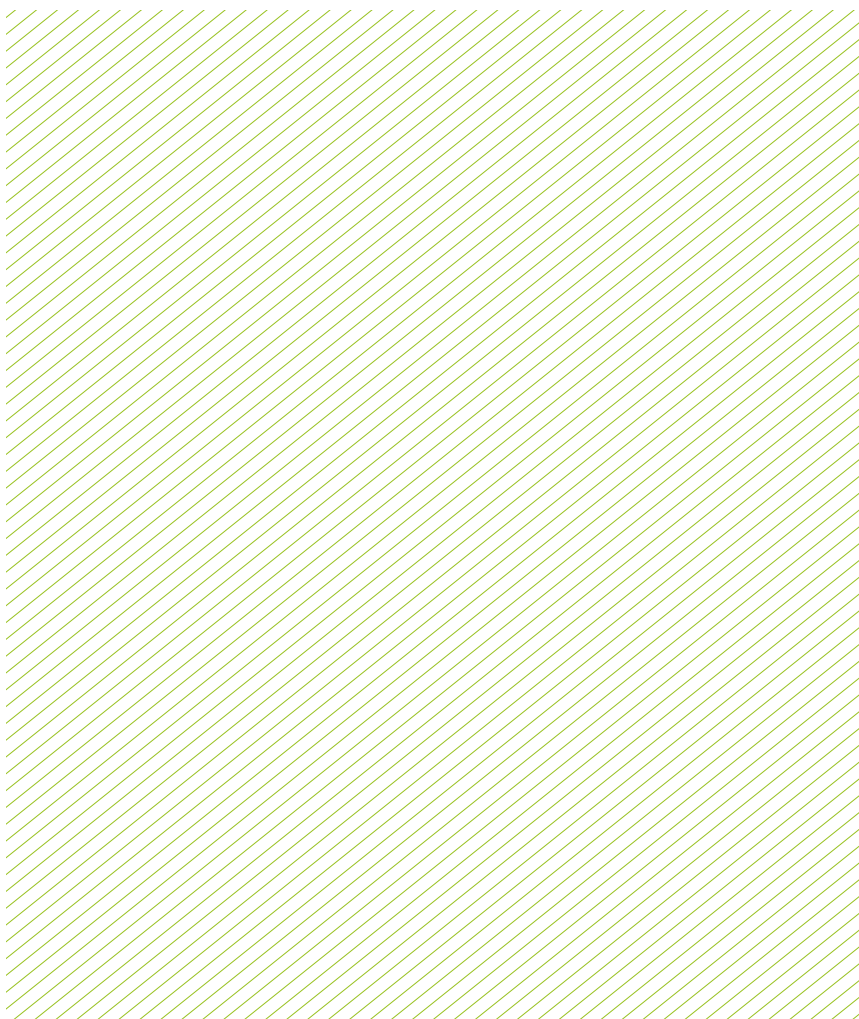


The Definitive Sales Salary Guide 2017-2018



Canadian Edition
Presented by **Sales Talent Agency**





About Sales Talent Agency


This guide is brought to you by Sales Talent Agency, Canada's leading business-to-business sales recruitment company. Over the past 10 years, Sales Talent Agency has facilitated more than 4,000 sales hires for 700+ employers, translating into over \$300,000,000 in salaries. In 2016 alone, our 50+ Sales Talent Agents met with over 10,000 salespeople to learn about their career goals and evaluate their potential for our clients' critical sales roles.


Sales Talent Agency also founded and runs the Great Canadian Sales Competition, Canada's Biggest Student Competition. Since 2014, nearly 4,000 students have participated across 80 Canadian universities and colleges. The competition educates students about sales as a potential career and introduces them to employers eager to hire talented new graduates.


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01 The Importance of Compensation

The big question:
how much should
salespeople get paid?





Why the Guide was Created

Over the past 10 years, the question we have been asked the most by employers is how much they should pay their salespeople. While it is a simple question, it has a complex answer due to the following variables:

1. Traditionally, most of a salesperson's income has been built around performance-based commissions or bonuses. As such, a salesperson has two numbers they consider when choosing employment: what is the salary and what is the total income if they hit their targets?
2. The best salespeople have many options in their careers and will be open to less salary with an employer at the top of their "wish list", as opposed to a company they are less inspired to sell for.
3. The role of a salesperson varies with: industry, how much of the sales process they are responsible for, their balance of new client acquisition to account management, company market-share, size of client, and complexity of the sale.

As such, the Definitive Sales Salary Guide explores both the numbers and the variables that go into a salesperson's choice of employer. We analyzed data from more than 4,000 recruitment projects that Sales Talent Agency has led over the past 10 years to develop our philosophies and in late 2016 we surveyed 4,860 Canadian sales professionals, at all career levels, to develop the numbers that ultimately will help you answer that all important question: **"how much should I pay my salespeople?"**

The Pros and Cons of...

Paying 100% Commission

Sure you could pay your salespeople 100% commission and lower your financial risk if there is poor performance, but you are then significantly limiting your candidate pool to those sales reps who are supremely (often irrationally) confident and those who are lacking other employment opportunities. Everyone else is put off. The argument made by all-commission employers is that salespeople will not perform unless financially incented to do so. Right or wrong, this strategy is flawed because it limits the quality of talent you hire in the first place.

Paying 100% Salary

A recent trend by some companies to only pay a base salary with no commission has been motivated by their desire to not be considered “selling” at all. Sales is sleazy in their minds and they want to be “educating” not “selling”. Semantics. In today’s B2B sales environment, all sales should be educational and consultative. You can call your revenue generators whatever you want, but if they are the front-line of your organization and are responsible for bringing on new accounts and growing your client portfolio, they are salespeople. The best salespeople paid 100% salary will more quickly jump to a new employer for the opportunity to increase their income with performance-based commission.

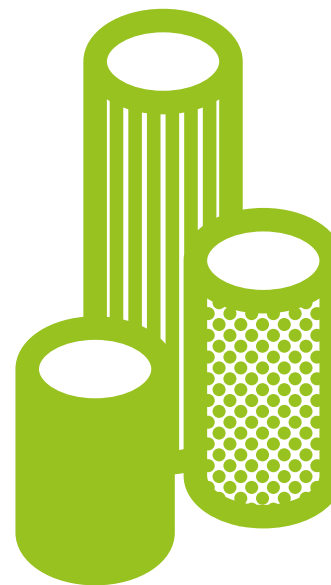
Paying a Thoughtful Balance of Salary and Commission

1. 95%+ of those surveyed for this study had a combination of salary and commissions/bonuses. Most common split ranged from 50% to 70% salary.
2. High commission roles are typically best suited for sales experts with an established skill set and healthy self-confidence.
3. Most junior reps are not ready for high commission roles; the pressure will often negatively impact their growth curve and their family and friends will discourage them.
4. Good candidates have choice. If you are not paying them the salary they want, you need to offer something else that is appealing such as an elite employment brand, high potential stocks, a leading marketing position and/or a healthy draw against commission.
5. Commission will not drive a salesperson’s work ethic. If they are hard-working they will work hard and if they are lazy they will not. The right compensation plan will both help attract and retain hard-workers.
6. Commission will direct their self-motivation. The right commission structure will tell your salespeople exactly what you want them to focus on and thus will align their pay to their success in the role.
7. One of the most important compensation factors for our salespeople surveyed was that their income should be uncapped to allow them to truly earn as much as their skill and drive allows.

