



Full-Time Employee vs. REVA Source Comparison

It has become more common in today's cloud-based, connected financial world for FA's and Wealth Management companies to utilize REVA Source. If you want your business to grow rapidly, outsourcing financial Administrative and Operational tasks and projects to REVA is a very smart move.

REVA Source Virtual Associates go well beyond typical administrative employees. Our team of expert financial support personnel provides comprehensive services to our Client Partners. For this reason, it is important to think differently when it comes to what REVA Source can do for you.

Let's look at the numbers:

Expenses	Employee	REVA Source
Hourly Rate	\$30.00	\$50.00
Overhead	\$15.00	\$0.00
Benefits	\$12.50	\$0.00
Effective Pay Rate	\$57.50	\$50.00
Training Costs	\$2,178	\$0.00
Employee Hiring Costs	\$6,465	\$0.00

Hard Costs

As an employer of a full-time employee, you typically are responsible for the following additional expenses:

- Office Space
- Office Equipment
 - Desk, Telephone, Computer Hardware & Software, Supplies, etc.
- Payroll and Withholdings
 - Taxes, Worker's Compensation, Unemployment Insurance, etc.
- Benefits
 - Healthcare, Life Insurance, Paid Sick-time, Paid Vacation, etc.
- Employee Leave
 - Scheduled, Unscheduled, Employee Quits, Hiring a New Employee, Training, etc.

According to Joe Hadzima, MIT professor, companies should **multiply the salary range by 1.25 to 1.4 in order to get the full cost of compensation**. For example, if a new hire's salary is \$50,000 a year, you should expect to spend around \$65,000 a year on actual total compensation costs.

Soft Costs

Then there are the soft costs of having a full-time employee vs. REVA Source. The soft costs are a little more difficult to quantify. Rest assured, it adds up and continues to add more!

- Your time spent recruiting a competent person.
- Hiring and Onboarding Costs.
- **Training and Managing your new employee.**
- Retaining employees longer than they are needed.
- Starting all over again!

Training an employee is a crucial but expensive process. The Trainer must take the time to:

- plan what training must be done,
- purchase materials,
- pay for someone to perform the training,
- pay the employee for the hours of training,
- and miss out on time when both the current and new employees are engaging in other, more directly profitable, activities.

It also takes employees some time to gain experience and confidence in their new role to offer the company their full benefit. **This equates to buying a new piece of equipment and waiting for it to “pay for itself.”** As a result, the company has invested more money in that employee for a period of time than they’ve received from them in worth.

Hiring a new employee can be a pretty bleak length of time for reaching the “break-even point.” A survey of 610 CEOs by Harvard Business School estimates that a **typical new hire requires 9 to 12 months to reach their break-even point.**”

Breaking down the productivity scale into three periods:

1. After training is completed during months 1 through 3, **new employees are functioning at about 25% productivity**, which means that the cost of lost productivity is 75% of the employee’s salary.
2. The level goes **up to 50% productivity for months 4 through 6**, with a corresponding cost of 50% of employee salary.
3. Months 7 through 12 usually bring the employee **up to a 75% productivity rate**, with the cost being 25% of employee salary. Around the five-month mark, then, companies can expect a new hire to reach full productivity.

In high-turnover situations, **a company might invest in an employee and never reap the full benefit** before that employee quits and it’s time to hire another employee. Both of these situations represent a lot of waste.



The REVA Source Advantage

In an ever-changing business world, smart professionals are choosing a more specialized, focused, and dependable Executive Associate. Why? Quite simply because it makes fiscal sense and the benefits of a REVA Virtual Associate outweigh the total costs of an on-site employee.

A few things to consider:

With REVA Source, **all** the “Hard and Soft” costs to the Employer are eliminated. This means there are no additional costs for:

- Taxes / Withholding
- Worker's Compensation
- Unemployment Insurance
- Healthcare
- Paid vacations
- Paid sick time
- Payroll costs
- Office space expenses
- Office equipment and software
- Hiring/Recruitment of a New Employee
- Training costs and lost productivity
- Terminated Employee

With REVA, hit the ground running on the first day at **Full Capacity, Functionality, and Productivity!**

As a REVA Source client, you have complete access to our entire team of expert, professional Associates and not just a single person. So, you do not have to worry about sick days, vacations, Doctor appointments, or the possibility of losing an employee to a different job. Also, we are available whenever you need us – no snow days, tardiness, absences, “my car will not start”, or “I have to pick my child up from school”.

The REVA Source Commitment

REVA is not just about saving you money; we are committed to assisting you in generating more revenue for your business. Our Team works closely with you, your Advisors, and your Clients, to provide the services and experience you need to be successful.

As we say - REVA is "Professionals serving Professionals". Our model is always to be an asset and never a liability. With no long-term contracts, our Team essentially must impress our Clients every single day. If we do this, we are constantly earning all future business with our client partners.

If you have any questions, please contact me directly.

Tim Chatfield
Director
t.chatfield@REVASource.com
(330) 568-5778