

2006 Copier Careers Sales Manager Salary Survey

Sales managers are well compensated, but continue to keep their options open for better opportunities.

By Scott Cullen

It's not a bad time to be a sales manager in the copier industry. Base salaries remain healthy, as do commissions. That doesn't mean sales managers are satisfied. The 2006 Sales Manager Salary Survey from Copier Careers (www.copiercareers.com), a recruiting organization that places experienced imaging professionals within independent dealerships across the United States, finds that most are looking around despite earning, on average, six-figure salaries.

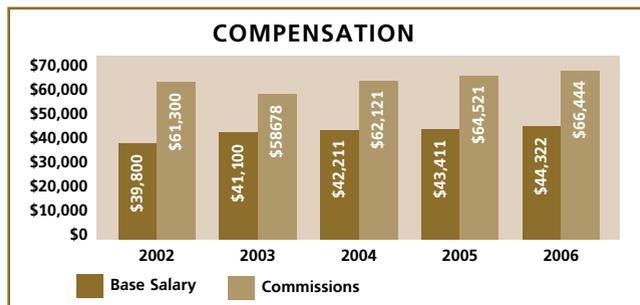
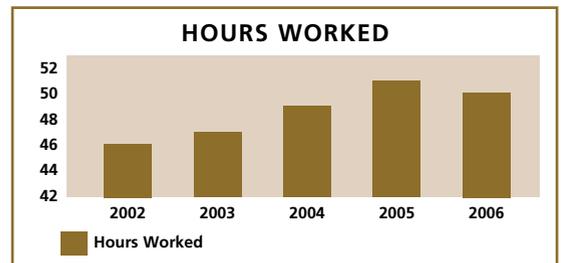
It's About Time

Copier industry employees across the board are a hardworking lot. In 2006, sales managers are clocking in to the tune of 50 hours per week, compared to 51 in 2005. That's up from 46 hours in 2002.

Eric Johnson, branch manager with Digital Imaging Systems in San Diego, California, logs about 60 hours per week. A significant portion of the extra hours he puts in is spent counseling sales reps on work-related and personal issues. "A big part of my job is motivating people and keeping them on a steady track," he says.

Ken Harouff, a sales manager for a Louisville, Kentucky-based dealership puts in about 46-47 hours per week. "I spend a lot more time looking for salespeople," responds Harouff when asked what's been the biggest change in the position.

Bill Gross, total solutions manager for a Philadelphia area Toshiba dealer, is working 50+ hours per week. "It's mostly setting the pace for my salespeople," says Gross. "In order for them to be successful, I need to be here when they arrive in the morning and then when they get back here at night." Putting together solutions for customers, rather than selling boxes, also contributes to Gross' longer hours.



Pay Stubs

Base salaries for sales managers continue their modest yearly climb. The average base salary in 2006 is \$44,322, up from \$43,411 in 2005. In 2002, the first year of the survey, the base salary was \$39,800.

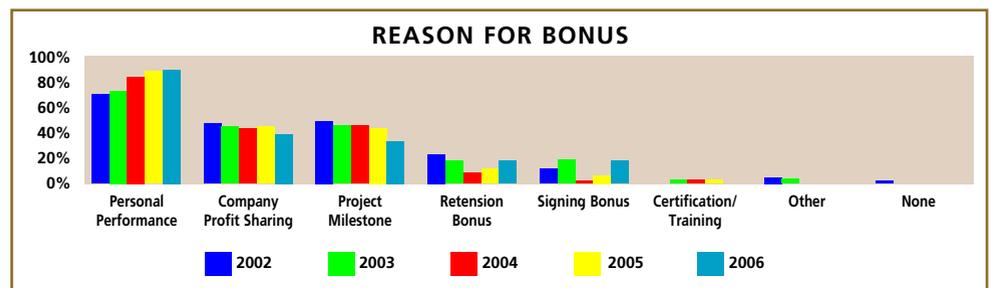
Also, sales managers have enjoyed rising commissions during the past three years. In 2006, commissions are \$66,444, an increase of \$1,923 from 2005 when the average commission was \$64,521. That's also an increase of \$7,766 from 2003 when the average commission was \$58,678.