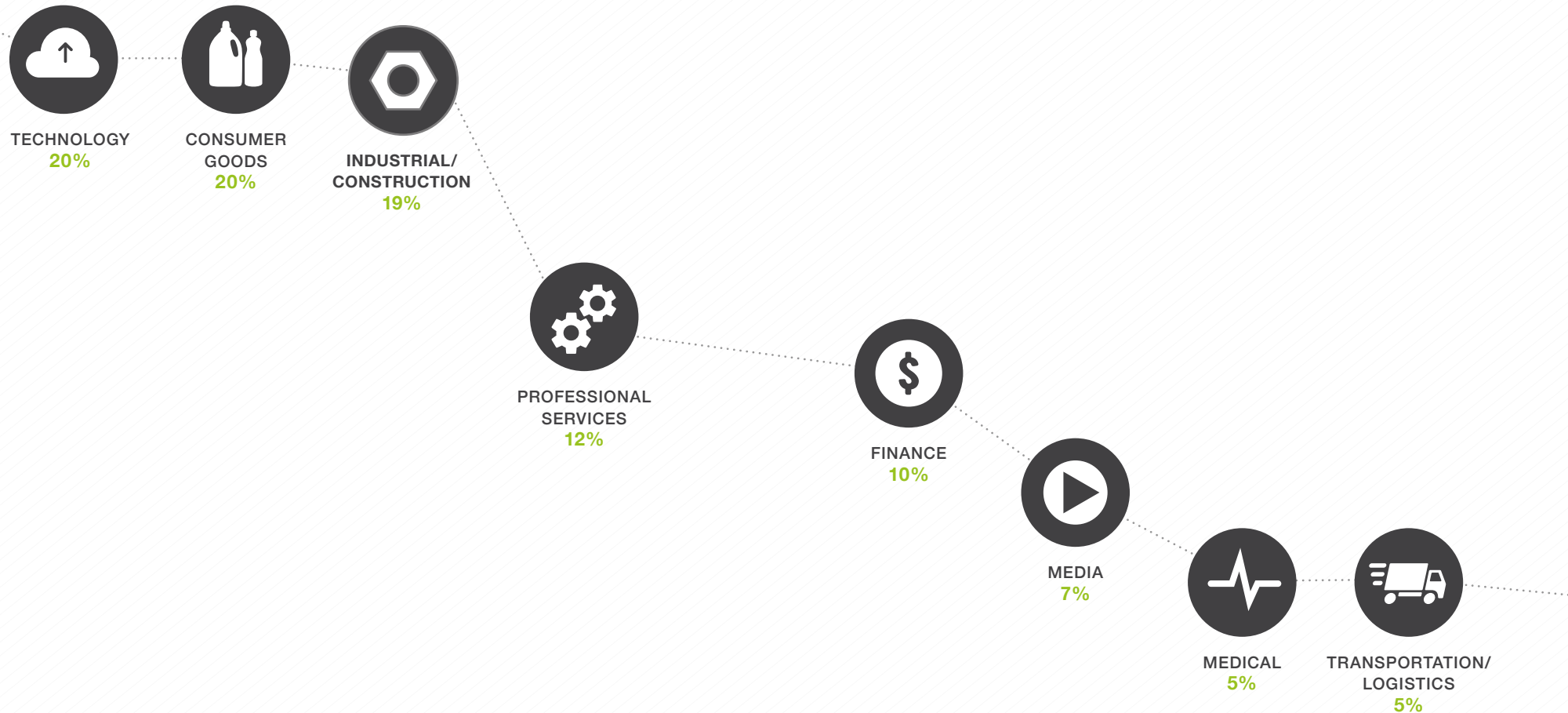
02 Scope of Data

We created a survey and sent it to sales professionals at all career levels across Canada.

We received 4,860 responses gathering both quantitative and qualitative findings.



Breakdown by Industry



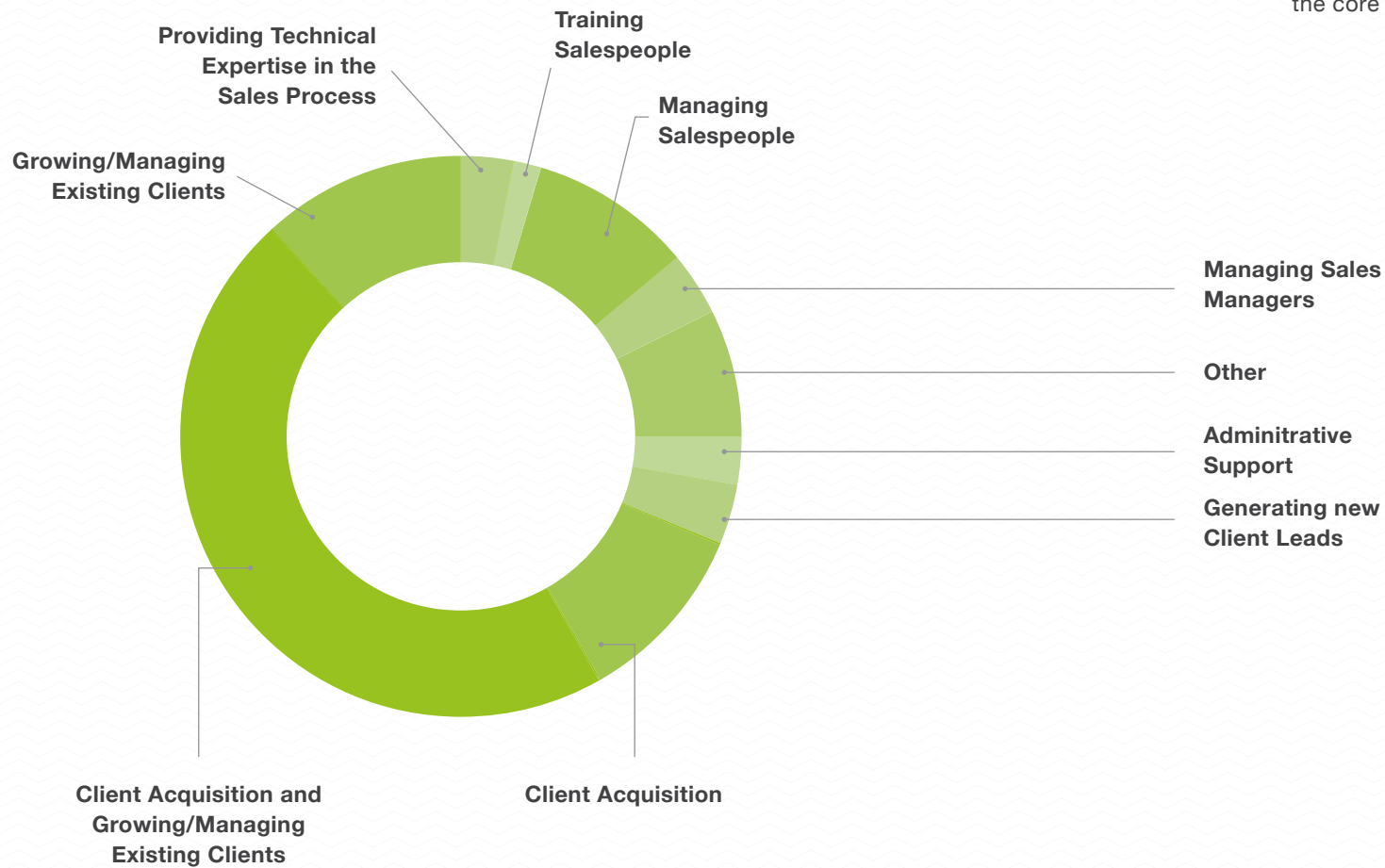
A little more than 70% of all salespeople surveyed were from Technology, Consumer Goods, Industrial/Construction and Business Services. These industries align with Canada's largest B2B sales employers.

