

# 2008 SERVICE TECHNICIAN SALARY SURVEY

April 2008

## GOOD SERVICE TECHNICIANS ARE HARD TO FIND AND MOST ARE ON THE LOOKOUT FOR BETTER OPPORTUNITIES.

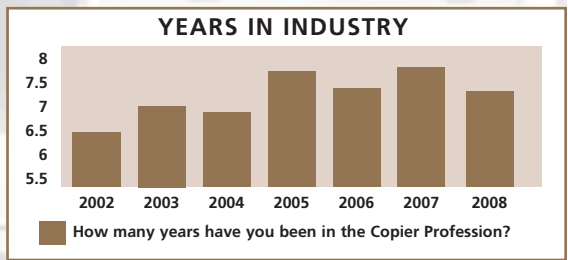
By Scott Cullen

**If sales reps are the folks that bring in the customers, service techs are instrumental in helping a dealership retain them. These are the folks customers see again and again during the life of their equipment.**

A service tech's talent for fixing equipment promptly and properly as well as their ability to communicate with customers paints an indelible image in the minds of those customers about the dealership that's providing them with equipment and service. Because of that, it's helpful to see how service tech's compensation and their thoughts about working in the copier industry compare with their peers.

### MEET THE TECHS

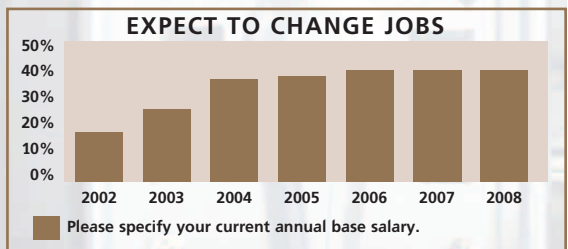
The 2008 Technician Salary Survey from Copier Careers, a recruiting organization that places experienced imaging professionals within the copier industry across the United States, reflects the responses of 3,858 service techs. Eighty nine percent of respondents are male and respondents have an average age of 36.8 years. Most respondents (2,543) describe themselves as field service technicians with 1,264 holding the title of senior lead technician or team leader, and 51 describing themselves as house technicians. Most (2,998) work independently and aren't responsible for supervising other technicians. The remaining respondents (860) supervise 1-10 people.



The majority of technicians responding to the survey are employed by an independent dealership with one location (66%). Nineteen percent are employed by a regional dealership with more than one location and 6 percent are with a national publicly traded sales and service organization. Just 5 percent are with an OEM and 4 percent with a third-party service organization.

The average tenure in the copier industry among this year's respondents is 7.4 years.

Don't ask service techs what they think about a 40-hour work week, because it doesn't exist for them. In 2008, service techs were logging an average of 51 hours per week. This number has held steady since 2004.



### JOB SECURITY

The average service tech has been with his current employer for 5.1 years. This figure is slightly higher than last year's 4.9 years but lower than the 5.8 years reported in 2006.

Most service techs who responded to the survey expect to remain with their current employers at least another 5.3 years. This group isn't nearly as optimistic as the 2002 and 2003 respondents, who expected to remain with their current employers for another 10 and 9.5 years, respectively. Forty percent of this year's respondents expect to change jobs in the future.



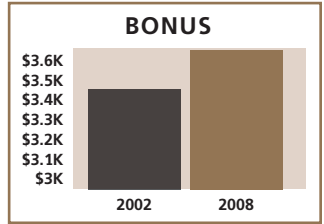
### PAY DAY

The average annual base salary for service techs rose to \$39,865.22, a \$644.28 increase over last year. Putting that into historical perspective, that's up from \$32,344.00 in 2002 the first year of the survey, or an increase of \$7,521.22. "These figures mostly reflect cost of living increases," says Dave Grandelis, director of recruiting for Copier Careers. "These are the increases most employees should expect to receive from their employers from year to year."

