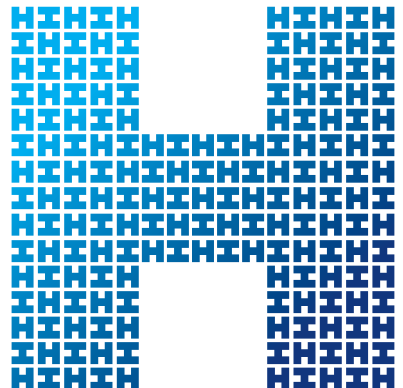


RECRUITMENT TRENDS THE VALUE OF SALES PROFESSIONALS

The Hays Market Overview 2011



CONTENTS

Introduction	1
Construction Sales	2
Energy, Oil and Gas Sales	4
Manufacturing Sales	6
IT and Teleco Sales	10
FMCG Sales	12
Media and Communication Sales	14
Pharma Sales	16

INTRODUCTION

About Hays Sales

As recruiting experts we provide integrated recruitment solutions to the UK's sales market. Working across a nationwide network of offices, we offer a dedicated and professional recruitment service for permanent sales positions across all skill sets and levels of seniority.

From blue chip corporations, national and international firms through to public sector organisations, we cover the vast majority of market sectors. Our trained consultants have deep knowledge of the market they recruit for and will take time to understand your recruitment and wider business needs.

If you need a well informed opinion, advice on a specific area of recruitment or wider staffing project, our expert consultants can help you. Or if a new career is what you desire, our long-standing relationships with clients will assist you in getting that important first introduction.

About this overview

We are acutely aware of how important sales professionals are within the UK economy. The Institute of Sales and Marketing Management reports that sales professionals make up seven per cent of the UK workforce, with in excess of 547,000 individuals working in managerial roles within sales and marketing.

Yet despite the large presence within the 2.2 million people that work in sales in the UK, it is difficult for employers, and indeed job seekers, to gauge salary levels for these roles. There are no recognised formal qualifications that represent clear benchmarks in a sales professional's career. Much of a candidates 'employability' and financial remuneration is based on what the individual can bring with them in terms of existing relationships and the ability to bring new business.

Each vertical sector responds differently, reflecting the commercial nuances that exist within the market in which they operate. We have seen all markets recover to a greater or lesser degree during the latter part of 2010. Overall, 47 per cent of companies hired a similar number of people in the fourth quarter of 2010 to pre-recession levels.

Within this report we examine how that recovery has impacted each of the separate sectors that Hays Sales covers.

Alison Goodman
Operations Director, Hays Sales

CONSTRUCTION SALES

The construction industry has endured a difficult time since 2008. On top of this, the government's recent cut backs in public sector spending have had a knock-on effect to companies that specialise in the construction and refurbishment of public buildings, hospitals, schools, and infrastructure projects.

2011 did not start as well as hoped due to severe weather conditions in the UK, however since then we have seen confidence grow resulting in an increased demand of sales and business development staff in the construction sector. Despite this, there is still conservative caution amongst many companies as we are seeing many re-structures and business plans being changed due to legislation and spending.

Sales on the rise

Businesses need to trade out of the recession. In doing so, they need very astute and commercial sales representatives, business development

and account management staff who not only understand the current market place but also the sector as a whole. We are seeing an uplift of sales orientated vacancies within building solutions, facilities management and the refurbishment sector.

Building the best candidates

Companies are looking for new business or key account management experience within a relevant vertical market to the vacancy. An understanding and recent exposure to the specific market place is particularly sought after. As well as this, an understanding of the route to market (client base) is very much of interest to anyone who is looking to recruit. Organisations are seeking solution sales individuals. Far gone are the days of a sales person in the construction sector knocking on a few doors. Companies now expect any potential candidates to be proficient in tendering and PQQs. Not only do construction candidates need to be able to lead the bid process but they also need to be empathetic to client's needs so that an efficient or cost effective process is agreed.

JOB TITLE	SALES EXPERIENCE	AVERAGE SALARY	OTE
Sales Engineer	1-3 years	£30-35,000	£36,000-£42,000
Account Manager	1-3 years	£30-40,000	£41,500-£55,200
Business Development Manager	4-10 years	£40-60,000	£55,200-£82,800
Sales Manager	8 years+	£45-60,000	£55,200-£82,800
Business Development Director	10 years+	£70-80,000	£96,000-£110,000
Head of Sales/Sales Director/VP Of Sales	15 years+	£80,000+	£96,000-£110,000

Candidates will usually have spent at least five years in a construction or engineering role before moving into sales.



