Message from the Chairman

A global relocation company, Crown Relocations helps tens of thousands of individuals and families change their country of residence every year. Crown works closely with thousands of multinational companies around the globe, solving their relocation needs.

The Crown story is an interesting one. Founded in 1965, the company’s growth and expansion have since mirrored global trade and investment patterns. As corporations invest in specific regions, Crown’s presence increases in those markets.

In the past five years, Crown has on average opened 10 new locations per year. This pace of growth is expected to continue in the future.

In addition to relocation services, Crown also provides services in records management and logistics. These divisions of the Crown Worldwide Group provide interesting stories as well.

This Press Kit provides detailed background information on the various divisions of the Crown Worldwide Group. You are invited to contact the company for further details.

James E. Thompson
Chairman
The Crown story began 35 years ago in Yokohama, Japan, where a young American named Jim Thompson founded the company, then known as Transport Services International. From a startup organization with a handful of employees, Thompson’s business has grown into an international company with dozens of offices and thousands of staff.

In 1963, Jim Thompson, fresh out of college, decided to spend some time in Japan, a destination that fascinated him. While there, Thompson took a job with a small moving company and recognized the need for a reputable international business in this industry. Two years later, in 1965, Thompson invested his entire savings, a total of US$1,000, and his company was up and running. In order to fund operations, Thompson made his first customers his investors: “I explained to them it was like buying an airline ticket – you have to pay in advance,” he said.

In the first year, his initial investment turned into US$100,000 revenue. Within two years the company was fully profitable. Today, Crown spans six continents, employs over 3,000 people and takes in yearly revenues approaching US$300 million. Crown has nearly 100 offices in more than 40 countries. Indeed, what was once a small operation is now one of the world’s leading international relocation companies. “Our steady but deliberate growth has been proportionate to our ability to provide the high level of service we’re known for,” said Thompson.

Crown has evolved from an international moving company to a full-service relocation service provider whose comprehensive package includes household goods shipment, storage and insurance, orientation tours, home and school search, maid and handyman services, visa and immigration assistance, tenancy management and more. Thompson’s company is also a leader in the management and storage of business records, managing approximately three million cartons of business documents for clients worldwide.

Technology has been a driving force behind Crown’s expansion. While most of the moving industry was slow to react, the company promptly introduced a company-wide intranet using the Lotus Notes® platform. This network links Crown’s offices worldwide, facilitating the exchange of information. This also permits immediate and easy worldwide tracking of relocation services. Clients can view the status of their services 24 hours a day, seven days a week, via Crown’s website at www.crownrelo.com.

continued...
In 2000, Crown launched a new advertising campaign, reinforcing its name change from Crown Worldwide Movers to Crown Relocations. The campaign reads: ‘Moving from A to B. Relocating from A to Z.’ The campaign’s theme not only promotes Crown’s wide array of relocation services, but also speaks to the client’s greatest concern – the well-being of individual transferees and their families. “Crown’s encouraging message is ‘Helping you begin life’s next chapter’ – which is what we do,” said Thompson.
Jim Thompson’s Biography

Founder and Chairman of Crown Worldwide Group, Jim Thompson is a US citizen and permanent resident of Hong Kong. Raised in New Jersey, Thompson graduated from San Jose State University in California, receiving a bachelor’s degree in aeronautical engineering. He has also studied in Stanford University’s (US) Executive Program, a post-graduate course for senior executives.

An experienced expatriate, Thompson has lived in the Far East since 1963, when he moved to Japan. Two years later he founded his company, which was originally named Transport Services International. The company became known as Crown Pacific in 1970 and today it is know as the Crown Worldwide Group. He moved the company headquarters to Hong Kong in 1978.

Thompson’s vision is to create the world’s best international relocation service network and brand, recognized for excellence by its peers and customers. With this goal in sight, Thompson steadily reinvests Crown’s profits back into the company, refusing to take Crown public or accept outside investors, which would divert the company’s profits in meeting the objectives of financial investors. Reinvestment has allowed Thompson to rapidly build Crown’s worldwide network, while acquiring state-of-the-art information technology, facilities and other physical assets.

From the beginning, Thompson has managed his company in a decentralized manner, delegating most operational functions to the network offices. Individual branches are managed independently, allowing managers to make decisions at a local level, close to the customer. Benefitting from the group structure, the branch offices are supported in certain key areas – marketing, information technology, finance, group management and strategy – that are coordinated centrally. This structure maintains an innovative, entrepreneurial environment across the group.

Thompson’s management style and personality match this decentralized business model. He provides the company’s overall vision and direction, yet leaves most decision-making to his employees. Across the group, he is known as a charismatic leader who can quickly convey his ideas to his staff, often

continued...
Thompson has been active in civic and philanthropic organizations all his life. He served as Governor of the American Chamber of Commerce in Japan from 1976 to 1978 and has been a Vice President of the American Chamber of Commerce in Hong Kong since January 2001. He was President of FIDI, the leading international removals industry federation, from 1992 to 1994. He also served as the industry representative to the Latin American, Canadian and Far Eastern Associations. He is a member of the Japan-Hong Kong Business Cooperation Council, the Hong Kong-Korea Business Roundtable and the US-Hong Kong Business Council.

