

High turnover is often a given in the hospitality industry. The partnership of Talent Plus with this hospitality client has gained momentum and developed a culture with some of the lowest turnover in the industry.

The cost of losing employees can unknowingly erode revenues and profits as well as negatively impact an organization's culture. Published data indicates the industry average for luxury hotels is 45 percent across all jobs, with hourly averaging 60 percent and management at 25 percent.

Talent Plus' research to date across all clients shows that top performers stay longer and reduced turnover is a direct outcome of the selection and development of talent. Retention of top talent has also significantly increased performance metrics and has been positively correlated to guest engagement and employee engagement.

*Fitz-enz, Jac, *The ROI of Human Capital*, 2000.

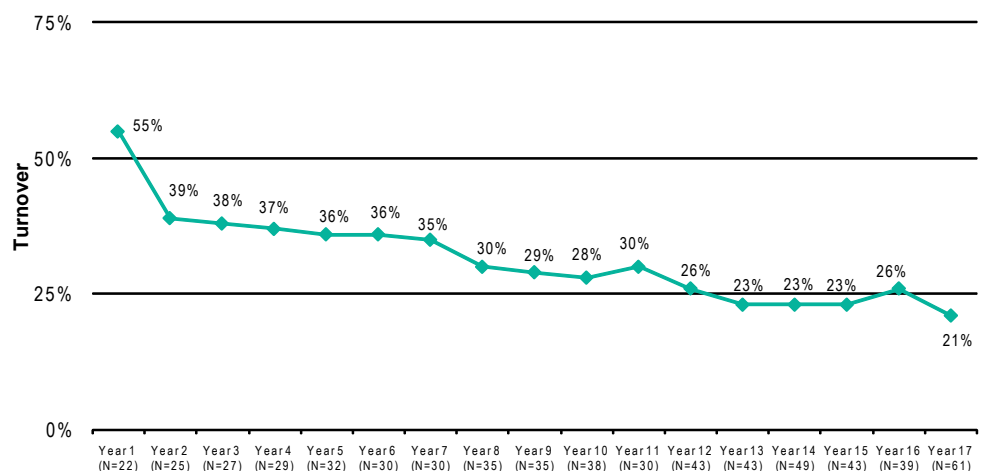
**Labor Turnover References:

Tim Hinkin, Ph.D. and Bruce Tracey, Ph.D., *Development and Use of a Web-based Tool to Measure the Costs of Employee Turnover: Preliminary Findings*, *CHR Reports*, Vol. 6, No 6, May 2006 Tracey and Hinkin, *The Cost of Employee Turnover: When the Devil Is in the Details*, *CHR*, Vol. 6, No 15, December 2006). R. H. Woods, W. Heck and M. Sciarini, *Turnover and Diversity in the Lodging Industry*, East Lansing, MI: American Hotel Foundation, 1998
Smith Travel Research, J.B. Tracey and M.J. Tews, *Hospitality Compensation and Benefits Survey*, New York: American Hotel and Lodging Educational Foundation, 2002. The cost of turnover (including hard and soft costs) is estimated to be six months of salary and benefits for non-professional positions and at least 12 months of salary and benefits for professional and executive-level positions.

Total integration of Talent Plus' QSP[®] across all positions, from executive committee to service staff, has resulted in overall turnover reduction of 62 percent over 17 years saving this company a tremendous amount. In the end, a business relationship must create measurable financial results for the company investing.

| In this industry: | Hospitality Company without The Science of Talent [®] | Hospitality Company using The Science of Talent |
|--|--|---|
| Number of Associates | 32,000 associates | 32,000 associates |
| Turnover Rate | 45% (Industry Average) | 21% (Actual) |
| Industry Average Cost Per Person | \$12,136** | \$12,136 |
| Total Cost | \$174,758,400 | \$81,553,920 |
| Difference (Savings for this hospitality client) | | \$93,204,480 annually |

The cost for Talent Plus' services is .000636 of their total annual revenue (based upon Calendar Year 17 utilizing published revenue of \$2.6 billion for that same calendar year).



In the longitudinal graph, there is an ongoing significant decrease in turnover from 55 percent in 1991 (higher than today's average for a luxury hotel) to 21 percent in 2007, a 62 percent reduction, while growing from 22 hotels to 70 locations and 11,000 associates to over 32,000.

The longevity of the partnership between Talent Plus and their clients has exponentially increased the return on investment each year for long-term clients. Building a Talent-Based CultureSM pays off over time. Each percentage point change in turnover represents **\$4 million in savings** or cost for this client. Furthermore, these results have been sustained at a significant level over the years.