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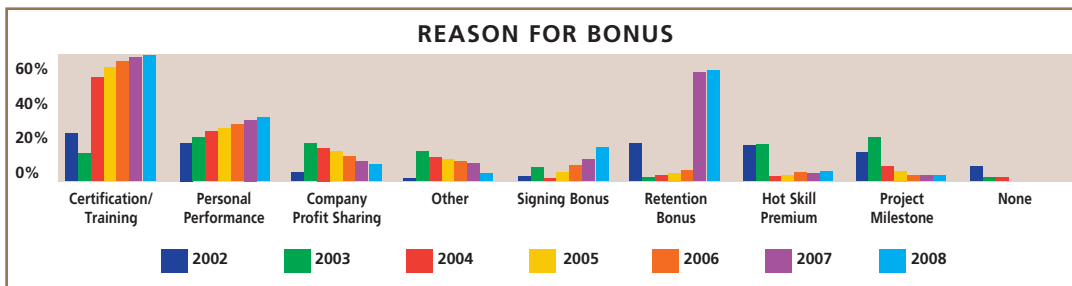
Service techs have also seen modest increases in bonuses with techs reporting that they received \$3,689 in bonuses or other direct cash payments this past year. That's up \$87.00 from the previous year. Rewinding the survey back to 2002, techs reported then that they received bonuses of \$3,430. The worst year for bonuses was 2004 when the average bonus or other direct cash payments came in at \$3,328, down from \$3,492 in 2003.



"When you add together salary increases and bonuses, actual compensation exceeds the national average salary of \$40,000" says Paul Schwartz, president of Copier Careers. "That's a milestone." He emphasizes, however, that this is a national average, and that average salaries can be plus or minus that number depending on the region of the country.

While average salaries have increased, most techs believe they should be making more.

"Service techs are finding it difficult to live on their salaries, and they feel they should be compensated more fairly," says Grandelis. "These people are front-line warriors with in-demand skills, but need a little extra to make them comfortable."



For those techs lucky to earn a bonus or other direct cash payments, 67 percent received it for certification/training, 58 percent as a retention bonus, and 29 percent for performance. Also ranking in double digits were those who received signing bonuses at 14 percent.

Copier Careers constantly monitors the help-wanted ads for copier industry personnel and Schwartz reports that he sees ads offering \$3,000-\$5,000 signing bonuses at least once every quarter.

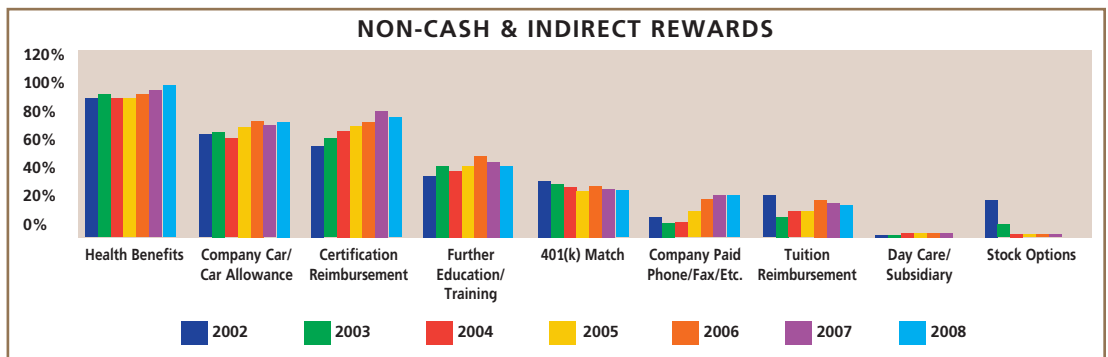
## BENEFITS PLAN

It's been pretty much the same old, same old the past few years when reviewing the non-cash and indirect cash rewards earned by service techs. Topping the list is health benefits at 98 percent, followed by certification reimbursement (78%), company car or car allowance (73%), further education/training (41%), 401(k) Match (22%), and company paid phone/fax/cable modem/DSL lines (20%).

Completely falling off the charts this year were stock options, stock purchase plan, Sabbatical/extended vacation, and day care or day care subsidy, all of which were cited by 1 percent of respondents in last year's survey.

On the positive side, more service techs are being reimbursed for certification and education today than in 2002 when only 54 percent of respondents received certification reimbursement and only 34 percent were rewarded for obtaining further education/ training.

