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27th ANNUAL SALARY SURVEY

Ready to move up

Having survived an epic recession, logistics and supply chain professionals are now looking beyond maintaining a comfortable threshold. Indeed, the time seems right to get those resumes in order, reconnect with your network, and continue that climb up the career path.

BY PATRICK BURNSON, EXECUTIVE EDITOR

A According to the findings of our 27th Annual Salary Survey, those workers who were able to keep their logistics and supply chain positions saw a slight salary gain over the past 12 months. Our research team also revealed that more than half of the logistics and supply chain professionals responding to our 2011 survey say that they're ready to put their experiences from the great recession to work and are actively looking or are wide open to entertaining better offers.

And the timing could be right for them. Industry recruiters are telling us that employers want experienced and dedicated managers to take their logistics operations to the next level of achievement—and what better experience can you ask for than managing a logistics and transportation department through the past two years?

When the median salary index moved from \$85,000 to \$88,000 in our 2010 results, analysts suggested that companies were finally in a position to reward professionals with a modest, but sustainable raise. This trend continues in 2011 as the median salary now rings in at \$90,000, with 10 percent of our 669 respondents reporting that they received a raise of 10 percent or more over the past 12 months.

Tellingly, nearly half of the respondents from 2010 responded again this year, although researchers report that there were few “astonishing” revelations this year. One conclusion may be that it's simply encouraging to see

the watermark rise. As to whether it's a tide that lifts all boats, however, remains a question. Better than last year is the fact that 43 percent of the salaries reported fall in the \$100,000-plus range—with 2 percent rising above \$250,000. The average salary reported in our 2011 survey totaled \$107,802.

Anecdotal information gleaned from this year's survey, coupled with subsequent interviews with shippers, academics, and recruiters, point towards a new trend where workers are seeking more than just enhanced financial compensation. They tell us they want transcendent and often intangible payback by way of recognition and personal fulfillment as they make their way up the career path.

Methodology

An online survey was first directed to the attention of *Logistics Management* subscribers on January 31, 2011. Data collection was completed on February 8th, 2011. The survey was administered by Peerless Media's Research Group. The summary results presented here are based on a total of 669 usable replies. At a 95% confidence level, results are accurate with a margin of +/- 6 percent.

SALARY SURVEY WEBCAST

April 21st at 2 pm ET • logisticsmgmt.com/salary11



Pay hikes continue

Median salaries continue to climb

Year	Average salary 2010	Percentage change
2010	\$90,000	2.2%
2009	\$88,000	3.5%
2008	\$85,000	5.9%
2007	\$80,000	0%
2006	\$80,000	0%
2005	\$80,000	-4.5%
2004	\$83,790	6.6%
2003	\$78,600	1.0%
2002	\$77,700	2.2%
2001	\$76,000	7.0%
2000	\$71,000	3.3%
1999	\$68,700	3.1%
1998	\$66,600	10.1%
1997	\$60,458	5.0%
1996	\$57,536	6.1%

