

2003 SALES MANAGEMENT SALARY SURVEY

By: Scott Cullen



Although these individuals are generally happy with their jobs and their compensation, commissions are down from last year. For a group of individuals historically known for taking risks, copier industry sales managers seem to have abandoned their wicked, wild and risky ways when it comes to employment. They may still have no qualms on knocking on doors and cold calling in search of that big score, but according to the 2003 Sales Management Salary Survey conducted by CopierCareers.com, these men and women are generally happy in their current situation and aren't actively looking to jump the proverbial ship. Certainly not in an economy where uncertainty rules.

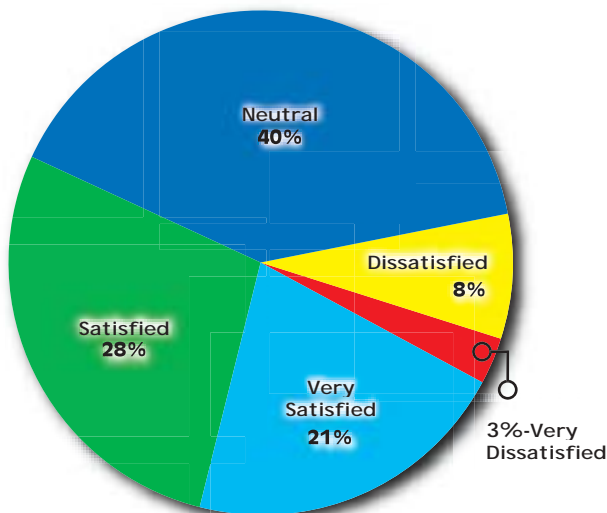
This year's survey had 408 respondents, up from 312 in 2002. Comparing the results of the copier service technician salary survey results published last month, it's clear that sales managers and copier service technicians have a lot in common whether it be the issues they're facing in their jobs, their overall job satisfaction, and concerns about their employer's stability and reputation in the industry.

Personal Profile

So, who are these people calling themselves "sales managers"? Anyone who has ever attended an office equipment dealer meeting, BTA or similar conference knows that this is a male-dominated industry and the survey results punctuate that point as 92% of respondents are male. More than one third (147) are college graduates while 228 have some college education.

Ninety-one percent of respondents work for an independent dealership while 8% are employed by a regional dealership with more than one location. Fully 66% of these dealerships enjoy annual revenues of \$1-\$10 million while 34% have annual revenues of less than \$1 million. As reflected in those annual revenues, these individuals work primarily for small businesses with 68% of respondents noting that their company employs less than 25 people. Thirty-percent of respondents work for companies who employ 25-50 people and just 2% work for companies with 51-100 employees. These numbers deviate some from last year where 78% of respondents worked for companies with less than 25 employees and 20% worked for companies with 25-50 employees. More than likely the changes in the percentages in this area are related to the higher response to this year's survey.

Fully 301 of the respondents supervise between 1-10 people while 84 supervise between 11-20, and 23 supervise 21-50 people. Sales managers are busy people with respondents saying they are working 47 hours a week. That's an hour more than they clocked in last year. When one looks at their annual base salary and commissions, one finds sales managers are working more hours but making less money this year compared to last year.



Overall, how satisfied are you with your total compensation package?

Money Matters

Few respondents are unhappy with their compensation, according to the results of this year's survey. Just 8% were dissatisfied and only 3% very dissatisfied with their total compensation package. In contrast, 21% were very satisfied and 28% satisfied while 40% were neutral. It wouldn't be a leap to assume that the neutral respondents are probably comfortable with their compensation package. This year's results in all of those categories are within a point or two of last year's results.

The annual base salary for this group is \$41,100, slightly up from \$39,800 in 2002. Meanwhile commissions are down compared to the previous year with the average commission at \$58,678 compared to \$61,300 in 2002. Paul Schwartz, president of CopierCareers.com, sees this as a significant issue in the lives of sales managers. "Sales people will work very hard for a commission and do anything in their skill set to make a sale in this economy," notes Schwartz. "It appears that a down economy is a very difficult objection to overcome."

