



Calculating Return On Investment

The below scenario represents a typical return on investment in employment assessment for a Call Center with 120 employees and 50% turnover. In this scenario, we have targeted a reduction of turnover by 25% which is conservative. Turnover reduction of 50% is common.

For a \$20,000 Brainbench pre-hire testing solution, the customer could gain more than \$600,000 in financial benefit by hiring more employees that perform at an average level or better.

These figures are typical.

Costs associated with lost employees:

Average annual salary per employee	\$	40,000
Average cost per hire. (Typically 1/2 - 2 times salary)	\$	20,000
Number of Employees		120
Turnover rate (involuntary and voluntary not including promotion)		65%
Number of Lost Employees		78
Total Cost for bad hires	\$	1,560,000

Revenue Missed Due to Poor Performers

Average monthly sales production of performer	\$	32,000
Average monthly sales production of non-performer compared to performers		50%
Average month sales production of non-performer	\$	16,000
Average total number of weeks from start-date until separation for non-performance. Includes probation		12
Annual Revenue lost for each non performer	\$	48,000
Total Revenue lost for non performers	\$	936,000

Target Improvement

Reduce Turnover by		25%
Total Financial Impact	\$	624,000

Typical Solution Cost

Annual Number of Hires		78
Number of candidates pre tested per hire		5
Total Assessments Needed		390
Estimated Assessment Cost	\$	50
Total Estimated Cost	\$	19,500

Potential Return on Investment

3200%