

2008 SALES MANAGEMENT SALARY SURVEY

May 2008

EVEN THOUGH SALARIES AND COMMISSIONS ARE AT THEIR HIGHEST LEVELS EVER, SALES MANAGERS ARE KEEPING THEIR OPTIONS OPEN FOR BETTER OPPORTUNITIES.

By Scott Cullen

It's a great time to be a sales manager in the copier industry, especially if you're motivated by money. Base salaries are up. Commissions are up. On the downside, sales managers aren't overwhelmingly upbeat about their higher compensation or their overall work environment, according to the 2008 Sales Management Salary Survey from Copier Careers, a recruiting organization that places experienced imaging professionals within independent dealerships across the United States.

MEET THE SALES MANAGERS

This year's survey reflects the responses of 621 sales managers. Most respondents (76%) work for an independent dealership with one location. The remaining either work for regional dealerships with more than one location (14%), a national, publicly traded sales organization (7%), or an OEM (3%).

An overwhelming number of respondents (70%) work for a company doing \$1-\$10 million in business a year. Fifteen percent work for organizations doing less than \$1 million in business annually while 10 percent work for a company doing between \$10.1 million and \$50 million annually. The remaining 3 percent of respondents work for an organization doing more than \$51 million in business a year.

Among the respondents, 441 supervise 1-10 people, 127 supervise 11-20, and 53 supervise 21-50.

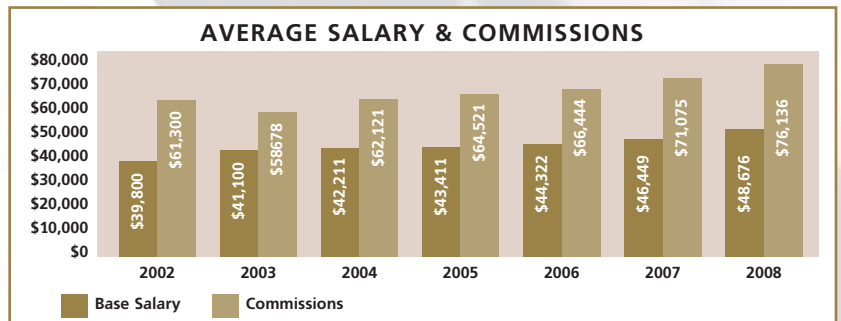
We are seeing a slight shift in gender among sales managers as 82 percent are male and 18 percent female in this year's survey compared to 84 percent male and 16 percent female last year. In 2002, the first year of the survey, only 7 percent of respondents were female.

ON THE CLOCK

Sales managers are busy folks, working on average 54 hours a week. That's up from 51 hours per week last year and from 46 hours per week back in 2002. Those hours include time working in the office and in the field as well as traveling for business.

ON BASE SALARIES

Base salaries are rising with respondents reporting base salaries of \$48,678 this year. That's up \$2,229 from last year. Meanwhile, sales managers are enjoying an increase in commissions from \$71,075 last year to \$73,136 this year. That represents a \$2,061 increase from last year. Adding up the increases in base pay and commissions, sales managers are making on average an additional \$4,290 this year compared to last year.



Comparing those numbers to 2002, the first year of the survey, base pay averaged out at \$39,800 and commissions at \$61,300.

"These folks are making some pretty good money and we're seeing that with our sales manager placements here at Copier Careers as well," notes Paul Schwartz, president of Copier Careers. "When you add up salary and commissions in 2002 and compare that to 2008, that amounts to a healthy \$18,653 increase over a six-year period. Additionally, if you look at retention and signing bonuses over the history of the survey, they're now the highest number they've ever been by a significant amount."

"No doubt the industry has changed a lot since 2002," adds Dave Grandelis, director of recruiting for Copier Careers. "With all the consolidations and acquisitions, it's become a lot more competitive for anyone in sales. Even so, it's still surprising that salaries and commissions have been able to rise and keep pace with the competitive and sometimes predatory pricing these folks are encountering every day in the field."