ENERGY, OIL AND GAS SALES

The energy industry is going through a period of rapid change. Deregulation, planned increases in nuclear energy production, foreign fields and the growing renewable energy sector have completely transformed the landscape. Not always for the better. Extremely deep offshore wells in the Gulf of Mexico and offshore of West Africa and Brazil are being drilled at immense cost both financially, and in some cases environmentally. The increasing price of petroleum is daily news.

As China continues growing as the world's manufacturing hub their thirst for energy is not abating; rather they are fast becoming the world's largest energy importer. At the same time Russia has become a major exporter and with some of the world's largest gas fields being discovered and projects to exploit, they will only continue in this vain. In the US, Europe and Japan, renewable and alternative energy sources are developing quickly, including big installations of wind power, solar power and wave power.

The UK energy industry as a whole is one which has a clear comparative advantage and the country should make the most of the opportunities it

presents. As the economy continues to grow out of the recent recession and global economic downturn, we have seen a huge focus shift away from financial services dependency back to our roots in manufacturing and technological innovation. It should be recognised that the indigenous exploration and production, renewable energy and nuclear energy industries are an important engine for growth. For example, the oil and gas sector continues to be the largest investor in the industrial economy with a total of £283 billion invested over the last 40+ years.

Brighter prospects

With the global downturn abating and the rollercoaster price of oil having settled somewhat, we have seen a steady and sustained recovery in the employment market. Whilst the prices of crude oil and its derivatives are rising, the knock-on effect for the oil industry alone is that the number of projects being commissioned around the world is increasing. This has led to a healthy optimism amongst the energy supply chain from exploration and production companies, through process equipment manufacturers to the energy suppliers themselves. Sales is key to each of these areas and as such, we have seen a dramatic rise in the number of sales roles within the sector.

Powering the market

The energy industry is truly global and therefore many clients require candidates to be geographically flexible, experienced in international sales and able to work with people of many different cultures and nationalities.

As always with this highly technical and engineered sector, experience and qualifications are key. Further, as the sector pays on average more for the same skills as other comparative technically biased sectors, candidates able to differentiate themselves have a distinct advantage. Postgraduate

qualifications such as MBAs as well as strong practical engineering and industrial backgrounds are common place, as are degrees from the world's best institutions. In fact, it is rare for candidates to gain sales roles within the energy, oil and gas industry without having already spent a number of years in an engineering, industrial or related practical role within their chosen product or service area.

As with any recovering sector, candidates who can win new business, grow existing accounts and take business away from the competition are highly sought after, as are sector and discipline experts.

JOB TITLE	SALES EXPERIENCE	AVERAGE SALARY	OTE
Sales Engineer	1-3 years	£40-55,000	£55-70,000
Account Manager	1-3 years	£40-55,000	£55-70,000
Business Development Manager	4-10 years	£60-80,000	£80-100,000
Sales Manager	8 years+	£70-100,000	£90-120,000
Business Development Director	10 years+	£80-120,000	£110-160,000
Head of Sales/Sales Director/VP Of Sales	15 years+	£90-150,000	£130-160,000

Candidates will usually have spent at least five years in an engineering, industrial or related practical role before moving into sales.

MANUFACTURING SALES

There is no doubt that the competitiveness of a country's manufacturing sector plays a crucial role in its long-term economic prosperity and growth. The recovery in world trade has been a strong factor as manufacturers have taken advantage of overseas markets and a weaker sterling rate, leading to increased output and more prospects in emerging markets.

This performance has been even better when viewed against a range of uncertainties including fears around the strength of the global recovery, a change of government and how the UK's public finances would be tackled. But, as the recovery continues, looking ahead into this and next year significant uncertainties still remain and it is no surprise that this is reflected in the views of many companies. Domestically, cuts in public spending will impact on some areas of manufacturing and consumer spending. Overseas, fears remain about the impact of debt and austerity programmes in the Eurozone, whilst the risks to growth in the United States remain.

Despite this however, there are reasons to be optimistic. Manufacturers have made considerable improvements in their performance in recent years and are looking to grow their business, especially in emerging markets and growth sectors such as

renewable energy technologies. There have also been strong positive statements from the prime minister, the chancellor and the secretary of state for business about the need to promote growth in the private sector and manufacturing in particular. We now need to see them deliver a national framework which will encourage the vital private sector investment enabling manufacturers to invest with confidence and create jobs.

