

# 2004 Service Management Salary Survey

Salaries are on the rise for service managers but so is job dissatisfaction among these well-compensated individuals.

by Scott Cullen

The results for CopierCareers.com 2004 Service Management Salary Survey are in and it reveals that although salaries are up on average and managers are generally content with their compensation, most are dissatisfied with their current employer and are open to new opportunities elsewhere. That dissatisfaction and openness to new opportunities is consistent with their sales manager and service tech counterparts who all seem to possess a "grass is always greener on the other side of the fence" mentality when it comes to their current employment situation.

## Job Description

This year's survey had 1,064 respondents, 33 more than in 2003. The breakdown by title represented in this survey is as follows: service managers (421), followed by vice president of service (222), general manager (201), regional service manager (112), and ops manager (108). Most respondents supervise directly or through subordinate supervisors more than 200 individuals.

What is your level of responsibility? Please choose the level that matches how you spend the majority of your time.	2002	2003	Variance	2004	Variance
Service Manager	388	395	7	421	26
Ops Manager	102	101	-1	108	7
VP of Service	203	213	10	222	9
General Manager	201	199	-2	201	2
Regional Service Manager (RSM)	124	123	-1	112	-11

## Personal Profile

Respondents are career copier industry folks, averaging 23.44 years in the industry. That's a modest -0.12% decrease from last year's survey where length of service averaged 23.56 years. These individuals have been with their present companies a total of 16.8 years, that's a -0.8% decline from last year when length of service to their present company averaged 17.6 years. When asked how many years they expect to stay at their present company before leaving, the response was 8 years, compared to last year when they noted 15 years. "That's a sign of instability or uneasiness about their current position," observes Paul Schwartz, president of CopierCareers.com. "That's pretty significant because that's about half of how long they said they intended to stay last year."

How many years do you expect to stay at your present company before changing jobs				
2002	2003	Variance	2004	Variance
11 years	15 years	4 years	8 years	-7 years

The majority of respondents (36%) work in independent dealerships with one location or regional dealerships with more than one location (33%). Fully 19% are employed by a national publicly traded sales and service organization. Another 10% are with a third-party service organization, 6% work for an OEM, and 3% noted other. Annual revenues of the organizations for whom these individuals work are mostly in the \$1-\$10 million dollar range (36%), followed by \$10,000,001-\$50 million (29%). Another 22% work for organizations with annual revenues of \$51-\$100 million, and 9% work for employers with revenues of more than \$100 million. Just 4% work for organizations whose annual revenues are less than \$1 million.

How many years have you been in the Copier Profession?				
2002	2003	Variance	2004	Variance
23.25 years	23.56 years	0.31 years	23.44 years	-0.12 years

An interesting observation from this year's survey is that the gender gap isn't as large as in previous years, although 94% of respondents are still male, which isn't all that surprising for anyone who circulates regularly with copier industry people. However, that's a 4% decrease from last year when only 2% of respondents were female compared to 6% in this year's survey.

## Working Stiffs

Just as sales managers and technicians are putting in more hours per week, service managers continue to work long hours as well, averaging 49.1 hours per week, a very modest -0.1% decline from last year when they averaged 49.2 hours per week. However, those numbers are right in line with sales managers who are clocking in at 49 hours a week themselves and service techs who punch the clock to the tune of 50 hours per week. Again, 49+-hour work week is very likely representative of the belt tightening that has been going on across the office equipment industry the past two years or so.

## Dollars and Sense

Annual base salaries for respondents vary depending on management position but the positive news is that salaries are up for all job titles within the service management segment. The highest compensation goes to vice presidents of service at \$72,813, followed by general manager, \$71,980. Ops managers have an annual base salary of \$71,840 while regional service

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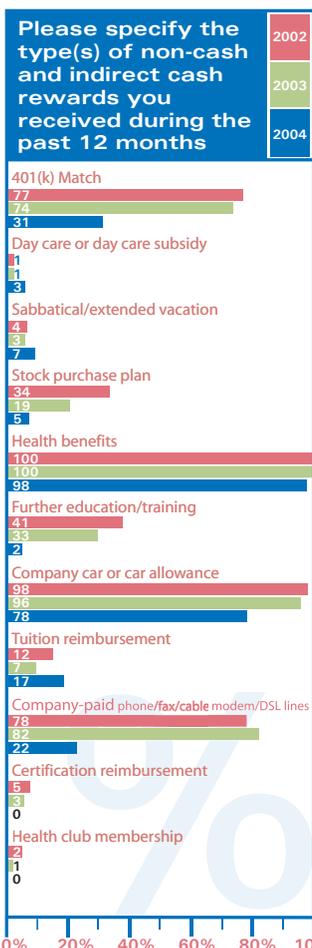
managers have an average base salary of \$69,367. The average annual base salary for service managers was \$60,099. "Wages are up a little bit for these people and it seems like they're being paid alright, but even so, they're still looking for other opportunities," notes Dave Grandelis, director of recruiting for CopierCareers.com. "Currently, there's not a lot of turnover in service management positions. It seems like there's a lot of talk, but not a lot of walk."