Job Titles are Inconsistent in Sales

Our study found that titles ranged vastly and rarely described the role effectively. While some VP's, directors and managers have employees, many don't and their job title reflects a desire to impress its customer base.

CUSTOMER SERVICE REPRESENTATIVE
 NATIONAL ACCOUNT EXECUTIVE
 ACCOUNT MANAGER
 EXECUTIVE
 SALES REPRESENTATIVE
 SALES
 MANAGER
 GENERAL OPERATIONS
 TERRITORY SALES MANAGER
 SALES
 BUSINESS DEVELOPMENT MANAGER
 KEY ACCOUNT MANAGER
 OUTSIDE SALES REPRESENTATIVE
 INSIDE SALES REPRESENTATIVE
 MARKETING MANAGER
 DIRECTOR OF SALES
 CONSULTANT

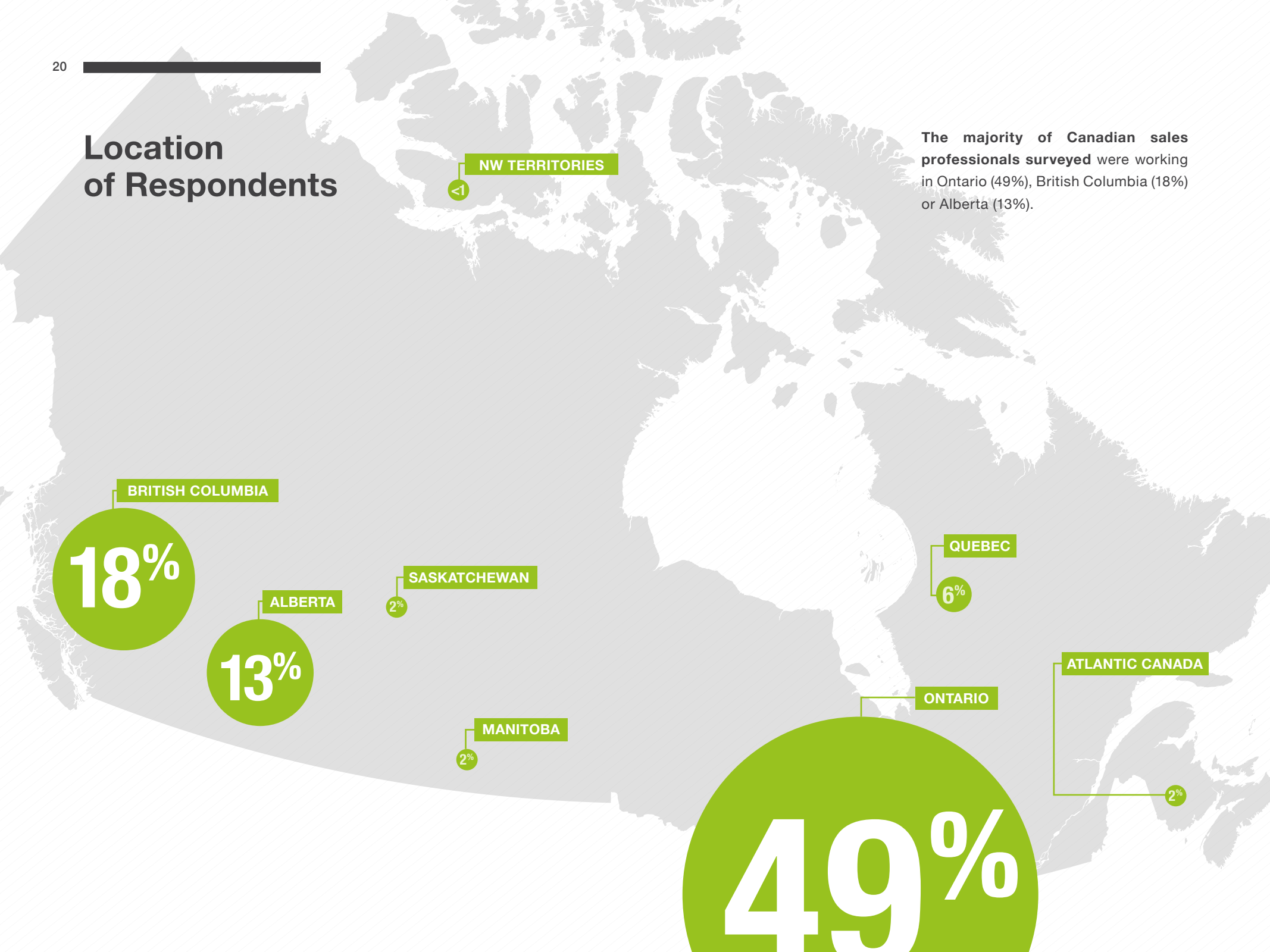
Breakdown by Role/Function



The best way to analyze and standardize different salespeople's compensation was to ignore their job titles altogether and focus on the core function of their roles, i.e. if they hunt, farm, manage, etc. Below are the descriptors we asked salespeople to select from based on the core function of their role.

Location of Respondents

The majority of Canadian sales professionals surveyed were working in Ontario (49%), British Columbia (18%) or Alberta (13%).



03 Overview of Findings

Despite having lower base salaries than many other departments, the **highest paid** non-executive employees are almost **always in sales**.



