

2012

Service Manager Salary Survey

Shortage of hybrid techs leaves service managers scrambling for qualified staff

Whichever way you look at it, copier service managers were spared the worst of the recession. Making a comfortable income at a steady job in a stable industry, they had it better than many. But it hasn't been easy. Quite the opposite. Over the past five years, copier service managers have been forced to embrace a new and technically demanding business model at a time when budgets for training and new hires have been minimal at best. The result has been uncertainty and stress.



completed our online questionnaire between March 1, 2011 and March 1, 2012. While all the respondents manage a team of service professionals, the particularities of that team vary widely depending on the size and organizational structure of the dealership. Twenty-three percent of this year's service managers work for a single-location independent dealer, 37 percent work for a multi-location regional dealer, and the remaining 40 percent are employed by a national sales and service organization or an OEM. They supervise anywhere from five to 500 employees.

“Over the past few years, dealerships have stretched themselves very thin, especially in the service department,” says Jessica Crowley, head of recruiting for Copier Careers. “Service managers and their staff have been working longer hours just to keep up, and those heavy workloads have taken a toll. The good news is that dealerships are finally able to hire again. The bad news is they're finding it difficult to find MPS-ready staff.”

THE 2012 SALARY SURVEY

Over the past decade, Copier Careers—a nationwide recruiting firm dedicated exclusively to the document imaging industry—has published an annual salary survey for three categories of copier industry employees: service technicians, sales managers, and service managers. Our survey tracks a wide variety of metrics that reveal how well copier professionals are compensated, how happy they are in their current positions, and how well their employers are meeting their expectations.

This year's Copier Careers Service Manager Salary Survey reflects the responses of 1,707 service managers who

THE COMPENSATION SITUATION

The average base salary for a copier service manager has risen \$1,191 over the past year, from \$77,237 in 2011 to \$78,428 today. Salaries vary significantly depending on job title and responsibility level, with plain old Service Managers earning the lowest average base (\$71,010) and Operations Managers earning the highest (\$83,887). The middle ground comprises Regional Service Managers (\$75,002), VPs of Service (\$79,040), and General Managers (\$83,201).

Since 2002, we've seen a constant upward trend in service manager base salaries, but we've also seen an upward trend in the overall number of hours service managers work each week. In 2002, the average service manager worked 48 hours per week and earned a base salary of \$69,025, which works out to an hourly wage of approximately \$27.65. This year, with a base salary of \$78,428 and 52.5 hours on the job, the average service manager makes around \$28.73 hourly, only \$1.08 more per hour than he did a decade ago; adjusted for inflation, it's six dollars less. Compound this with a decline in the

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quality of health benefits, a reduction in 401(k) match programs, and a loss of value in employer stock options, and it becomes clear that dealerships are not compensating their service managers the way they used to.

AN INDUSTRY IN FLUX

As a group, service managers are known for their loyalty, their stability, and the length of their tenure. This year's average service manager has worked in the copier industry for 23 years, and has spent 14 of those working for his or her current employer. Through it all, the job has been shaped by the quickening pace of technological and organizational evolution.

"Since we founded Copier Careers 25 years ago, a series of major changes have taken place in the industry," says Paul Schwartz, president of Copier Careers. "There was the switch from analog to digital. There was the era of industry consolidation. There was the transition from black and white to color. These were all significant, but MPS is bigger because it affects every aspect of the dealership."

MPS is also bigger because, unlike the switch from analog to digital or from black and white to color, it requires technical staff to completely rethink their relationship to the hardware. For an otherwise egalitarian group of professionals, copier techs can be surprisingly elitist when it comes to the equipment they will and won't work on. But the days of disrespecting desktop printers and other lesser devices are over: today's tech has to be willing to troubleshoot any hardware that enters the managed network, regardless of pedigree. For service managers struggling to modernize their departments, this resistance to change is as much of a limitation as any technical deficiency, and in some cases it can be more difficult to overcome.

"We've always said this is a very stable industry, and that's still true," says Schwartz. "But we're at a point where technology has evolved so much and the model of a dealership has changed so much that we're experiencing some turbulence. As a result of these changes, it's getting more difficult to find both service technicians and service managers who are qualified to work in an MPS environment."

LAW OF SUPPLY AND DEMAND

While in 2002 nearly 50 percent of service managers said their companies did a good or excellent job of attracting new employees, this year that figure has fallen to 17 percent. This change likely reflects less on employers' recruiting efforts than it does on the availability of qualified staff. Ten years ago it was easy to find a qualified (if not OEM trained) technician because basic electromechanical skills have never been in short supply in this industry. Networking ability, however, is a rarer commodity, and to thrive in the networked environment a technician needs both break/fix and MPS skills. Unfortunately, now that dealerships are ready to start hiring technical staff again, they're finding that the demand for MPS-ready techs is far outstripping the supply. The only solution appears to be training: service managers are going to have to invest heavily in recruiting and training fresh faces.