Ops manager report the biggest increase-\$2,358-in annual base salary over 2003 followed by vice presidents of service who average increases of \$1,524.

When asked to report the value of non-cash and indirect cash rewards they received in the past year, managers averaged \$17,132, an \$883 increase over the previous year. This may indeed be related to a rebound in the economy compared to last year when those rewards dropped \$11,782 from 2002. "We have seen an increase in spending among the independent dealerships and it appears that has trickled over to indirect cash rewards," reports Schwartz. "I see it as a positive sign for economic recovery that the little extras are once again on the rise."

Looking at the bonuses and other direct cash payments received by respondents, 63% of respondents receive bonuses for personal performance, 51% receive company profit sharing, and 45% reap rewards for project milestone completion. No other response yielded double-digit results, with the fourth most popular response being 7% who received certification/training bonuses or cash payments. While personal performance bonuses are up 10%, perhaps again reflecting an upturn in the economy and an upturn in business, down by 6% from last year's survey is project milestone completion. Also down by 5% are retention bonuses, which were received by 4% of respondents, and those who received no bonuses (3%), a 5% decrease from 2003.

Please specify your current annual base salary		2002	2003	Variance	2004	Variance
Service Manager		\$59,982.00	\$59,998.00	16	\$60,099.00	101
Ops Manager		\$70,392.00	\$69,482.00	-910	\$71,840.00	2358
VP of Service		\$72,300.00	\$71,289.00	-1011	\$72,813.00	1524
General Manager		\$71,454.00	\$71,250.00	-204	\$71,980.00	730
Regional Service Manager (RSM)		\$70,998.00	\$68,450.00	-2548	\$69,367.00	917



"Retention bonuses are down most likely due to supply and demand of candidates," says Grandelis. "The candidate pool is up with unemployment peaking out last year. However, we must take into account geographical location, cost of living and other contributing factors that may skew the numbers slightly from one dealership to another. A dealer in one local with a shortage of management talent may be required to pay a bonus because lack of supply of qualified managers where another dealership does not."

Respondents report certain non-cash and indirect cash rewards are on the decline, again reflecting the belt tightening that has been going on throughout the industry the past two years. 401(k) Match rewards are down 43% with only 31% of respondents enjoying this benefit. Down a whopping 60% are managers with company-paid phone/fax/cable modem/DSL lines, which only 22% now receive. Also down a significant 31% are those receiving rewards for further education/training with only 2% saying they receive this perk. Other areas down double digits include stock purchase plan (-14%) from 19% in 2003 to 5% this year, and company or car allowance (-18%), with 78% noting they receive this benefit compared to 96% in 2003. One area that is up (+10%), however, is tuition reimbursement-17% this year compared to 7% last year.

Stock options continue to slide downward with the current value of respondent's stock options granted in the past 12 months estimated at \$6,888. That's down \$2,444 from 2003 but not as bad as a drop off from 2002 when stock options plummeted \$43,902. Meanwhile, the estimated value of all current options, held, both vested and unvested is up \$1,670, from \$17,654 in 2003 to \$19,324 in 2004.

When asked how satisfied they were with their total compensation package, the majority of respondents (36%) were neutral on the matter. That's an 18% increase from last year. Fully 19% were very satisfied, down 7% from last year, and 21% were satisfied, down 4% from 2003. While one may view these responses as a glass half full situation, it's safe to say that managers seem to be generally satisfied with their overall compensation. Overall, fewer respondents (13%) were dissatisfied with their total compensation package, compared to 20% in 2003. The number of managers very dissatisfied remained stable from last year at 11%.



## Things That Matter

In a profession where bonuses are a nice compliment to the annual base salary, it's not surprising that when asked what matters most to

you about your job, "Bonus Opportunities" was the top response at 89%. The second most popular response was benefits with 81%, followed by financial stability of company at 72%. Other popular responses included base pay (69%), job stability (55%), my opinion and knowledge is valued (45%), and recognition for work well done and prestige/reputation of the company, which were tied at (44%). The latter was up 13% from last year.

The biggest deviation from last year's survey in things that matter is in bonus opportunities, where only 3% of last year's respondents cited that factor, leading to a variation of 86%. Other responses that garnered larger responses over last year's survey were job atmosphere, cited by 29% of respondents, up 24% from last year, and financial stability of company, a 20% increase over 2003. "It appears in this study that it's all about the money," notes Schwartz.

