Reality bites. And a harsh reality is setting in for managers within the copier industry. With the economy in turmoil and corporate spending curtailed, management is being hit where it hurts-in their wallets--according to the 2003 Management Salary Survey by CopierCareers.com, a recruiting firm focused on placing experienced imaging professionals within independent dealerships across the United States.

Indeed, these are tough times for managers within independent dealerships. While most respondents are satisfied with their base salaries, many now find themselves no longer making the kind of money they did in previous years as bonuses and other compensation spirals downward. That’s a tough lesson to learn for individuals who are responsible for supervising anywhere from 1 to 200 people, have been with their current company an average of 17.6 years and whose livelihood is often directly related to reaching certain financial goals.

Management Profile
Management within the copier industry who are reflected in the Management Salary Survey include service managers, vice-presidents of service, operations managers, general managers and regional services managers.

This year’s survey had 1031 respondents, up slightly from the 1018 last year. These individuals are primarily male (98%) and have an average age of 46.3 years. They also have a lot of responsibility with 236 respondents supervising 1-10 people, 246 supervising 11-20, 242 supervising 21-50, 223 supervising 51-100 and 75 supervising 100-200 people. With this responsibility comes a long work week with respondents noting they work an average of 49.2 hours per week, up from 48 hours last year.

Fully 34% of respondents work for companies with annual revenues of $1-$10 million. Another 28% work for companies with annual revenues of $10-$50 million and 21% work for firms whose revenues are $51-$100 million. Only 6% work for companies whose revenues are less than $1 million while 11% work for companies with annual revenues of more than $100 million.

This group is also extremely stable as noted earlier with an average length of service at their current company of 17.6 years. Despite this stability, 476 respondents say they expect to change jobs. Clearly, this group has some issues with their current employers.

Salaries Down
Depending on the title, annual base salary varies, but by and large the variations are within $1,000-$4,000 with vice-presidents of service the best compensated at $71,289, followed by general managers at $71,250, service managers at $59,998, operations managers at $69,482 and regional service managers at $68,450.

Compared to last year’s survey, base salaries in all management areas are down across the board with decreases in some positions fairly significant. Regional service manager salaries take the biggest hit and are down $2,548 from last year. Vice-president of service salaries are $1,000 less than last year while operations managers in this year’s survey are earning on average $900 less when compared to 2002. “We’re finally seeing this segment of the industry reflect other industries and the economy in general,” says Paul Schwartz, president of CopierCareers.com. “Whatever is affecting the bottom line is driving up towards management more so than sales reps and technical personnel,” adds Schwartz.

Bonuses & Stock Options Down
Above and beyond base salaries, most managers receive additional compensation. Some 53% of respondents report they receive bonuses and other direct payments for personal performance while 51% earn bonuses for project milestone completion. Company profit sharing is another financial perk with 49% enjoying bonuses here. Nine percent receive retention bonuses and 8% of respondents report they don’t receive any bonus at all.

Management bonuses have declined significantly since last year. In 2002, respondents reported they received bonuses and other direct cash payments to the tune of $28,121. This year the average bonus was $16,249, a nearly $12,000 decrease. Not surprisingly, stock options have imploded. In 2002, respondents said the current value of their stock options were $53,234. This year that value is a meager $9,332. When asked to estimate the value of their current options, both vested and unvested, respondents report a current...
value of $17,464, way down from $72,345 of a year ago.

"Because of the economy and the fact that many managers may not be hitting their numbers like they used to, they're losing bonuses," notes Dave Grandelis, director of recruiting at CopierCareers.com.

"No matter how good a closer your salesman is, it's just not happening because companies have put a lock down on spending," adds Schwartz. "This is a reality of the economy and prior to this the copier industry had been untouched, but it is now hitting higher wage earners and it's hitting them where it hurts," adds Schwartz. While it's easy to point a finger at the economy for this corporate belt tightening, Schwartz also suggests the onslaught of digital technology as another reason. "Technology isn't being replaced as quickly as it once was since companies are trying to get the max out of their equipment or they just don't have the funds," says Schwartz.

Mostly Satisfied

Fully 51% of respondents are satisfied (25%) or very satisfied (26%) with their total compensation package while 18% are neutral. Considering bonuses aren't what they used to be, that 51% may very well reflect the resignation that with all that's going on in the economy and the industry, managers realize they're still being fairly well compensated for what they do. Meanwhile 20% report they are dissatisfied and 11% are dissatisfied with their total compensation. Those numbers of dissatisfied managers are almost identical to last year's and again illustrate the things you can please some of the people some of the time but you can't please everybody all of the time.

