

# THE COST OF VACANT POSITIONS

Trickle-down costs affect your whole company



## PERSONNEL COSTS:

Given that the average manager should earn you 3-5 times their salary...

R&D Director salary: \$120,000

Earning Loss per day: \$1,400 - \$2,300

6-Month Loss: \$300,000

## REAL COSTS:

- Delayed revenue resulting from increased Time-To-Market (TTM).
- Products or services that could never be introduced.
- Underutilized equipment and corporate assets.
- Decreased output from employees performing unfamiliar jobs.

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## TEAM COSTS:

- Leadership, idea generation, and skills are lost.
- There is an increased chance of others leaving.
- Team cohesiveness is disrupted.
- There is an increased likelihood that poorly performing team members will be retained.
- If team leader is "vacant" then the time-to-productivity is likely to be negatively impacted.



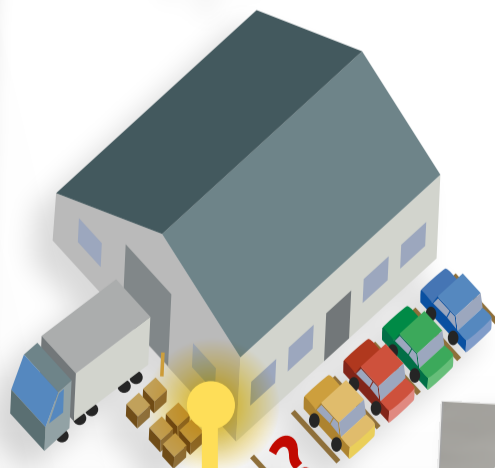
## PERSONNEL COSTS:

- Is-the-company-doing-well gossip
- Greater incidences of illness, absenteeism, and tardiness
- Less focus on employee growth because they are off in a training session
- Increased frustration
- Less quality work; increased error rates
- Lower chance of employees reaching individual goals
- Higher turnover
- Reduced creativity and innovative thinking

## MANAGEMENT COSTS:

- Less manager time with employees
- Frustration over less corporate support
- Higher middle-management turnover
- Lost opportunities by managers with fill-in duties
- Multiplier effect on productivity and recruitment of others

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## CUSTOMER COSTS:

- Loss of sales volume: unfilled orders and reduced service quality
- Customer attrition: product development delays, new product launch delays and false impressions

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## COMPETITIVE ADVANTAGE COSTS:

- Analysts perceive you as weak.
- Competitors see you as vulnerable.
- Prospective employers see your company is in trouble, especially if in high-end positions.