% Percentage change from previous year

Job titles matter

Executive roles win better compensation

Vice president/General manager

Average salary 2010	\$167,650
Average salary 2009	\$169,404

Corporate/Division manager

Average salary 2010	\$138,630
Average salary 2009	\$133,399

Supply chain manager

Average salary 2010	\$100,159
Average salary 2009	\$110,421

Logistics manager

Average salary 2010	\$95,479
Average salary 2009	\$85,579

Operations manager

Average salary 2010	\$89,180
Average salary 2009	\$79,448

Traffic manager

Average salary 2010	\$76,546
Average salary 2009	\$72,175

Warehouse manager/Supervisor

Average salary 2010	\$68,534
Average salary 2009	\$66,130

Assistant traffic management/Supervisor/Analyst

Average salary 2010	\$66,446
Average salary 2009	\$61,484

■ Average salary 2010 ■ Average salary 2009

Source: Peerless Media Research Group

Multi-tasking is rewarded

Supply chain pros are rewarded with higher salaries

Supply chain management

Average salary 2010	\$129,396
Average salary 2009	\$137,508

Distribution/Logistics

Average salary 2010	\$115,777
Average salary 2009	\$107,484

Fleet operations

Average salary 2010	\$90,167
Average salary 2009	\$99,887

Traffic/Transportation

Average salary 2010	\$90,228
Average salary 2009	\$90,089

Planning*

Average salary 2010	\$114,610
Average salary 2009	\$108,911

Import/Export operations

Average salary 2010	\$74,879
Average salary 2009	\$82,682

Warehousing

Average salary 2010	\$94,587
Average salary 2009	\$73,737

Purchasing

Average salary 2010	\$89,540
Average salary 2009	\$81,781

Inventory control

Average salary 2010	\$84,755
Average salary 2009	\$82,078

Materials handling

Average salary 2010	\$94,131
Average salary 2009	\$92,478

■ Average salary 2010 ■ Average salary 2009

Source: Peerless Media Research Group

It pays to stay in school

Time spent on education continues to pay off

High school



Some college



4-year college degree



MBA



Other graduate degree



■ Average salary 2010 ■ Average salary 2009

Source: Peerless Media Research Group

NOT ABOUT THE MONEY

While the climb up the corporate path can often be taken two steps at a time, for many of the respondents we spoke with, that move isn't always about the money. Michael Kusuplos, logistics manager for Areva Solar in Mountain View, Calif., says job satisfaction remains key to long-term satisfaction—and it was imperative in his latest move.

"It really doesn't matter where the opportunity is, but rather the challenge that the position holds," he says. "That

was a major contributing factor as to why I recently left Texas for California. "It was for the challenge that this new assignment afforded to me professionally." Kusuplos adds that companies truly committed to having the logistics process become part of their core competencies will be a natural magnet for those professionals who have a real passion for logistics.

Pete Kalemon, division traffic manager for Matthews International, a Pittsburgh, Pa.-based manufacturer of identification products, agrees with Kusuplos, saying that he enjoys working in a fast-paced environment with other colleagues who share his dedication to the logistics profession. "Compensation is certainly part of the satisfaction," he says. "But I'm at the top pay level for a traffic manager, and I enjoy living in a city that is relatively inexpensive."

Bruce DeBruyn, transportation planning manager for Akasha, a decorative glass manufacturer in Ann Arbor, Mich., says that he, too, wouldn't move from one job to the next just for the money. "Although there has been a significant shift in manufacturing, many of the jobs will remain in the nation's heartland, where the quality of life

