Martin Lewis Knowles

VALUE · TALENT ENGAGEMENT

The Regretted Loss Routine

A five-step routine for the people you can't afford to lose, with a cost worksheet and a worked example.

5 steps
From critical outcomes to an agreed leaver response

Worksheet
Cost to replace, and cost to develop instead

Worked example
A red, amber and green view with the cost per profile

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THE ROUTINE ON ONE PAGE

Most businesses can't say which leavers they can't afford to lose, or what losing them would cost.

When someone good resigns, most organisations do one of two things. They throw money at it, or they let the person go without a conversation. Very few stop to ask what they are losing: a successor, a scarce skill, a client relationship, or the potential they were counting on.

10–15%

IN MY EXPERIENCE

of your people carry the outcomes you can't afford to lose. For them, money is rarely the reason they go.

THE FIVE STEPS

1. **Define critical outcomes, not roles.** What can't you afford to lose?
2. **Find who carries them.** It's often not the person with the biggest title.
3. **Name the regretted-loss population, and cost it.** The 10 to 15%, and what each would cost to replace.
4. **Design the plays.** Two or three specific moves per profile.
5. **Agree the leaver response.** What you do the day one of them resigns.

WHAT YOU'LL HAVE AT THE END

- Your critical outcomes, and who carries them
- A named regretted-loss population, with a cost per profile
- Retention plays for each profile
- A response you've agreed before anyone resigns
- A red, amber and green view, refreshed at every talent review

STEPS 1 AND 2

1 Define critical outcomes, not roles

Start with what the business can't afford to lose, not with job titles. Instead of "Head of X", name the outcomes: revenue streams, client relationships, product know-how, and the cultural glue that holds a team together.

Five to ten outcomes is enough. If the list runs to thirty, it isn't critical any more.

2 Find who carries them

Use the people data you already have, and ask the managers who see the work. Who would the client call? Who does everyone go to when the system breaks? You'll often find it's not the person with the biggest title.

> *Skills mapping doesn't have to take three years. Start with critical outcomes and the skills behind them, and you can have a first map in two weeks.*

YOUR OUTCOME MAP

CRITICAL OUTCOME	WHO CARRIES IT	SKILLS BEHIND IT	WHO COULD STEP IN

STEP 3

3 Name the regretted-loss population, and cost it

From the people on your outcome map, name the ones whose exit would slow the strategy or damage the culture. In my experience that's 10 to 15% of the workforce. Group them into profiles, such as key account managers or ready-now successors, so you can plan by profile, not by person.

Then put a cost on losing each profile. When leaders see the number, retention stops being "nice to have".

Cost to replace per person, your own figures

A. Recruitment fee or search cost	£
B. Hiring time HR, interviews, references, onboarding	£
C. Empty seat Months to fill × monthly cost of cover or lost output	£
D. Ramp-up Months to full productivity × monthly salary × 50%	£
E. Knowledge or client loss Your estimate, can be zero	£
Cost to hire (A to E)	£

Cost to develop instead same seat, from inside

F. Development Programme, coaching, stretch assignment	£
G. Readiness Months to ready × monthly salary × 25%	£
H. Backfill For the person who moves up	£
Cost to develop (F to H)	£

I always show both.
Often it isn't your decision. Give the business the two numbers and let it choose.

WORKED EXAMPLE · ACME LTD · FICTIONAL, FIGURES ILLUSTRATIVE

18 people ACME can't afford to lose, and what each would cost.

1,000
people, head office in London

120
leavers a year at 12% attrition

18
carry outcomes ACME can't afford to lose

PROFILE AND THE OUTCOME THEY CARRY	PEOPLE	SALARY (LONDON)	RISK	WHY	COST TO REPLACE	PLAY
Key account managers Top three client accounts	4	£90k	Red	Approached by a competitor; no next role in sight	**£66k** each · £264k	MD sponsor and an account growth project
Senior engineers, core platform Only people who know the legacy system	2	£110k	Red	Stuck on maintenance, no new work	**£80k** each · £160k	Lead the rebuild, paid knowledge-sharing role
Ready-now successors Cover for three director roles	3	£120k	Amber	Waiting two years for a move	**£87k** each · £261k	Stretch assignment and a timeline conversation
Data analysts The monthly board pack	2	£70k	Amber	Pay below market	**£52k** each · £104k	Market pay review and a learning path
Site managers Highest-engagement sites	5	£80k	Green	Settled; recognised locally	**£59k** each · £295k	Stay conversation each quarter
Team leads Culture in the two biggest teams	2	£60k	Green	Settled	**£45k** each · £90k	Peer mentor role and recognition



How the cost is worked out, per person, with the worksheet on page 4: recruitment fee at 20% of salary, £3k of hiring time, three months' empty seat at salary, six months' ramp-up at 50% of salary, no knowledge loss counted. That's 70% of salary plus £3k. Red profiles cost the most and are the most at risk, so they get a named sponsor and a conversation within a fortnight.

STEPS 4 AND 5

4 Design the plays

For each profile, build two or three specific moves: a project, a sponsor, a learning path, a flexible career route. Not generic perks.

> *Not everyone wants everything at once. Go at their pace, and check in regularly to see whether it's working for them. Spend time with these people: clear the blockers in their way, and build development they can see the point of.*

5 Agree the leaver response

Decide now what you'll do when one of them resigns, so nobody reaches for money on the day.

FIRST

Check the map

Which outcome do they carry, who could step in, and what does losing them cost?

THEN

Talk before any counter-offer

Ask what changed and what would make them stay. Counter-offers alone tend to keep people for six months, then they go anyway.

THEN

Decide on purpose

Keep them with a plan that answers the reason, or let them go well and move the successor up.



KEEP IT VISIBLE

Part of your talent reviews

Once or twice a year, as part of your talent reviews, refresh the red, amber and green view: who has moved, who is now at risk, and one agreed action for each Red profile. In between, the plays and the managers' check-ins do the work.

The map only helps if someone looks at it before the resignation.

> **People want to be heard, noticed and valued. For the people you can't afford to lose, money is rarely the reason they go.**
>
> Martin Lewis Knowles

TALENT SPRINT · TWO WEEKS

Do it in two weeks, with your team.

We agree the outcomes you can't afford to lose, find who carries them, cost the regretted-loss population, design the plays, and agree your leaver response. You keep:

- Your critical outcomes, and who carries them
- The regretted-loss population, with the cost of losing each profile
- Retention plays for each profile, and an agreed leaver response
- A red, amber and green routine that keeps flight risk visible

martinlewisknowles.com/solutions/talent-sprints/regretted-loss-routine

See the bigger picture

The EBITDA Hidden in Your People puts a number on all four areas of talent, not just engagement.

Or start with a conversation

A 20-minute Diagnostic Call on where you are and what would help. If there's no fit, I'll say so.

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