Generous compensation and longevity in the industry are the norm for this ceiling-level position.

Walk through the doors of an office equipment dealership and meet the average service manager. Who is that person? You’re likely to meet an individual who is well-compensated, who has been with his or her present employer for a good portion of their careers and will likely be there a while longer, and who generally supervises anywhere from one to 50 people.

Those are just some of the assumptions and conclusions one can make based on results from the 2005 Management Salary Survey conducted by Copier Careers (www.copiercareers.com), a recruiting organization that places experienced imaging professionals within independent dealerships across the United States.

This year’s survey had 1,240 respondents, up from 1,018 in 2002. The majority of respondents (501) are service managers, followed by vice presidents of service (223), general managers (212), ops managers (203), and regional service managers (101).

**Background Information**

Respondents have spent a total of 24.01 years in the copier industry, a modest 0.57 increase from the 2004 survey. Most (93%) are male. These individuals are a stable breed and have been with their current employer an average of 17 years. That’s slightly less than the 17.5 years noted by managers in the first year of the survey back in 2002.

When asked how many years they expect to remain at their current position, the average response was 6.2 years, down from 8 years in 2004 and down from 11 years in 2002.

“Despite their longevity with their current employer and their general satisfaction with their overall compensation package, these responses suggest that managers might be reacting to economic conditions and the volatility within the industry of the past few years,” observes Dave Grandelis, Director of Recruiting for Copier Careers. “As a result, they may not feel as secure as they have in the past about their long-term prospects.”

Delving further into managers’ resumes, we find that 325 are high school graduates, 434 have some college, 312 have OEM training, 50 attended a tech/trade school, 8 have AA degrees, and 25 have MBAs.

The majority of respondents (36%) work for an independent dealership with one location, while 31% work for a regional dealership with more than one location. Another 18% work for a national publicly traded sales and service organization, 5% work for an OEM and 9% for a third-party service organization.

Most respondents are employed by an organization with $1-$10 million in annual revenues, followed by 31% who work for a company with annual revenues of $10,000,001-$50 million.

Fully 32% of managers responding to this year’s survey work for a company that employs 25-50 people, while 31% work for a company that employs 51-100. Another 17% work with a company that employs less than 25 and 16% work for a company that employs 101-500.

Most respondents (288) supervise 21-50 people. Another 268 supervise 1-10 people, while 265 supervise 11-20, and 222 supervise 51-100. The biggest increase in this year’s survey is those who supervise 201-500 people. This number rose to 115 from a modest 12 in the 2004 survey.

“While this may be the result of a different group of individuals responding to the survey than last year, it also may be indicative of dealerships opening branch offices and adding new people,” Grandelis says, “as well as service managers taking on added responsibilities for other areas and departments within their organizations.”
Managers are also logging their share of hours during the week just like the service techs and sales managers profiled in the previous two surveys that have been published in ENX during the past two months. The average number of hours worked is 49.7, an increase of 0.6 hours from 2004 and 1.7 hours more than respondents noted in the 2002 survey.

“I can easily put in 50+ hours per week and sometimes as many as 55-60,” says Jesse Marino (not real name), a San Diego, Calif.-based service manager. The same goes for Jerry Larson (not real name), a Nevada-based service manager. “I’m working 50-60 hour weeks,” says Larson, who adds that the number of hours he works has actually gone down of late—primarily because his wife put her foot down about his workaholic lifestyle.

In addition to the time spent in the office, Larson logs a significant number of hours in the field with his service techs. After-hours is when he catches up on emails, checks inventories, and does paperwork. “I leave around 7 or so at night, and if I leave on time during the week, I’ll come in on Saturday to catch up on the ordering, e-mails, and all the different administrative stuff.”

“Again, it looks like these individuals are logging more hours not — only in the office but at home,” says Paul Schwartz, President of Copier Careers. “Technology is a wonderful thing, and it is enabling these folks to do their jobs 24x7 if necessary.”

Pay Day
Managers tend to be well compensated by their employers from a base salary perspective. Topping the list are Ops managers with an annual base salary of $73,290, followed by vice presidents of service at $73,234. Ops managers also had the biggest increase in their base pay from 2004 to 2005 as it increased by $1,450. That’s a small increase compared to last year when Ops managers saw their annual base salary rise $2,358.