Going West

The sales profession is currently seeing a resurgence in recruitment activity. The latest Recruitment & Employment Confederation (REC) results show that sales jobs have increased throughout the UK in recent months.

One of the contributing factors has been growth in the manufacturing sectors. As many firms have seen a rise in the volume of total orders in the past months, we have observed a marked increase in sales recruitment, with many smaller businesses expanding into new geographical areas, both inside and outside of the UK, thus creating jobs and opportunities for sales professionals.

The recession has pushed companies to look at their whole supply chain and its associated costs. Many are now moving production back to the UK, as increasing supply chain costs and poor quality

in Asia and Eastern European countries has meant savings are not as significant as initially predicted. Many firms believe the UK is a competitive manufacturing destination and as such, the raise in manufacturing output in the UK has increased the opportunities to sell products and services for many suppliers to the sector. We have observed growing requirement for sales candidates with experience in the industrial consumables market place as well as selling in to OEMs.

Whether such an increase in sales vacancy activity will be seen across all manufacturing sectors is yet to be determined but for now opportunities are on the rise in what is a key profession to any business wishing to grow.

Divided loyalties

Looking ahead, the UK manufacturing sector appears to have divided with a still somewhat approach to the subject of workforce expansion in 2011. There is a broad consensus of opinion towards increasing head count within sales, however many employers realise the positive impact a successful and experienced sales professional can have on their bottom line.

Those planning to recruit overwhelmingly say that specific sector or product experience will be more important than qualifications. Skills-wise, the ability to win new customers is once again ranked as the most important skill set followed some way behind by account management skills. Discipline expertise is also key in many sales roles. Companies want sales professionals to not only be experts in their field but also well connected within their customer base.

JOB TITLE	SALES EXPERIENCE	AVERAGE SALARY	OTE
Sales Engineer/Representative	1-3 years	£20-35,000	£25-40,000
Account Executive/Manager	1-3 years	£25-45,000	£35-55,000
Business Development Manager	4-10 years	£35-50,000	£45-65,000
Sales Manager	8 years+	£45-55,000	£55-75,000
Business Development Director	10 years+	£60-70,000	£75-90,000
Head of Sales/Sales Director/VP of Sales	15 years+	£65-85,000	£75-100,000

IT AND TELECOM SALES

Due to the downturn, the last two years has seen three fundamental trends underpinning IT investment: cost cutting, doing more with less and working smarter.

Recent IDC research shows that worldwide IT spending on cloud services will grow almost threefold, reaching \$44.2 billion by 2013, as the cloud computing model offers a lower cost way for businesses to acquire and use IT. The recent economic downturn has amplified cloud services adoption due to the cost-cutting mantra of most organisations. Desktop virtualisation moved towards mainstream in 2010, and by the end of 2011 as many as 16 million desktops could be virtualised.

As a result of this, most resellers in the market are now working towards the ability to offer the customers a 'complete solution'. Many larger companies have tried to do this through acquisition of smaller specialists, integrating them into the business. Smaller resellers are remaining vendor independent to allow fluidity as the market evolves.

With the slow but sure emergence from recession the past year has been an exciting one for the telecoms industry. According to NSN, "The market for cloud computing will grow and play a fundamental role in re-shaping how telecom service providers offer apps to end users and how their internal systems are implemented". The Technology, Media and Telecommunications practice at Deloitte announced its global predictions for the telecommunications sector, forecasting that video calling will become cheaper, more widely available and of a much improved quality in 2011, yet the long-awaited boom in demand will not happen.

Future trends are:

- Video calling will fail to take off, voice calls continues to dominate
- 400 million new mobile phones with forward-facing cameras will be sold
- Demand for data passing through Wi-Fi hotspots outstrips mobile networks by 25-50 per cent

A 'complete' candidate

When recruiting, clients within the IT/Telco sector look for the following attributes in a candidate:

- Proof of consistent achievement of targets in the form of P60s
- Experience in selling a solution rather than just a product
- Experience in selling into the appropriate sector or vertical
- A stable career history preferably three or more years with each employer, however in the current market place this is desired but not essential
- Exposure to new and emerging technologies is highly desirable with companies often looking to head hunt candidates from competitors championing these technologies
- Rapport building skills to ensure customer buy in and the ability to build the relationship into a trusted advisor status. This ensures that any business dealings are not just about the best price

