

2011

SALES MANAGER SALARY SURVEY

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For sales managers, past year has brought little change, big frustration
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We've all heard that the copier industry was spared the worst of the recession, and this is largely true. But just because we got off easier than, say, the construction industry doesn't mean it has been easy. On the contrary, the past few years have been extremely challenging for many dealerships, with employees in every department struggling to maintain profitability. For sales managers, in particular, the pressure has sometimes been extraordinary.

"Even though the industry as a whole is doing well, sales managers have had to do more with less," says Paul Schwartz, president of Copier Careers, a recruiting firm dedicated exclusively to serving the document imaging industry. "They're trying to manage people and teams through difficult times. The worst is already over, but a lot of sales managers are now feeling that they haven't been recognized or rewarded for their efforts over these last three or four years."

The 2011 Salary Survey
For more than a decade, Copier Careers has conducted an annual survey of document imaging professionals to determine how well they're compensated, how happy they are in their jobs, and how well they rate their employers. This year's Copier Careers Sales Manager Salary Survey reflects the responses of 958 sales managers who took the survey between March 1, 2010 and March 1, 2011.

Over the lifetime of the survey, the demographic

makeup of the respondents has changed significantly. A decade ago, 94 percent of all respondents worked for single-location independent dealers. This year, only 58 percent of our survey respondents worked for the independents, with regional dealerships (21%), national sales organizations (15%), and OEMs (6%) filling out the remaining 42 percent. This increase in the number of respondents from larger organizations may be partially due to continuing industry consolidation, though it is likely also influenced by the natural maturation of our salary survey and the significant yearly increases in our sample size.

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Another key demographic change is in the ratio of male to female sales managers. While in 2002 women held only 7 percent of copier sales manager positions, today that number has increased to 25 percent. Though the industry as a whole is still heavily male dominated, the gender gap continues to shrink.

Compensation Up 5 Percent Since 2010

Last year, total sales manager compensation fell for the first time in the history of the salary survey, and it fell hard, from \$121,911 in 2009 to \$114,139 in 2010. This year, things have improved, with average total compensation increasing to \$119,640. Though this figure has not yet recovered to its 2009 level, it is nevertheless a welcome jump, a sign—we hope—of genuine recovery. The greatest increase was in commission (up \$2,999 to \$68,439), with base salary (up \$2,502 to \$51,201) close behind.

Although the economy has played the most significant role in the lowered compensation levels of the past few years, other factors have also contributed, namely industry consolidation and the growth of managed print services (MPS), both of which have prompted dealerships to fiddle with their compensation plans, sometimes in a way that negatively impacts sales manager commissions.

Compensation plans, which were complicated to begin with, are getting much more complicated now. It seems like everyone is playing with the formula, but few are getting it right.

“These days, everyone is trying to squeeze every drop of gross profit out of their deals,” says Schwartz. “This puts a lot of pressure on sales managers because their commissions are getting restructured. Compensation plans, which were complicated to begin with, are getting much more complicated now. It seems like everyone is playing with the formula, but few are getting it right.”

While 2011 may prove to have been the year that MPS gained true acceptance throughout the document imaging industry, the year it will become truly profitable—especially for dealerships in small markets—may still be far into the future. The length and complexity of the MPS sales cycle continues to cause trouble for many sales departments. Until they can master it, and until dealers can figure out how to best compensate their MPS salespeople, we’re likely to see continued experimentation in sales compensation plans. Unfortunately, this type of experimentation is already causing disruption and frustration for many copier sales managers. The question is: how much longer will they put up with it?

Pressure to Perform

This year’s sales managers reported that they work an average of 58 hours a week. This figure has increased steadily and considerably over the past decade, rising 26 percent since 2002, when on-the-job hours averaged only 46. These long workdays are clearly unsustainable, particularly considering that for the past two years they have generally failed to translate to better individual or team performance.

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While good salespeople and managers are never fully satisfied with where they are or how much they’re making, this year the dissatisfaction has a more serious quality than it has in the past. Frankly, most copier sales managers are exhausted—so exhausted that more than a few of them are considering leaving management altogether, says Schwartz.

“In the last year, we’ve had a lot of sales managers tell our recruiters they don’t want to be responsible for a team anymore. It’s too stressful—they just want to go out and sell.”

Better Times Ahead

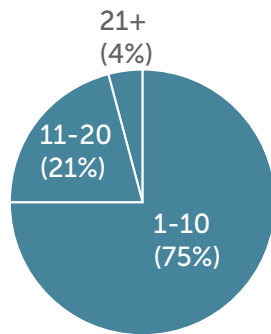
The good news is that sales managers who are ready to move on—whether it’s a lateral move to another management position or a downwards move to a non-management sales position—are likely to find what they’re looking for. Copier dealerships are hiring again, and talented sales professionals with strong records of success are very much in demand. While economic uncertainty, consolidation, commission changes, and MPS will continue to create challenges for tomorrow’s sales managers, the veterans of the Great Recession will undoubtedly have the experience and the wherewithal to overcome them. -CC

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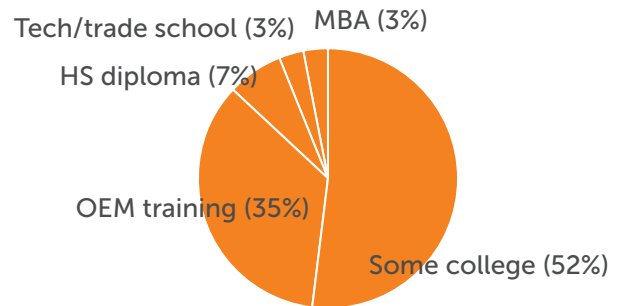
copier sales managers participated in our 2011 salary survey.

