



**Industry's Future – Near and Far**  
*“Ten Years After” ... A Conversation*  
**Terry R. Head**  
*President – International Association of Movers*



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**Question:**  
*What possible changes will we see  
effecting International Moving  
over the next TEN (10) years?*



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»» **Why Look Ahead Ten Years?** 

- With the acceleration of Technology and pace of Innovation – Who knows what will be possible in 20, 30, or 50 years!
- It's probably *easier* to project ten years from today than ten months!



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»» **Industry Future – Near and Far** 

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- **Global Economy** and **Shipping Industry** on a Roller Coaster Ride!
- ICC / Institute for Economic Research – World Economic Survey
  - ✓ *“Global Economic Climate in better shape than any time since 2007”*
- U.S. 2011 GDP Expanding 1.7% (was forecasted at 2.3%)
- 2012 growth will average 2.3% (was forecasted to grow at 3.2%)
- Main growth engines: **China, Latin American countries such as Peru and Argentina**



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»» **Industry Future – Roller Coaster Ride!** 

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- **IATA** – *“Global Air Market Stagnating”*
  - ✓ Air cargo market shrinking 0.4 percent from one year ago
  - ✓ Asia/Pacific (40% of Global Market) weakest region
- **IATA** – *“Middle East and Latin America immune to cargo slumps”*
- **TSA** – *“Transpacific ocean carriers seeing more robust bookings” – Overcapacity still a problem!*



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»» **Industry Future – Roller Coaster Ride!** 

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- **IANA** – *“International container volume (2010) surged 18.5%” - Domestic surged 9% 3<sup>rd</sup> Q 2011*
- **JOC** – *“U.S. railroad traffic strengthens, up 3.4%”*
- **NAFTA** – *North American Free Trade Agreement*
  - ✓ Surface trade between U.S., Canada & Mexico
  - ✓ Jumped a record 24.3% in 2010
  - ✓ US/Canada – up 22.1% - \$471 Billion
  - ✓ US/Mexico – up 27.6% - \$320 Billion

*As trade goes – so does moving!*



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»» **TEN YEARS...** 

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- An **“Actionable”** Window of Time
  - ✓ Most people in this audience will still be around in ten years
  - ✓ Some will be advancing their careers and others winding them down
  - ✓ Looking ahead just ten years provides opportunity to:  
**“Plan, Adopt and Brace for Changes”**



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»» **Basic Premise for Conversation** 

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- Even with the advance of technology:
  - ***Not likely the labor side of our industry will change***
  - Ten years from now Men and Women will still be going into our customer’s homes
  - Not much more is certain! ***Nobody knows*** – therefore we need to help each other ***“think ahead”***



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»» **What’s possible? WHERE will people be moving to and from?** 

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- **“TOP TEN”** Most popular **relocation destinations**:

1. United States	6. India
2. United Kingdom	7. Germany
3. Singapore	8. Hong Kong
4. China	9. Japan
5. Switzerland	10. <b>Canada</b>

Source: 2010 UniGroup Worldwide UTS Migration Study



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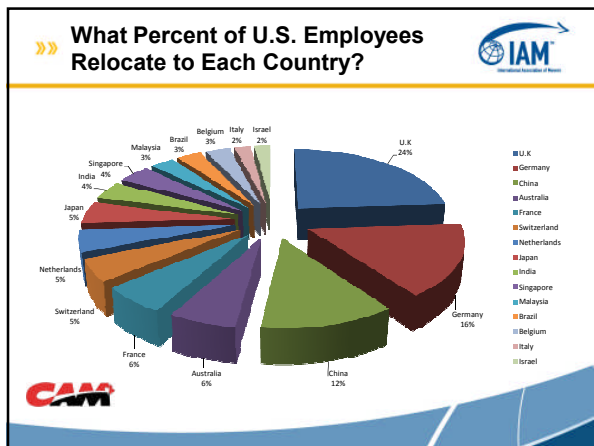
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»» **What's possible? WHERE will people be moving or not?** 

- **Changes in the last five (5) years:**
  - ✓ **USA** and **UK** continue to hold onto **first and second** place
  - ✓ Hong Kong and **India** *moved up* significantly
  - ✓ Singapore, Brazil and UAE made gains
  - ✓ New Entrants in Top 25: **Panama & South Korea**
  - ✓ Dropping Out of Top 25: **Saudi Arabia, Thailand & Austria**

Source: CARTUS, 2011 Global Relocation Destination List – based on last 5 years



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»» **WHERE will people be moving – North America Outbound** 