When asked to identify the primary reasons for receiving their bonuses, 97 percent of sales managers cited performance, followed by company profit sharing (39%), signing bonus (33%), retention bonus (31%), and project milestone completion (28%). Only 4 percent of respondents

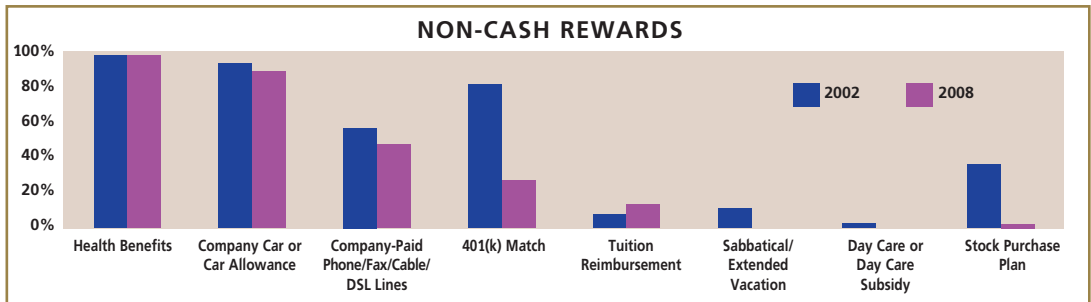
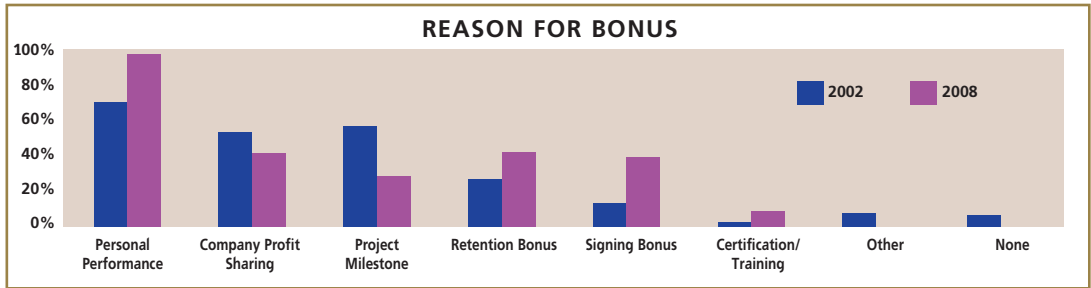
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received a bonus for certification/training.

In 2002, the first year of the survey, just 12 percent of respondents received a signing bonus and 22 percent received a retention bonus.

The non-cash and indirect cash rewards are pretty much what you would expect in the industry. Most respondents (99%) receive health benefits, 88 percent a company car or allowance, and 46 percent company-paid phone/fax/cable modem/DSL lines. Only 8 percent receive tuition reimbursement, 3 percent further education/training, and a lucky 1 percent enjoy health club membership.



THEY CAN'T GET NO SATISFACTION

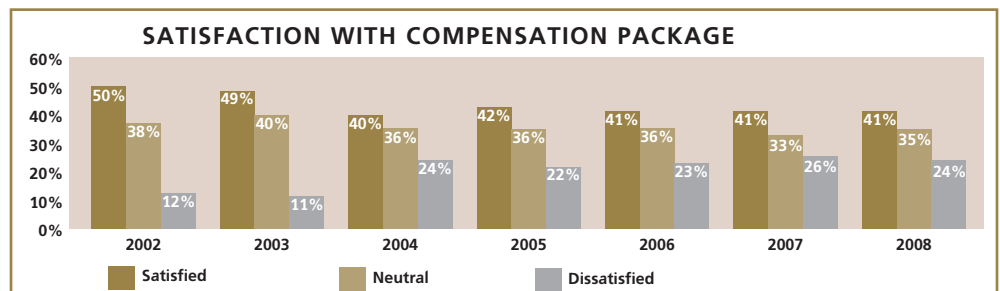
Despite the generous increase in base pay over the previous year and the rising commissions, sales managers aren't as satisfied with their overall compensation packages as one would think. Only 15 percent were "very satisfied" and 26 percent "satisfied." A sizable 35 percent were "neutral" while 10 percent were "dissatisfied" and 14 percent "very dissatisfied."

