2007 Copier Careers Sales Manager Salary Survey

This year's sales managers are making more money than last year and a large reason for the increase is rising commissions.

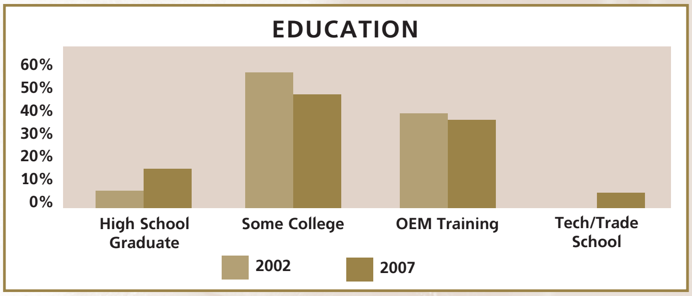
By Scott Cullen

Submitted for your approval, here is the profile of the average sales manager in an independent copier dealership. He's a busy guy, working a 50+ hour week, a bit stressed maybe. He's earning a decent salary, but thinks he could do better elsewhere even though he's taking home more money than he did last year. He's a bit frustrated too about his employer's efforts at attracting and retaining copier industry employees, especially since that problem affects his position and his earning potential. But that's another story.

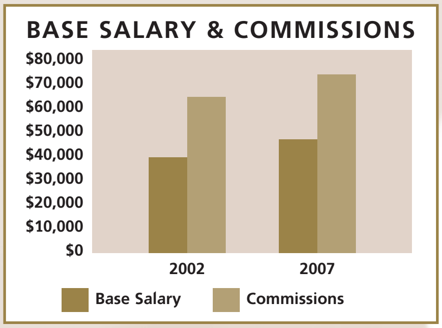
The number of responses for Copier Careers' 2007 Sales Manager Salary Survey is up slightly from last year – 613 compared to 602 in 2006. Still that's nearly double the number of responses from the first year of the survey in 2002 when 312 sales managers took the time to respond.

Personnel File

Let's open up our sales manager's personnel files and see what else it says. The majority, as one would expect in the office equipment industry, are male (84%). Fully 45 percent have at least some college education while 38 percent possess OEM training, 12 percent a high school education, and 5 percent a tech/trade school background.



Most respondents (81%) work for an independent dealership with one location. Twelve percent work for a regional dealership with more than one location, 4 percent for a national publicly traded sales organization, and 3 percent for an OEM.



Seventy percent of respondents work for a dealership that enjoys $1-$10 million in annual sales while 22 percent work for a dealership that earns less than $1 million per year. Just 7 percent work for a dealership with $10.1-$50 million in revenues per year. Barely registering a blip on the survey are respondents (1%) who work for an organization that earns between $50.1 - $100 million.

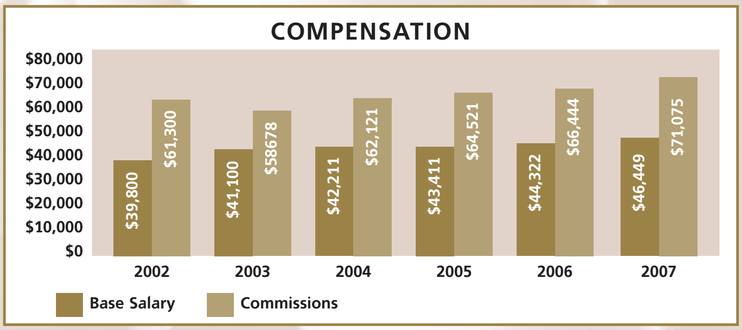
Reflecting the size of the dealerships represented in the survey, 439 respondents say they supervise 1-10 people while 125 supervise 11-20 people, and 49 supervise 21-50 people.

Sales managers are a busy bunch, logging 51 hours per week. That's a modest 1 hour increase over last year, but 5 hours more than sales managers were working in 2002.

Pay Day

In the world of sales, it's all about money and this year's respondents enjoy a base salary of $46,449. That's up from 44,322 in 2006 and $39,800 in 2002. "What we're seeing in base salaries throughout the copier industry are modest cost of living increases year over year," says Paul Schwartz, president of Copier Careers. Add commissions to the base salaries and sales managers are bringing home $71,075 a year. That's a $4,631 improvement over last year when base salaries and commissions totaled $66,444. Taking a trip back to the first year of the survey in 2002, salary and commissions totaled $61,300. "It's a good time for these guys right now," notes Schwartz.

That jump in commissions since 2002 may reflect a number of things. It may reflect the fact that they are selling more solutions with the hardware. It may also reflect commissions from higher ticket items like color devices as well as Segment 5 and 6 machines, which more manufacturers are introducing these days.

