



Employee Termination Checklist

Position Focus: Sales People

Overview

Protecting you and your company when terminating an employee requires planning and preparation before you pull the trigger. Whether you are laying off to reduce costs or terminating for non-performance there are critical actions you must take. Because you are at greatest risk when terminating sales people, this checklist will focus on that position. However, the checklist provides guidance for managing the termination process for any employee.

This checklist is intended to raise critical issues you should consider when terminating an employee. It is by no means comprehensive and you are advised to seek legal and other professional advice before termination to insure that you are adhering to any applicable State and Federal laws regarding termination.

How to Use the Checklist

The checklist is divided into separate categories with actions under each category. Senior management should use the checklist as a method of assigning responsibility for resolution of the issues raised. You may wish to have specific department managers execute in their respective areas and report back to senior management who can record the action on the checklist to insure all action is captured in one document.

Action to be Taken	Staff Assigned Responsibility	Date Completed
Information Systems		
• Plan in place to protect files and database		
• CRM system backed up and locked while employee is being terminated		
• Removed from email system		
• Server access (web etc) denied – deleted		
• Passwords changed		
• Laptop, mobile devices retrieved from employee		
• Voice mail or email reply message deleted		

<p>Customer /Client Communication</p> <ul style="list-style-type: none"> • Strategy in place for communicating termination to clients & staff • Top 20 account list created for direct communication from management • Effect on company reputation assessed and response readied • Public statements for staff drafted and shared • Plan for introducing new sales rep defined • Networking events have a replacement assigned 		
<p>Account Protection</p> <ul style="list-style-type: none"> • Account transition plan defined & ready for execution • Rep assigned to immediately contact active clients • List of “protected” accounts developed for non-compete issues • All in process sales opportunities have been reviewed and actions assigned • Terminated employee’s calendar reviewed and actions assigned • Email auto reply message crafted and in place or email redirected to new reps • Paper files reviewed & secured while employee is being terminated 		
<p>Replacement Strategy</p> <ul style="list-style-type: none"> • Recruitment strategy in place <i>before</i> employee terminated • Job description updated • Position competencies defined • Compensation plan reviewed and updated • Territories reviewed and redefined as necessary • Recruiting sources identified • Interviewing process and behavioral interviewing questions drafted 		

<p>Financial Repercussions</p> <ul style="list-style-type: none"> • Plan for tracking, calculating and paying outstanding commissions • “Commissions due” report prepared for terminated employee • A “collections” report generated and assigned for collections • Report on expected lost business developed • Appropriate memberships or subscriptions cancelled • Final expense report strategy developed • Mobile device contracts cancelled or transferred • Company car and credit cards returned • Severance payment terms defined • Benefits continuation plan developed • Outplacement services resolved 		
<p>Staff Morale</p> <ul style="list-style-type: none"> • Changes in workflow, process or reporting relationships defined • Other employees affected by termination identified • Plan to support affected employees and maintain productivity developed 		
<p>Legal Ramifications</p> <ul style="list-style-type: none"> • Rationale for termination reviewed • Past precedents identified • Risks such as discrimination evaluated • Risk/benefit analysis completed • Potential for violence or extreme emotional reaction evaluated • Final decision reviewed with HR 		
<p>Severance Payment</p> <ul style="list-style-type: none"> • Current policy, if any, reviewed • Past precedents reviewed • Rationale to insure equity developed 		

<ul style="list-style-type: none"> • Company's terms defined • Severance agreement and release reviewed by attorney 		
<p>Exit Meeting</p> <ul style="list-style-type: none"> • Advance planning required • Need for security evaluated • Timing and location insure maximum privacy • Message to employee sensitive and straightforward • Terms of severance and benefits continuation discussed • Severance agreement and release provided • Final paycheck distributed • Company property returned or scheduled for return • Arrangements made for retrieval of employee's personal property • Single point of contact identified and contact information provided 		
<p>Post Termination</p> <ul style="list-style-type: none"> • Details of exit meeting documented and retained by managers conducting meeting • Customer/client communication completed • Organization-wide announcement distributed (if appropriate) • Affected employees notified of change in staff, workflow and/or process • Signed severance agreement and release obtained • Terms of severance executed • Affected employees monitored to insure smooth transition 		