Gender gap remains substantial

Men earned considerably more again this year

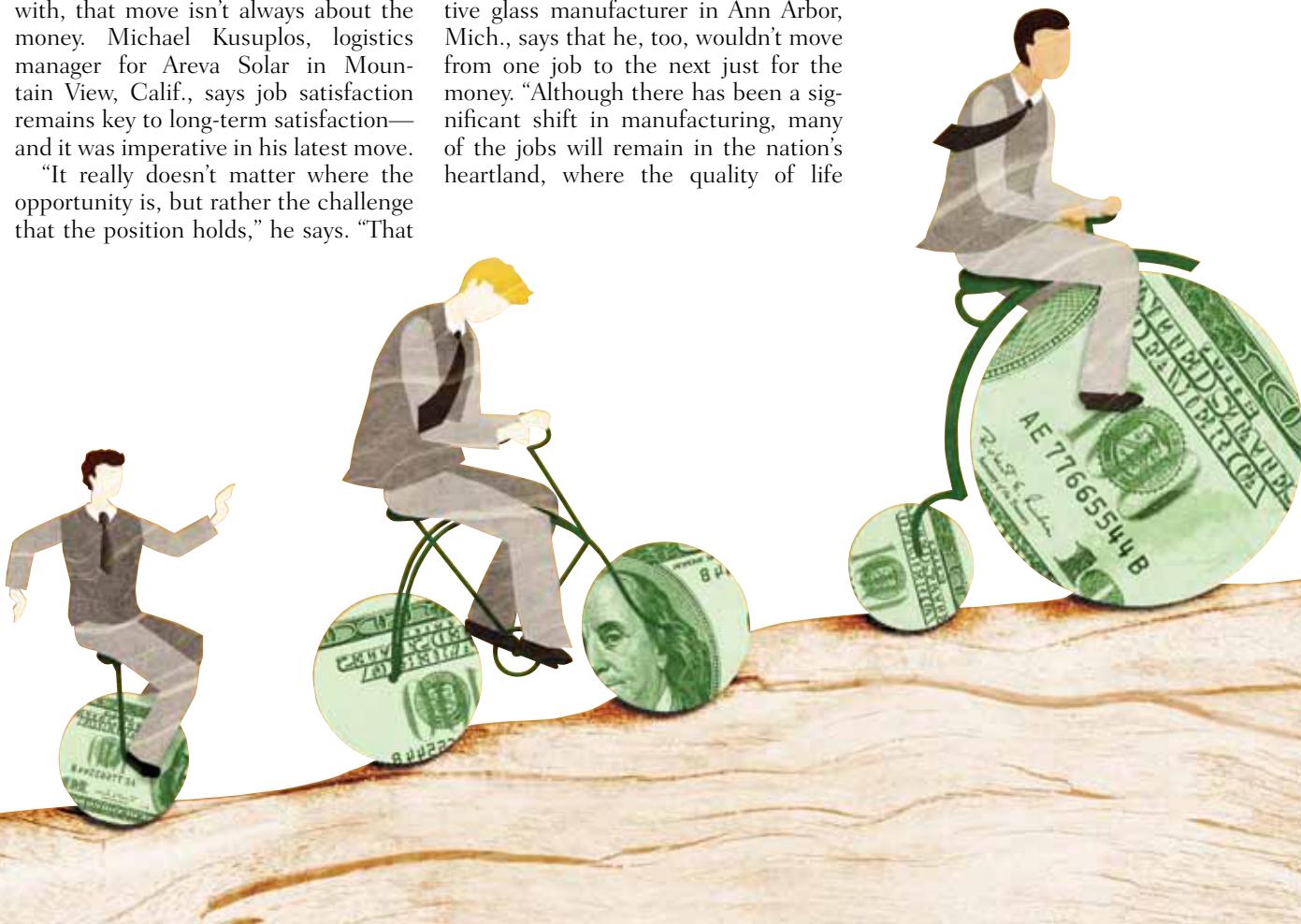
Men	Average salary	Women
\$108,465		\$90,642

Source: Peerless Media Research Group

remains high," he says.

The remarks from these shippers certainly support our 2011 findings. In fact, more than half of this year's respondents say that they're very satisfied with their choice of a career in logistics and supply chain—only 2 percent indicated that they are dissatisfied with the path they have chosen. Having the biggest effect on their satisfaction at 59 percent is the feeling of accomplishment they receive from their job. Ranking second is the relationships with their colleagues. Again, this mirrors last year's findings.

Among the factors contributing to



job dissatisfaction is company politics, with 47 percent of respondents reporting this as the top negative factor. In second place is lack of room for advancement, followed by salary and workload. And consider this: Twenty-seven percent say they're currently happy where they are, while more than 50 percent indicate that they are "open to new opportunities."

WHAT EMPLOYERS WANT

And the time might be just right for those seasoned pros looking for a better job, say analysts. Lynn Failing, vice president of Kimmel & Associates, Inc., a national executive search firm specializing in the logistics and supply chain industries, says that manufacturers and retailers cannot afford to get any leaner if they wish to build their top lines.

"Companies have whacked the workforce so hard that they've gone beyond the bone," says Failing. "Most recognize that they got carried away with this emphasis on improving the bottom line, and are set to hire so that they can generate some revenue again."

But that doesn't mean they will be hiring the same narrow job descriptions, says Failing, who emphasizes that candidates with a broader background in supply chain management will be the ones in demand. "Our clients are looking for people with project skills and transportation redesign experience," says Failing. "They want leaders who can complete specific tasks while concentrating on continuous process improvement."