JOB TITLE	SALES EXPERIENCE	AVERAGE SALARY	OTE
Sales Consultant	1-3 years	£20-30,000	£40-55,000
Account Executive	1-3 years	£20-30,000	£40-55,000
Field Sales Executive	2-4 years	£25-40,000	£50-75,000
Business Development Manager	3-5 years	£35-55,000	£70-110,000
Business Development Director	5 years+	£60-90,000	£100-180,000
Account Manager	3-5 years	£30-45,000	£50-80,000
Account Director	5 years+	£55-70,000	£100-140,000
Client Director	7 years+	£60-80,000	£100-120,000
Sales Manager	5 years+	£40-60,000	£80-120,000
Head of Sales	10 years+	£60-80,000	£120-150,000
Sales Director	10 years+	£70-100,000+	£150-200,000+
Channel Sales	3 years+	£30-60,000	£50-80,000
Channel Sales Manager	5 years+	£50-80,000	£80-100,000

**THE HEART
OF A BUSINESS
IS ITS PEOPLE**



FMCG SALES

FMCG companies are reporting healthy top line growth due to strong consumption demand, but rising raw material prices and higher advertising costs are putting pressure on margins.

The average estimates of five City brokerages for the eight leading UK FMCG companies predicted a 20 per cent increase in revenues during the December 2010 quarter, compared with the previous year's gross figures. Festivals and a good winter have ensured high consumption demand for the products within the FMCG market, resulting in many companies selectively raising the price of their products.

Consumers are still influenced by branding and remain loyal to the leading market brands across all sectors within the food and beverage sectors. There has however been a 30 per cent increase (source: Dunnbumpy, Dec 2010) in the number of own label product purchases made within these same sectors following the recession.

UK consumers have started to realise that substantial savings can be made by downgrading their usual branded goods purchases to the premium own label ranges without compromising on quality. The UK's major supermarkets are capitalising on this trend by revising and re-launching their own label ranges; the most notable being Asda's 'Chosen by you' own label revamp – a £100m pound project which saw an overhaul of the entire range of 3,500 Asda branded products. This review has so far been estimated to have delivered annual sales of between £8 and £9bn to the UK business.

Faster moving market

Recruitment within FMCG over the past 12 months has been affected by the recession and opportunities have been few and far between. Despite this, chances continued to exist for talented individuals who could cultivate sustained relationships with key buyers and generate new revenue streams. We have seen a significant upturn in the number of FMCG vacancies coming though since the beginning of January 2011, so confidence is returning to the market and we feel strongly that this market will return to form within the next six months.

Walk the talk

When recruiting, clients within the FMCG sector tend to look for three main areas of strength in a prospective candidate. Firstly, employers want to see proof of established and leverageable relationships with key clients. From a client's point of view, this should increase the candidate's effectiveness and ability to generate revenue

in the early stages of their employment. These relationships are usually also cross-referenced across the retail, food service or wholesale markets. Secondly, the proven ability to increase profit with existing accounts and also the ability to win new business is key. Thirdly, employers look for specific experience of selling products within a specific sector (ie. chilled, frozen, ambient, beverages etc).

JOB TITLE	SALES EXPERIENCE	AVERAGE SALARY	OTE
Account Executive	1-2 years	£18-23,000	£25,000
National Account Executive	2-3 years	£20-28,000	£30-33,000
Account Manager	3-5 years	£26-32,000	£34-37,000
National Account Manager	4-6 years	£35-45,000	£40-50,000
Senior National Account Manager	5-7 years	£45-60,000	£55-70,000
National Account Director	5-8 years	£55-65,000	£70-80,000
Sales Manager	6-8 years	£50-70,000	£70-80,000
Sales Controller	8-10 years	£60-70,000	£70-80,000
Commercial Director	8-10 years	£60-70,000	£75-85,000
Sales Director	10 years+	£70-100,000	£100-130,000 + shares

MEDIA AND COMMUNICATION SALES

The media and advertising industry is in the process of a major transition, with the main shift coming from a movement away from more conventional physical advertising such as press newspaper, magazine, and trade journals as well as classified advertisements, display advertising and billboards.

This shift, due in part to the advent of technology, has allowed for more creative and technologically centric forms of capturing the market, including the use and reliance on digital advertising. This trend has not only seen an increase in online traffic more than offline forms of advertising, but also due to the more targeted focus of the medium, is proving to be more effective at relaying the message.

The future will see a larger shift towards the digital advertising forum, with more reliance on online branding and viral campaigns to support the offline efforts of the media and communications

industry. Other advertising forms such as more traditional sales of advert space in newspapers and magazines, will more likely shift to online premium and directory advertising, with an increased reliance on digital agencies who focus on search engine optimisation (SEO) and pay per click (PPC) companies to carry out effective corporate and SME marketing.

