

Do This...Not That

High Cost of Poor-Fit Employees and Turnover at MSP's

DO THIS

- ✓ Use a **STANDARDIZED PROCESS** to hire employees.
- ✓ Only promote employees to manager who have a good **MANAGERIAL SKILL SET**.
- ✓ The old saying is true 'Employees don't leave the company they leave their manager'

NOT THAT

Poor-fit employees impact your MSP's bottom line in both **OBVIOUS** and **HIDDEN** ways shown in the diagram below.

- § The biggest impact comes from the **HIDDEN** costs.
- § The quickest way to estimate turnover costs is to multiply each employee's annual salary by:
 - § 50% for entry-level positions such as Tier 2's.
 - § 100% for skilled positions such as Network Engineers.
 - § 200% for Managerial positions.

Employees and Profits Leave Your MSP Together

Tier 2 Support Specialist
\$34,000

Network Engineer
\$75,000

Manager
\$150,000



§ Obvious Turnover Costs: Lower productivity; increased recruiting; longer training and ramp-up times; slower MSP growth
§ Hidden Turnover Costs: Lost customer loyalty; weakened company reputation; manager time and aggravation