General managers report an annual base salary of $72,545 while regional service managers are at $69,998, and service managers, $60,430. Consider that across the board, base salaries have been growing at an extremely modest rate (See graphic for more detail.) with the exception of 2003 when salaries — virtually across the board — were anywhere from $204 to as much as $2,548 less than the previous year. Of course, those figures reflected the post 9/11 turbulence in the industry and the overall economy.

No big surprises on the other non-cash and indirect cash rewards managers receive. Fully 99% receive health benefits, 69% a company car or car allowance and 33% receive 401(k) match.

Looking at the non-cash and indirect cash rewards they received during the past 12 months, management estimates those at $17,898, a $766 increase from 2004. Contrast that with the first year of the survey in 2002 when that figure was $28,121 before declining to $16,249 in 2003.

Over the past three years stock options have become almost a non-factor in these surveys. That in 2002 stock options granted in the past 12 months were valued at $53,234 before dropping to $9,332 in 2003. Surprisingly, stock options have made a slight rebound in 2005 rising $111 to $6,999 from 2004. But no need to get carried away or even assume there is any positive trend here and that those numbers will ever return to where they were prior to 9/11.

When asked to estimate the value of their current options held, both vested and unvested, no matter when they were granted, the current figure is $21,202, a $1,878 increase from 2004. Placing that in a historical perspective, that figure was a whopping $72,345 in 2002 before declining by $54,691 to $17,654 in 2003.

“My boss,” says Grandelis, “Some of those things have faded away and they’ve digressed into being structured along the guidelines of performance even from a management level. At least that’s what I’m hearing from my talks with managers across the industry.”

Satisfaction Not Guaranteed
Despite what seems to be generous compensation packages, managers’ satisfaction with their total compensation package seems to be on the decline this year over last, although the latest satisfaction levels haven’t declined as much as in previous years. This year, only 16% were very satisfied and 22% were satisfied, while 38% were neutral. Some 16% were dissatisfied and 8% said they were very dissatisfied.
Larson, who has been in the industry for some 20 years, is content with his salary. “I’m satisfied,” says Larson. “It can always be better, but they take care of me here.”

**Things That Matter**

What matters most to these folks about their jobs has changed slightly over the years. The top five items that matter most to service managers are:

1. **Bonus Opportunities** – 87%
2. **Benefits** – 85%
3. **Financial Stability of Company** – 74%
4. **Base Pay** – 69%
5. **Job Stability** – 56%

In 2002, the first year of the survey, the top five responses were:

1. **Benefits** – 62%
2. **Base Pay** – 61%
3. **Financial Stability of Company** – 44%
4. **Opinion and Knowledge is Valued** – 42%
5. **Tools and Support to Do My Job** – 34%

Note that in 2002 only 19% listed "Bonus Opportunities" and 20% said "Job Stability."

““It seems like bonuses have replaced stock options as a way to increase the compensation package," Schwartz says.

It’s also worth noting that what matters most to managers remains consistent with last year’s survey across virtually all categories – with the biggest deviations being modest 4% increases for “Effective Career Path Planning and Support” and “Benefits.” Everything else is identical or up or down only 1-3 percentage points.

As a refresher, last year’s survey saw “Bonus Opportunities” rise a whopping 86% up to 89% and “Opinion and Knowledge” drop 28%, to just 3%. That’s just about where those numbers are again this year.

For Larson, it’s not just about the money. “Some places offer you a lot of money, but you’re not happy with the environment,” he says. “The owners here take really good care of me. If I need time off, they give it to me. They basically let me run the service department without micromanaging me. It’s like a family, and that’s what I love about working here. I can get paid more at other dealerships, but I’ve turned them down. It’s all about comfort.”

**Scanning the Classifieds**

Despite being fairly well compensated, managers are still scanning the classifieds or are willing to listen to offers. Indeed, the number of managers who say they are either “actively” or “somewhat” looking for new jobs rose 6% from 2004. This year, 20% are actively looking and 63% are somewhat looking, while 17% are not looking. Back in 2002, 9% of respondents were actively looking and 61% were somewhat looking.

Those looking are primarily interested in higher compensation (76%), followed by the response of “Job market opportunities are too good to pass up.” Other popular reasons for keeping options open are “More job stability” (39%), “Move to a different geographical area” (38%), and “Don’t like present company’s management/culture” (36%).