- **Fifth straight year United Kingdom was the Number 1 Destination**
  - ✓ **UK** relocation traffic up 7.8%
  - ✓ **The Netherlands** moved from number 10 (2006) to number 7 (2010)
  - ✓ **Switzerland** leaped from number 14 (2006) to number 6 (2010)
  - ✓ **Germany** down 14.6%
  - ✓ **France** down 21.7%

Source: 2010 UniGroup Worldwide UTS Migration Study



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»» **WHERE will people be moving – USA Outbound** 

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➤ **In 2000, China not even in top 10 for USA outbound shipments**

- ✓ **2006 & 2010**, China held as number 3 destination – that U.S. residents were moving
- ✓ **CHINA traffic up 46.7%**
- ✓ Brazil (number 12) is the only Central or South American country to appear in the Top 25 Destination List

Source: 2010 UniGroup Worldwide UTS Migration Study



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»» **Where is “Corporate America” moving IN from?** 

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➤ **“TOP TEN”** Origin Countries – *Inbound USA*:

1. Germany	6. Australia
2. United Kingdom	7. The Netherlands
3. Switzerland	8. Japan
4. France	9. Belgium
5. China	10. Singapore

Source: 2010 UniGroup Worldwide UTS Migration Study



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»» **From WHERE will people be moving - USA Inbound** 

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➤ **China, Japan, India, Singapore & Malaysia**

- ✓ All sending record numbers of residents to the U.S. and Canada
- ✓ **Costa Rica & Puerto Rico** appeared on the list in the past yet number of residents moving to U.S. has declined
- ✓ **NO Central or South American** country made the list for sending a high number of residents to the U.S. – *A sign those economies are improving?*

Source: 2010 UniGroup Worldwide UTS Migration Study



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»» "Re- Shoring" 

- Reversing 20 year trend of "Offshoring" Jobs  
**3 million Manufacturing jobs will return to North America over the next five years.**
  - Wages in China grow 15-20% a year, factor in lead times, shipping and inventory costs, currency fluctuations, etc.
  - Cost differences will only be 10-15%



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»» What's Possible? **What** will people be moving in the future? 

➤ **Probably smaller shipments!**

- ✓ Relocation trends showing shorter time periods for international assignments – short-term projects
- ✓ Younger employees willing to take on overseas postings, particularly in emerging markets
- ✓ Many companies combining overseas jobs with charitable projects
  - IBM – 1200 employees – 100 projects in 23 countries
  - FedEx – Global Leadership Corporation in cooperation with Peace Corp.



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»» What's Possible? **In What** will they be living? 

➤ **With trends for postings to be shorter and more assignments to emerging markets, what will we see?**

- ✓ Long Term or extended stay hotels/temporary housing
- ✓ Serviced (semi or fully) furnished apartments
- ✓ Rotation in and out of corporate housing
- ✓ Packaged Home Furnishings

*Living in smaller quarters and shipping only personal effects!*



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»» **What's Possible? Marketing in the future.** 

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➤ **Generating Name Awareness & Sales will be mostly Internet Driven**

- ✓ No phone book ads, greater use of digital advertising
- ✓ Lead generation aggregator companies will be prevalent
  - "Data-mining and selling of leads"
- ✓ Exchange of traffic will be between large merged company branches
- ✓ OR, formal reciprocal "*teaming arrangements*" between independents



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»» **What's Possible? Marketing in the future.** 

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➤ **Consumers will be - rating your service**

- ✓ Just like on eBay and Amazon – "*Likanomics*"

➤ **Professional Certifications and Training** will carry more value to others

➤ **Accounts and contracts** will require certain affiliations (BAR-CAM-FIDI-IAM) from service providers

- ✓ *Eco-friendly practices and sustainability plans*
- ✓ *Requirement for carbon offset affiliations with entities such as [www.carbonfund.org](http://www.carbonfund.org)*



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»» **What's Possible? Marketing in the future.** 

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➤ **Social Media** – promotion of Name / Brand recognition

- ✓ Positive and negative impacts
- Referrals and/or Complaints*
- "*Word of Mouth*" will drive business – *TO/FROM*

➤ Maintaining membership in **Trade Associations**

    ...*More or less value?*

*Those companies and associations that embrace all of the above will prosper!*



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»» **What's Possible? Estimating, Quoting & Pricing** 

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- **Sales Personnel** – no doubt they will be needed but what tools will they use?
  - ✓ **Tablet computers** and **handheld estimating devices** will become the norm
    - Video – Google Earth – Twitter Type updates and references
- Will **“in-person”** estimates be replaced by sophisticated online weight and volume calculators? Customer generated video surveys?
- More **Consumer Protections & Government Oversight**
  - *Scam operators still an industry issue*



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»» **What's Possible? Future TALENT Pool** 