When you add up base salary and commissions, sales managers have seen an increase of \$2,834 in their total compensation package, compared to 2005. Since 2002, base pay plus commissions have gone up \$9,666 or approximately \$1,933 per year.

Johnson acknowledges these numbers reflect the national average, but opines, "You could barely survive on that here in San Diego." His base salary represents about 30 percent of his earnings. "This has always been a 'how are you producing' and a 'what are you producing' type of position," he adds.

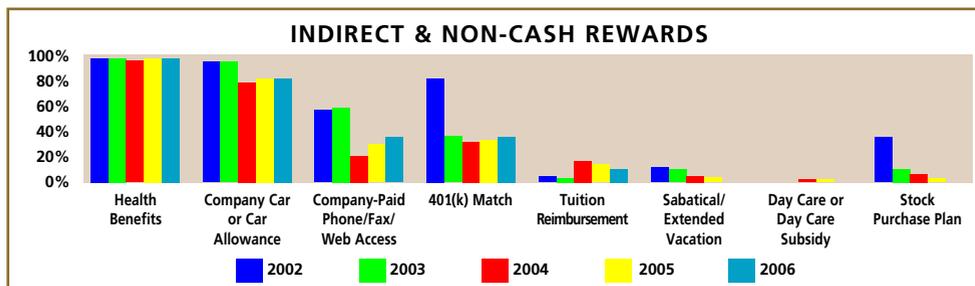
Bonus Information

Most sales managers (92 percent) responding to the survey receive bonuses for personal performance. That's been by far the overwhelming reason for sales manager's bonuses in 2006, up 20 percent from 72 percent in 2002. Ranking well behind personal performance were company profit-sharing (39 percent), project milestone completion (33 percent), retention bonuses (19 percent), and signing bonuses (18 percent).



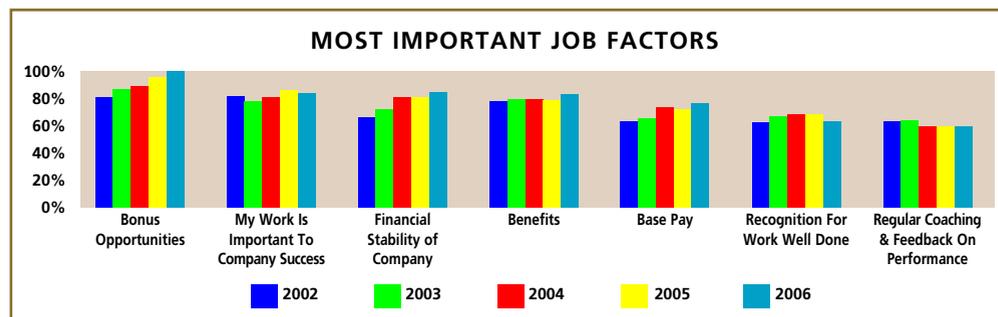
Looking at the indirect and non-cash side of the bonus ledger, health benefits top the list at 99 percent. Company car or car allowance ranks second at 81 percent, although that figure represents a 16 percent decline from 2002 and 2003 when 97 percent of sales managers enjoyed this perk. Company-paid phone/fax/cable modem/ DSL lines rank third at 36 percent.

The biggest decline in indirect/non-cash bonuses has been in 401(k) Match, with just 34 percent receiving this indirect/non-cash bonus in 2006, compared to a sizable 81 percent in 2002. Note that this nose-dived to 35 percent in 2003, then to 31 percent in 2004, before rising slightly in 2005 to 32 percent.



