

2012 National Sales Compensation & Practices Survey

An Employer Associations of America (EAA) Sponsored Survey, coordinated by MRA – The Management Association in cooperation with 19 associations nationwide.

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National surveys produced by the EAA include:

- National Economic Trends Survey
- National Executive Compensation Survey
- National IT & Engineering Compensation Survey
- National Policies & Benefits Survey
- National Salary Budget Survey
- National Sales Compensation & Practices Survey
- National Wage & Salary Survey

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Introduction

This is the **22nd annual National Sales Compensation & Practices Survey** conducted with nineteen employer associations. MRA – The Management Association coordinated the survey.

This comprehensive survey contains hard to find, up-to-date compensation, benefits, practices and expense allowance information. 798 U.S. firms submitted data, which includes industry breakouts and incumbent based information with 9,776 rates reported.

Survey Features:

- 21 positions spanning a full sales force from executive to inside sales and customer service
- Salary reports show base pay, variable pay, and total compensation
- Compensation Strategies (6 types of incentive strategies, plus Combined Compensation which summarizes all six types)
- Gross Sales Volume (3 breakouts)
- Commission & Bonus Plan Summaries and Expense Allowance Practices
- Industry Types (14 breakouts)
- Regions (6 breakouts)
- Associations (19 breakouts)

Combined Compensation Type

For each position, a “Combined Compensation Type” is included. This rolls up the data from the six compensation strategies that are shown for each position.

Variations in Compensation Strategies and Survey Cycles

- Sales compensation plans may or may not have a cap limiting compensation. Occasionally, the absence of a cap, coupled with one or more significant sales performance events, will push total compensation to high six-figure levels. It is important to note that these high rates of pay do occur in the market. These cases will usually be observed in the p90 measures, but may also impact weighted and unweighted averages. In smaller samples their impact can be pronounced. As data are combined with larger samples, the visible impact decreases in magnitude. We suggest using q1, median, and q3 of total compensation in cases where data are skewed.
- When using data in this survey, it is important to note that companies vary significantly in the mix of how they deliver compensation to direct sales staff. Some rely heavily on commissions while others use greater amounts of base or bonus. Thus, the most relevant survey analysis **for direct sales staff** is focused on total compensation. Total compensation is generally a less volatile measure of the market for direct sales.
- Organizations tend to place greater emphasis on base pay **for top management and lower level support jobs**. Thus, both base pay and total compensation are important. Jobs with a high base component in the mix are less likely to vary in unexpected ways from one survey cycle to the next.
- When making year-to-year comparison, users of the survey may see some changes due to shifts in the demographic profile.

Profile of Participating Companies

The effective date of the data is September 2011, and the publication date is January 2012.

Total Responses *(A list of participating companies can be found on pages x - xiv)*

- 798 organizations
- 21 selected occupations
- 9,776 employees

Primary Customer Type *(To whom the salesperson sells. The number in parentheses represents the number of sales reps, not companies)*

- Consumer *(1,065 sales reps)*
- Distributors / Wholesalers *(2,142 sales reps)*
- Retailers *(937 sales reps)*
- Industry *(5,632 sales reps)*

Geographic Region *(a map of the U.S. regions can be found on page vi)*

- Great Lakes *(563 companies)*
- Pacific *(76 companies)*
- Northeast *(62 companies)*
- Mountain *(42 companies)*
- Southeast *(29 companies)*
- Central *(26 companies)*

Association Breakouts *(includes all data for association, regardless of geographic location of respondents)*

- American Society of Employers (MI) *(65 companies)*
- Associated Industries of Massachusetts (MA) *(25 companies)*
- Cascade Employers Association (OR) *(19 companies)*
- EAF - Employers Association Forum, Inc. (FL) *(6 companies)*
- Employers Association of the NorthEast (CT & MA) *(11 companies)*
- Employers Resource Association (OH) *(106 companies)*
- ERC (OH) *(46 companies)*
- Management Association (IL) *(41 companies)*
- MEA (PA) *(10 companies)*
- Mountain States Employers Council (CO) *(31 companies)*
- MRA – The Management Association (IA/Western IL) *(8 companies)*
- MRA – The Management Association (Northern IL) *(14 companies)*
- MRA – The Management Association (WI) *(219 companies)*
- The Employers Association, Inc. (RI) *(0 companies)*
- The Employers Council (UT) *(4 companies)*
- Trusight (MN) *(136 companies)*
- United Employers Association (OR) *(1 company)*
- Vigilant (OR) *(34 companies)*
- Washington Employers (WA) *(22 companies)*

Gross Sales Volume

- 0.0 to 26.9 Million *(401 companies)*
- 27.0 to 99.9 Million *(246 companies)*
- 100.0 Million + *(151 companies)*

Industry Breakouts – see next page

Industry Breakouts

This list reflects the industry breakouts available for this survey. For reference, the industry category along with the North American Industry Classification System (NAICS) is shown. The two-digit and three-digit sector numbers are broad categories.

