

Podcast transcript

Future of Mobility.

Podcast with Marc Burrows, Head of Global Mobility Services, KPMG International

Musical intro

Announcer:

Hello, and welcome to the 'Future of Mobility', a new KPMG podcast series for global mobility leaders. In this series we offer short insightful episodes you can listen to on the way to work or wherever you enjoy your podcasts. This series will look at some of the most pressing issues and opportunities facing global mobility departments in the modern business world through interviews with leaders in global mobility, human resources, tax and other areas of business from KPMG and beyond.

In today's episode, we talk to Marc Burrows, Head of Global Mobility Services for KPMG International and a Partner with KPMG in the UK. Marc advises companies and senior individuals across a range of issues from business traveler risk, incentive compensation management, global mobility policy and cross-border taxation. Marc, thanks for taking the time to talk to us today; he talks to us by phone.

Marc:

Thank you, it's good to be here talking about one of my favourite topics.

Announcer:

You've spent your career working with businesses to address the challenges of increasingly mobile employee populations.

Given your experience what would you say are the top three pressing issues global mobility departments are facing in today's modern business world?

Marc:

There are three really powerful top of mind issues that are influencing global mobility departments at the moment. The first one is geopolitical developments and the way these are impacting global workforces. Think about how protectionism and nationalism is crashing in to the competing forces of business trying to increase globalization and the fundamental changes that are happening to our workforce. The second is digitization and automation, and this is not just about making back-office more efficient, but it's about how you can use digitization to create a

different kind of experience for your employees. And the third is changing business models. Companies are really thinking hard about what they should be doing within their own organization and what risks they should be taking surrounding specialty areas, compliance and so on and what should be done elsewhere. These are the three things that are really occupying heads of mobility and those that are responsible for them whether they be through finance and HR at the moment.

Announcer:

So Marc, perhaps we can explore these trends in a bit more detail. What developments, geopolitically, do you see as most concerning for employers and their mobile workforces and how do you see them impacting global mobility?

Marc:

I mentioned protectionism and nationalism and that's creating a situation where it's very difficult for companies to move the talent that they want to, into the locations that they need them. Slower processes to obtain work permits and visas and in many cases rejections where companies have never faced rejection before. But it's not just about immigration, the tax authorities in many, many jurisdictions around the world, including the more than one hundred countries that have signed-up to the automatic exchange of information, are becoming much more sophisticated about how they obtain the information they need to make sure that companies and individuals are paying the right amount of tax. We're seeing authorities becoming very creative about how they find targets for audit such as scouring LinkedIn posts and profiles to look at where companies have created a permanent establishment, and looking at local newspapers for personal activity where employees might have been somewhere doing something that they weren't expected to do.

And of course we can't forget about Brexit. This is an event still surrounded by great uncertainty, even something that seems as simple as social security, at the moment there is very little clarity about where an employer should be registering an employee, paying social security contributions and indeed where those employees ultimately would be able to draw benefits from that system.

All of these geopolitical things wrapped together are creating a very difficult environment for companies to move the talent that they want to the locations that they want to deploy them. It's making things more complex, it's requiring more planning up-front, at times it's making things slower so getting that talent to the right place at the right time is becoming something that is requiring a lot more effort and thought. Employers are having to think about the less traditional types of mobile employee, 'gig' workers, business travelers in particular, but commuters shouldn't be forgotten either, to make sure that they have an understanding of how to most efficiently, most effectively deploy their people to those markets that they're operating in.

Announcer:

Marc, you mentioned digitization earlier and technology, how do you see this trend of digitization and automation impacting businesses and specifically their global mobility function?

Marc:

Companies at the forefront of digitizing their global mobility function have been making great strides in adopting robotics and automation in order to remove those chunky, human-driven, inaccurate and somewhat old-fashioned processes to speed up their operations and to be able to deliver more, more accurately within a short period of time. That's fantastic but I think the thing that's most exciting about digitization and automation within mobility, is that that efficient platform is now in the best-in-class organizations being turned into something that allows us to enhance the employee experience of moving to a country or between countries. In order to help companies with this effectively we've been teaming up with real customer experience experts, those people that help retail customers look at mass groups of consumers and make the most out of every single second, every touch-point of that experience. And I predict that over the next few years what we'll see is this fundamental shift away from the old-fashioned interactions with mobile employees where they used to be chunky, information-rich, one time a year type of interactions, into something where we interact much more frequently, much more just-in-time, much more just enough information for what that employee is experiencing at that moment. This will allow us to break away from an internal, operational, process-driven set of interactions with that employee to one that really focuses in on those key stress and emotional points that come with moving internationally. It'll allow us to monitor more accurately what's going on with that employee and really identify areas where we can enhance that experience in a significant way.

Announcer:

You also mentioned changing business models as a key issue impacting global mobility departments,

Do you see organizational change as driving some of this or is it more a reaction to it? Or maybe it's a bit of both? So in what ways do you see organizations changing?

Marc:

For me there are two things that are both driving organizational change and also enabling organizational change. One of them is definitely digitization and automation, the other one is the fundamental shifts in the workforce, the nature of it, the complexity of it, and the expectations of that workforce. Whether that be our consideration of five generations in the workforce, the one-hundred year life, the real serious, genuine commitment to embracing inclusion and diversity as part of an organizations culture and their mobility program. These things are not just changing the way that organizations are behaving or operating, they're changing the way that organizations are fundamentally structured. The other thing that's changing organizational structures is the attitude of companies to risk; what risks they should carry, how they should manage risk, and the high profile that has grown around this such that it's become a 'CEO item', tax risk included. What we're seeing on this is that global mobility functions, along with all other parts of the organization, are carefully considering what it is that they should be doing specifically within their department and also, in doing so, what things, particularly risk areas, should be done by specialists outside of their organization who will remain up-to-date at all times, will have that global spread, that global network that allows them to absorb the latest developments, trends and attitudes of authorities around that risk that's occurring. It's quite exciting to see the organizations that are coming through this, leaner, more focused, more inclusive and more predictive in their approach to considering what their future might look like.

Announcer:

So Marc, for all of our listeners, what does all this mean for the future, how do you see global mobility evolving?

Marc:

In my opinion, what's happening to mobility is much faster than evolving would make you think and there's some fundamental changes that are happening right now that are going to change the shape of how companies, how mobility professionals and how employees think about global mobility. The first one of those is that global compliance will become a matter of survival, not a choice or an option. The second one is that efficient, digital platforms and the digital enablement of a mobility program will become essential but I think the thing that it will create is that we will become obsessive about experience; about monitoring it, about improving it, about maximizing that experience of that talent and their connection to their international career, their international work with your organization. And the final one I think is that in order to be able to do all of these things, the organizational structure must be lean and must be focused with a very clear purpose that underpins the company strategy, that is relatable and valuable to a diverse and multi-generational workforce that we're looking to attract.

Announcer:

Thank you Marc, you've given us a lot to think about and we really appreciate you taking the time to go through it with us.

Marc:

Thank you very much for having me.

Announcer:

In future episodes we'll spend more time on how top-of-mind issues, geopolitics, digitization and changing business models are impacting global mobility professionals and their mobile employees. Please let us know what you think of this episode, or if you have any ideas for future episodes, please email us at tax@kpmg.com and remember you can find our latest publications, articles and other material that address the issues discussed in this ongoing podcast series at kpmg.com/futureofmobility. Thanks for listening!

Musical exit