Fifty-eight percent of them work for independent copier dealerships with only one location. The rest work for regional dealers (21%), national sales organizations (15%), and OEMs (6%).

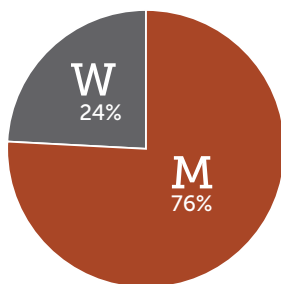
Number of employees you supervise



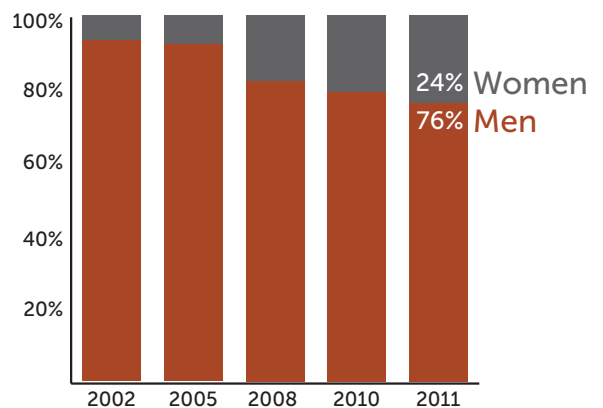
Education level



Gender



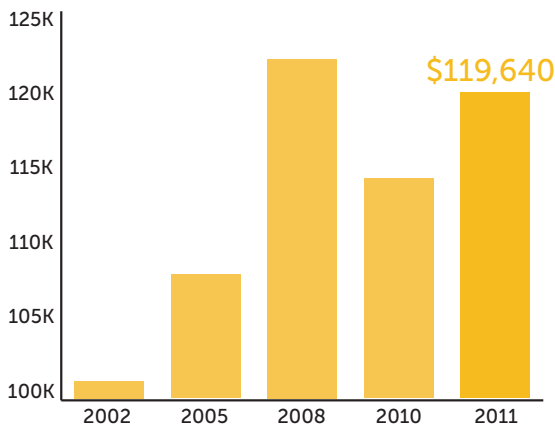
Gender over time



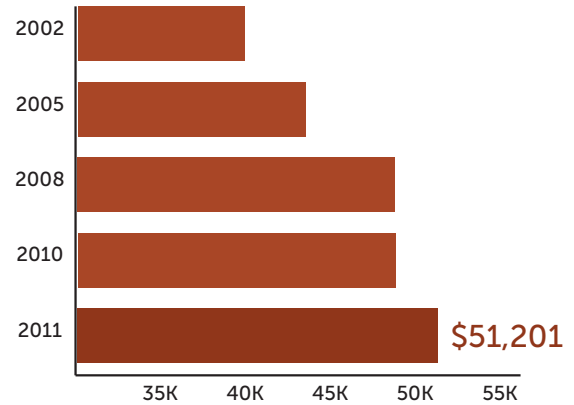
For sales managers, it's all about the numbers.

$$\begin{array}{r}
 \$51,201 \text{ + } \$68,439 \\
 \text{BASE SALARY} \qquad \qquad \qquad \text{COMMISSION} \\
 = \\
 \text{\$119,640} \\
 \text{TOTAL COMPENSATION}
 \end{array}$$

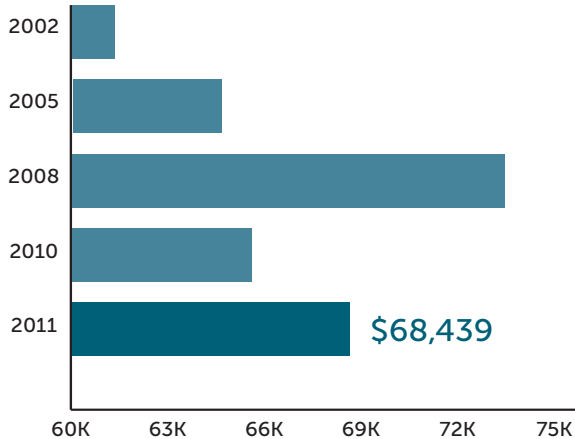
Total compensation



Base salary



Commission

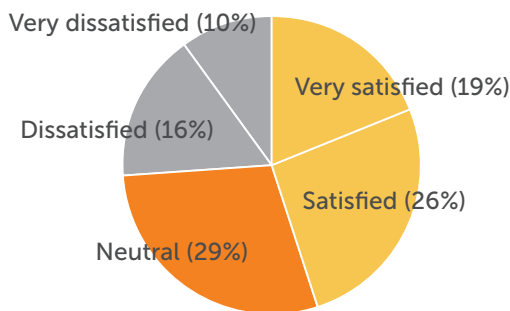


96 percent of sales managers receive health benefits.

