



Employee
Retention,
Customer
Satisfaction,
and Business
Profitability

Why Healthcare Benefits Can Improve the Bottom Line





The High Cost of Turnover

Do you know the cost of losing and replacing an employee?

TANGIBLE COSTS

- Separation costs (exit interviews, administrative tasks, severance pay, unemployment compensation)
- Replacement costs (attracting applications, entrance interviews, testing, moving expenses, administrative tasks, medical exams)
- Training

INTANGIBLE COSTS

- Increased workload on remaining staff
- Increasing customer dissatisfaction
- Rising stress and tension
- Declining morale
- Loss of expertise
- Decreased productivity
- Slowdown in achieving growth

Investing in programs that help retain quality employees makes good business sense.



In today's volatile labor market, even the most successful companies struggle with the issue of employee turnover. The cost of losing and replacing an employee can range from a few thousand dollars for hourly staff to 100 percent or more of annual compensation for highly skilled managers.

But the real costs are harder to measure – rising customer dissatisfaction, decreased morale, and loss of expertise deprive a company of its momentum and profitability.

To protect business value and assets, companies need to reduce employee turnover by attracting quality employees and keeping them longer.

Attracting Quality Employees

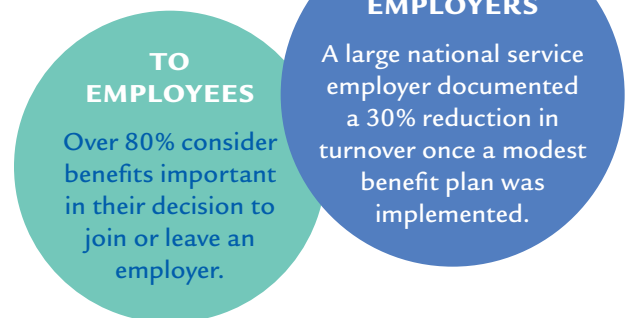
The truth is simple: Employees that are worth keeping are attracted to those companies that offer benefits beyond the weekly paycheck – particularly healthcare packages featuring employer contributions for medical coverage, as well as options for dental, vision, short-term disability, and other benefits.

When employees have support for their healthcare needs, they feel less stressed and more secure. They perform better at work and stay longer with their employers because modest salary offers from competitors are much less tempting. Overall, employees are more satisfied – an attitude your customers can see.

The Bottom Line on Healthcare Benefits

- **Increased competitive advantage.** Because each year fewer and fewer employers provide healthcare, offering benefits can give employers a competitive advantage.
- **Expanded hiring pool.** Healthcare benefits help companies attract a greater number of quality employees from which to choose.
- **Reduced employee turnover.** Employees stay longer with companies that demonstrate the value they place on their people by providing healthcare benefits.
- **Decreased hiring costs.** With lower turnover and reduced replacement needs, hiring and training costs diminish.
- **Improved customer satisfaction.** Contented employees are more focused on customers, and treat them with greater care – and that increases customer loyalty.
- **Enhanced profitability.** In hiring quality employees, a company starts a chain of events that will make the organization more profitable.

How important are benefits?



Healthcare You Can Afford



Limited benefit medical plans, or mini-med plans, are designed to offer employees optimal coverage for basic medical services. While mini-med plans do not cover rare illnesses or catastrophic injuries, they provide for the everyday medical expenses many employees need the most – doctor visits, prescription drugs, accident medical coverage, hospital stays, and surgical procedures.

Additionally, limited benefit medical plans let employers like you offer quality medical insurance at a fraction of the cost of traditional health plans. While the contribution amount is up to you, successful companies often contribute 50 percent or more of the monthly premium cost. This means that for as little as \$30 a month per person, your company has the opportunity to significantly reduce turnover costs and retain better employees.

CHC has made offering employee healthcare benefits simple and cost effective – from trouble-free enrollment options and comprehensive administrative support to advanced claims processing and one consolidated bill.

The ROI of Healthcare Benefits

It doesn't take a big reduction in turnover to make employer healthcare contributions a winning strategy. In this example, if an employer can reduce turnover by just **one out of ten** employees, he has more than covered his contribution cost for all employees.

THE FACTS

Employee annual earnings	\$25,000
Employee replacement costs (25% of annual salary)	6,250
Employer healthcare contribution (\$40 per month per employee)	480

THE MATH

Annual employer contribution for 10 employees	(\$4,800)
Reducing turnover by one person saves:	6,250

BOTTOM-LINE ADVANTAGE **\$1,450**

Once your company sets up payroll deduction, CHC takes care of the rest, working directly with employees to answer their questions, both now and in the future.

With an expert partner like CHC managing the details, your company can concentrate on business profitability and on hiring better employees – an easier task with a healthcare benefit advantage.

“The cost of hiring and training a new employee can vary from 25 percent to 200 percent of annual compensation. Costs include customer service disruption, emotional costs, loss of morale, burnout/absenteeism among remaining employees, and loss of experience, continuity, and corporate memory.”

American Management Association



“According to a recent survey, the total direct and indirect costs of replacing a \$6.50 per hour employee was at least \$3,637.”

Cornell University

Find Out More

CHC has the solution to help you reduce employee turnover, increase customer satisfaction, and make your business more profitable by providing employee healthcare benefits.

Call us toll-free today at (877) 685-2432. We'll answer your questions about creating a customized healthcare plan with the cost structure and features your company wants.