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- A **“younger” workforce**
  - ✓ **Higher educated and “Technology Saavy”**
    - They will look for “balance” in their work/private lives
- **MORE TURNOVER** with employees jumping from one moving company to another – companies will need to attract “GOOD” talent
- An **“older”** workforce – Economic and life expectancy driven...
- **Talent Shortages!** – especially in operationally driven positions



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»» **What's Possible? Future TALENT Pool** 

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- **MULTI-LINGUAL – Administrators, Sales & Operations**
  - ✓ **Greater Diversity**
    - African-Americans were majority of labor force in U.S.
    - Ten years from now, Latino and Hispanics will dominate in US, possibly Asians in Canada
    - Many graduating to administrative, sales and ownership
- **Working REMOTELY – Telecommuting**
- **Primary staff attributes – ETHICS and ATTITUDE**



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»» **What's Possible? Operational Changes** 

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- **Fleets:** smaller, leased, Eco-friendly with GPS
- **Warehouses:** more standardized containerization, climatically controlled, higher levels of security and remotely controlled fork-lifts or computerized cranes
- **Shared space:** some companies specializing only in warehousing – movers will bring goods to them



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»» **What's Possible? Operational Changes** 

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- **Less Use:** corrugated (cardboard containers)
- **More Use:** reusable (exchanged) plastic totes
- **Wooden Lift-vans:** regulated / taxed out of existence
- **Greater Reliance:** on portable mobile storage containers that are *variable*, but *standardized sizes*  
(Now Approved for use by U.S. Dept. of Defense)
  - ✓ "Stuff-able" in ocean containers
  - ✓ *Pooling arrangements* within groups or associations



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»» **What's Possible? Operational Changes** 

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- **Packing & Loading crews will be "teamed"**
  - More husband and wives working together
  - Expanded use of "contract packers"
- **Some specialized crews will travel to final destination**
  - Similar to "pack & haul" over the road business
- **Teamed Groups** – will be mobilized "large" crews from origin to destination as seasonal demand requires
- **Import of Foreign Labor** – Seasonally Utilized



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»» **What's Possible? Operational Changes** 

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- **Inventories and Shipment Manifests** will be
  - Digitally captured and shared
  - One set of electronic codes
  - Required by World Customs Organization (WCO)
- **Shipment information** will be "screened" beforehand
- Shipment will be "scanned" or "physically examined"



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»» **What's Possible? Operational Changes** 

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- **Expanded use of VIDEO supervision**
  - In trucks, warehouses and homes
- "Shape Recognition" packing – Vacuum packed
- Embedded Radio Frequency Identification (RFID)
- Call Centers: Real-time tracking and in-transit visibility

*"Customers will have a single point of contact during the course of their move with instant updates or data feeds from sources such as Twitter, Facebook or similar"*



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»» **What's Possible? Risk Avoidance and Claims** 

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- **Insurance coverage** and bonds will be harder to obtain and more expensive
  - Closer tracking of "experience" ratings
- Insurance companies will look at certifications and will dictate that clients must adhere to "best practices"
- Outsourcing of claims to Specialized Adjusters
- One "Central Claims Database" – reduces fraudulent claims



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»» **What's Possible? Billing and Getting Paid** 

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- One recognized "International Tariff"
  - *Standardized Pricing Models*
  - *Standardized Invoice*
- Who extends and who gets credit?
- Company to Company relationships -
  - *Individual company credit ratings*
  - *Monitored and set by Associations?*



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»» **What's Possible? Billing and Getting Paid** 

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- **When direct billing LARGE clients – payments will be slow – Larger Accounts will leverage cash.**
- **Freight (shipment) payment processing systems will become the norm**
  - U.S. Bank / CITI Syncada, American Express ServSM, PayPal
- **When you do get paid – no real money changes hands**
  - "Bitcoin" becomes the new currency
  - Peer-to-peer currency tracked electronically
  - Company draws on series of credits/debits



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»» **What's Possible? Billing and Getting Paid** 

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- **When you don't get paid??**
- **Protected by insurance or Association operated Receivable Protection Programs – CAM, FIDI, IAM, etc.**
  - ✓ *Part of membership, no longer voluntary*
  - ✓ *Tracks and identifies slow payers – no credit extended*
  - ✓ *Provides Arbitration Services and Dispute Resolution*



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»» **TEN YEARS AFTER – *What will our industry look like?*** 

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- **STILL HERE!** People will still be moving
- Industry will be more *centralized and modernized*
- Greater focus on *technology and sustainability*
- Well-trained, experienced people will be your best asset

*Change will be slow...but faster than you think*



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**THANK YOU!**

***www.IAMOVERS.org***



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