Average Base Salary by Years of Experience

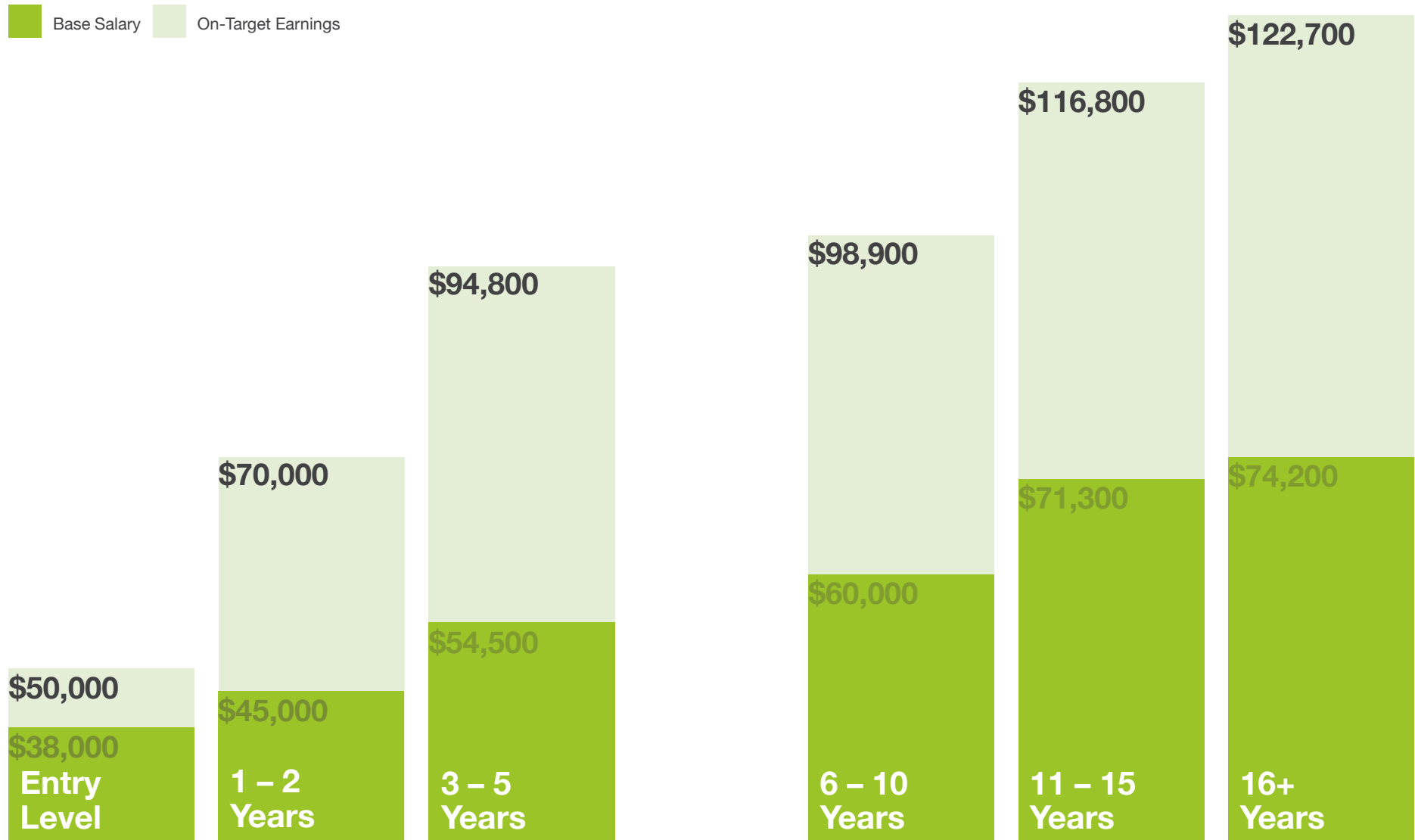
Base Salary

The following graph illustrates salary growth by experience. As expected, base salary typically increases with experience.



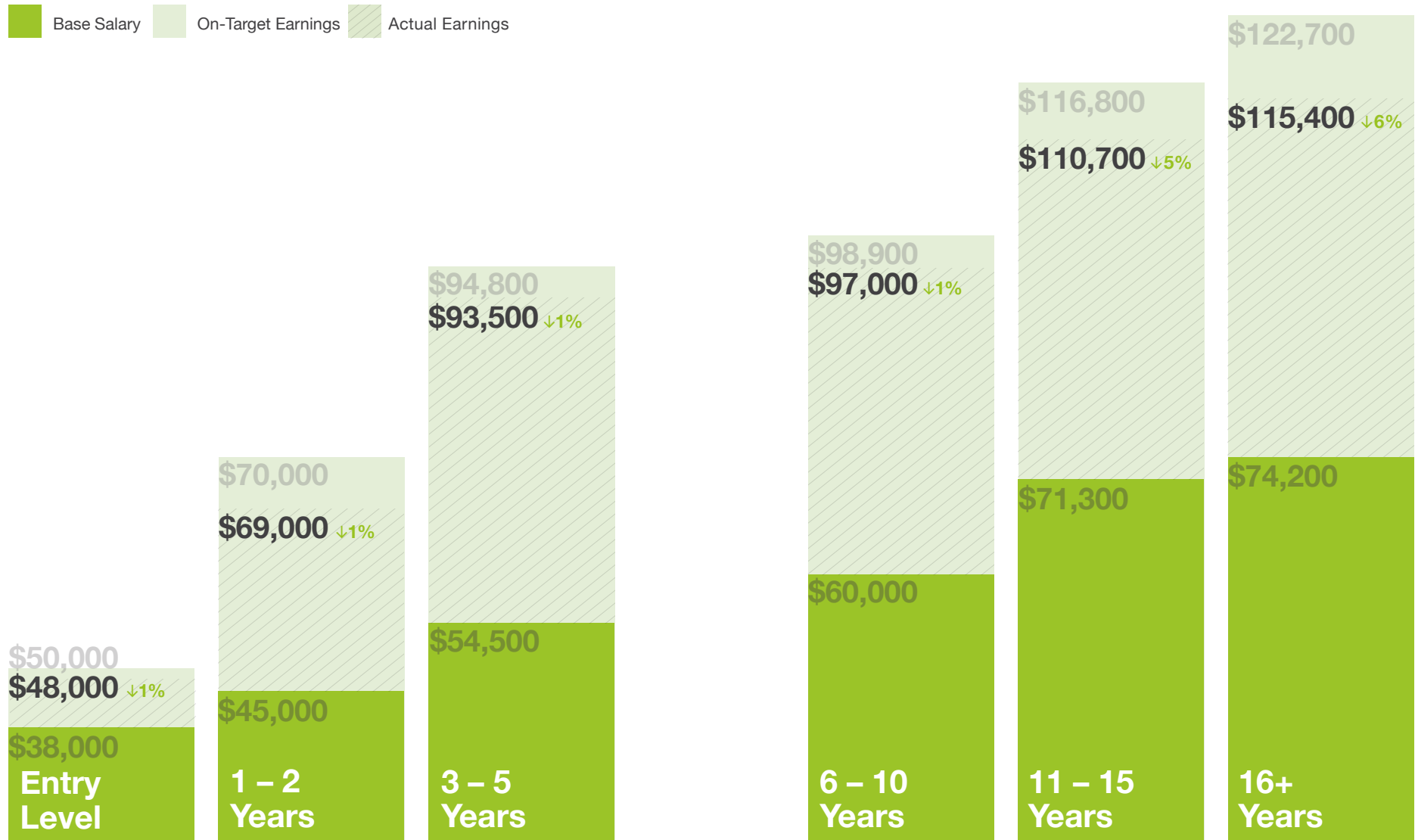
Average On-Target Earnings at 100% to Plan

Overall income, encompassing base salary and on-target earnings, also increased as experience was gained.