"People ideally want to hire 3–5 year techs who are OEM and network trained, but they can't find them," Schwartz explains. "The supply of these new hybrid technicians is very small, so competition is stiff to get them on your team. Right now, we just need more people to come up through the ranks. Because the available supply is so limited, we're probably going to see dealerships bringing in new people from outside the industry and training them in—there's no other way to deal with this shortage."

WHEN IS ENOUGH ENOUGH?

In the past few years, copier service managers have faced considerable organizational and technical challenges during one of the worst periods in recent economic history, and for the most part they've overcome those challenges with aplomb. The question is, how much more can they take? Building tomorrow's service departments is going to take a fair amount of vision and a whole lot of work, and at this point the average service manager is beyond burned out. With 97 percent of service managers reporting that they're either actively or passively searching for a new job, dealership principals would be well advised to find some room in their budgets for pay increases: it's almost certain that their service managers are overdue for a raise. —CC

1,707 copier service managers participated in the 2012 salary survey. The average respondent has worked in the industry for **23** years, and has spent the last **14** of those years with his or her current employer.

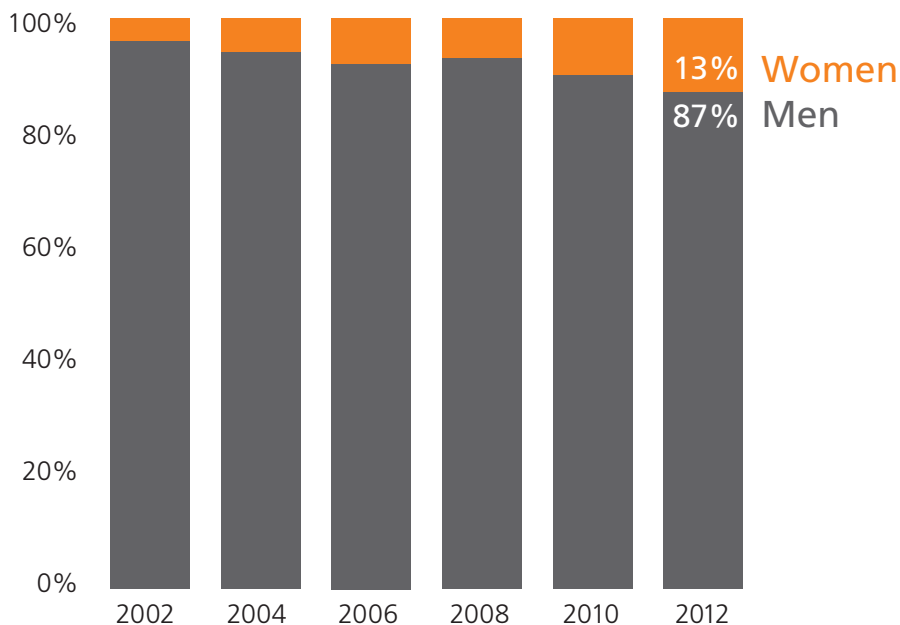
HOW MANY EMPLOYEES DO YOU SUPERVISE, BOTH DIRECTLY AND THROUGH SUBORDINATE SUPERVISORS?

1-10	22%
11-20	23%
21-50	20%
51-100	18%
100-200	8%
201-500	9%

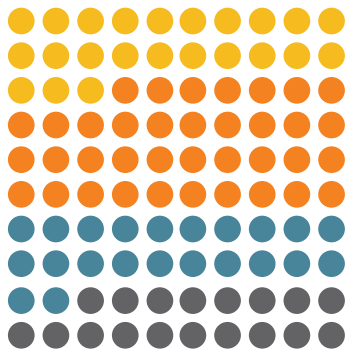
WHAT IS YOUR HIGHEST LEVEL OF EDUCATION?

HS diploma	22%
Some college	41%
OEM training	23%
Tech/trade school	8%
AA degree	4%
MBA	2%

GENDER



WHO DO YOU WORK FOR?



Indie dealer with one location (23%)
 Regional dealer (37%)
 National sales & service organization (22%)
 OEM (18%)

HOW MANY EMPLOYEES DOES YOUR COMPANY HAVE?

24 or fewer	4%
25–50	13%
51–100	34%
101–500	28%
501–1,000	18%
1,001 or more	3%

WHAT IS YOUR COMPANY'S ANNUAL REVENUE?

\$1–10 million	22%
\$10–50 million	39%
\$51–100 million	30%
More than \$100 million	9%

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This year, only **17** percent of service managers said their employers are doing a good or excellent job at attracting employees, and only **15** percent said they're doing a good or excellent job retaining employees. A decade ago, these figures were closer to **50** percent. The change coincides with a sharp decline in the availability of qualified technical staff.