"That shouldn't come as much of a surprise because sales managers have felt that way to one degree or another since the very first survey," states Grandelis. "Anyone with a sales position is driven by the financial rewards of the job and no matter how generous those salaries and the commission, most sales managers believe they should be doing even better."

"It doesn't surprise me either that they continue to be dissatisfied with their compensation," adds Schwartz. "No matter how much green these guys have in their pockets, most believe that the grass is greener somewhere else."

WHAT MATTERS MOST

Asked what matters most to them about their jobs, bonus opportunities are cited by an overwhelming 99 percent of sales managers who were asked to check off up to seven job-related issues from a list of 28.



Given their focus on money, one would think that base pay would be next for sales managers, but it isn't. The second most popular response noted by 89 percent of respondents is "my work is important to the company's success" while benefits rank third at 87 percent, followed by "financial stability of company" (84%). Base pay comes in fifth at 78 percent.

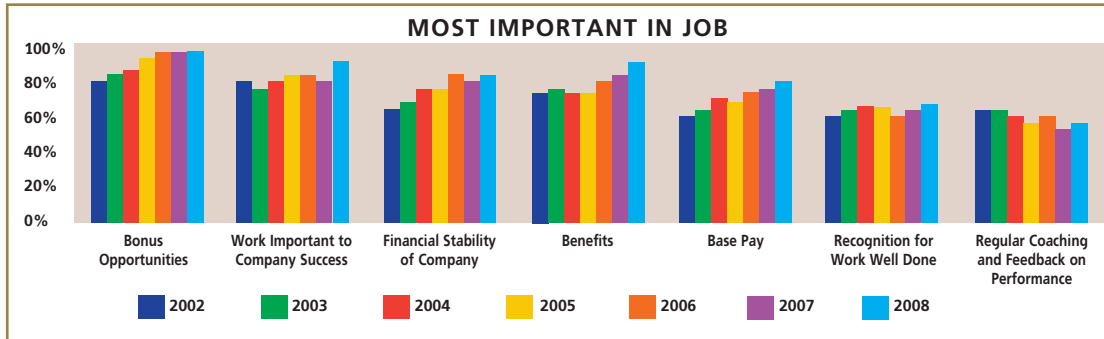
"A lot of these folks are ego driven and require that pat on the back by whomever they report to, letting them know that they're doing a good job," notes Schwartz when asked why "my work is important to the company's success" ranks so highly among this group.

Other things that matter to 50 percent or more of respondents include "recognition for work well done" (66%), "having the support and tools to

do my job well” (61%), “effectiveness of immediate supervision” (58 percent), “regular coaching and feedback” (57%), “prestige/reputation of the company” (54%), and “my opinion and knowledge is valued” (52%). Variations in the responses from last year to this year were plus or minus 1-4 percent with some responses identical to the previous year.

OVERALL JOB SATISFACTION

We’re seeing a modest increase in overall satisfaction levels when sales managers are asked to rate all aspects of their jobs. Fully 24 percent are very satisfied, up 2 percent from the previous year. Another 20 percent are satisfied – the same as last year – while those who are neutral remain



steady at 14 percent. The same percentage of sales managers feel dissatisfied as last year (20%) while those who feel very dissatisfied has dropped from 19 percent to 17 percent.

Taking a historical look at satisfaction levels, the first two years of the survey – 2002 and 2003 – were the

