



Salesforce Turnover Cost Calculator

To calculate the cost of losing and replacing one salesperson:

Step 1	Enter the number of clients lost when a salesperson leaves? =	<u>9</u>
Step 2	Enter your average client \$ value? =	<u>\$ 6,000.00</u>
Step 3	This is the lost client value =	<u>\$ 54,000.00</u>
Step 4	Enter the revenue lost while the position is vacant? =	<u>\$ 7,500.00</u>
Step 5	Enter the recruitment and employment costs? = (Recruitment agency fees, advertising, interviewing time, relocation expenses, etc.)	<u>\$ 6,000.00</u>
Step 6	Enter the cost of training the new salesperson? =	<u>\$ 3,000.00</u>
Step 7	Enter the cost of unproductive time? = While the new salesperson climbs the learning curve. (up to 5 months.)	<u>\$ 2,500.00</u>
Step 8	Enter the miscellaneous expenses? = (Admin, secretarial, etc.)	<u>\$ 900.00</u>
COST	TRUE COST OF LOSS AND REPLACEMENT =	<u>\$ 73,900.00</u>
Step 9	Now enter the total number of sales people who are replaced each year. Multiply the cost by the number and this shows the true, but hidden cost of sales force turnover.	<u>2</u>
TOTAL	TOTAL COST OF ANNUAL REPLACEMENT STAFF =	<u>\$ 147,800.00</u>

IMPACT The cost of replacing salespeople does not show up in the monthly reports, but it is having a drastic effect on the bottom-line.

ACTION If you want to get those costs under control and put the dollars back on the bottom-line, contact us at Foresight for an obligation free discussion on how we help clients overcome this business problem.

BENEFIT If you can cut the costs of replacing employees how would your business benefit? What parts of the business are being starved of the funds needed for growth?

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(Recruitment agency fees, advertising, interviewing time, relocation expenses, etc.)
- Step 6** Enter the cost of training the new salesperson? = _____
- Step 7** Enter the cost of unproductive time? = _____
While the new salesperson climbs the learning curve. (up to 5 months.)
- Step 8** Enter the miscellaneous expenses? = _____
(Admin, secretarial, etc.)
- COST TRUE COST OF LOSS AND REPLACEMENT =** _____
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- TOTAL TOTAL COST OF ANNUAL REPLACEMENT STAFF =** _____

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