

# The Leadership Lantern™

*Lighting the path of leaders!*

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"The greatest thing a man can do in this world is to make the most possible out of the stuff that has been given him. This is success, and there is no other."  
~Orison Swett Marden

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## Profits Through People

A. Drayton Boylston

In Bradford Smart's book *Top Grading*, Smart provides compelling evidence to support the argument that employee turnover costs a company upwards of 25 times the persons base compensation for those making \$100k or less and upwards of 40 times a persons salary for those making \$100-250k!

The average company in Fortune's "100 Best Companies to Work For" survey has 10,00 employees and a turnover rate of 15.6%. Take a moment to do the math on lost earning when turnover is factored in. By the way, these numbers don't include "lost opportunity" costs attributable to turnover.

Still have your Thanksgiving appetite?

How much focus have you put into reducing your turnover rate? Is there be a faster way to increase earnings other than reducing turnover? What would even a 1 or 2% reduction in turnover do for your firm? Can you think of a better way to measure ROI of training dollars spent than decreased turnover?

One of the first things to take action on is to discern the underlying reasons why people leave. Are people leaving for more money? A better corporate culture? More advancement opportunities? Are your exit interviews providing the information that you need? Have you given thought to interviewing current employees to define the reasons why they stay?

I often tell people that you have to treat your people as if they have a standing offer from your competition with a sizeable raise. If you don't proactively manage ahead of your turnover you will always be in the unenviable position of responding to "people poaching." Yes, you will always lose some people and many for very good reasons. The key is to focus on keeping your top talent and your net turnover dollars will be within a range of tolerance that you control, not your competitors.

It's not all about your product or your strategy— it's about your people. Focus on the ROI of your human capital practices and the profits will follow.

A personal Thanksgiving note of appreciation to all of you. I am awed by your leadership efforts and humbled by the purity of the motivation that I witness on a daily basis. I value the friendship, fellowship and sense of camaraderie that you have provided me. My life is truly richer for knowing you.  
~Drayton



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"It is not good to be better than the very worst."  
~C. Seneca



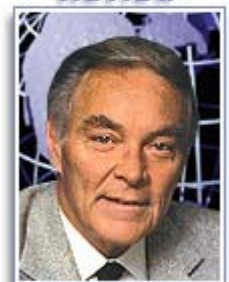
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