Business Cases for More Employees

Comparing Representative Costs of Four Types of Employees

V2
Creating a Business Case for Adding Employees

To create a business case to justify adding employees:

1. Establish a clear need or gap you are trying to fill. Use data to justify the need.

2. Identify the necessary skills, duration and type of employee that best meets your need and the business’s constraints.

3. Calculate the estimated cost based on your specific situation.
## Comparing Types of Employees

<table>
<thead>
<tr>
<th>Type of Employee</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intern</td>
<td>Developing skills, Inexpensive, Energetic, Willing to learn, No long-term expense</td>
<td>Inexperienced, Training takes time, May not have full time position to offer when complete</td>
</tr>
<tr>
<td>Temporary</td>
<td>Immediate help, Inexpensive, No long-term expense</td>
<td>Limited skills, Training takes time, Quality of work may not be where needed</td>
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<tr>
<td>Contractor</td>
<td>Skilled or specialized knowledge, No long-term expense</td>
<td>Expensive, Quality of work may not be where needed</td>
</tr>
<tr>
<td>Full Time</td>
<td>Skilled, Long-term commitment, stable</td>
<td>Most expensive, Have other responsibilities as an employee (not 100% dedicated to task)</td>
</tr>
</tbody>
</table>
Cost Estimate for an Intern

Hourly Rate: $15/hour
Hours Per Week: 20 during school year; 40 in summer
Weeks: 30 during school year; 10 during summer
Benefits: None

School Year: 30 weeks x 20 hours/week x $15/hour = $9,000
Summer: 10 weeks x 40 hours/week x $15/hour = $6,000

Total cost for intern: $6,000 + $9,000 = $15,000
Cost Estimate for a Temporary and Contractor Employees

Hourly Rate: $30/hour
Hours Per Week: 40
Weeks: 12
Overtime: Yes, Time and a half ($60/hour)
Benefits: None

Standard Time: 12 weeks x 40 hours/week x $30/hour = $14,400
Estimated Overtime: 6 weeks x 10 hours/week x $60/hour = $3,600

Total cost for temp: $14,400 + $3,600 = $18,000
Cost Estimate for a Full Time Employee

Hourly Rate:  $40/hour (Salary $83,200)
Hours Per Week: 40
Overtime:  Yes, Time and a half ($60/hour)
Benefits:  Yes, @35% above Salary (includes medical, retirement, insurance)

Standard Time: 52 weeks x 40 hours/week x $40/hour = $83,200
Estimated Overtime:  16 weeks x 10 hours/week x $60/hour = $9,600

Total Wages: $83,200 + $9,600 = $92,800

Total cost to business for full time employee: $92,800 x 1.35 = $125,280
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