As to what kind of salaries these leaders can command, says Failing, it's really a matter of the scale and scope of responsibility. For example, the vice president of a regional manufacturing operation cannot expect to earn as much as the director of a Fortune 500 company.

"The GAPs and Honeywells are looking for copies of the Mona Lisa," he says. "While we can certainly deliver that, we're also looking for someone who can be the director of a small food service company, managing 150 people in the transportation department." According to Patricia O'Rourke, career center coordinator for the Council of Supply Chain Management Professionals (CSCMP), activity in hiring has been "very strong" so far this year, and

Demographics



- Average age is 48.
- 83% of the respondents are male.
- The most frequently reported job title was that of Logistics Manager.
- 93% have attended college; 78% have a college degree of some sort (Associate's, Bachelor's or graduate); 16% have an MBA.
- 38% have completed formal education in logistics and/or supply chain management. Among this group, 30% have an undergraduate degree in logistics and/or supply chain management, and 14% have a graduate degree in logistics and/or supply chain management.
- Respondents have an average of 18 years of logistics/supply chain management.
- Respondents have been with their current company for an average of 9 years, and in their present job for 7 years.
- They work for companies who have on average 3,244 employees. Almost one-quarter (24%) of these companies are reported to spend more than \$100 million annually on transportation.

gaining momentum. "This is terrific for our candidates, to employers, and to the profession as a whole, to see confidence and strength in moving business forward from the depressed statistics we experienced for the last two years,"

she says.

O'Rourke says that she continues to see job descriptions for logistics and supply chain professionals with broad skill sets. "I cannot stress strongly enough to candidates and employers

Rewarding the "stars"

Salary and compensation experts have always assumed that the most successful companies get their competitive edge by paying their star employees more than the competition to fuel innovation.

New research titled *Reaching for the Stars: Who Pays for Talent in Innovative Industries*, co-authored by Stanford professor Kathryn Shaw and using the academic field of insider econometrics, has been able to prove that this assumption is indeed true.

"It is noteworthy for more than its insight into the human resources industry," says Shaw, the Ernest C. Arbuckle Professor of Economics in the Stanford Graduate School of Business. "It's an example of how insider econometrics, the careful analysis of rich, new sources of data, combined with interviews of industry insiders, is leading to a much clearer understanding of the efficacy of management strategies in general, and human resources practices in particular," she says.

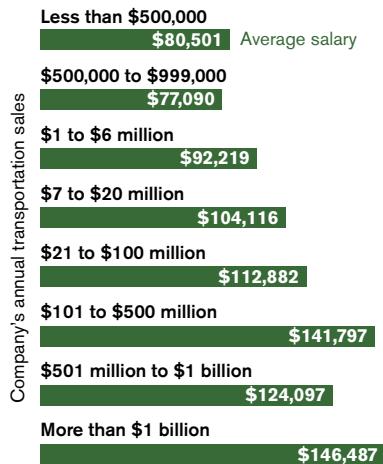
The researchers concluded: "In short, our results are consistent with the view that innovative firms offer skilled individuals (stars) substantial sums of money up front because they bet in a high-stakes game of producing winning high-payoff products. The results are also consistent with the view that such firms reward loyalty with performance pay, which further increases the likelihood that they will win the high stakes product competition."

Alan Beaulieu, president of ITR, an economic forecasting firm, says this is good advice for firms looking to invest in their supply chain operations.

"It's time to hire now if there are any skill gaps in your operation," says Beaulieu. "And while you should be ruthless when it comes to efficiency, you should concentrate on retaining the best workers. Indeed, if you care about the people who work for you—give them raises. Productivity is at stake."

Investing in the future pays off

Companies spending more than \$100 million on transportation last year sent their employees a powerful message



Source: Peerless Media Research Group

how important it is to give considerable thought to how you will highlight these skills clearly and prominently," she says. "Employers should develop their job descriptions with clear requirements, and candidates must present their cross skills accurately, quantified, and displayed prominently in their resumes."

