

## The Hidden Economics of Global Mobility

One of the most overlooked aspects of global mobility is the economic impact of scale. While organizations devote considerable attention to direct assignment costs, less focus is placed on how effectively their operating model responds to fluctuations in demand. Yet, in many industries, mobility volumes are inherently volatile, influenced by project cycles, market conditions, and strategic priorities.

This volatility creates a fundamental challenge. Mobility functions must be able to scale resources up or down in line with demand, while maintaining consistent service levels. Achieving this balance is not straightforward. Too few resources, and the organization risks delays, errors, and declining performance. Too many, and it incurs unnecessary costs and underutilized capacity.

In practice, many mobility teams operate within a relatively fixed structure. Staffing levels, processes, and support mechanisms are designed around an expected baseline of activity. When volumes exceed this baseline, teams often rely on “discretionary effort” to bridge the gap. Mobility team members work extra hours, priorities are adjusted, and short-term solutions are implemented to maintain service delivery.

While this approach may be effective in the short term, it introduces hidden costs. Discretionary effort is rarely captured in financial metrics, yet it represents a real investment of time



and energy. Over time, sustained reliance on such effort can lead to fatigue, reduced productivity, and increased risk of errors. Conversely, when volumes fall below expectations, resources may be underutilized, resulting in redundant costs and inefficiencies that are equally difficult to quantify.

The distinction between fixed and variable costs is central to understanding this dynamic. Fixed costs, such as permanent staffing and infrastructure, provide stability but limit flexibility. Variable costs, on the other hand, can be adjusted in response to demand but may introduce complexity or higher unit costs. An effective mobility model must strike an appropriate balance between these elements, taking into account the organization’s level of volatility.

Another critical factor is the speed at which the model can respond to change. In a rapidly evolving business environment, the ability to implement new policies, integrate acquisitions, or redeploy talent quickly can provide a significant competitive advantage. Delays between strategic decisions and operational execution can result in missed opportunities and increased risk.

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GECs offer a potential pathway to addressing these challenges, at least to some extent. By aggregating assignee populations within a single entity, they create a more centralized and scalable platform for managing mobility. This aggregation can improve resource utilization, as fluctuations in demand across different regions or projects are absorbed within a larger pool. It also facilitates more consistent processes and faster resolution of issues related to risks, costs, and exception management.

In addition, the centralized nature of a GEC can enhance agility. With greater visibility and control over assignments, organizations can implement changes more rapidly and with fewer dependencies. This can be particularly valuable in situations requiring rapid deployment or redeployment of talent, such as project-based industries or periods of organizational transformation, or the roll-out of new policies and processes.

However, scalability and agility are not automatic outcomes. They depend on how the GEC is structured, governed, and supported. Many organizations choose to complement the GEC with outsourcing or co-sourcing arrangements to further enhance scalability. They may also invest in data analytics to better understand demand patterns and inform resource planning.

Ultimately, the hidden economics of global mobility lie not only in what organizations spend, but in how effectively they deploy their resources. By focusing on scalability, agility, and consistency in performance, mobility leaders can move beyond traditional cost considerations and develop models that are better aligned with the realities of a dynamic global environment.

If you wish to know more about volatility or scalability metrics for your Global Mobility programs, please **reach out to an ITX consultant**.