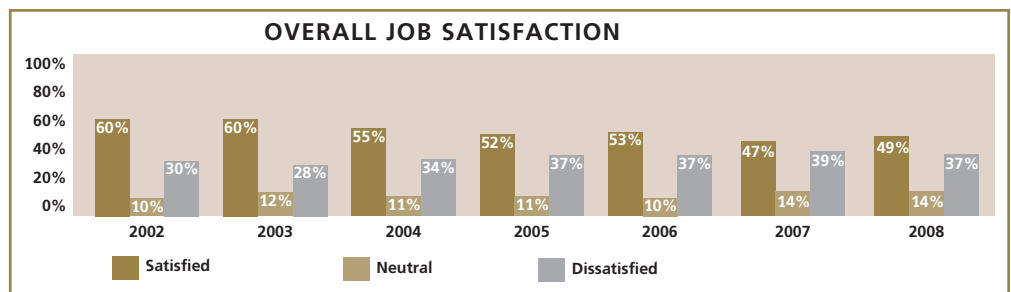
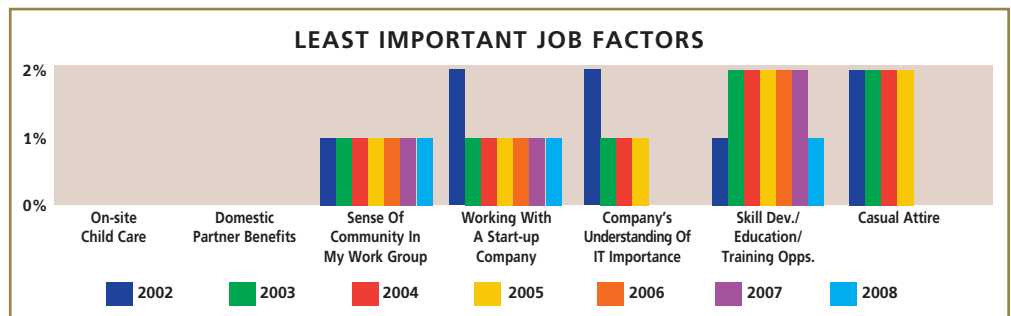
years that yielded the most satisfied sales managers. In 2002, 31 percent were very satisfied and 29 percent were satisfied while in 2003, the number of very satisfied sales managers rose to 33 percent while 27 percent were satisfied with all aspects of their jobs.

JOB HUNTING

Despite generous salaries and rising commissions, sales managers remain open to other job opportunities. Fifty-one percent claim they are actively looking while 48 percent said, “yes, somewhat.”

Looking back at the 2002 survey, only 31 percent of respondents were actively looking and 54 percent reported, “yes, somewhat” with 15 percent noting that they were not looking for a new job. Today that figure stands at 1 percent.

The top five reasons why sales managers are looking or at least open to considering a change of venue include higher compensation (91%), job market opportunities are too good to pass up (89%), don’t like present company’s management/culture (39%), more dynamic company (25%), move to a different geographic area (23%), and seeking less stress (19%).

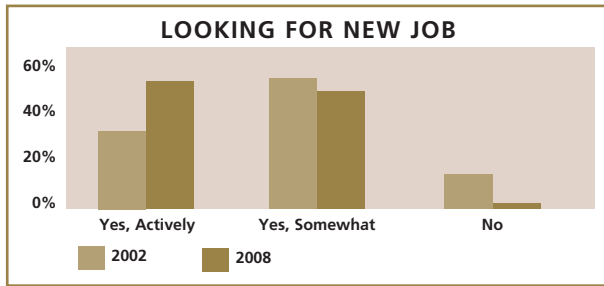


“I’m doing some sales management work right now and we’ve got people who weren’t willing to relocate before who are calling me back after three or four years and are willing to look at jobs in places they would never have considered before,” says Grandelis.

While the housing market may pose some limitations when it comes to relocating, the market is ripe with job opportunities. “These are talented men and women and if they want to move, there’s a home for them out there,” states Schwartz.

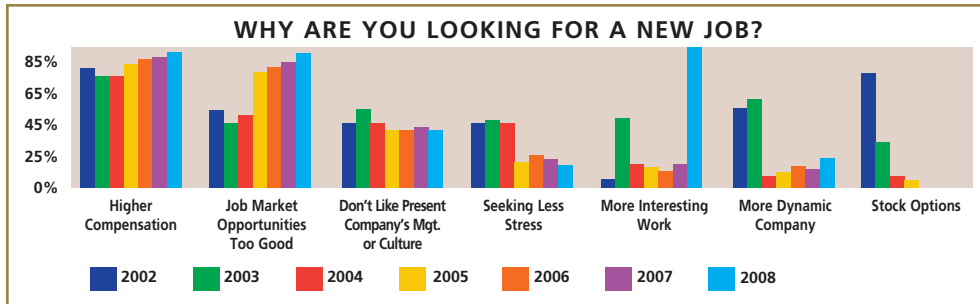
RATING THEIR EMPLOYERS

When asked to rate their employer’s efforts at attracting copier industry employees, 66 percent of sales managers seem to think their employers are doing a decent job. (It should be noted here, however, that many sales managers are key players themselves when it comes to attracting and



retaining employees.) That 66 percent includes 19 percent of respondents who noted “excellent,” 25 percent who said “good,” and 22 who said “fair.” One third of employers were not viewed as excelling in this area with 19 percent earning a “poor” rating and 14 percent, “totally unsatisfactory.” One percent of respondents “don’t know.”