Average Actual Earnings

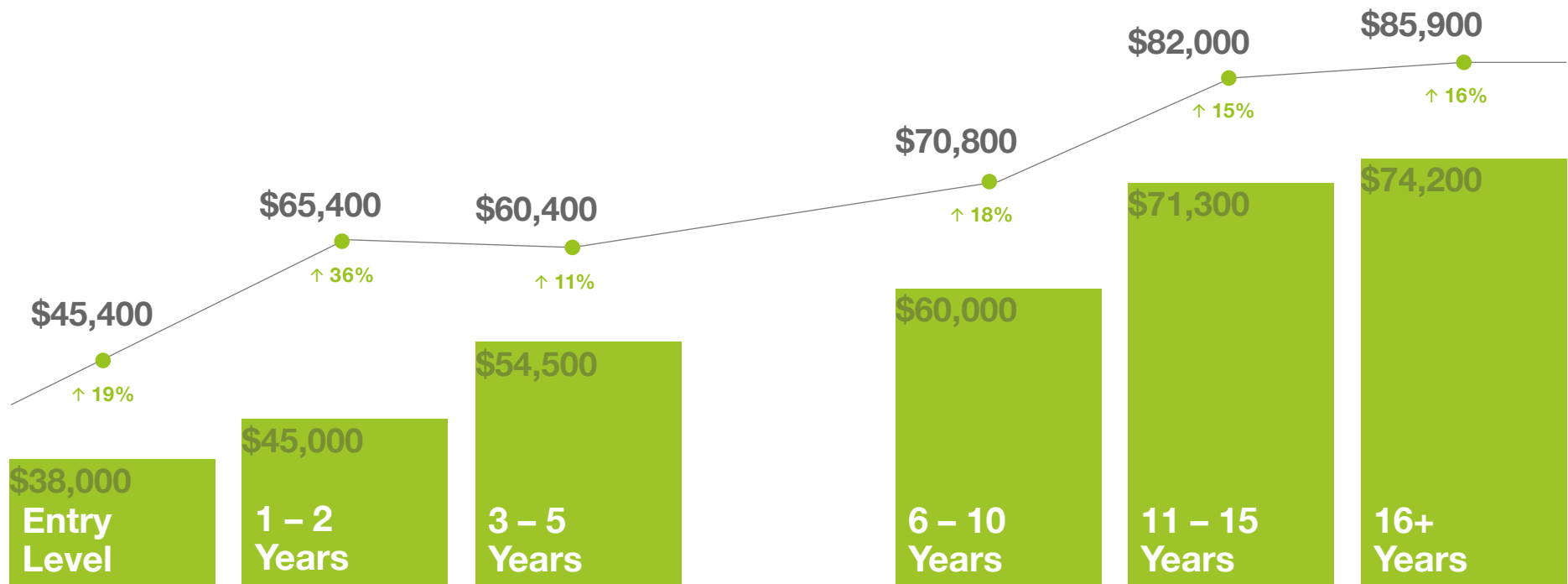
The actual earnings were marginally less than on-target earnings in every tenure group.



Salary Growth Expectations

Base Salary

When asked about annual salary growth expectations, respondents felt their base salaries should increase between 11-36%. On average this expectation is unrealized.





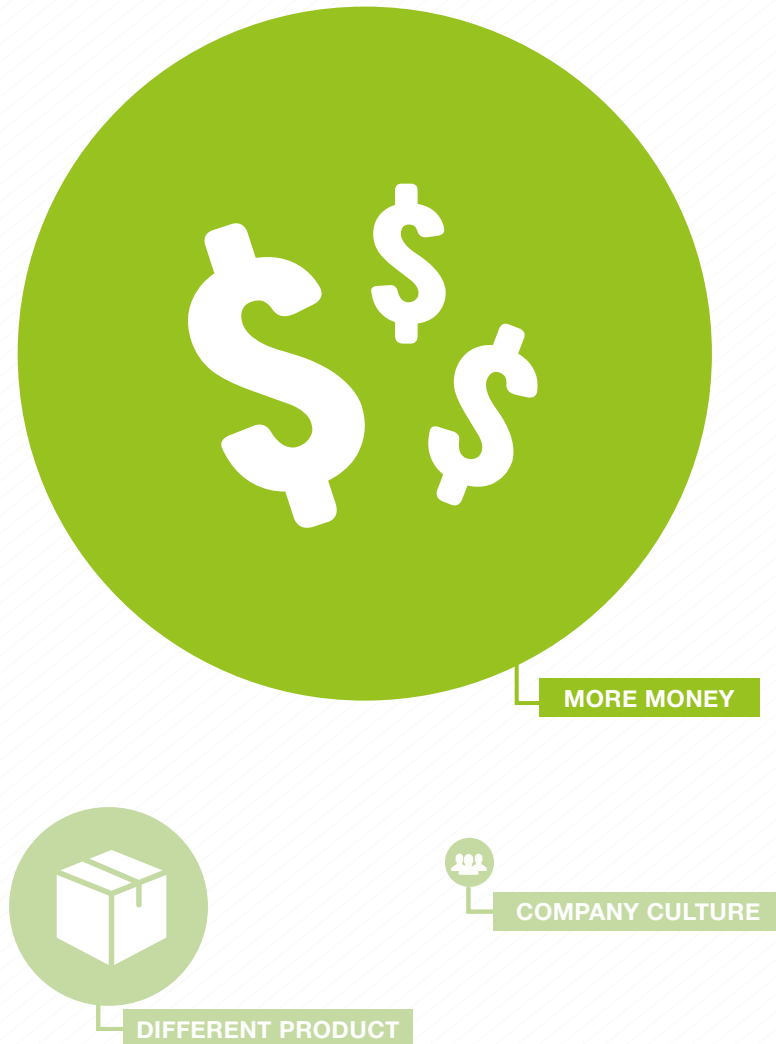
70%
of respondents felt
that with hard work
their **sales targets**
were **achievable**

**30% felt that
targets were
set too high**

When hiring salespeople it is important not to over inflate their on-target earnings. While you may get them in the door with the promise of a big performance-based incentive, once they recognize that it is unachievable you risk a quick exit.