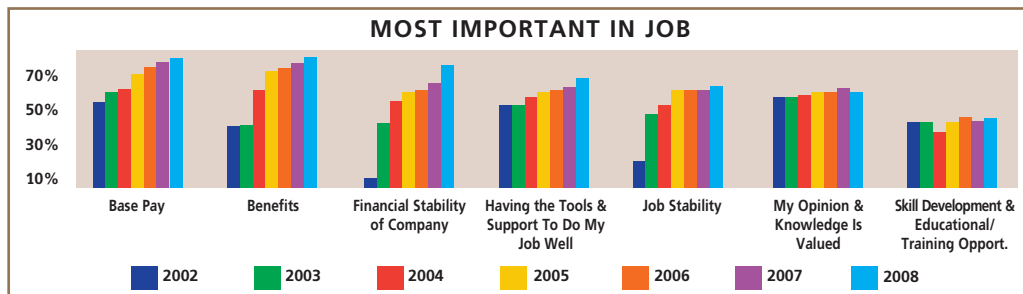
"The era of networked digital copiers has made it essential for more techs to receive certifications or additional education for servicing equipment," says Grandelis. "Having certified technicians is a value-add that more dealers are promoting to their customer base."



## THINGS THAT MATTER

It's not all that surprising what techs select as the things that matter most about their jobs. Topping the list are base pay and benefits (both at 81%), followed by financial stability of company (77%), having the tools and support to do my job well (64%), job stability (62%), my opinion and knowledge is valued (58%), and recognition for work well done (51%). Most responses were plus or minus 1-3 percent from last year. The most radical variation from last year is potential for promotion, which went from 0 percent last year to 9 percent this year and financial stability of company, which rose from 69 percent to 77 percent. The number of respondents who value casual attire rose from 21 percent to 29 percent.

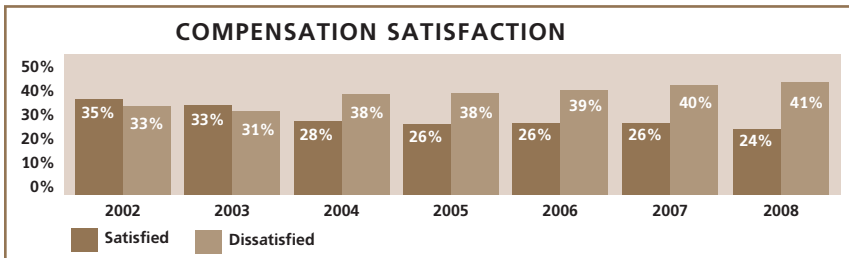
Even though some the things that matter most to techs this year are somewhat similar to what they said in the first year of the survey back in 2002, the number of respondents selecting those items has grown dramatically. In 2002 the top five responses were base pay (56%), followed by my opinion and knowledge is valued (54%), having the support and tools to do my job well (51%), skill development/education/training opportunity (43%), and benefits 41 percent. Things like recognition for work well done (34%), job stability (20%), and financial stability of company (12%) all scored much lower than they do today.



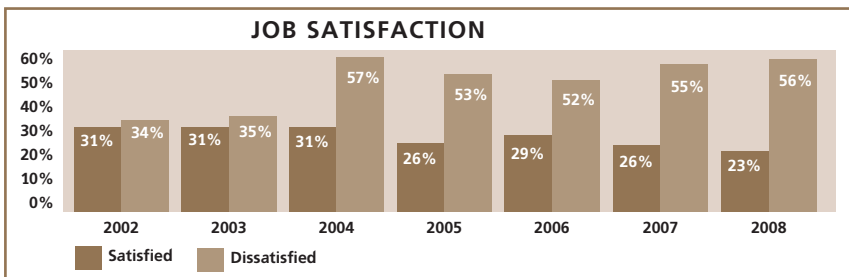
"There's no denying that this is an unstable industry," says Grandelis. "Even though these guys are on the road most of the day, they're well aware of what's going on in their companies and at other office equipment dealerships. It's little wonder that a more stable work environment is more valued today than it was six years ago."

## HAPPINESS METER

Service techs feel pretty much the same this year as last year when asked how satisfied they were with their overall compensation package. Fully 7 percent feel very satisfied and 17 percent satisfied, compared to 8 percent and 18 percent, respectively last year. Thirty five percent are neutral – that's up just 1 percent from last year. Twenty-one percent are dissatisfied and 20 percent are very dissatisfied.



"These numbers probably reflect an increased workload and the pressures associated with that," says Grandelis. "With nearly half the respondents feeling dissatisfied or very dissatisfied, it might be wise for dealer principals to find ways to ensure that these key individuals feel better about their compensation packages. The cost of recruiting and training new talent is typically much higher than the cost of keeping current employees satisfied."