Although the economy may be one factor for the declining commissions, Dave Grandelis, director of recruiting at CopierCareers.com, theorizes that during the past few years copier sales reps have placed a lot of digital products in the field and perhaps those placements have caught up with them as customers are now getting more mileage out of their digital products.

Commissions remain a critical component of a sales manager's compensation and are based on a variety of factors. Respondents report that commissions are primarily earned via personal performance bonuses (75%), followed by projection milestone completion (48%) and company profit sharing (48%). Some of the more fortunate sales managers are rewarded with signing bonuses (18%) and retention bonuses (19%). Only 2% receive bonuses for certification/training while 1% don't receive any bonuses whatsoever.

All respondents say they receive health care benefits from their employers. Other perks include a company car or allowance (97%), company-paid phone/fax/cable modem/DSL lines (58%) and 401(K) match (35%). In a tight economy, note that those receiving 401(K) matching funds are down 46% from last year. Also down are those who receive stock purchase plans, 12% versus 34% in 2002. Here again, the state of the economy is taking its toll on some of the more generous perks employers once offered to their employees. However, the office equipment industry shouldn't feel singled out here as there are few business sectors immune to these changes. Then again, the copier industry should consider itself lucky. "Based on the number of non-copier industry resumes that come to us, it appears that the copier industry is very fortunate to be as stable as it is," says Grandelis. It appears that dealerships are comfortable maintaining and even adding to their sales force during these uncertain times."

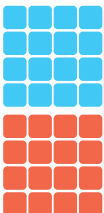


Job Satisfaction

When asked what matters most to you about your job, respondents overwhelmingly (87%) noted commission structure. No surprise here. As mentioned earlier, sales managers are money driven and a company's commission structure is where they have the biggest opportunity to see their

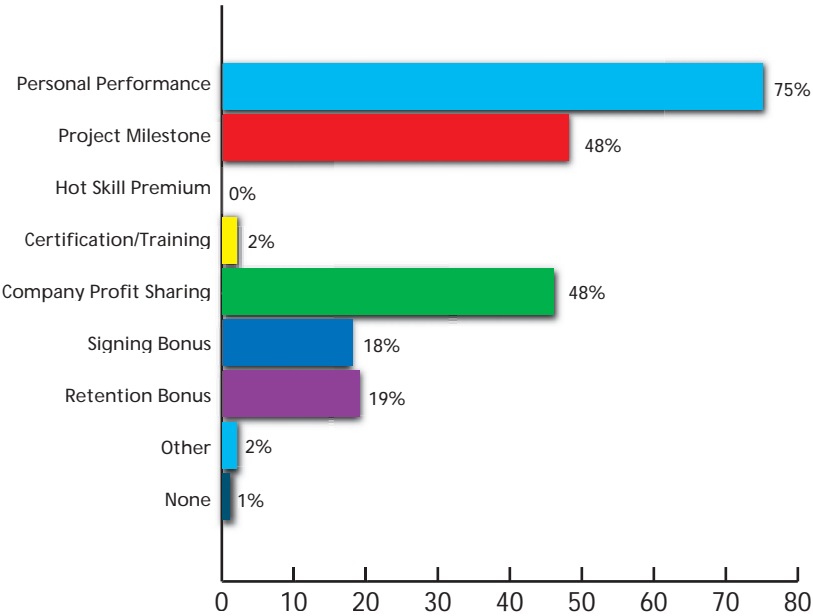
income grow. Base pay ranked fourth at 64%. Dropping by 5% from last year's survey were stock options, which was cited as important by only 12% of respondents.

Second on sales manager's lists of things that matter most were benefits (79%) which tied with "my work is important to the company's success," (79%). Also scoring high on the response meter were recognition for work well done (64%), regular coaching and feedback on performance (64%) and "my opinion and knowledge is valued (69%). "These numbers indicate that like everyone else, sales managers want to be recognized for their efforts," says Schwartz. "Beyond a commission, they want a pat on the back."

