

2010 Sales Manager salary survey

THIS YEAR, SALES MANAGERS' REPORTED EARNED COMMISSIONS DROPPED FOR FIRST TIME SINCE 2003

It's been another strange, recessionary year. So far, our industry has weathered the economic collapse fairly well, but things are beginning to get a little "survival of the fittest" out there: the strong dealers are getting stronger, and the weaker dealers are closing their doors. A similar thing is occurring within many dealerships: under-performing employees, especially on the sales side, are finding themselves out of a job. "There's always a certain percentage of people in any company who don't perform at an optimum level," says Paul Schwartz, president of Copier Careers, a recruiting firm dedicated exclusively to serving the document imaging industry. "What we've seen over the course of this recession is that if you were perceived as not producing, you joined the ranks of the unemployed."

For copier sales managers, years like this can be particularly trying. Even

Which job-related issues are most important to you?

Bonus opportunities	1
My work is important to the company's success	2
Financial stability of company	3
Benefits	4
Base pay	5

Total compensation, 2002-2010

	2002	2004	2006	2008	2009	2010
Salary	\$39,800	\$42,211	\$44,322	\$48,678	\$48,701	\$48,699
Commission	\$61,300	\$62,121	\$66,444	\$73,136	\$73,210	\$65,440
Total compensation	\$101,100	\$104,332	\$110,766	\$121,814	\$121,911	\$114,139

in great economic times, it's difficult to keep a sales team productive and motivated. The managers who are pulling it off during the worst recession in seventy years are true survivors, blessed with natural optimism, unflagging determination, and an unshakable faith in the awesome power of hard work.

The 2010 Salary Survey

Since 2002, Copier Careers has been surveying copier service technicians, service managers, and sales managers to determine how well they're compensated, how happy they are with their career choices, and how sufficiently their employers are meeting their needs. The 2010 Copier Careers Sales Manager Salary Survey reflects the responses of 886 copier sales managers who took our online survey between March 1, 2009 and March 1, 2010. Eighty percent of those surveyed work for dealerships with fewer than 100 employees; most supervise fewer than ten people. Seventy-nine percent of them are male, and 53 percent are college educated. One-third of them have received OEM training,

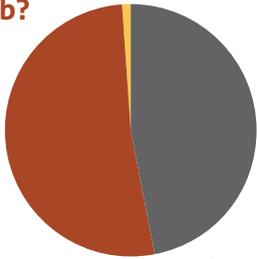
and a small number—less than 2 percent—have a Master of Business Administration (MBA) degree.

Long Hours, Short Pay

Sales managers are hardworking people for whom hard work has historically paid off. This year, our respondents worked harder (or at least longer) than ever before, but the payoff was not what anyone hoped it would be.

On average, this year's sales managers worked 58 hours per week, a 3-hour increase since last year, and a 12-hour increase since 2002, when the average sales manager was working only 46 hours per week. Unfortunately, these extra hours are no longer translating to extra compensation: for the first time since we began conducting the salary surveys, total compensation for sales managers has decreased—and it decreased significantly, from \$121,911 a year ago to \$114,139 this year. The loss came primarily from commissions. While base pay held steady at approximately \$48,500, commission dropped from \$73,210 to \$65,440—an 11 percent

Are you currently looking for a different job?

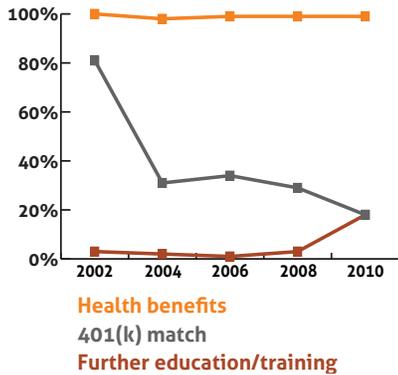


Yes, actively (47%)
 Yes, somewhat (52%)
 No (1%)

Percentage of respondents who received bonuses or direct cash rewards



Percentage of respondents who received non-cash rewards



decrease, and the first downturn in reported earned commissions since 2003.

Why such a large and abrupt drop? The economy is one obvious culprit, and an important one, but other factors like shrinking profit margins are also to blame. According to one Copier Careers web commentator, "As profit margins continue to shrink, so does overall compensation for sales reps. Typical comp plans address the company goals, but many times they leave the performing representatives changing focus to another area without gaining any ground in compensation." Another possible factor? Managed Print Services.