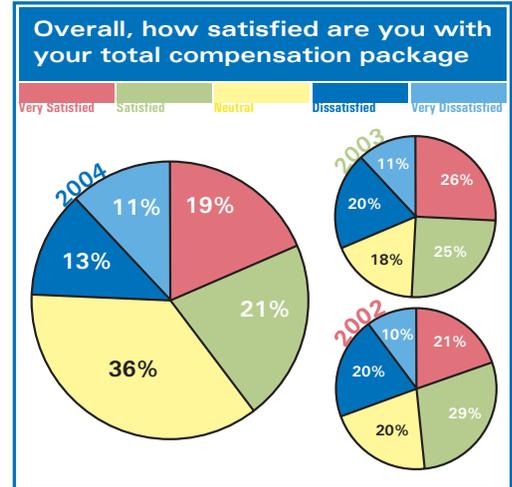
Declining in popularity were potential for promotion, cited by just 3% of respondents, a decline of 28%, and geographic location of job, noted by 12%, a drop of 9% from 2003. Telecommuting/work at home also saw a 7% decline from 29% in 2003 to 22% this year.

## Job Satisfaction

Despite rising salaries, service managers are less satisfied with all aspects of their jobs in 2004, with 22% noting they are very satisfied compared to 31% in 2003. Pretty much the same number of respondents 24% compared to 23% last year are satisfied with all aspects of their jobs while 24% remain neutral, the same figure as last year. If one considers a neutral response as positive, then 70% remain generally satisfied, an overwhelming majority of respondents. Although fewer respondents (10%) are dissatisfied with their jobs in this year's survey, compared to 20% in 2004, the 2004 survey finds that 20% of respondents are very dissatisfied with their jobs compared to 2% in 2003. Overall, those dissatisfied or very dissatisfied rose 8% over last year. "That's a reflection of economic times when things were touchy in the market," explains Grandelis. "It's only natural for people to become a little disgusted about their company and not feel as positive as they should be feeling."

Overall, how satisfied are you with all aspects of your job, including compensation, benefits and other aspects of your employment relationship?	2002	2003	Variance	2004	Variance
Very Satisfied	34%	31%	-3%	22%	-9%
Satisfied	22%	23%	1%	24%	1%
Neutral	21%	24%	3%	24%	0%
Dissatisfied	20%	20%	0%	10%	-10%
Very Dissatisfied	3%	2%	-1%	20%	18%

If you have been granted stock options during the past 12 months, please estimate their current value				
2002	2003	Variance	2004	Variance
\$53,234	\$9,332	-\$43,902	\$6,888	-\$2,444



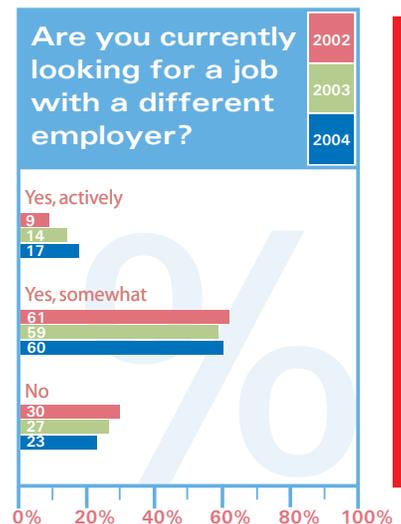
Adds Grandelis, "It appears they are happy with compensation but other issues in the dealership are irking them. Maybe they feel they don't have enough control regarding their decision-making. I believe sometimes they're out of the picture from a management point of view and that can weigh heavily on how they feel about their job."

## Looking for Work

Like their service technician and sales manager counterparts in the previous two CopierCareers.com salary surveys, the majority of service managers claim they are currently looking for a job with a different employer. Fully 17% are actively looking and 60% are somewhat actively looking, a 3% and 1% respective increase from last year. Meanwhile, 23% are not looking compared to 27% a year ago. That 23% may know something the other 77% doesn't know. "There's not a wealth of management opportunities out there," explains Grandelis who notes that there are a number of former management personnel from Danka and IKON who are now without jobs. "There's a lot of supply out there now but not much demand," says Grandelis, who adds that some of those folks pounding the pavement have been overpaid and have run the market too high and aren't having a lot of luck finding positions with similar compensation.

When asked why they are looking for a new job, the top response was higher compensation (71%), followed by job market opportunities are too good to pass up (51%), more job stability (44%), and move to a different geographical area (35%). Another significant reason why 33% of respondents are looking is because they don't like their present company's management/culture.