Abbreviated NAICS Code	Category Name	Number of Companies
	Natural Resources and Mining	7
11	Agriculture, Forestry, Fishing, & Hunting	
21	Mining	
22	Utilities	1
23	Construction	13
	Non-Durable Goods Manufacturing	152
311-312	Food and Beverage Manufacturing	
313-316	Textile and Apparel Manufacturing	
322	Paper Manufacturing	
323	Printing and Related Support Activities	
324	Petroleum and Coal Products Manufacturing	
325	Chemical Manufacturing	
326	Plastics and Rubber Products Manufacturing	
	Durable Goods Manufacturing	365
321	Wood Product Manufacturing	
327	Non-Metallic Mineral Product Manufacturing	
332	Fabricated Metal Product Manufacturing	
333	Machinery Manufacturing	
334	Computer and Electronic Product Manufacturing	
335	Electrical Equipment, Appliance, and Component Manufacturing	
336	Transportation Equipment Manufacturing	
337-339	Miscellaneous Manufacturing	
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44-45	Retail Trade	
48-49	Transportation and Warehousing	8
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52	Finance and Insurance	
53	Real Estate and Rental and Leasing	
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	Administrative and Support and Waste Management and	
56	Remediation Services	
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61	Educational Services	
62	Health Care and Social Assistance	
	Leisure and Hospitality	6
71	Arts, Entertainment, and Recreation	
72	Accommodation and Food Services	
81	Other Services (except Public Administration)	57
92	Public Administration	1

(10) Top Sales Executive

Combined Compensation Type

Generally reports to President or Executive V.P. level, may be called Vice President of Sales, Vice President of Sales and Marketing, Director of Sales, etc. Responsible for the overall management and direction of the sales functions and the entire range of sales planning and development, sales promotion and sales activities of the organizational unit. Formulates, recommends and implements policies and programs in the areas of forecasting, sales, pricing, marketing and product or service acceptance research, and related activities. May also have responsibility for marketing programs, customer relations or advertising.

Effective Date: September 2011	# of Orgs	# of Emp	Base Pay						Variable Pay		Total Compensation							
			Un-Wtd Avg	Wtd Avg	P25	Median	P75	Bonus		Commission		Un-Wtd Avg	Wtd Avg	P10	P25	Median	P75	P90
								Wtd Annual Avg	Wtd Annual Avg	Wtd Annual Avg	Wtd Annual Avg							
Total Responses	339	422	-	-	-	-	-	-	-	\$178,915	\$177,992	\$104,859	\$126,993	\$160,000	\$207,043	\$269,393		
Org Sales Volume																		
0.0-26.9 million	151	174	-	-	-	-	-	-	-	\$152,456	\$151,038	\$95,142	\$110,511	\$134,861	\$175,000	\$234,049		
27.0-99.9 million	122	154	-	-	-	-	-	-	-	\$182,530	\$180,194	\$110,000	\$134,462	\$161,592	\$205,595	\$268,008		
100.0 million+	66	94	-	-	-	-	-	-	-	\$232,769	\$224,279	\$140,060	\$169,918	\$202,692	\$261,625	\$352,770		
Region																		
Northeast	18	20	-	-	-	-	-	-	-	\$164,085	\$167,697	\$97,319	\$115,021	\$155,000	\$204,100	\$260,414		
Great Lakes	274	349	-	-	-	-	-	-	-	\$181,044	\$179,128	\$102,312	\$129,195	\$160,001	\$209,200	\$278,054		
Mountain	17	21	-	-	-	-	-	-	-	\$193,655	\$200,307	\$116,316	\$145,593	\$197,000	\$242,500	\$322,000		
Pacific	24	26	-	-	-	-	-	-	-	\$160,420	\$157,165	\$109,126	\$123,000	\$140,000	\$186,386	\$226,410		
Association																		
American Society of Employers (MI)	27	43	-	-	-	-	-	-	-	\$184,806	\$191,834	\$119,771	\$154,000	\$185,095	\$217,500	\$286,721		
Associated Industries of MA (MA)	7	9	-	-	-	-	-	-	-	\$203,797	\$202,997	\$95,854	\$150,000	\$173,096	\$236,273	\$419,000		
Employers Assoc. NE (CT & MA)	5	5	-	-	-	-	-	-	-	\$120,679	\$120,679	\$87,880	\$99,198	\$120,000	\$142,500	\$160,000		
Employers Resource Assoc. (OH)	52	56	-	-	-	-	-	-	-	\$168,814	\$166,446	\$94,104	\$106,349	\$150,000	\$197,650	\$260,777		
Employers Resource Council (OH)	20	23	-	-	-	-	-	-	-	\$167,434	\$167,627	\$90,515	\$119,121	\$150,000	\$200,000	\$295,094		
Management Association (IL)	23	23	-	-	-	-	-	-	-	\$196,154	\$196,154	\$93,873	\$129,389	\$189,050	\$253,000	\$318,321		
MidAtlantic Employers Assoc. (PA)	6	6	-	-	-	-	-	-	-	\$153,927	\$153,927	\$110,500	\$112,646	\$144,150	\$203,550	\$210,000		
Mtn States Employers Council (CO)	14	18	-	-	-	-	-	-	-	\$205,837	\$210,891	\$115,210	\$167,604	\$208,529	\$245,883	\$340,780		
MRA - The Mgmt Assoc. (WI)	96	130	-	-	-	-	-	-	-	\$173,297	\$170,613	\$100,500	\$120,000	\$155,265	\$204,321	\$267,179		
Trusight (MN)	56	74	-	-	-	-	-	-	-	\$197,771	\$190,987	\$110,000	\$139,981	\$169,382	\$204,516	\$349,975		
Vigilant (OR)	13	15	-	-	-	-	-	-	-	\$152,069	\$147,540	\$95,400	\$114,500	\$140,000	\$173,400	\$229,780		
Washington Employers (WA)	8	8	-	-	-	-	-	-	-	\$157,528	\$157,528	\$107,085	\$127,482	\$152,195	\$192,078	\$208,358		

continued