Top Reasons Someone Would Leave Their Current Employer



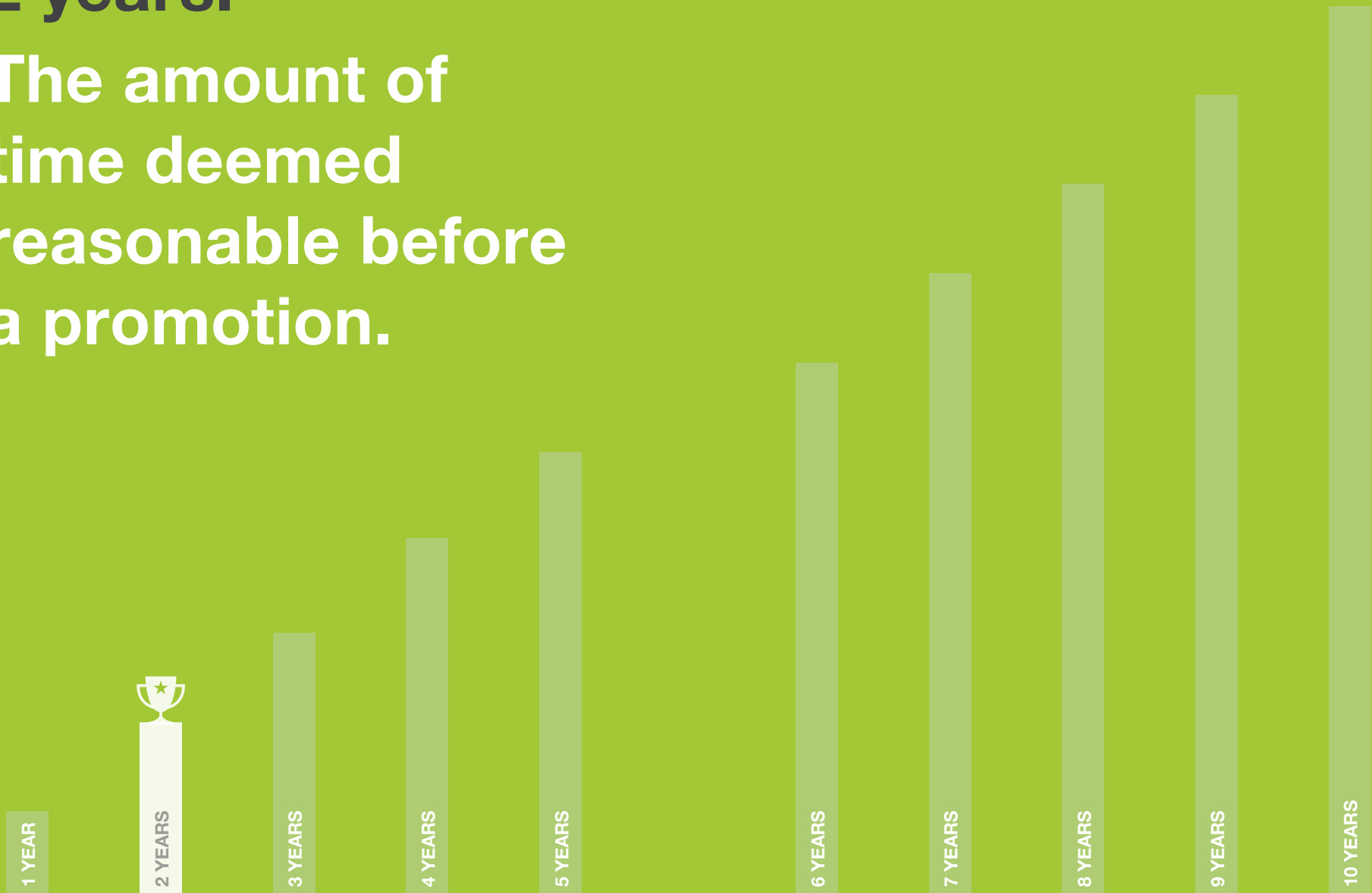
Respondents claimed the top three reasons they would leave their job **were:** more money (#1), greater flexibility (#2) and a more convenient location (#3).

While company culture was not ranked high as a reason to choose a job (ranked 6 out of 7), it is a great influencer to stay with a current employer.

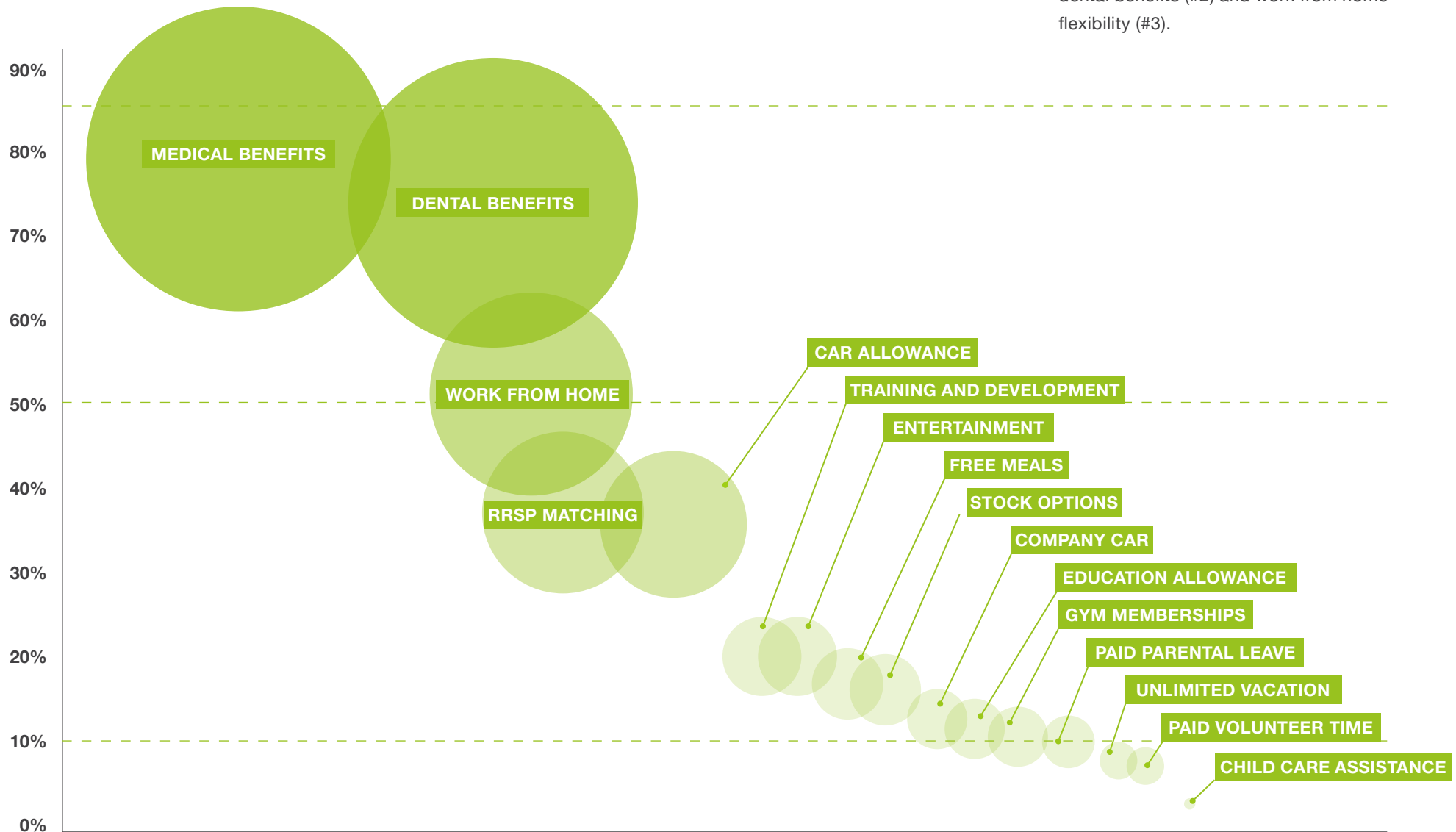


2 years.