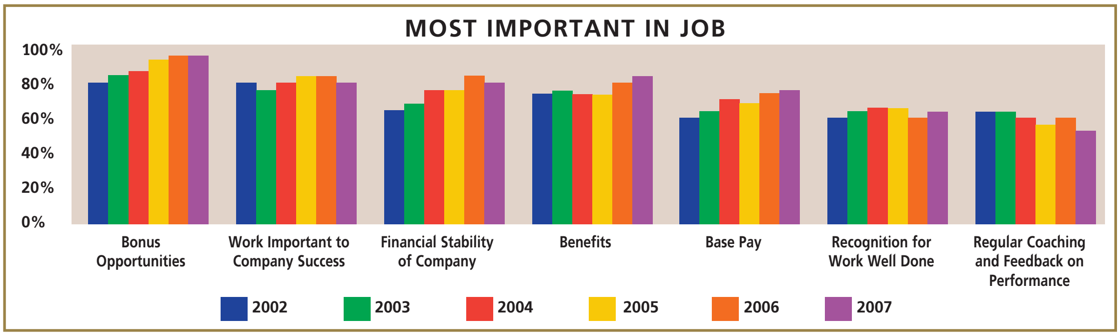


Schwartz isn't willing to pin the higher commissions on any one thing. "It just gets so localized," he explains. "We deal with so many independent dealers. It could be that Dealer 1 raises his commission structure to attract better candidates, or it could be Dealer 2's guys are better at selling solutions on top of boxes. It's just all over the place."

The Importance of Being Well Compensated

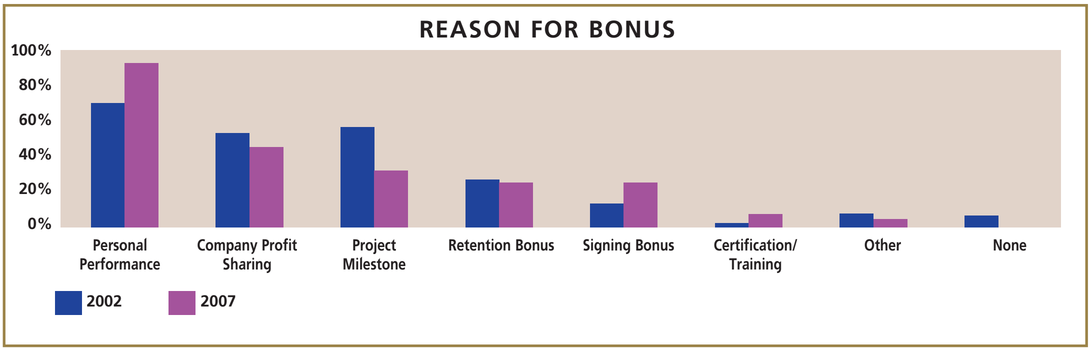
It's always interesting to note what's important to employees about their jobs. Sales managers have been consistent in their responses over the years when asked this question. The top responses are bonus opportunities (99%), benefits (84%), financial stability of company and my work is important to the company's success (81%), base pay (76%), recognition for work well done (64%), having the tools to do my job well (63%), and regular coaching/ feedback on performance (55%). "When you look at most of these responses with the exception of bonus opportunities, it's safe to say that these are the things that most employees want from their jobs," says Schwartz.

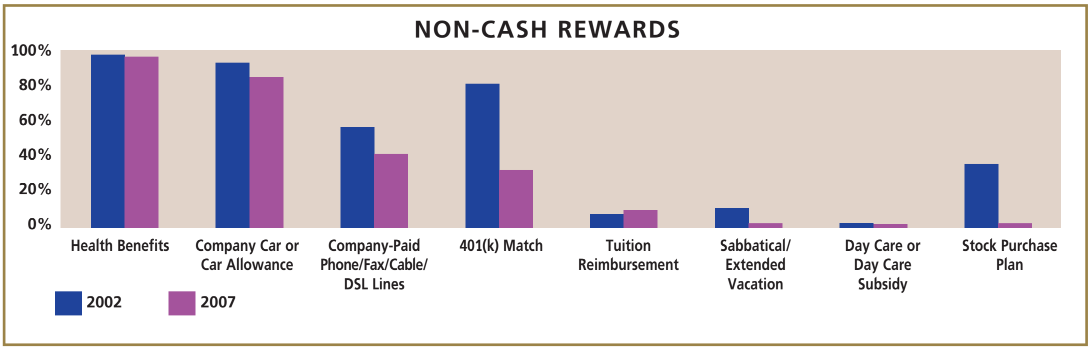
Most respondents (93%) earn bonuses for personal performance. Other top reasons related to bonuses include company profit sharing (41%), project milestone completion (30%), and signing and retention bonuses, both at 21 percent. Although retention bonuses have been fairly consistent over the years, we've seen signing bonuses jump from 12 percent in 2002 to 21 percent this year after lows of 3 percent and 7 percent in 2004 and 2005. "Again, I think it's localized," says Schwartz. "We're seeing that the better dealers need to offer somebody a reason in order to make a move."



