What a Non-Productive Agent Costs You

(figuring a 6-month timeframe, average for retaining a non-producer)

Brokers tell me that a poor hire costs them nothing. Unfortunately, that's far from the case. In fact, I just talked to a great agent who left a company because the company hired just anybody (one of the biggest reasons good agents leave companies). She went back to the company that hired and kept good people.

The lessons learned: You can't 'cure' poor selection by more poor selection. Likes attract. You create your 'magnets' to your company by the people you hire—and keep. You create your image. You create staff energy or lack of it. You create respect from your agents—or no respect.

I've put my figures below in these line items. What are yours?

- In 6 months:
  - Materials/fees and uncollected fees $1000
  - Training (cost of trainer and materials) 500
  - Coaching (cost of coach and materials) 1000
  - Manager's time (lost time, lost reputation with your agents) 5000
  - Our staff time (leads to staff becoming disheartened/staff leaves) 5000
  - Lost transactions 10,000
  - External customer dissatisfaction (no calls back, poor service) 10,000
  - Internal customer satisfaction (good agents leave) 10,000
  - Desk cost (could you have a person paying co. $ here?) 10,000
  - Your culture re-defined (and not the one you want) 15,000
  - Costs to overcome in recruiting efforts/budget/plan 25,000

Total: $92,500

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