2014

SALES MANAGER
SALARY SURVEY

CopierCareers®
In our 2013 Sales Manager Salary Survey, we wrote: “Sales managers are now beginning to understand the depth and breadth of solutions. And they’re starting to realize there are a variety of opportunities out there, both within and outside of traditional copier dealerships. These are the signs of an evolving industry.”

Fast-forward one year, and the changes that were just starting to emerge in 2013 have now firmly taken hold. The biggest pieces of the puzzle—technology, education, compensation, and enthusiasm—have come together over the past year, and the results are striking: double and triple digit growth in dealer revenues, swift increases in sales manager commissions, and a rising realization among sales professionals that the copier channel is no longer just a place to pass through on the way to IT or pharmaceutical sales jobs. On the contrary, the copier channel has become—perhaps for the first time in its history—a true destination industry for sales professionals. We have arrived.
In each of the past 12 years, Copier Careers has conducted detailed yearly salary surveys of copier channel service technicians, service and operations managers, and sales managers. In 2011, we added a survey of copier channel sales representatives. The surveys track numerous data points and measure how well copier professionals are compensated, how happy they are in their jobs, and how well their employers are satisfying their needs. This year’s Sales Manager Salary Survey reflects the responses of 1,069 copier channel sales managers who responded to our online survey between March 1, 2013 and March 15, 2014.

The largest group of survey respondents (44%) work for independent dealerships. The rest work for multi-location regional dealers (24%), national sales and service organizations (14%), OEMs (16%), and other employers (2%). For the first time in our survey’s history, women account for more than 30 percent of all copier sales managers, an increase of 24 percent since 2004.

COMPENSATION
Although sales manager compensation dipped slightly during the Great Recession, by 2011 it had returned to growth mode. Since then, total average compensation has grown by more than $30,000, driven largely by increases in sales manager commission. This year, average annual base pay came in at $57,525 and average annual commissions amounted to $86,209 for a total of $143,734—a 4.4 percent rise since 2013. While these increases in sales manager compensation are naturally tied to sales growth, it is likely that they are also closely linked to improvements in the way dealerships are structuring their sales compensation plans.

“Over the past year or so, companies have gotten much better at knowing how to compensate their sales staff for managed print and managed network services and solutions,” says Jessica Crowley, Director of Recruiting for Copier Careers. “When these technologies first began to be implemented, compensation plans suddenly got very complex and a lot of sales professionals felt they weren’t being compensated fairly. Thankfully, it seems that many of those issues have worked themselves out now that dealerships have grown accustomed to the new solutions-based business model.”

Copier Careers president Paul Schwartz credits these improvements to the large numbers of new back office staff, controllers, and CFOs who have joined copier dealerships within the past few years. “Once MPS and MNS started gaining traction in the market, it became clear that the accounting and reporting methods many dealerships had in place were not sophisticated enough to handle the complexities of a solutions-based business model,” says Schwartz. “To deal with these challenges, dealerships have added large numbers of new back office staff over the past 24 months. The resulting process improvements have enabled dealers to restructure their compensation plans in a way that makes more sense for everybody.”

SELLING SALES MANAGERS ON THE RISE
During the same period in which the industry has made its successful transition to a solutions-based business model, we’ve seen tremendous growth in a position that just a few years ago was almost unheard of in the copier channel: the selling sales manager. That these two changes have occurred in tandem is no coincidence.

“In the past year, we have placed as many selling sales managers as we have traditional sales managers,” says Crowley. “When we first started advertising for these positions, we saw a lot of hesitation from candidates—the
widespread belief was that you could either be a good sales rep or a good manager, but that it wasn’t possible to do both. In a short span of time, however, those fears have subsided. People are beginning to realize not only that it’s possible to sell as well as manage, but that it’s possible do it with a very high level of success.”

According to Schwartz, the re-emergence of the selling sales manager in this industry is directly related to the rise of MPS and MNS.

“For several years, the selling sales manager really went out of favor in this industry,” he says. “But I think MPS and MNS made it viable again, because selling solutions has made it possible to sell a lot more with a lot less personal involvement. It’s a very different job now than it was five years ago.”

GROWING APPRECIATION FOR TECH

In our Service Technician and Service/Operations Managers surveys, we have written at length about the need for technical staff to be interested in and excited about new technologies. But the same enthusiasm for innovation that characterizes great hybrid technicians has also become an increasingly common trait on the sales side of the business, as sales managers have awakened to the sales potential of MPS and MNS.

In 2004, only 7 percent of sales managers surveyed said that the ability to work with innovative IT solutions was important to them. A decade later, that figure has risen to 71 percent—a tenfold increase. The percentage of sales managers who say they strongly value having a company-provided computer has also risen precipitously over the past decade, from 5 percent in 2004 to 95 percent today. While this figure is in part reflective of the larger role computers and the internet play in our daily lives, it also suggests a generational shift among copier channel sales managers.

“The older generation is retiring,” says Schwartz. “And these sales manager positions are increasingly being filled by a generation that is more excited about tech and more comfortable with technological advances.”