As with copier service technicians in last month's survey, sales managers also feel strongly about the financial stability of the company with 72% saying that this is important to them. Related to that, 42% said the prestige/reputation of their employer is important. That's a 6% increase from last year's survey. Again, as with the copier service

	BASE SALARY	\$41,100.00
	BASE SALARY	\$39,800.00
	COMMISSIONS	\$56,678.00
	COMMISSIONS	\$61,300.00
 2002		 2003

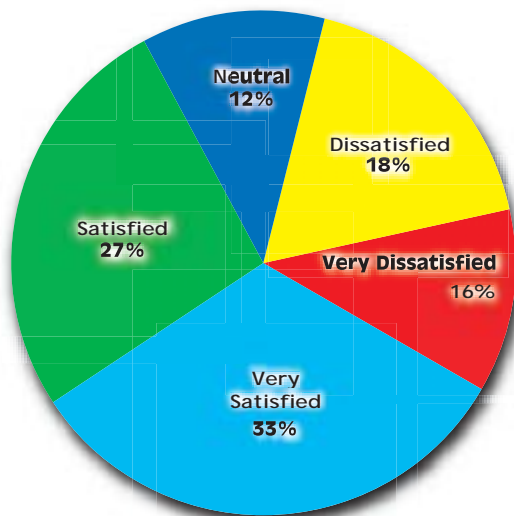
Please specify your current annual base salary by Title



Of the bonuses and other direct cash payments you receive, please specify the primary reasons.

Stock Options	34%
More Dynamic Company	64%
Personal Family Needs	22%
Want to join a startup company	5%
More job stability	12%
Move to a different location	18%
Higher Compensation	78%
More responsibility	11%
More Interesting Work	46%
Dont like current companys mgmt	53%
Job market opporunities too good to pass up	46%
Seeking less stress	46%

Why are you looking for a new job?



Overall, how satisfied are you with all aspects of your job?

year's survey. Again, as with the copier service technicians, this response is likely related to the scandals permeating corporate America.

A little more than one quarter of respondents (27%) claim to be actively looking for a new job. That's down from 31% last year. Similarly 58% say they are "somewhat" looking for a new job while 15% aren't looking at all. It's probably safe to assume that a good portion of that 58% are more than likely not taking a pro-active approach to that job search. Rather, they are probably waiting for that primo job offer to come to them.

The leading reasons why respondents are looking for a new job include higher compensation (78%), looking for a more dynamic company (64%), don't like present company's management/culture (53%), more interesting work (46%), job market opportunities too good to pass up (46%) and seeking less stress (46%). Compared to last year, there were significant spikes in some areas. For example, last year only 54% noted they were looking for a more dynamic company, 44% didn't like their company's management/culture, and only 12% were looking for more interesting work. Meanwhile, 56% of respondents to last year's survey noted the job market opportunities were too good to pass up. Here again we see the economy catching up with the respondents. The biggest deviation, however, was in stock options where 77% of respondents cited this as one of the primary reasons they were looking for a new job. That number plummeted to 34% this year. Again, blame the economy.

Indicative of the stability of these folks, even though they claim to be looking actively or otherwise, only 12% said they were doing so for greater job stability. "These are sales people who are big time risk takers," says Schwartz. "Now that risk element seems to be going away. If they're looking for a new job they want it to be as stable as their current job."

Overall, 60% of this year's respondents are very satisfied (33%) or satisfied (27%) with all aspects of their current job. Meanwhile, 28% were dissatisfied (16%) or very dissatisfied (12%), and 12% offered a neutral response. These numbers were nearly identical to last year's figures.

Although three quarters of respondents claim to be content in their jobs, that's still a significant portion of folks who are not exactly thrilled with their existing job. Taking human nature into account, it's highly likely that one would find at least one in four people dissatisfied with some aspect of their job no matter where they work. "If I were an employer reading these responses, I'd want to make sure my key people are happy," says Grandelis. "I'd want to sit down and talk with them to find out what they are thinking."

