

Cost Of A Mistake

It costs between \$75,000 and \$120,000 per year to hire a new producer; the average validation period is 3 years. Over 60% fail and quite long before they validate, costing you hundreds of thousands of dollars... or even worse hang on for years costing you even more, let's look at what a hiring mistake REALLY costs you:



	Year 1	Year 2	Year 3
Pre-Employment Costs:			
Advertising Cost (ads and man hours)			
Pre-Screening Applicants (assessments, review, scheduling, man hours)			
Interview Process (assessments, background checks, man hours, travel expenses)			
Employment Costs:			
Annual Salary for a new producer			
Benefits (approx 30-35% of the annual salary)			
Support Costs:			
Training			
Professional Fees (business cards etc)			
Medical/Wellness Physical			
Drug Testing			
Orientation			
Relocation Expenses			
Other Considerations			
Support Staff Time			
Team Productivity			
Customer Relations/Lost Customers			
Unemployment Compensation Rates			

Costs (C)			
Business Written (BW)			

The Net Difference of their BW minus your Costs equals YOUR

BW - TC

Total Cost of a Mistake:

