



Talent 360 – The Math

OPEN BOOK

COST-PLUS PRICING

TRANSPARENCY

Cost-Plus Pricing Structure

Weekly Payroll Dollars

\$0—\$49,999

18%

Weekly Payroll Dollars

\$50,000—\$99,999

15%

Weekly Payroll Dollars

\$100,000 +

12.5%

18% Mark-up Example

Pay Rate / Hour	\$25
* Our Cost (varies)	<u>1.15%</u>
Sub Total	\$28.75

Divide Sub Total by .82 (100-18)

Bill Rate \$35.06

15% Mark-up Example

Pay Rate / Hour	\$25
* Our Cost (varies)	<u>1.15%</u>
Sub Total	\$28.75

Divide Sub Total by .85 (100-15)

Bill Rate \$33.82

12.5% Mark-up Example

Pay Rate / Hour	\$25
* Our Cost (varies)	<u>1.15%</u>
Sub Total	\$28.75

Divide Sub Total by .875 (100-12.5)

Bill Rate \$32.86

* "Our Cost" varies according to Govt and State Regulations, Work Comp/Risk Factor, Location, Length of Job, etc.

[Govt and State Regs can include Mandated Sick time/paid PTO, Training etc.]

Cost-Plus 18% Example

\$25 / Hour x 40 Hours = \$1,000

25 People = \$25,000 / Week

\$25,000 X 1.15% = \$28,750

Divided by .82 = \$35,060 (BILL RATE)



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Fictional Company: ABC Manufacturing

3 Costs of an Employee

Cost to Hire

Identify, Source, Interview/Screen
Background Check, Drug Test
Onboarding, Offer Letter, HR Admin

Cost to Employ

FICA, FUTA, SUTA, WORK COMP/CLASS
CODE
Paycheck, HR Admin

Cost to Lose

Unemployment Cost increase
across the board up to 3%
\$8,000 average cost per hire

Cost Per Productive Hour (1800-1900 hours)

Employee should be either Generating Revenue or Protecting Revenue

2,080 Productive Hours / Year	\$25/Hour = \$51,000/ year	True Cost	\$74,300
- LESS:	FICA (etc) 1.3% \$66,310	- Divided by:	
• 80 Hours Vacation	<u>Cost To Hire</u> + \$8,000	<u>Productive Hours</u>	<u>1,892</u>
• 68 Holiday Hours	True Cost \$74,300	Real Cost/Hour	\$39.27
• <u>40 Hours Sick Time</u>			
1,892 Productive Hours			

Turnover greater than 50% to 80%? TLX REAL COST PER HOUR is lower than prospect Cost

Prospect: But we have to own the employees.

Sales Answer: Your turnover is over 50% today so you don't own them now.