In addition, we’ve seen a significant increase in the percentage of sales managers who have received OEM training. In fact, the number of respondents who list OEM training as their highest level of education has nearly doubled over the past decade, from 194 people in 2004 to 375 today. While these numbers represent only a small fraction of total sales managers, they highlight the increasingly technical nature of the job. To successfully sell solutions, you have to have an understanding of the underlying technology that makes them tick. Employers have been working to improve the technical sophistication of their sales managers in a number of ways, most notably by increasing their support for educational programs. The number of sales managers whose employers reimburse them for certifications has increased by 31 percent since 2004, and the number who are reimbursed for further education or training has increased by 26 percent since 2004. Despite these efforts, however, it is a struggle for many dealerships to hire qualified sales managers, and for sales managers to hire qualified reps.

“Every sales manager or selling sales manager we talk to is in recruiting mode all the time,” says Crowley. “They simply can’t find enough people, fast enough. And of course the experienced, successful reps often have little interest in changing jobs—they’re already successful where they are, so it’s very difficult to convince them to make a lateral move to a new dealership. This is where the selling sales manager position can be used as a recruiting tool—it provides ambitious reps a path into management with less financial risk for the dealer.”

A DESTINATION FOR SALES

While there will probably always be a place for dealerships that simply sell boxes, it’s irrefutable that this industry has turned a corner. We are in now in a solutions business, and the hardware is primarily a delivery mechanism for software-powered services. Despite some initial growing pains for sales managers, the net change has been positive.

“As recently as four or five years ago, this was not a destination industry for sales professionals,” says Schwartz. “You’d work three or five years in the copier channel, then you’d move on to a more lucrative job in a more prestigious industry. But thanks to MPS and MNS, the whole game has changed. In many ways, the sales manager’s job is more challenging than it used to be, but it is also much more rewarding—financially as well as personally. Today’s copier channel sales managers have got a good thing going. And as time goes on, we believe it’s only going to get better.”
Demographics

Of the 1,069 copier channel sales managers who participated in this year’s survey, 70 percent are male, and 44 percent work for an independent copier dealership. Nearly three-fourths supervise fewer than ten people.
Compensation

Overall compensation for sales managers has been on the rise, with significant increases in commissions over the past few years. Dealership growth, solutions, and better compensation plans have all played a part.

### AVERAGE ANNUAL COMPENSATION, 2004–2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Base pay</th>
<th>Commission</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$42,211</td>
<td>$62,121</td>
<td>$104,332</td>
</tr>
<tr>
<td>2006</td>
<td>$44,322</td>
<td>$66,444</td>
<td>$110,766</td>
</tr>
<tr>
<td>2008</td>
<td>$48,678</td>
<td>$73,136</td>
<td>$121,814</td>
</tr>
<tr>
<td>2010</td>
<td>$48,699</td>
<td>$65,440</td>
<td>$114,139</td>
</tr>
<tr>
<td>2012</td>
<td>$54,231</td>
<td>$77,034</td>
<td>$131,265</td>
</tr>
<tr>
<td>2013</td>
<td>$56,400</td>
<td>$81,331</td>
<td>$137,731</td>
</tr>
<tr>
<td>2014</td>
<td>$57,525</td>
<td>$86,209</td>
<td>$143,734</td>
</tr>
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### SATISFACTION WITH COMPENSATION

- Very Dissatisfied (9%)
- Dissatisfied (20%)
- Neutral (24%)
- Satisfied (27%)
- Very Satisfied (20%)

### TOP NON-CASH/INDIRECT CASH AWARDS

1. Company car/car allowance (96%)
2. Health benefits (95%)
3. Certification reimbursement (31%)
4. Further education/training (28%)
5. Company-paid phone/internet (22%)

### TOP REASONS FOR RECEIVING BONUSES

1. Personal performance (97%)
2. Signing bonus (44%)
3. Certification/training (41%)
4. Project milestone completion (39%)
5. Retention bonus (27%)
Satisfaction

The number of sales managers who say they’re either satisfied or very satisfied with their jobs is now above 50 percent—fairly high numbers for this industry. In terms of job satisfaction, solution selling has been a boon for both selling sales managers and traditional sales managers.

OVERALL JOB SATISFACTION

<table>
<thead>
<tr>
<th>Satisfied (23%)</th>
<th>Very Satisfied (16%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>V. Dissatisfied (16%)</td>
<td>Dissatisfied (16%)</td>
</tr>
</tbody>
</table>

MOST IMPORTANT JOB-RELATED FACTORS

1. Bonus opportunities
2. My work is important to the company’s success
3. Benefits
4. Company-provided computer
5. Financial stability of company
6. Prestige/reputation of company
7. Base pay

ARE YOU LOOKING FOR A NEW JOB?

- Yes, actively (51%)
- Yes, passively (38%)
- No (8%)

TOP REASONS FOR SEEKING NEW JOB

1. Desire higher compensation
2. Job market opportunities are too good to pass up
3. Don’t like current company’s management/culture
4. Want to work for a more dynamic company
5. Seeking less stress

About Us

Copier Careers is a recruiting firm dedicated exclusively to helping copier channel employers find experienced service techs, copier sales reps, managers, controllers, back office staff, and MPS/MNS experts. Learn more about our commitment to the industry at www.CopierCareers.com or call 888-733-4868 to talk to a recruiter.

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