The biggest deviations from last year's survey to this year's can be found in job market opportunities are too good



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to pass up where only 4% offered this response last year, and higher compensation where 41% gave this response in 2003. Only 22% of respondents are looking for more responsibility, down 7% from 2003.

## Rating Their Employers

Managers aren't hesitant to rate their employers, and when asked how their organization compares to its peers in attracting and retaining copier industry employees 11% noted excellent, 21% said good, 16% reported fair, 21% said poor, 19% said totally unsatisfactory, and 12% didn't know. While 5% fewer respondents noted their employers efforts were poor or unsatisfactory compared to last year, these responses along with the reasons managers are looking for a new job reflect the grass is always greener mentality that many employees seem to possess.

When asked how good of a job their employer does at retaining copier industry talent, 18% noted excellent, 13% said good, and 25% said fair. Another 26% reported their employer's efforts were poor, and 18% said totally unsatisfactory.

"Service managers have become more disgruntled and a little less satisfied with their jobs, but they aren't big risk takers willing to make a move," says Grandelis. Once again he speculates that some of this dissatisfaction is because of the nature of the job and that they often aren't involved in upper management decisions about running the business. "Service managers aren't as involved as a GM in running the business and don't usually know exactly what goes on behind the scenes and the reasons for back office decisions," explains Grandelis.

While Grandelis is uncertain as to what the service manager's relationship with ownership, he believes they're still looking for recognition. "They want a pat on the back and are another group of people who just want to be given kudos for a job well done." ♦



### About Scott Cullen

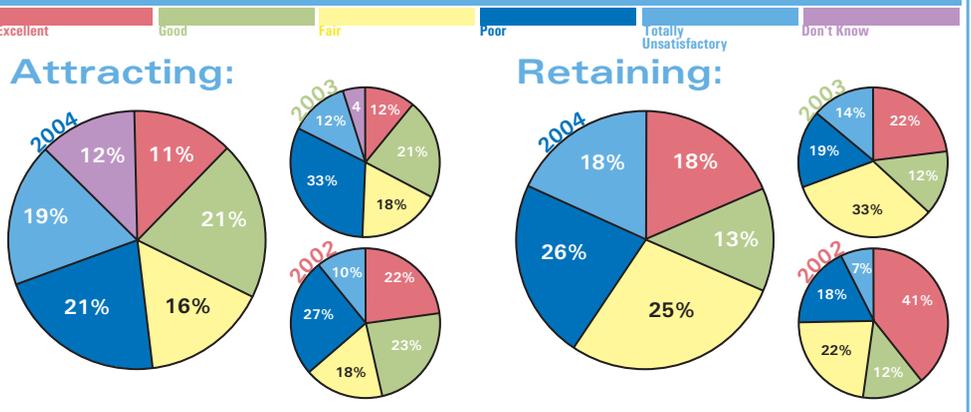
Scott Cullen has been writing about the office equipment industry since 1986. He is currently editor of *Office Solutions* and *Office Dealer* magazines and a contributing editor to *ENX* magazine as well as a frequent contributor to other industry publications.

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## Why are you looking for a new job?

	2002	2003	Variance	2004	Variance
Stock options	71%	2%	-69%	3%	1%
More dynamic company	51%	12%	-39%	11%	-1%
Personal/family needs	22%	21%	-1%	25%	4%
Want to join a startup company	3%	1%	-2%	1%	0%
More job stability	34%	41%	7%	44%	3%
Move to a different geographical area	34%	35%	1%	35%	0%
Higher compensation	61%	41%	-20%	71%	30%
More responsibility	31%	29%	-2%	22%	-7%
More interesting work	23%	22%	-1%	19%	-3%
Don't like present company's management/culture	33%	31%	-2%	33%	2%
Job market opportunities are too good to pass up	54%	4%	-50%	51%	47%
Seeking less stress	12%	15%	3%	16%	1%

## Compared to its peers, please rate how good a job your company does at Attracting and then Retaining Copier Industry employees



### About Copier Careers

**Paul Schwartz, President**

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.

Copier Careers can be reached at: 888-733-4868 and [mail@CopierCareers.com](mailto:mail@CopierCareers.com)



### Dave Grandelis, Director of Recruiting

Dave Grandelis has been the director of recruiting at Copier Careers since early 2002. Grandelis was a leading producer for TechNet Staffing Services recruiting high-end contract and direct engineers primarily for the computer, aerospace and architectural-engineering industries. A 1992 Michigan Technological University graduate with a BS/BA in Industrial Management, he will draw from past experience in recruiting, manufacturing sales, customer service and collections. Grandelis says, "Recruiting gives me the opportunity to use all of my business skills. Whether it is an initial contact with a candidate or negotiating with a client, this is what I enjoy. The opportunity to assist clients and candidates and bring people together is very rewarding."

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