"There's a real shortage of talent in some of the larger metropolitan areas around the country – New York, Washington D.C., Philadelphia – so they've got to do something to entice somebody to come on board and move forward with their company, especially if they don't have a big name like Ricoh or Canon," adds Dave Grandelis, director of recruiting for Copier Careers. "They have to be able to give somebody more than just a homey feel."

"The other thing is if you have a successful sales guy and he has a good book of business and making good money, why is he going to make a move over to ABC copier?" says Schwartz. "They've got to come up with something to sweeten the pot. Maybe it's a signing bonus, maybe a higher base salary, or maybe it's a better commission deal. If you're successful at a company, why would you leave to go to another company and start all over again unless you can't stand your supervisor or they cut your commissions?"





Only 2 percent receive a bonus for certification/training. "I think that most of these companies are going to give these people rewards later in increasing their salary down the road for getting certified," notes Grandelis. "They're already paying the money to get these guys certified, so sticking in another bonus after expensing it out is difficult."

"The other end of it with these people is all that matters is how much they sell. Everything is judged on that," adds Schwartz. "We did an article in one of our recent newsletters about CDA certification. At the end of the day they still have to take that knowledge and convert that to sales."

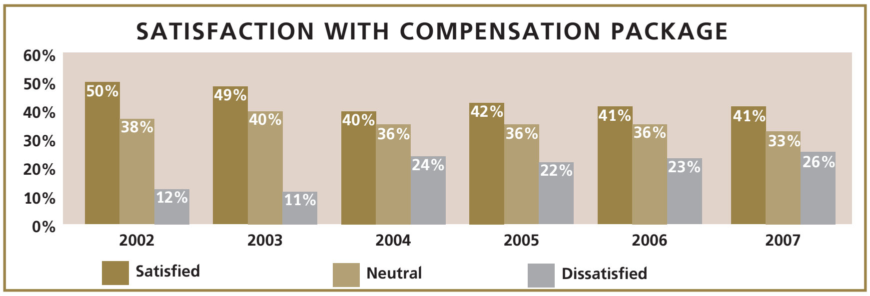
Non-Cash & Indirect Cash Rewards

In addition to base salary and commissions, sales managers receive an array of non-cash and indirect cash rewards. Most of these have been consistent over the history of the survey with the exception of stock purchase plans, which took a nose dive after 2002 when 34 percent of respondents noted they received this benefit. The following year, that figure dropped to 12 percent and continued dropping to where only 1 percent of respondents received this perk the past two years.

The most popular non-cash and indirect cash rewards remain health benefits (99%), followed by company car or allowance (86%), company paid phone/fax/cable modem/DSL lines (41%), 401(k) match (32%), and tuition reimbursement (6%). Barely registering on the charts – all tied at 1 percent – are perks such as day care or day care subsidy, sabbatical/extended vacation, further education/training, and the aforementioned stock purchase plan.

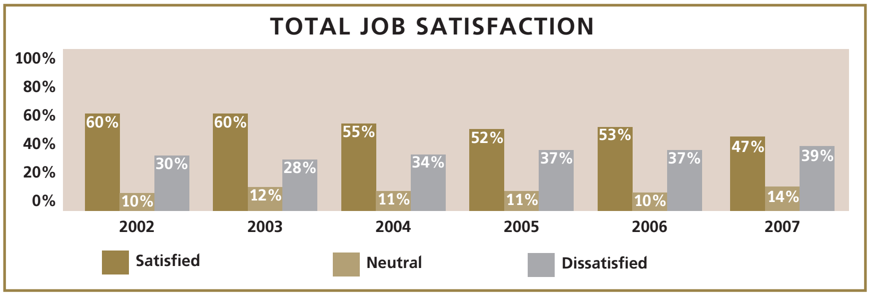
Satisfaction Levels

When asked how satisfied they were with their overall compensation plans, 41 percent of sales managers responding said that they were satisfied, 33 percent were neutral, and 26 percent dissatisfied. Compare that to 2002 when 50 percent were satisfied, 38 percent were neutral, and just 12 percent were dissatisfied. "In general it seems like over the years of doing the survey, sales managers, service management, techs – everyone seems less and less satisfied with their current situation," says Schwartz. "I don't know if it's a macro or micro issue."