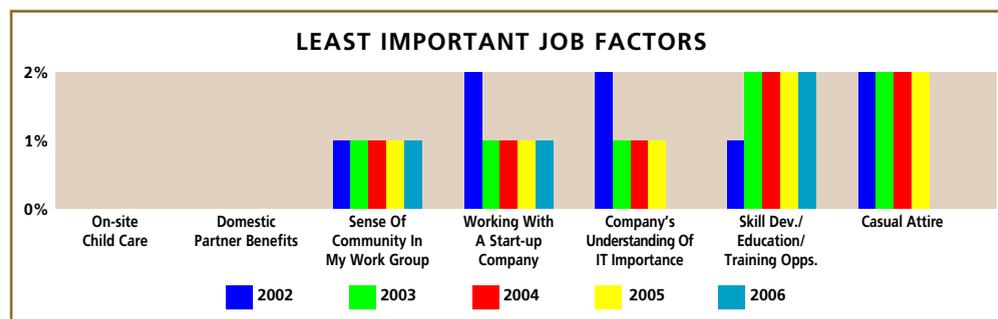
Most Important Factors

Bonus opportunities represent the top response (99 percent) when sales managers are asked to rank what is most important to them in their jobs. That's up from 97 percent in 2005 and up from 81 percent in 2002. The financial stability of the company ranks second at 84 percent, followed by "my work is important to the company's success" (83 percent), and benefits (81 percent). Rounding out the list of top responses are base pay (74 percent), recognition for work well done (62 percent), and regular coaching and feedback on performance (59 percent).



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The factors that are least important to sales managers are stock options, on-site child care, domestic partner benefits, understanding of the importance of IT, and casual attire, all receiving zero responses in the survey. Also ranking near the bottom were sense of community in my workgroup (1 percent), working with a start-up company (1 percent), and skill development or educational/training opportunities (2 percent).



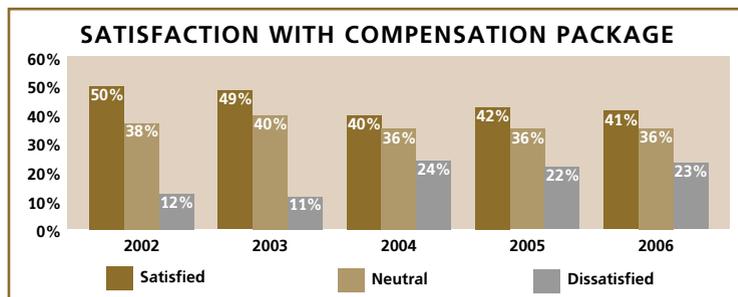
"It's interesting, in the first salary survey five years ago, everyone wanted to work with start-ups, and stock options were a big plus. Now, that stuff isn't even a blip on the radar," says Paul Schwartz, president of Copier Careers.

Feeling Satisfied and Dissatisfied

Less than half of this year's respondents are satisfied with their total compensation package. This year, 18 percent are very satisfied, down 3 percent from 2005 and 5 percent from 2002 when 23 percent noted they were very satisfied. Fully 23 percent are satisfied with their total compensation package, up 2 percent from last year, but not as high as the 28 percent reported in 2003. In general, the industry employed many more satisfied or very satisfied sales managers in 2002 and 2003 when 50 percent and 49 percent, respectively, felt satisfied about their overall compensation package, compared to the 41 percent this year.

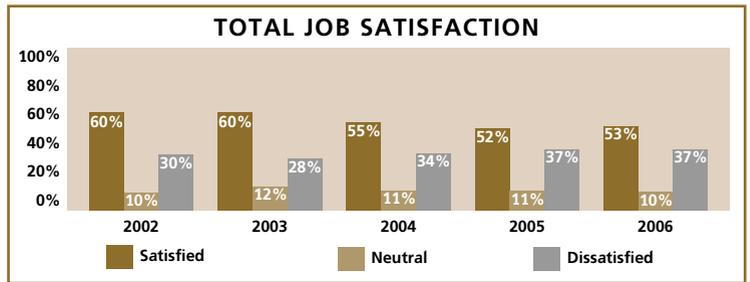
When it comes to neutral feelings about their compensation package, sales managers have been a model of consistency over the past three years. Those with neutral responses held steady at 36 percent from 2004-2006.

Despite healthy increases in base pay and commissions over the past three years, 13 percent of respondents are dissatisfied with their compensation package and 10 percent are very dissatisfied.



When asked how satisfied they are with all aspects of their jobs, 53 percent noted satisfied (26 percent) or very satisfied (27 percent) and 10 percent were neutral. Fully 37 percent of sales managers said they're either dissatisfied (18 percent) or very dissatisfied (19 percent).