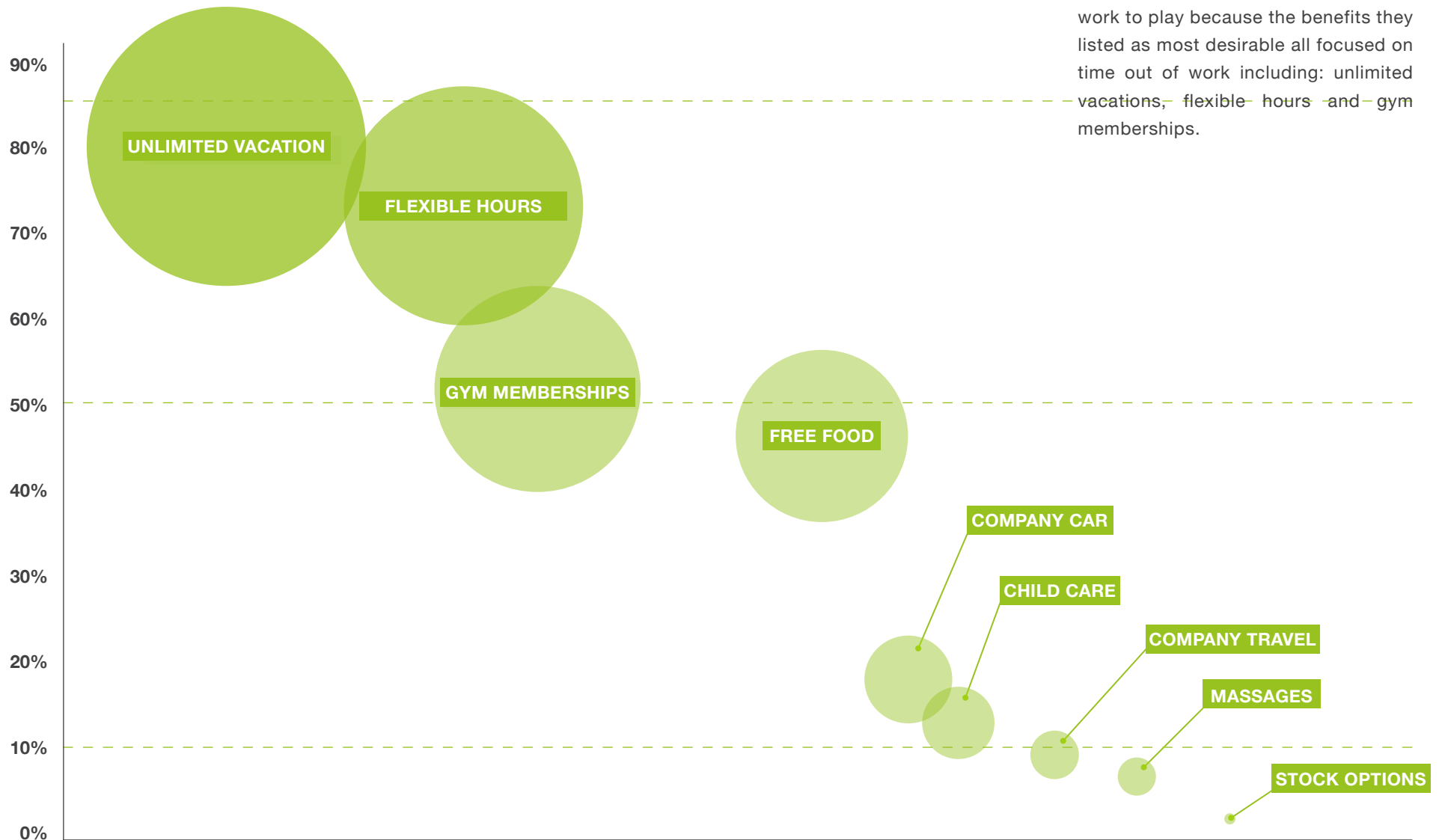
The amount of
time deemed
reasonable before
a promotion.



Most Common Company Benefits



Cooler Company Benefits



For fun, we asked respondents what the coolest benefit was that they had ever heard of. Clearly salespeople work to play because the benefits they listed as most desirable all focused on time out of work including: unlimited vacations, flexible hours and gym memberships.

04 Salary Trends by Industry

In this next section we've captured compensation information across 8 industries and compared it via **job function**, rather than **job title**.



How to Build an Employment Offer

Good sales candidates have choice. Lots of choice. Plenty of companies would love to hire them. They also likely have an employer that would love to keep them (and will probably counter your offer). If you are building a compensation offer to recruit a salesperson, you need to consider the following:

- What are they currently earning in salary and total income? (pg. 24-29, 46-59)
- What is the market paying for comparable talent? (pg. 46-59)
- What do you offer as an employer that is above and beyond money? (pg. 34, 38)

While money isn't everything, it is important to note that 95%+ of all offers at or below an employee's current base salary level are rejected. In fact, if an offer is not 10-15% higher than a candidate's current base salary it has a 75%+ chance of being rejected. That means a candidate currently earning \$50,000 would need to see at least a \$55,000-\$57,500 offer to have a likely close.