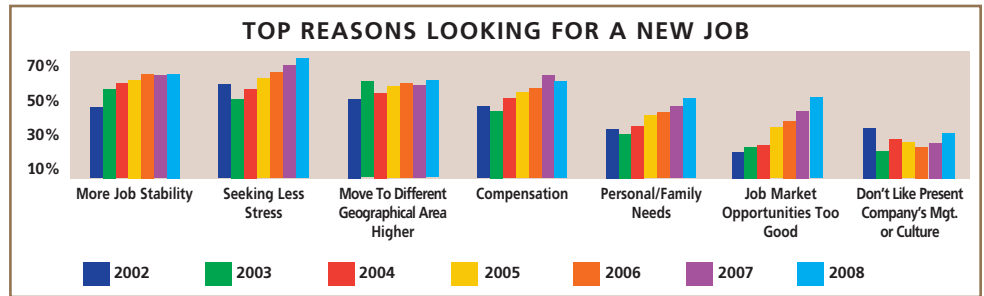
When asked how satisfied they are with all aspects of the job, including compensation, benefits, and other aspects of the employee relationship, technicians responded even less favorably. Only 5 percent of respondents said they were very satisfied and 18 percent satisfied – that's down 2 percent and 1 percent, respectively from last year. Fully 21 percent remain neutral, up 2 percent from last year. Those who are dissatisfied remain steady from last year at 25 percent while those who are very dissatisfied rose 1 percent to 31 percent.

## SEE YOU LATER

Dissatisfaction levels are reflected in the willingness of many technicians to jump ship. The survey found that 29 percent are actively looking for a new position while 62 percent say they are somewhat looking. Only 9 percent aren't looking this year, down from 16 percent last year.

When asked why they were looking, the top response at 69 percent was seeking less stress followed by more job security at 68 percent.

Other reasons why service techs are on the job hunt include a move to a different geographic area and higher compensation, both at 58 percent. Also ranking high on the list were personal/family needs (48%), job market opportunities are too good to pass up (48%), and don't like present company's management/culture (31%).

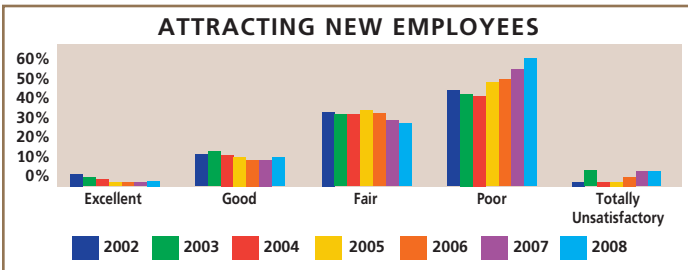


The number of techs seeking more job stability has been steadily on the rise since 2002 when 46 percent identified this reason for looking for a new job. Since 2005 this figure has hovered between 63-65 percent.

## RATING THEIR EMPLOYERS

Service techs are harsh when it comes to grading their employers' efforts in attracting and retaining copier industry employees. On the attraction front, employers receive grades of "fair" by 28 percent of respondents, followed by "poor" (55%), and "totally unsatisfactory" (6%). Only 9 percent of employers receive a rating of "good," down 2 percent from last year for their efforts at attracting copier industry employees, and only 2 percent of techs rated their employer as "excellent."

Retention efforts didn't fare much better. Not a single tech rated their employer's retention efforts "excellent" and only 9 percent rated them as "good." A sizable 51 percent rated their employer's retention efforts as "fair," followed by 30 percent who said "poor" and 10 percent "unsatisfactory."



"The number of technicians who say they will look for a new job this year continues to creep up as does the number of people who respond that their company does a poor job of retention," says Schwartz.

Even though technicians rate their employers' retention efforts so poorly, Schwartz says that modestly-growing salaries and the increasing number of retention bonuses are an indication that some employers are making a greater effort to hang on to their technicians.

"Recruiting and retention are areas in which techs have been consistently critical of their employers," adds Grandelis. "They get frustrated when good people leave and when they believe employers aren't doing their best to fill those open positions."

## SUMMING IT UP

Although the office equipment industry is in another one of its evolutionary phases, it's still a great time to be a service technician.

"In my opinion, consolidations and mergers affect technicians less than other copier industry professionals," says Schwartz. "No matter what, there's always a machine that needs to be serviced."

Depending on the market, there is still a wealth of opportunities for experienced techs. "A finite number of people have the skills and knowledge to fill these positions," says Schwartz. "Only a certain amount of people are OEM-trained on these products, and those people are in demand. They're going to have a bright future."

*Scott Cullen has been covering the office equipment industry since 1986*