

Retention Calculation

The Formula:
$$\frac{\text{Ending Population}}{\text{Beginning Population}} = \text{Retention}$$

Example Retention Scenario:

The report excerpt below depicts a typical retention scenario for dealership, Hometown CDJR for Sales Consultants. The retention measurement period is the first quarter of 2011, and the dealership began the quarter with five sales consultants.

Beginning Population = 5

During the the measurement period of Q1, the dealership had three events that contributed toward a potential change in the Retention rate. The dealership promoted one sales consultant to sales manager resulting in a position group change. The dealership had one sales consultant move to another dealership. And, the dealership was forced to terminate one sales consultant based on poor performance.

Also during the measurement period, the dealership hired three new sales consultants to replace the three displaced sales consultants. Although the ending headcount equals the beginning population of five, the ending population used for the Retention calculation only considers those Sales Consultants who were present at the beginning of the period. In this case, that number is two.

Ending Population = 2

Applying the Retention Calculation Formula to this Scenario yields the Sales Consultant Turnover Rate for Q1:

Ending Population

Beginning Population

=

2

5

=

40.00%

Dealer Information as of: 3/31/2011							Dealer Retention - Sales Consultant					
							Measurement Period through end Q1: 1/1/2011 - 3/31/2011	Measurement Period through end Q2: 1/1/2011 - 6/30/2011	Measurement Period through end Q3: 1/1/2011 - 9/30/2011	Measurement Period through end Q4: 1/1/2011 - 12/31/2011	Dealer Populations used in CY Retention Calculation	
							Retention	Retention	Retention	Retention	Beginning Population	Ending Population
A - GREAT LAKES	K	DAYTON	00001	Hometown CDJR	C	C	40.00%				5	2

- * Retention looks at who was employed at the beginning of the period (month, quarter, year, or YTD), and of those people, who is STILL there in the same position group at the end of the period.
- * At the end of the measurement period (month, quarter, year, or YTD), two numbers are compared:
 - Beginning Population
 - Ending Population
- * Retention is like a "Balance Sheet" - it looks at a point in time. For example, First Qtr reporting uses Beginning Population as of 1/1 and Ending Population as of 3/31
 - Person leaves dealer on 2/10 and returns on 3/20 = Retained
 - Person leaves dealer on 2/10 and returns on 4/10 = Not Retained (however, he would count as retained in a Second Qtr report, which would look at the 6/31 population)