Managing Sales Managers*

Base Range Professional Services



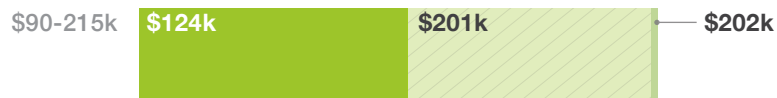
Media



Medical and Pharmaceutical



Technology



Base Range Transportation and Logistics



Finance



Industrial Supply and Service



Consumer Packaged Goods



Base Salary On-Target Earnings Actual Earnings

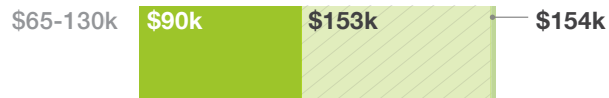
*Averages across respondents

Managing Sales People*

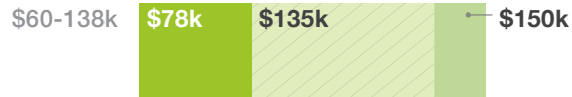
Base Range Technology



Financial



Professional Services



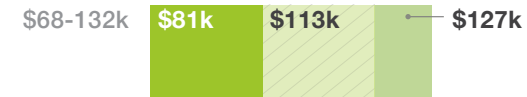
Medical and Pharmaceutical



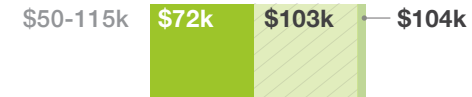
Base Range Transportation and Logistics



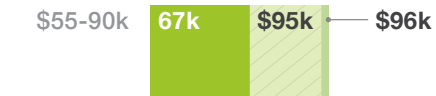
Industrial Supply and Service



Media



Consumer Packaged Goods



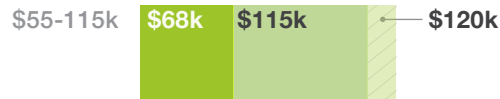
*Averages across respondents

Client Acquisition and Growing/Managing Existing Clients*

Base Range Technology



Finance



Media



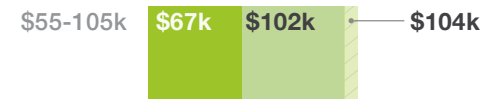
Professional Services



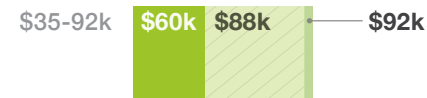
Base Range Medical and Pharmaceutical



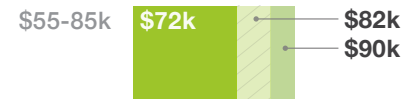
Industrial Supply and Service



Transportation and Logistics



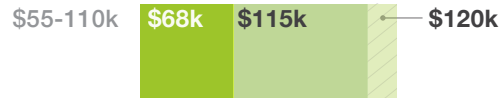
Consumer Packaged Goods



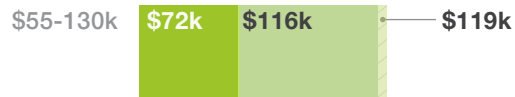
*Averages across respondents

Growing/Managing Existing Clients*

Base Range Finance



Technology



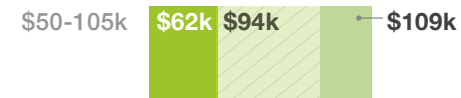
Media



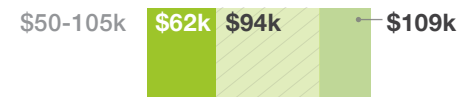
Medical and Pharmaceutical



Base Range Industrial Supply and Service



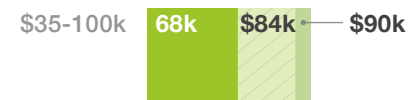
Professional Services



Transportation and Logistics

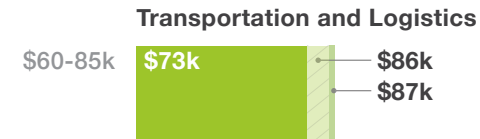
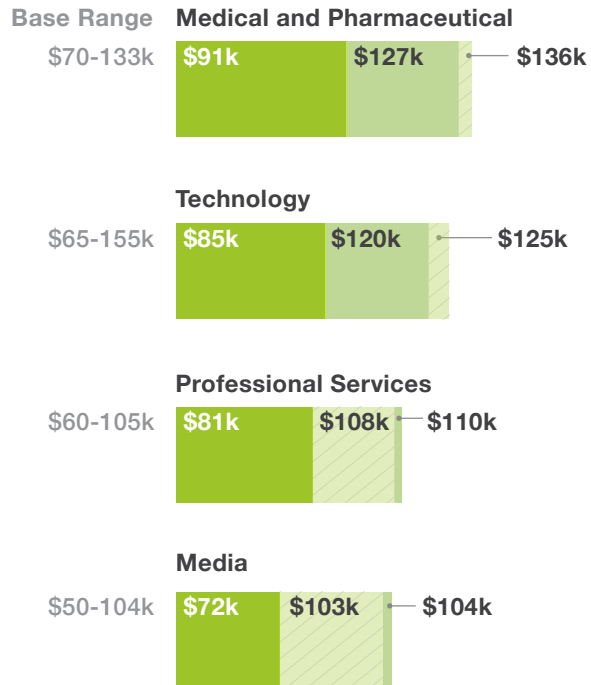


Consumer Packaged Goods



*Averages across respondents

Providing Technical Expertise in the Sales Process*

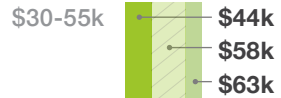


Base Salary On-Target Earnings Actual Earnings

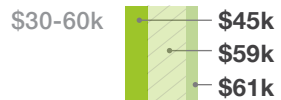
*Averages across respondents

Generating new Client Leads*

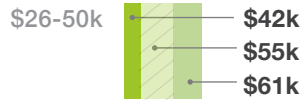
Base Range Technology



Finance

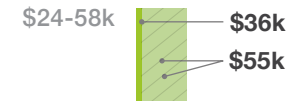


Professional Services



Administrative Support*

Base Range Across all industries



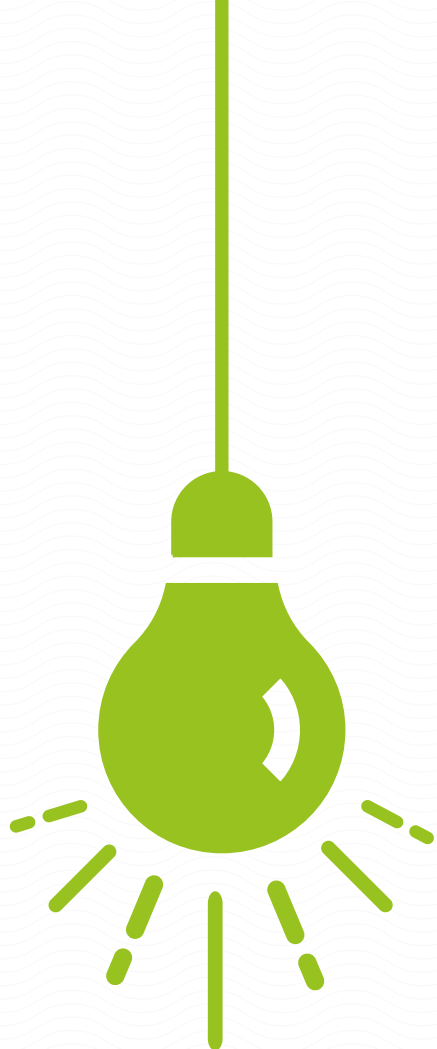
Base Salary
 On-Target Earnings
 Actual Earnings

**Averages across respondents*

05 The Future of Sales

Sales roles are not
Canada's most sought
after yet... but the **future**
is definitely **bright**.





The Future of Sales is Bright

For years our clients have been frustrated by the lack of focus on developing sales skills in colleges and universities across Canada, leaving employers with limited hiring options. The future of sales has become so much brighter over the last 12 months with an increased focus on teaching sales at the post-secondary level and fostering an interest in B2B sales among young Canadians. On our travels to the 80 universities and colleges participating in the Great Canadian Sales Competition, we have noted that millennials are starting to see sales - especially B2B sales - as a career destination as opposed to a fall back option. B2C sales has always felt a little intrusive and desperate, while the old corporate sales has typically been thought of as an inauthentic schmoozing job.

Modern B2B sales is less about golf and drinks and more about educating clients and consulting on interesting corporate challenges. Young Canadians are intrigued by this shift and love how measured and financially rewarding sales can be. Sales roles are not Canada's most sought after yet, so there is lots of work still to do. But the future is definitely bright.

As business leaders our role is to foster this new appreciation for sales. We must create jobs that meet the needs of modern salespeople; with exciting company cultures, easy access to analytics, competitive compensation plans and strong mentorship. That means we need integrity in our approach, from how we market income potential, to how we nurture and train young talent. We need to build exciting career paths that show a clear opportunity for executive leadership and we need to always remember that sales can be so incredibly rewarding and so incredibly demanding. No job offers a bigger emotional roller coaster, so empathy in sales leadership is critical to fostering a high-performing team.

We at Sales Talent Agency are excited to play our role in this revolution.



WE MEET WITH MORE THAN

10,000

SALESPEOPLE

every year

WE HAVE FACILITATED

more than

300

\$MILLION

IN SALARIES

PROFITguide

*Profit500 fastest growing
company for the last 3 years*

RUN CANADA'S
**BIGGEST
STUDENT
COMPETITION**



GREAT CANADIAN SALES COMPETITION

39%

*of all Canadian salespeople
are in our immediate network*

GROWING BY

2,500 - 10,000

EACH MONTH

WE HAVE

recruited
for more than

700

COMPANIES AND COUNTING

80% of our placements

exceed 90%

OF THEIR 1ST YEAR

REVENUE

TARGET



Let's talk about your recruitment project

1-888-355-0544 www.salestalentagency.com