

SELECTIONKEYSSM COST OF HIRING MISTAKES

The process of interviewing, hiring, training and suddenly losing salespeople is a costly one. The following matrix helps you determine the financial resources your company has lost on salespeople who are no longer with you (aka ghosts).

A Number of salespeople hired in the last five years	B Number fired or quit in the last five years (ghosts)	C Turnover percentage (B/A x 100)	
=	=	%	
D Number of people interviewed for each position	E Duration of each interview and candidate review	F Hourly value of my time (as well as other managers)	G Actual cost of interviewing (A x D x E x F)
=	Hrs.	\$	\$
H Fees paid to headhunters	I Cost of advertising	J Cost of recruiting (H + I)	
\$	\$	\$	
K Monthly salary paid to each ghost	L Number of months each ghost was employed prior to separation	M Cost of payroll for ghosts (B x K x L)	
\$	Mos.	\$	
N Personal time invested in coaching each ghost	O Money spent on sales training for each ghost	P Total cost of training each ghost (B x N x F) + (B x O)	TOTAL COST of your ghosts (G + J + M + P)
Hrs.	\$	\$	\$

Note: This total does not include costs such as phone bills, lost sales due to their inability to close, cost of leads, commissions paid in advance on accounts not collected, cost of travel, reimbursed expenses, etc.