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Salary

For copier service managers, salary has failed to keep pace with increases in the cost of living. Adjusted for inflation, service manager salaries are actually smaller than they were a decade ago.

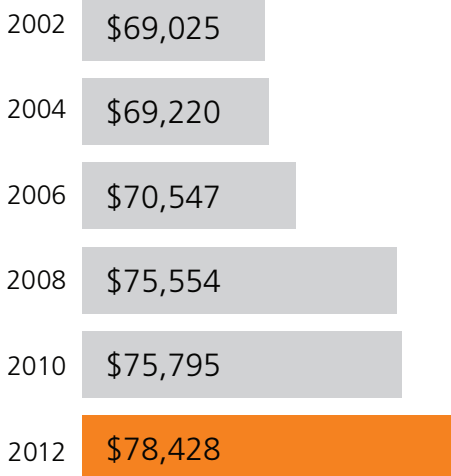


CURRENT ANNUAL SALARY BY JOB TITLE

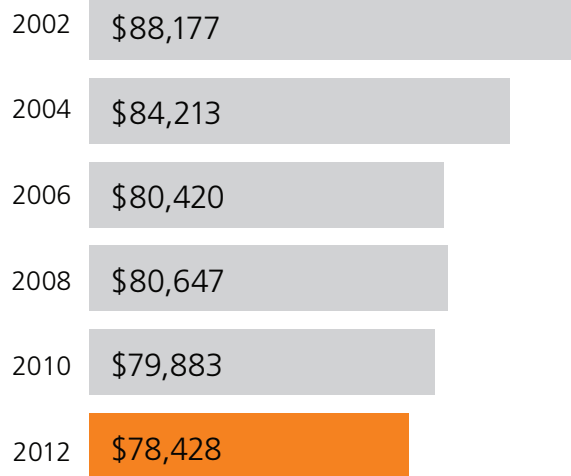
Operations Manager	\$83,887
General Manager	\$83,201
VP of Service	\$79,040
Regional Service Manager	\$75,002
Service Manager	\$71,010

17 percent of service managers participate in a company profit sharing program. The average estimated value of each respondent's stock is **\$16,554.**

AVERAGE ANNUAL SALARY (ACTUAL)



AVERAGE ANNUAL SALARY (IN 2012 DOLLARS)



Other compensation

As the technical complexity of document imaging has increased, bonuses and reimbursements for education, training, and certification have become a more commonplace incentive for copier service managers.

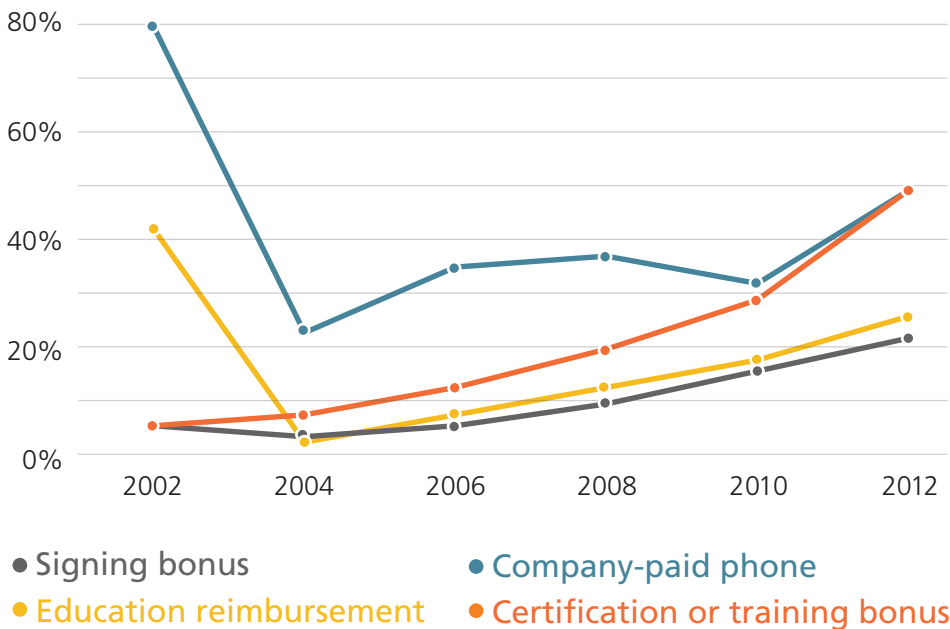
TOP 5 REASONS SERVICE MANAGERS RECEIVE BONUSES OR DIRECT CASH PAYMENTS

1. Personal performance
2. Company profit sharing
3. Certification or training
4. Project milestone completion
5. Signing bonus

