how many can be supported?
 - fewer dollars spread more thinly

Risk of void of true relocation knowledge over time as management passes to those who view relocation as a process instead of a vocation.



Who Will Succeed?



Who are the good Third Parties?

- have a collaborative, partnership approach
- size and flexibility
- standardized processes
- the drive for continuous improvement
- on the leading edge of change
- performance that can be measured and judged

and...

an acute awareness of their limitations

Source: Canadian Transportation and Logistics, October 2003



Who Will Succeed?



"Peeking around corners"

- Market research is key focus groups, surveys, conferences
- Aligning with growing markets
- Product development

Channel Selling

• Working with those in adjacent industries to cross-sell or bundle sell relocation services

Strategic Alliances

- Domestically
- internationally