MPS Compensation: A Complex Equation

Amidst all this economic turbulence, our industry has begun to embrace a new business model: Managed Print Services. While MPS can be a great way for dealers to add value and increase profits, it can also cause trouble for the sales department if the compensation plan is poorly designed. Based on the feedback we've heard, many dealerships have not yet figured out the magic formula. As one rep says, "MPS can be a very useful tool when adding increased value to any company. It gives salespeople something to talk about rather than the same old speeds and feeds. The problem I see is that companies don't know how to compensate the representatives who are selling MPS services. My company, for instance, doesn't offer any residuals on renewed contracts and pays only 5 percent while striving for 50 percent margins—and that's a recipe for failure."

The long MPS sales cycle may also help explain why this year's sales managers are working longer hours for less commission. "The addition of MPS adds another tool to serve and capture customers," says another online commentator. "However, a single salesperson can work many prospects in the same amount of time it would take to land one MPS deal. The additional labor hours required to build a plan for a single MPS prospect are quite extensive. Should the MPS deal fail to be signed, it can be devastating to a salesperson."

As more dealerships begin to implement MPS programs, structuring a compensation plan that is beneficial for the dealership as well as for the rep will be critical, and sales managers who can find a formula that works will be in much better shape than those who can't.

Die Another Day

Despite this year's setbacks, most sales managers we've talked to would agree that it's an exciting and challenging time to be in copier sales. Sure, the economy is still shaky (though it appears to be gaining some momentum), sales of office equipment are still down, and most dealerships are still working the kinks out of their MPS strategies. But things are bound to improve eventually, and when they do, the sales managers who've survived the Great Recession will find that the old cliché is true: what didn't kill them has made them smarter, tougher, and far stronger than they ever believed possible. ●

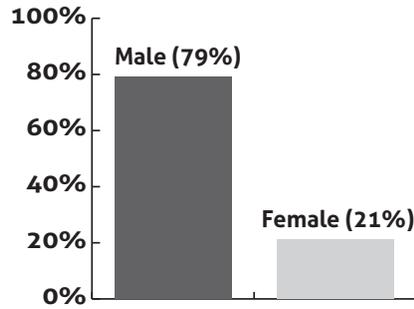
Up next: special online-only section, featuring a full page of additional graphs and commentary.

Demographics

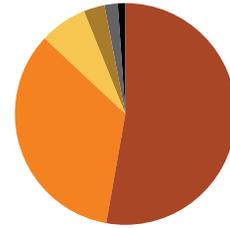
Though women are still in the minority among sales managers, their numbers are on the rise.

Only 2 percent of sales managers hold a Masters in Business Administration, but two years ago no survey respondents were MBAs. Expect more in years to come.

What is your gender?



What is your highest level of education?

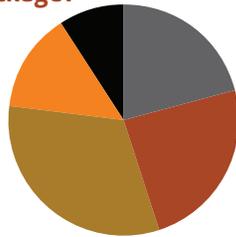


Some college (53%)
 OEM training (34%)
 HS diploma (7%)
 Tech school (3%)
 MBA (2%)
 AA degree (1%)

Satisfaction

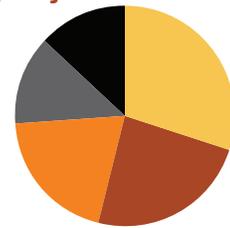
Satisfaction among sales managers has not changed much over the past decade. In general, these managers take responsibility for their own successes and failures. Despite earning less in commissions this year, the majority are content with their performance and compensation.

How satisfied are you with your compensation package?



Very satisfied (21%)
 Satisfied (24%)
 Neutral (32%)
 Dissatisfied (14%)
 Very dissatisfied (9%)

How satisfied are you with all aspects of your job?



Very satisfied (30%)
 Satisfied (24%)
 Neutral (20%)
 Dissatisfied (13%)
 Very dissatisfied (13%)

Job searching

Even though most are happy in their current jobs, 99 percent of all sales managers are either actively or passively searching for a new job. These are the reasons why they're searching.

If you're looking for a new job, why are you looking?

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

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.

Copier Careers®