TOP 5 REASONS SERVICE MANAGERS RECEIVE NON-CASH/INDIRECT CASH AWARDS

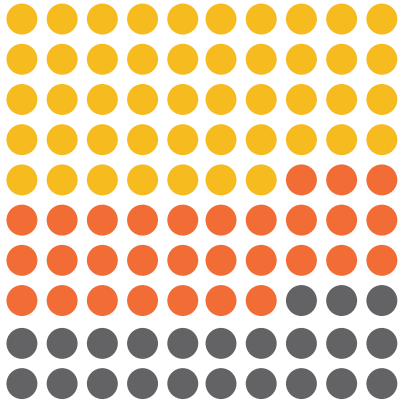
1. Health benefits
2. Company car or car allowance
3. Company-paid phone or internet
4. Certification reimbursement
5. Further education or training

PERCENTAGE OF RESPONDENTS WHO RECEIVED CASH BONUSES/NON-CASH COMPENSATION



Satisfaction

SATISFACTION WITH COMPENSATION



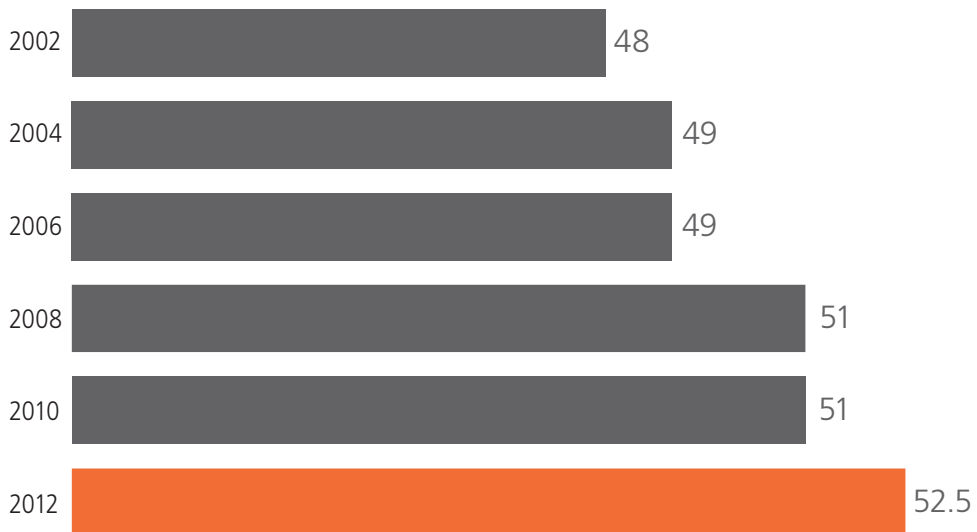
Satisfied (47%)
Neutral (30%)
Dissatisfied (23%)

SATISFACTION WITH ALL ASPECTS OF THE JOB



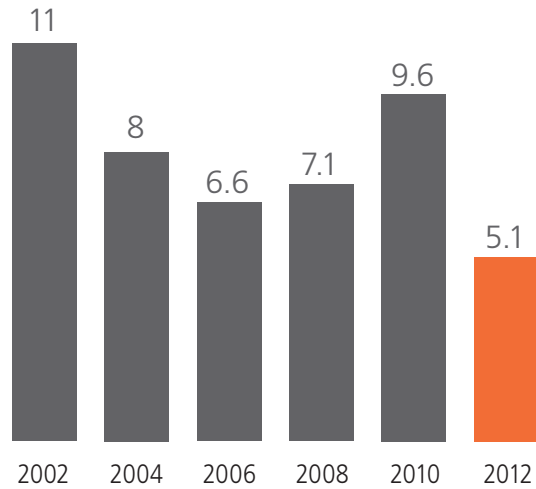
Satisfied (47%)
Neutral (24%)
Dissatisfied (29%)

AVERAGE HOURS WORKED PER WEEK



The number of years service managers expect to stay with their current employers has trended downward for the past ten years.

NUMBER OF YEARS YOU EXPECT TO STAY AT YOUR PRESENT COMPANY



ARE YOU CURRENTLY LOOKING FOR A NEW JOB?

Yes, actively	38%
Yes, somewhat	59%
No	3%

TOP 5 REASONS SERVICE MANAGERS ARE LOOKING FOR NEW EMPLOYMENT

1. They want higher compensation
2. Job market opportunities are too good to pass up
3. They're seeking greater job stability
4. They want a less stressful job
5. They want to work for a more dynamic company

About us

Copier Careers is a recruiting firm dedicated exclusively to helping independent copier dealers find experienced service techs, copier sales reps, managers, controllers, back office staff, and MPS experts. Learn more about our commitment to the industry at www.CopierCareers.com.