The best year for sales managers was 2003 when only 11 percent were dissatisfied with their compensation while 49 percent were satisfied and 40 percent neutral – that is if you care to view a neutral response as more of a positive than a negative.

When asked how satisfied with all aspects of their jobs, more than one third (37%) said that they were dissatisfied. That's up from 30 percent in 2002. In 2007, 53 percent were satisfied and 10 percent neutral. Back in 2002, 60 percent were satisfied and an identical 10% were neutral.

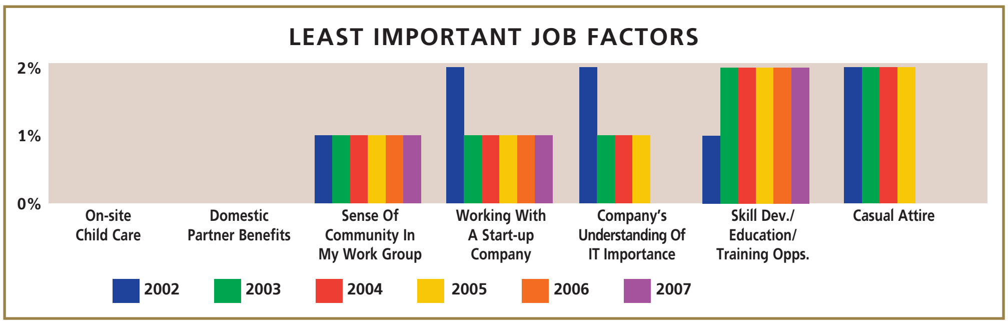


The best year for sales managers who felt satisfied or neutral about all aspects of their job was again in 2003, when 60 percent were satisfied and 12 percent were neutral and 28 percent were dissatisfied – the lowest number of dissatisfied respondents in the history of the survey.

Employer Scorecard

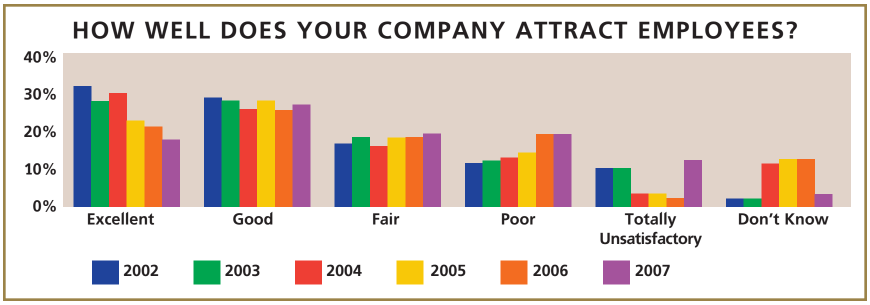
As we've seen in past surveys, sales managers can be quite harsh when rating their employers' retention and recruitment efforts. Those rating their employer's efforts at attracting new employees as excellent or good have dropped since 2002. That year 31 percent gave their employer excellent and 29 percent good ratings. This year those figures fell to 19 percent excellent and 27 percent good. Employers earning fair ratings haven't changed all that dramatically with 20 percent earning that distinction in 2007 compared to 17 percent in 2002. Employers receiving poor and unsatisfactory grades are up over 2002. In 2007, 19 percent rated poor and 12 percent totally unsatisfactory compared to 11 percent and 10 percent, respectively in 2002.

Employers don't fare much better on the retention ratings. This year 17 percent of employers earned excellent ratings from their sales managers while 27 percent were rated as good. Compare that to 2002 when 33 percent received an excellent and 22 percent earned a good. The positive news is that those earning a fair for their retention efforts have risen from 23 percent in 2002 to 31 percent in 2007 while during the same time period, those earning a poor have doubled from 11 percent in 2002 to 22 percent this year. Meanwhile, those receiving totally unsatisfactory ratings for their retention efforts are now at 8 percent down from 11 percent in 2002, but up 4 percent from last year.

