

# ROI Calculator

This calculator helps you show the business value of your employee experience improvements in real dollars. It focuses on metrics that executives care about.

## Before you start:

- Gather basic HR costs (recruitment, training)
- Know your average employee salary
- Have turnover rates handy

## Step 1: Cost Savings Calculator

### Turnover Savings Formula

Annual Turnover Savings =  $A \times B \times C$  where: A = Annual voluntary turnover (number of employees)  
B = Cost per replacement (typically 1.5x salary) C = Expected turnover reduction (as decimal)

Example:

- 100 employees leaving per year
- \$75,000 replacement cost each
- 20% expected reduction  $100 \times \$75,000 \times 0.20 = \$1,500,000$  annual savings

### Productivity Gains Formula

Annual Productivity Value =  $A \times B \times C$  where: A = Number of employees B = Average annual salary  
C = Productivity improvement (as decimal)

Example:

- 1,000 employees
- \$50,000 average salary
- 2% productivity improvement  $1,000 \times \$50,000 \times 0.02 = \$1,000,000$  annual value

## Step 2: ROI Summary Template

BENEFIT TYPE	CALCULATION	ANNUAL VALUE
Turnover Savings	[Your turnover formula result]	\$
Productivity Gains	[Your productivity formula result]	\$
Training Efficiency	[Reduced training costs]	\$
Total Benefits		\$
Program Costs		\$
Net Benefit	[Total Benefits - Program Costs]	\$
ROI %	$[(\text{Net Benefit} \div \text{Program Costs}) \times 100]$	\$

## Step 3: Quick Value Checklist

Remember to include these often-overlooked benefits:

- Reduced overtime costs
- Decreased recruitment advertising
- Lower temporary staff usage
- Improved customer satisfaction scores
- Reduced error rates
- Better project completion rates