“These satisfaction levels reveal an inherent feeling among sales managers that they ought to be better compensated for the work they do,” says Dave Grandelis, director of recruiting for Copier Careers. “It is human nature to want to do better, and I wouldn’t expect to see these numbers change all that drastically next year either.”



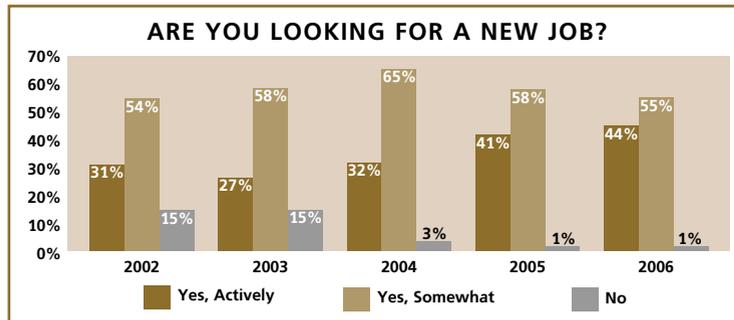
“Small dealers still tend to think of the ‘60s and ‘70s by offering small salaries and putting pressure on sales to sell, sell, sell,” says Gross. “Meanwhile, the larger companies focus on the longer term and know you need to teach people to sell solutions and to understand the client’s needs and processes, which over time will glean greater profits for the company. Owners of smaller dealerships don’t realize this is a professional career, and the compensation seems to mirror this attitude.”

“If a salesperson is satisfied, someone is going to say they’re not working hard enough,” says Johnson. “It’s the nature of the beast. Most salespeople need to feel positive about themselves and need to feel they’re better at what they do than the other [guy]. Put together, how can they ever be satisfied?”

Just Looking

This year’s survey boasts the largest number of respondents (44 percent) actively looking for a job, compared to the low of 27 percent in 2003. Ironically, 2003 was also the year that commissions nose-dived by \$2,622 from the previous year; whereas this year’s respondents are enjoying their largest commissions over the history of the salary survey.

Fully 55 percent of respondents say they’re somewhat looking for a new job. That’s down 3 percent from last year and 10 percent from 2004, when 65 percent of respondents said that they were somewhat looking.



When asked why they’re looking, higher compensation tops the list at 88 percent, followed by better job opportunities at 81 percent. Other reasons for contacting Copier Careers include “Don’t like present company’s management/culture” (39 percent), “seeking less stress” (25 percent), “looking to work for a more dynamic company” (19 percent), and “looking for more interesting work” (18 percent).

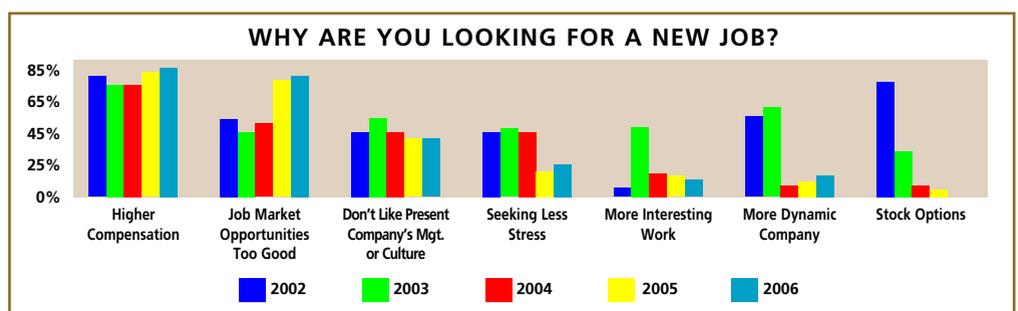
“There’s a lot of pressure on the sales manager, and many feel they need to get away from the people they work for,” adds Grandelis. “Many of the sales managers we place are responsible for training

young reps and feel like they’re not getting the support from the top to make them successful. Usually when someone is looking around, it’s because the relationships with the people who are paying their salaries have dissipated”

One sales manager, who asked not to be identified, noted that he’s actively looking for a better position. “My current employer doesn’t seem to be looking out for my success like I’m looking out for his.”