A senior member of the Hong Kong business community, Thompson meets regularly with regional leaders and conducts interviews with local, regional and international media. In February 2001, he accompanied the Chief Executive of Hong Kong to Tokyo to meet with Japanese leaders in politics and business. Moreover, he periodically appears as a guest speaker at universities in Hong Kong to deliver lectures on starting businesses.

Additionally, Thompson is an avid supporter of numerous charitable and philanthropic causes, by way of financial donations or the provision of free transportation or warehousing services. Under his direction, it has long been Crown’s company policy to provide assistance to charities in many worldwide locations. Among the many charities supported by the company are: Save the Children, Mother’s Care, Hospice, ORBIS and the Cancer Fund. Thompson also serves as a Council Member for the Outward Bound Trust of Hong Kong.

Jim Thompson is married to Sally, a British national. His two children, Jennifer and James, were educated both in Hong Kong and the United States. Both are part of the Crown team, in New York and in China respectively. Thompson’s hobbies include wine, photography, jazz, history and fitness. An avid sports fan, he loves to watch football, baseball, sumo wrestling, cricket and Formula One motor racing.
Financial Update

2000 Revenue by Geographic Region

2000 Revenue by Business Unit

Total Assets

www.crownrelo.com
As a trend, more and more companies are outsourcing to solve their relocation needs. In a global marketplace, international relocation company Crown Relocations is the single-source provider of choice for hundreds of major multinationals worldwide.

On a worldwide scale, more companies are opening branches and recruiting from abroad. The reasons why are numerous – from entering new markets, to finding cost-effective labor and manufacturing, to diversifying administration, to meeting specialized labor shortages. Fewer and fewer companies are staffed exclusively by domestic personnel, geared to cater exclusively to local markets. It follows that there is an ever-increasing flow of expatriates across national lines.

Today, most new companies go global from inception. Consequently, from an early stage of development they need to create and institute an effective policy for expatriate assignments. International relocation policy is now a key component in the recruitment and retention of staff, especially in highly competitive industries such as communications, information technology and banking.

Once upon a time, companies informed their employees they were being transferred, purchased their plane tickets and said “good luck.” Today’s business world is too demanding. Employers can no longer afford to wait six months for results, while the new expatriate finds a home, opens a bank account and so on.

continued...
Since the shipment of household goods is only one of many entitlements included in the standard international relocation, this should be reflected in international relocation policies. Each component must be weighed not only on its own, but in relation to its effect on the desired outcome – the overall cost and effectiveness of the relocation. In essence, a cost-benefit analysis must be calculated.

Though more expensive than sea freight, air shipments, for example, may reduce temporary accommodation costs upon arrival. On the other hand, storage allowances must be weighed against the desired length of the overseas assignment. Corporations need to analyze the long-term cost of key moving decisions and what affects these costs, not merely their components.

Beyond the shipment of goods, cross-cultural training plays an increasingly pivotal role in an international relocation. In order to be effective, both the timing and the location of the program must be evaluated. Traditional models provide for a day or more of training prior to departure and little or none upon arrival in the host country. Taken at face value, this is back-to-front. Generally, transferees retain no more than 15 to 20 percent of their training due not only to the obvious distractions present during the move, but the out-of-context environment in which the training takes place.

The need for a new, more effective, model is apparent. Breaking with standard practices, in this new model 35 percent of the training takes place at home, prior to departure. Later on, the remaining 65 percent is conducted in the host country, where the transferees can immerse themselves in the training on a more practical level. This approach improves the likelihood of a successful assignment.

Following arrival in the host country, most relocation companies encourage multinational companies in competitive industries to cover settling-in services for their expatriate employees. This includes area tours, school and housing search services, rental contract negotiations and other miscellaneous international services – such as social security arrangements, drivers’ license transfers and utility hookups. These services are increasingly critical, deciding ultimately whether the assignment succeeds or fails.

With so many variables to juggle, instituting an effective relocation policy is easier said than done. Not surprisingly, many companies decide it is easier, and more cost effective, to outsource their relocation services. An outsourcing

continued...
provider is able to reduce costs for the same level of service, or else provide additional services at the same level of expenditure.

An efficient relocation service provider is able to leverage greater economies of scale to the individual policy entitlements required in a relocation – such as immigration, travel, destination services, expense management and transportation of household goods.

As a trend, corporations are moving toward a single outsource (single-source) provider for the development and management of relocation policy. This allows the human resources team to focus its attention to core functions, such as recruitment and training. A single-source provider simplifies and standardizes the work processes, requiring fewer people and a shorter timeframe. Worldwide in scale and with over 35 years of experience, Crown Relocations is such a provider.

As relocating is about more than trucks and boxes, Crown is about so much more than just getting the job done. Crown’s service philosophy is ‘Helping you begin life’s next chapter’ – which is what Crown does, in the ever-expanding world of expatriates.

The Crown Group has over 90 offices in more than 40 countries. The Crown Relocations division specializes in employee relocation services for multinational corporations. The company is also a leader in the management and storage of business records, and provides other specialized transportation, forwarding and warehousing services for expanding international businesses. The Group provides services to over 7,000 major multinational corporations around the globe, as well as caters to the needs of private customers. Crown’s website is www.crownrelo.com.