"Survival of the fittest is what this is all about and managers are taking these cashflow issues personally because they are large part responsible for it," opines Schwartz.

Respondents care deeply about their jobs and doing it well are also concerned about the stability of their employer as well as they are viewed by their employer. When asked to identify seven of responses were:

1. Seeing how my job helps achieve company goals (72%), 2. Benefits (71%), 3. Financial stability of company (52%), 4. My opinion and knowledge is valued (43%), 5. Having the tools and support to do my job well (43%), 6. Job stability (41%), 7. Recognition for work well done, base pay, potential for promotion, prestige/reputation of company (all tied at 31%).

"These responses aren't so surprising considering most managers have a direct correlation to the companies P & L and many of them are judged by their ability to generate profits," notes Grandelis. "Managers who are achieving company goals help provide both individual and company stability."

Adds Grandelis, "Stability seems to be very said, it is critical that these companies make good hires individual and company stable and profitable."

Rating Their Employers

Respondents are mostly a loyal and stable group they do see room for improvement within their organization. Only 33% of respondents feel their company did a good job of attracting copier industry employees compared to its peers. Here, 12% cited their company's efforts as excellent and 21% as good. Another 18% felt their company did a fair job. A sizable 33% felt their employers did a poor job and another 12% said their company's efforts in this area were totally unsatisfactory.

Respondents felt their employer's efforts were a bit better when it came to retaining employees. Twenty-two percent feel their company does an excellent job, 12% noted good and 33% said fair. Meanwhile 19% rated their company's retention efforts as poor and 14% labeled those efforts totally unsatisfactory. Together that represents about one third of respondents, which should be a cause for concern among many dealer principals in the industry. After all, these respondents have been in the copier industry a long time, averaging 23.56 years of service. They've seen good times and bad times, and very likely their current state of dissatisfaction is related to the economy and changes in the industry. No, it's not the same industry they entered some 23 years ago.

Not Moving

Considering the current state of the economy it's safe to make a blanket statement that
this isn't the best time to be looking for a new position. "The companies these individuals are working for aren't doing as well and they're not making as much money as they have in the past, but things are necessarily better elsewhere," observes Schwartz. "Other dealers are going through the same struggles."

That may explain why, despite their concerns regarding their employer's recruitment and retention efforts and some 31% being dissatisfied with their compensation, only 14% are actively looking for another job while 59% are "somewhat" looking and 29% are not looking at all. It's safe to assume that most of those 59% are leaving themselves open to offers and new opportunities but aren't scanning the want ads every day.

Those who are looking have their reasons. Some 41% say they want more job stability and higher compensation. Thirty-five percent are looking for a move to another geographic area. Underscoring their dissatisfaction with their employer, 31% say they don't like their present company's management/culture. Fully 29% are looking for a more responsible and 22% are looking for more interesting work.

The biggest deviations from last year's survey are in options where only 2% cited this as a reason for looking for a new job compared to 71% last year and going to work for a more dynamic company where 12% noted this compared to 51% last year.

The Bottom Line
Although managers are making significantly less money than last year thanks largely to smaller bonuses, Schwartz believes most are sharp enough to have foreseen the economic trends now taking a toll on the copier industry. Similarly, he believes most managers are savvy enough to understand that their companies aren't the only ones affected. In some respects, he says, those in the copier industry are more secure than those in other industries.

"We see a lot of resumes from other industries which show that the copier industry is a safe environment," says Schwartz. "At least half the managers in the industry realize it isn't so bad here and understand that the grass isn't always greener elsewhere, particularly in this economic climate."

Copier Careers is a niche recruiting firm serving the Document Imaging industry. A very unique company bringing candidates and clients together across the country. They specialize in the recruitment of Technicians, Service Managers, and Sales Representatives/Sales Managers along with Executive Level Management. Because of the specific nature of the company, Copier Careers' experienced recruiters are sourcing agents for the Independent Copier Dealer Network and related companies.

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Scott Cullen has been covering the office equipment industry since 1986. The former managing editor of Office Dealer and Office Systems magazines, Scott is currently editor of CAP Ventures and various online publications. He can be contacted via e-mail at scullen@voicenet.com or (215) 862-1917.