Digital outlook

Developers who have experience of the technical aspects of online advertising will be highly valued. These skills can come from SEO, PPC or from an in-depth knowledge of the more technical side of inclusive contextual advertisements such as display advertising, including premium banner ads and interactive marketing found on many websites.

Salaries – the real difference

The marketplace is rather stable with typical salaries varying on role, splitting mainly in the direction of account management – typically paying a higher basic with lower overall earning potential – and new business development – a lower basic but typically

a higher earning potential. It is important to note that for many of these roles there will be a lot of crossover, as most of them offer a good mix of new business focus along with account management.

JOB TITLE	SALES EXPERIENCE	AVERAGE SALARY	OTE
Account Executive	1-2 years	£20-25,000	£35,000
Field Sales Executive	2-5 years	£20-25,000	£35,000
Business Development Executive	3-5 years	£30-40,000	£50,000
Business Development Manager	4-10 years	£35-45,000	£60,000
Account manager	2-4 years	£20-30,000	£35,000
Key Account Manager	3-5 years	£30-40,000	£35-45,000
Account Director	8 years+	£40-50,000	£45-55,000

PHARMA SALES

Dynamic and research driven, the UK pharmaceutical industry is the world's largest exporter of medicines and a key player in the economy. The UK prescription pharmaceutical market was valued at \$28.4 billion with public healthcare expenditure, the growing use of chronic high-value innovative treatments by a rising elderly population and speedy domestic drug approvals making up a big part of this.

Largely based in the South East, North West and North East of England, the pharmaceutical industry has managed to avoid the damage of the recession. Yet with the NHS facing cuts and price cuts in Southern Europe effecting the exportation of drugs out of these markets, branded drug sales in the UK market will be impacted.

The UK has a strong track record for drug development. However, debates over drug pricing and expensive, bureaucratic clinical trials, and recent non-approval decisions by NICE have led to Roche and Novartis threatening to pull out of the UK. Also, in an effort to cut costs, a number of key players are downsizing their UK operations.

Shifting sands

The role of a pharmaceutical sales representative has certainly become more competitive. In the past three years, pharmaceutical companies have looked for various ways to cut costs and become leaner and more efficient organisations. A key part of this strategy was to look at the productivity of the sales force and make a decision as to whether, across the country, the organisations had either sufficient or insufficient resources.

Over the last 18 months we have seen a slight decline in available sales positions. This can be attributed to the mergers and acquisitions (Roche/Genentech, Wyeth/Pfizer) which occurred in 2009. These led to the duality of responsibilities; subsequently a large number of individuals lost their jobs and weren't replaced. At the same time, we observed a definite increase in available marketing positions. Individuals possessing launch experience (preferably European launch experience) being of particularly high demand.

This shift is a reaction to the awareness of the wastage which was endemic throughout the pharmaceutical industry of yesteryear. A more competitive market, less dominated by 'big pharma' has created a desire for cost and time efficiency. R&D acts as a literal 'starting gun' for

their commercial colleagues, giving notice to the preparations of launching and aggressively pushing their products for every possible drop of revenue.

In addition to standard sales and marketing professionals, companies were becoming more conscious of competitor activity, and ensuring the most favourable market conditions for their products. Very recently we have observed an increased demand for individuals with experience in market research, business analytics and pricing.

A worthy risk

Obtaining a position as a pharmaceutical sales representative is about risk versus reward. A good sales professional will reward their employer with significantly more revenue than the actual cost of employing them. Therefore professionals with a proven sales ability will always enjoy the best opportunities, and the most attractive products to sell. In addition, employers will continue to give preference to candidates with continued employment (as opposed to moving companies each year).

JOB ROLE	AVERAGE SALARY	PACKAGE
Medical Sales Representative; Hospital Sales Rep Representative; Product Specialist; Account Executive; Account Management	£32-48,000	Car/car allowance, commission on sales
National/Regional Sales Managers	£50-80,000	Car/car allowance, commission on sales
Business Development Director (CRO)	£60-80,000	Car/car allowance, a percentage of sales - usually 1%
Sales Force Effectiveness Managers	£50-70,000	Car/car allowance and bonus
Commercial Operations Manager	£50-75,000	Car/car allowance and small bonus

**To find out more or for further
market updates, please contact
your local Hays consultant.
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hays.co.uk

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