PREPARING FOR THE FUTURE

And then the real question, say educators, is just how qualified these professionals have to be to meet the new challenges ahead. Indeed, will many of them need to be ready to move to a better opportunity if and when they are called?

Dr. Theodore P. Stank, Bruce Chair of Excellence in Business, University of Tennessee, says that supply chain professionals still need to be proficient at managing the core functions, such as transportation, warehousing, inventory management, and reverse logistics—but within the context of this broader supply chain process.

"For transportation



to make that needed impact in an integrated supply chain, managers need to become proficient at making smart decisions on four different levels—long-term strategies, lane operations, mode and carrier selection, and dock operations," he says.

The University of Tennessee, one of the nation's leaders in logistics and supply chain education, has been concentrating on placing graduates "where the jobs are," says Stank. "And that sometimes means making some lifestyle sacrifices." According to Stank, a lot of new jobs are moving to the South and Southeast as a prolonged shift in manufacturing takes hold. "At the same time, the quality of life is improving in these parts of the country, and many

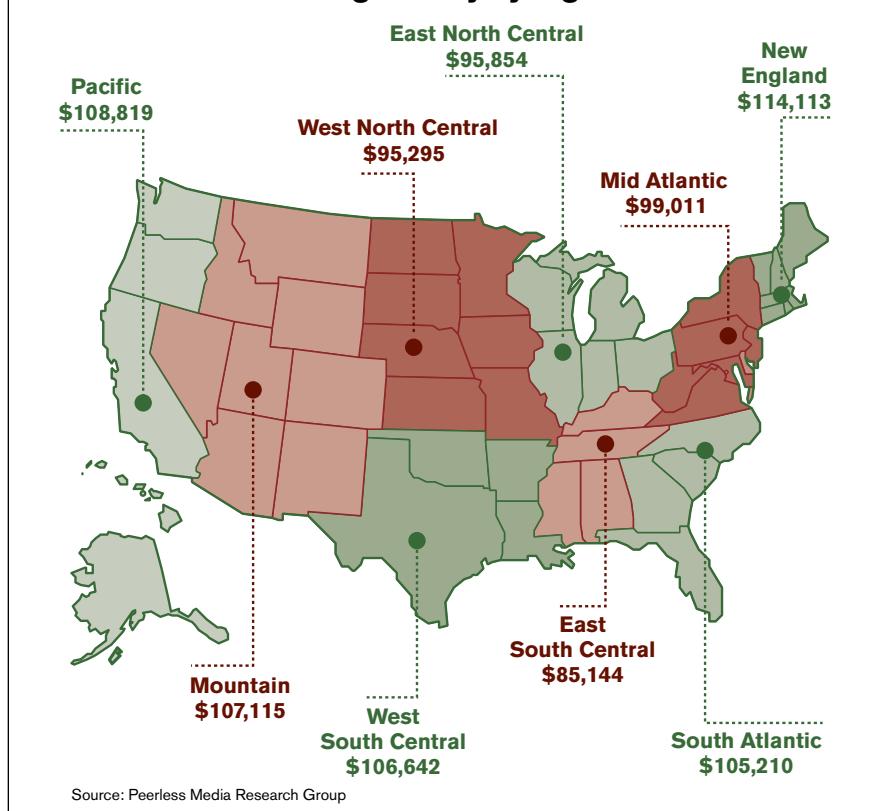
of our top cities are more affordable for raising a family while building a career."

The willingness to relocate transcends domestic boundaries, says Jarrod Goentzel, Ph.D., and executive director of the MIT Supply Chain Management Program. "We find that our most gifted students don't even want to work for a company that doesn't have a significant international dimension," he says. "So, if that means moving overseas for a job, so be it."

Goentzel recommends that his graduates get out into the workforce as soon as possible before returning to school for advanced degrees. "That way, they cannot only command much higher salaries, but also expand their options beyond manufacturing," he says. "For example, there's always a demand for analysts and consultants with a supply chain background in the financial sector, too. Wall Street needs these people." □

Patrick Burnson is Executive Editor of Logistics Management

Average salary by region



Source: Peerless Media Research Group