Looking back at the 2002 survey, respondents felt a lot more favorably about their employers’ efforts at attracting copier industry employees. Back then, 31 percent received “excellent, 29 percent earned “good,” and 17 percent received “fair” ratings, or 77 percent rating from fair to excellent.



Employers received similar scores for their retention efforts this year. Here, 17 percent received an “excellent” grade while 18 percent earned “good,” and 33 percent “fair” grades. Some 22 percent were graded “poor” for their retention efforts and 10 percent “totally unsatisfactory.”

Here too, sales managers graded their employer’s retention efforts much higher

back in 2002. That year, 33 percent noted “excellent, 22 percent said “good,” and 23 percent “fair” while 11 percent were rated as “poor” and 11 percent “totally unsatisfactory.”

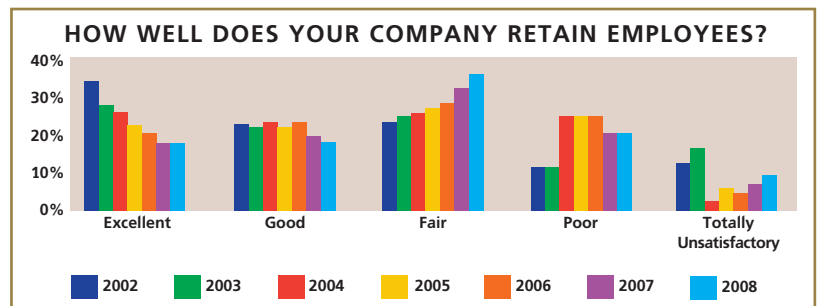
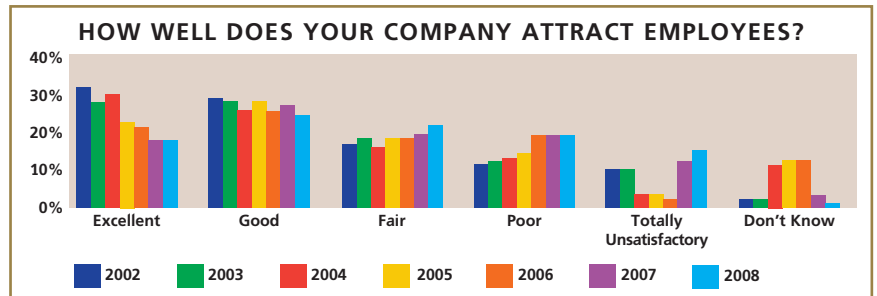
“They’re saying that they’re not doing as good a job as they were in ‘02 of attracting and retaining their own people and on the flip side of it, they are even out looking,” emphasizes Schwartz.

CLOSING THE DEAL

Although sales managers are difficult to please when it comes to compensation, if they take a step back and take a good hard look at the industry and how their compensation has grown over the past six years, they ought to feel that they’re in a great place and that the potential to do better will always be there whether they remain with their current employer or go someplace else.

“When we started doing these surveys seven years ago, the economy was in a dip, but we were saying the same thing back then – ‘These are pretty nice numbers,’” says Schwartz. “I have a contention – knock on wood – that this industry is somewhat recession proof.”

Whether the industry is recession proof or not, a good sales manager is a valuable asset and from this year’s numbers, they’re doing a terrific job of pushing boxes and producing revenue. “I think employers realize this based on the sales manager placements we’re handling at Copier Careers and the fact that retention and signing bonuses are on the rise,” says Schwartz.



Scott Cullen has been covering the office equipment industry since 1986