“The number of managers who say they are somewhat looking can be deceptive,” Schwartz notes. “Most of these folks are relatively complacent and content in their current positions, even though they are keeping their options open. But realistically, where are they going to go? They’ve been there 24 years and their salaries have hit the ceiling.”
“These people are pretty stable and somewhat savvy, but from what I’m seeing in the industry, there aren’t that many service management opportunities available,” adds Grandelis. “A good tech becomes a service manager, but very few of them make that jump to general manager or operations manager. They usually come from somewhere else in the organization. Ultimately, it’s a ceiling level job.”

That’s been the problem for Marino, who is actively looking for another position in the industry. “They keep telling me I’m over-qualified,” he says. “But how can you be over-qualified in an industry you’ve been working in for 30 years?” That said, he concedes that he’s had to lower his salary expectations and figures if he finds a similar position in Southern California it’s going to be in the $50-$60,000 range while the exact same position might be in the $40,000 range in Arizona, where he is also looking.

One place they can go, say Grandelis and Schwartz, is to start their own dealership. “We’ve seen that with a couple of clients in Chicago and Minneapolis,” Schwartz notes. Larson has worked for a number of companies in the industry during the past 20 years, but at this point he is happily settled in with his current employer, where he’s been for the past three years – and isn’t looking. But he’s “been there, done that” – primarily because he’s found himself in the wrong place at the wrong time with two previous employers.

Ownership changes at the two other previous dealerships where he’s worked resulted in personnel changes at the service level – and Larson was one of the unfortunate folks who got his walking papers. “It wasn’t my choice to leave,” says Larson, who admits it’s been very frustrating. “I worked in a Southern California office and made it number one – and then they asked me to move to Reno and run that office because it was going downhill. So I came up here and made it number one – productivity went up, sales went up – and then they went and changed upper management, and I was asked to leave.”

**Attraction and Retention Levels**

Attraction and retention levels seem to be where most employers falter in these salary surveys, and service managers are quite vocal about their employers’ performance in these areas. Only 12% of respondents say their employers do an excellent job of attracting copier industry employees, while 20% say they do a good job. Fully 25% rate their employer’s efforts as fair – an increase of 9% over last year – while 21% say they do a poor job, and 19% do a totally unsatisfactory job. The latter two responses are identical to 2004.

Looking back at the first year of the survey, 27% rated their employers as poor in attracting copier industry employees and 10% called them totally unsatisfactory.

Employers also need to do a better job of retaining copier industry employees, in the eyes of managers. Here, just 15% say their company does an excellent job, while 17% rate their efforts as good and 28% say fair. Another 29% give their employers poor marks for retention, and 11% say those retention efforts are totally unsatisfactory. Those numbers, by the way, have been fairly consistent for the past three years, compared to 2002 when 22% of respondents said their employers did an excellent job and 23% said their employers did a good job of retaining copier industry employees.

“There are common frustrations across the industry and across job titles within a dealer organization,” Grandelis says. “Good people are hard to find, but they’re out there – and employers need to do a better job of attracting and retaining key talent. It’s an issue that’s been prevalent ever since we started the survey, and it doesn’t look like it’s going to be any less of an issue anytime soon.”

That said, Grandelis feels employers need to be realistic in what they’re looking for and what they’re willing to pay. “I see an employer looking for a printer technician, but he’s hoping to hire a rocket scientist,” he says. “You can’t hire a printer technician and make him behave like he’s a research and development engineer. Or sometimes they’re looking for phantom people – a guy who makes $30,000 a year, yet the industry is paying $70,000. How are you going to get someone to work for $30,000-$45,000 when they’re making $65,000-70,000?”

Larson says that the dealership he works for does a good job in retaining employees. “We retain them pretty well,” says Larson. “The owners listen to the managers, and if I want to give my techs a raise or a bonus they’ll do that.”

He says it’s not like another organization he worked for where, if techs didn’t produce a certain amount, they’d try to get rid of them rather than working with them. “Over here, if I have an issue with a technician, it’s my responsibility to work with him and get him on the right path,” notes Larson. “They let me do that here. That’s why I’m happy with this company. They always do what we need to do.”

**Last Lines**

“There’s no doubt that these folks have gone about as far as they can in their dealerships and in the industry, other than starting their own business,” Schwartz says. “If we can derive anything from these results it’s that service managers are well paid, generally satisfied with their compensation and their employer, and are settled comfortably into their positions. And that’s something a lot of people in this industry can’t say.”

See previous Salary Surveys at www.CopierCareers.com