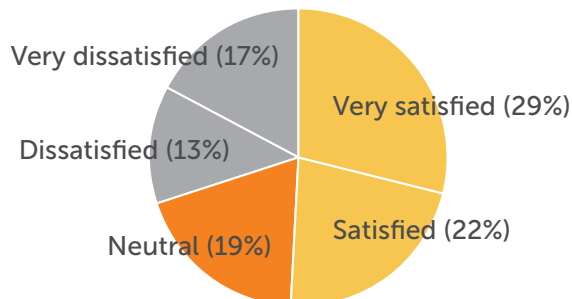
15 percent say their employers match their 401(k) contributions.

This year's sales managers reported that they work an average of 58 hours a week. This figure has risen 26 percent since 2002. These long workdays are clearly unsustainable, particularly considering that for the past two years they have generally failed to translate to better individual or team performance.

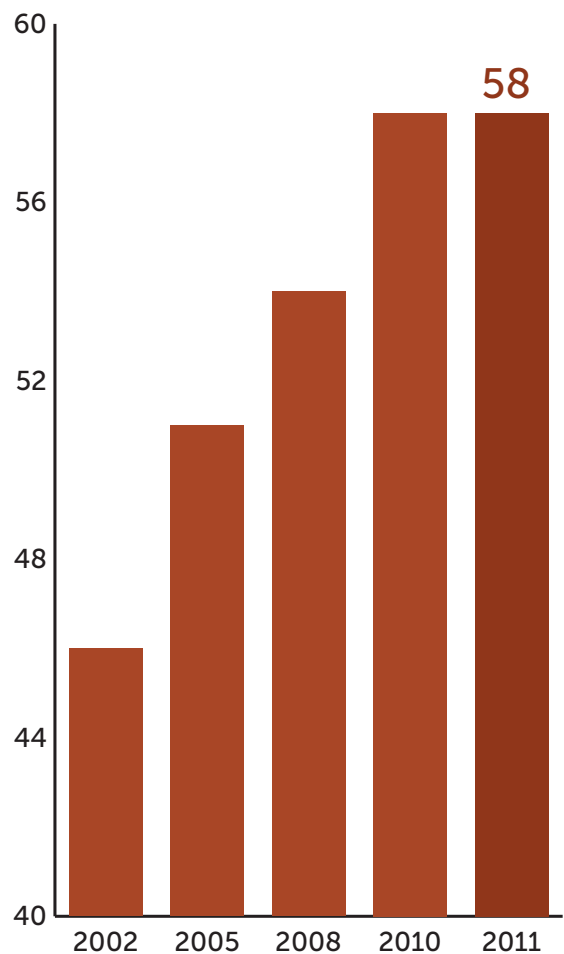
Satisfaction with compensation



Satisfaction with all aspects of job



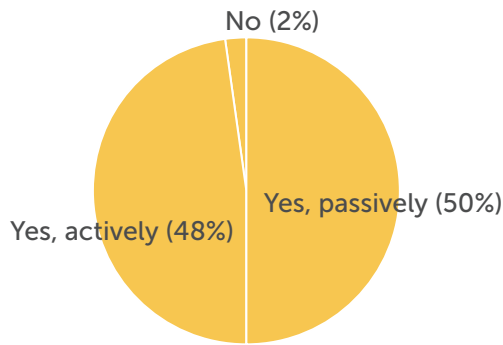
Average number of hours worked per week



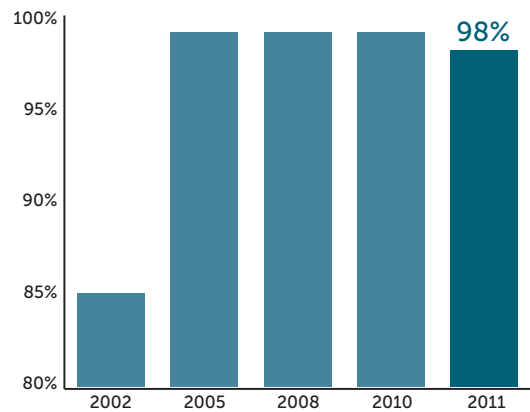
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-Paul Schwartz, president, Copier Careers

Percentage of respondents currently looking for a new job



People actively or passively looking for a new job



Reasons why sales managers are looking for new employment

Reason	2011 rank	2002 rank
Higher compensation	1	1
Job market opportunities are too good to pass up	2	3
Don't like present company's management/culture	3	5
Want to work for a more dynamic company	4	4
Seeking less stress	5	6

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®