Room for Improvement

As with last month's service technician survey, a sizable number of respondents believe their employers could be doing a better job in attracting and retaining copier industry employees. Here, 12% felt their employer did a poor job while 10% felt their employer did a totally unsatisfactory job of attracting copier industry employees. On the retention side of the ledger, 11% felt their employers did a poor job and 16% felt they did an unsatisfactory job of retaining copier industry employees. Not surprisingly, these numbers tend to mirror those who are dissatisfied or very dissatisfied with their current job. The majority of respondents do feel, however, that their employer does a good job in attracting talent with 29% saying excellent and 28% saying good. Fully 19% noted fair to that question. Retention is another matter with less than 50% saying their companies

did an excellent (28%) or good (21%) job of retaining copier industry employees. Another 24% felt their employers did a fair job in this area.

Summing Things Up

Sales managers and their employers should feel good about the results of this year's Sales Manager Salary Survey. After all, respondents seem to be relatively content with their jobs and their salaries even though there are some areas of concern and room for improvement. However, in an uncertain economy, these individuals should by and large feel fortunate that their work is valued and that they integral role within their organizations. ■

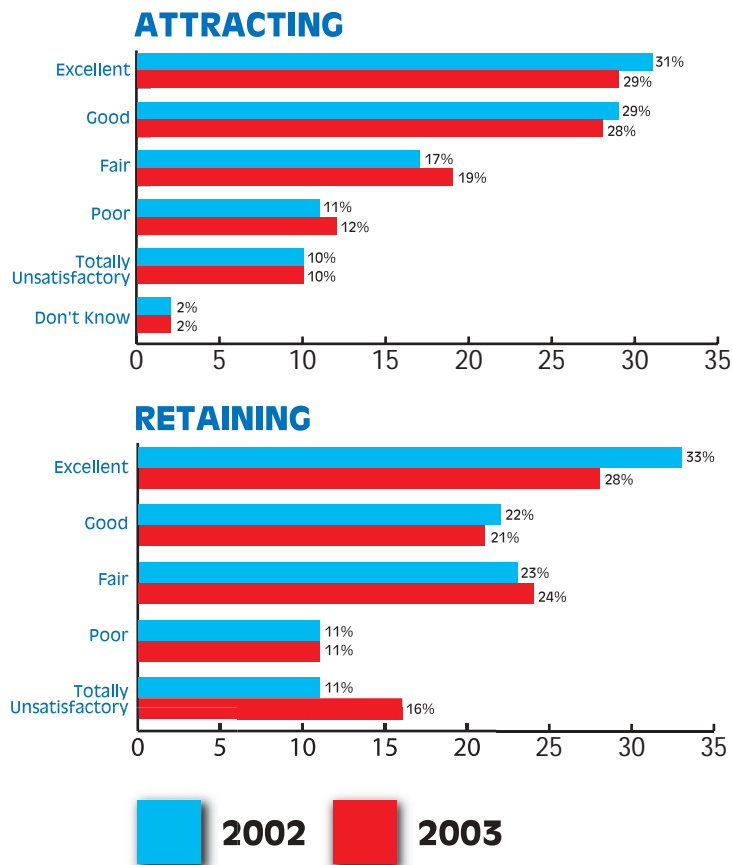


Dave Grandelis has taken over as director for Copier Careers after joining Copier Careers early in 2002. Grandelis was a leading producer for TechNet Staffing Services recruiting high-end contract and direct engineers primarily for the computer, semiconductor, medical device,

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."

You can e-mail Grandelis at dave@copiercareers.com.

Scott Cullen has been covering the office equipment industry since 1986. The former managing editor of *Office Dealer* and *Office Systems* magazines, Scott is currently editor of *CAP Ventures* and various online publications. He can be contacted via e-mail at culcom@voicenet.com or (215) 862-1917.



Compared to its peers, please rate how good a job your company does at attracting and then retaining Copier Industry employees.

**ENX Magazine Thanks Paul Schwartz and Copier Careers
for the opportunity to feature
the 2003 Salary Survey in our Publication.**

**We strongly encourage you to participate in the 2004 Salary Survey
by visiting www.CopierCareers.com and clicking on "Participate"
in the 2004 Salary Survey.**

**SALES MANAGEMENT
SALARY SURVEY 2003**

