### Step 1: Determine per hour direct costs for core and contingent workers

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Contingent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly Rate</td>
<td>$25.00</td>
<td>$29.00</td>
</tr>
<tr>
<td>Overtime</td>
<td>no</td>
<td></td>
</tr>
</tbody>
</table>

Get this from payroll

Get this from temp agency

### Step 2: Determine per hour productivity for Core workers

<table>
<thead>
<tr>
<th>Productivity Metric:</th>
<th>Core</th>
<th>Contingent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of software</td>
<td>1.5</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Get this from job description, performance review, quality control

Get this from temp agency

### Step 3: Calculate break-even productivity for Contingent workers

- CC - Cost of Core: $25.00
- TC - Cost of Temps: $29.00
- CP - Productivity of Core Workers: 1.5
- TP - Productivity of Temp Workers: 1.74

### Step 4: Calculate costs of training Contingent Workers

- Total Costs: $1,610.00
- Trainer costs per person: $350.00
- Materials per person: $100.00
- # Days needed for training: 5
- Trainee Time Cost: $1,160

This equals direct training costs plus the cost of the trainee’s time

### Step 5: Calculate how long to recover training costs

- Actual Productivity: 1.5
- Increased output/day: 5.6
- Target productivity: 2.2
- Revenue per unit: $16.67
- Increased revenue per day: $93.33
- How many days will temp need to stay to recover training costs: 22.3

Get this information from the temporary help agency

This is the difference between pre & post-training productivity times 8.

Select the hourly proivity expected from the contingent workers after training.

This equals the dollar cost of training divided by the additional revenue per day from training plus the number of days needed for training.

This is the value of each additional unit the temp will produce as a result of the training. This is calculated by assuming that core workers are paid according to what they produce so the revenue from each unit is equal to core hourly wage divided by core units produced per hour.