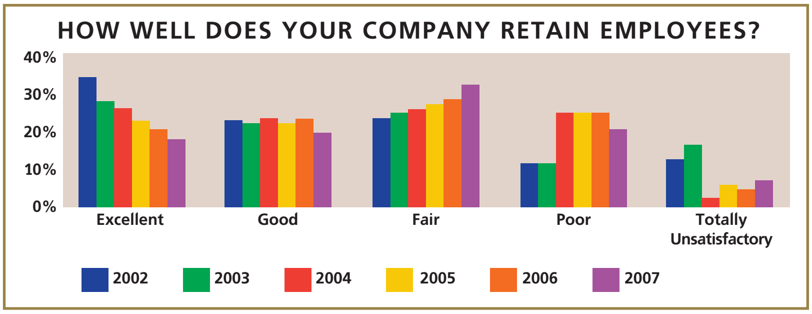


"It's interesting to see the number of sales managers who say 'unsatisfactory' or 'poor' when rating their company's efforts for attracting and retaining employees," says Schwartz. "I think those responses go hand in hand with their overall satisfaction levels. But what's particularly interesting is that these responses are coming from management."

"It's no secret that the copier industry is having a difficult time attracting new people," says Grandelis. "Guys that go to college aren't being pushed to go out and sell in the copier industry. It's much more glamorous to go out and work for a software company than a copier dealership. It's not as warm and fuzzy as it used to be. It's amazing that managers feel the way that they do, which has got to be a snap back at ownership within many larger dealerships and companies like IKON and Danka. I think some of them have lost touch with the personal side of employer/employee relationships and maybe that's a factor why these people feel the way they do."



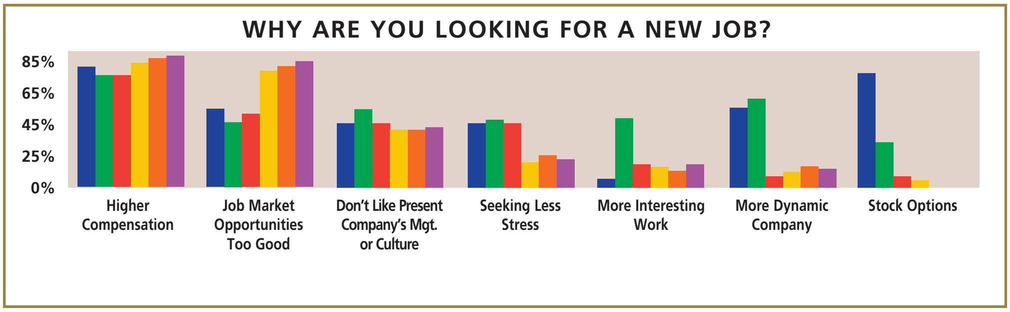
"There's a flip side to that too," adds Schwartz. "I always thought that the nice thing about the copier industry is that through everything and compared to the dot com bubble and those kinds of things, you don't seem to have those ups and downs in the copier industry. I don't think it's quite as sexy, but we plod along."



Looking Around

As always, sales managers are keeping their employment options open. This year 46 percent are actively looking and 59 percent are somewhat looking. The remaining 1 percent is perfectly content where they are. Those numbers are pretty much on target with last year's figures.

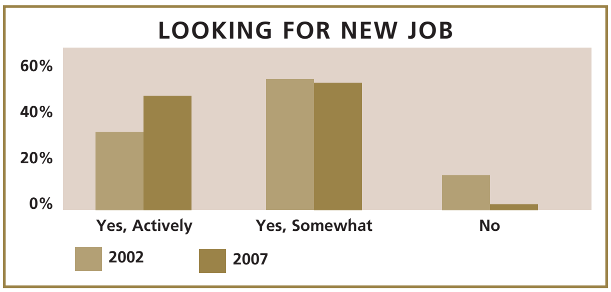
When comparing the above figures to 2002, we notice some significant differences. For example, 31 percent of respondents were actively looking for a new position five years ago and 54 percent were somewhat looking, nearly identical to this year. However, 15 percent were not looking. That by the way changed dramatically after 2003 when the number of sales managers not looking dropped from 15 percent to 3 percent in 2004 before bottoming out at 1 percent the past three years.



The number of respondents who aren't looking at all is at an all-time low, but does that reflect reality? "A lot of these people who are responding are in small town America and there aren't a lot of other places to go," says Grandelis.

"I've said it time and time again, but there is the mentality in this industry, in any industry actually, that the grass is always greener someplace else," notes Schwartz. "Whether that's true or not, it doesn't really matter, that continues to be the perception of respondents."

There aren't many surprises when it comes to why sales managers are looking around. A whopping 89 percent are doing so for higher compensation, followed by job market opportunities are too good to pass up (84%), don't like present company's management/culture (41%), seeking less stress (22%), and looking for a more dynamic company (21%).



Wrapping Things Up

It's definitely not a bad time to be a sales manager for a copier dealership. Sure they log long hours, endure a certain amount of stress along with the requisite dissatisfaction with their employer, but they're fairly well compensated, especially those who do their job well. Judging from the survey results, that's why they're doing what they do.

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