Johnson believes that owners need to look at the residuals if they want to keep managers happy and not just the obvious areas like base pay. He believes a greater portion of income should be tied to bringing increased clicks to the table, which in turn brings in more service income. “Residuals are what keep most salespeople around,” he maintains.

“There are a lot more important things than money,” adds Harouff. He cites job security and the ability to take care of his family as key factors and points out his current employer’s healthcare plan is quite generous and doesn’t require a huge monthly cash outlay for employees who need family coverage. “That one thing alone can be the difference between whether or not I take a position,” says Harouff.



Rating Their Employers

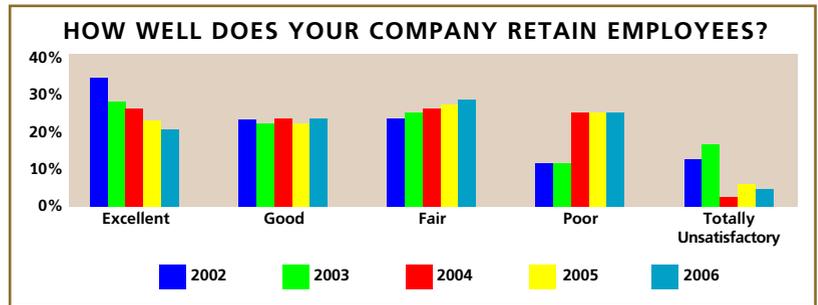
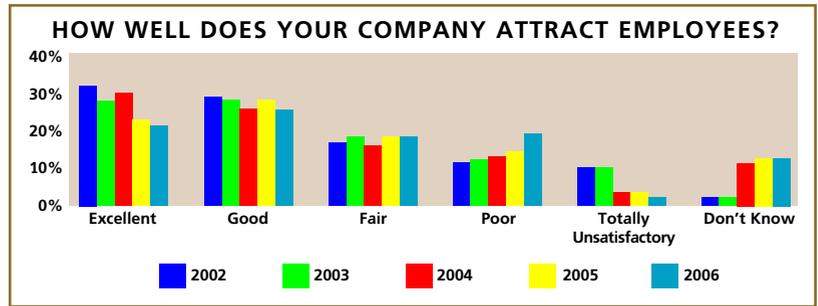
Employers’ ability to attract copier industry employees continues to decline in the eyes of sales managers. In 2002, 31 percent felt their employers did an excellent job. In 2006, that figure falls to 21 percent. Fully 19 percent say their employers do a poor job and 2 percent feel their employers are doing a totally unsatisfactory job of attracting copier industry employees. In 2004 and 2005, 3 percent felt their employers were doing a totally unsatisfactory job.

Responses by those who say employers are doing a good or fair job have remained fairly consistent since 2002. “Good” responses have ranged from a high of 29 percent in 2002 to a low of 26 percent in 2004 and 2006. Those who rate their employer’s efforts as fair range from a low of 17 percent in 2002 and 2004 to 19 percent in 2003, 2005, and 2006.

On the retention front, 20 percent of sales managers feel their employers do an excellent job of retaining copier industry employees, compared to 33 percent in 2002. Fully 22 percent reported “good,” about the same as in previous years. In 2006, 28 percent of respondents feel their employers do a fair job, compared to 23 percent in 2002.

During the past three years, employers have consistently received poor marks for their employee retention efforts from 26 percent of respondents. On the bright side, sales managers aren’t as harsh about employers’ retention efforts, with only 4 percent feeling that their employers do a totally unsatisfactory job.

Overall, the number of sales managers rating employers’ efforts at attracting copier industry employees as fair or better was 66 percent in 2006, down from 77 percent in 2002. Fully 70 percent rated employers’ retention efforts as fair or better, a decrease of 8 percent from 2002.



Summing Things Up

During the past five years, sales managers have enjoyed modest increases in base pay along with better than average bonuses that elevate them into the upper echelon of wage earners within the copier industry. Although they still feel they could be doing better and that their employers could do a better job of attracting and retaining employees, it’s still not a bad position to be in these days – just as long as one doesn’t mind working 50 hours per week.

— Scott Cullen has been covering the office equipment industry since 1986.