



PRINT INDUSTRIES

**SALES COMPENSATION**

**2022 REPORT**

*Sponsored by LB Carlson & Rochester Institute of Technology (RIT)*

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## Americas Print Association Network

Together, Americas Print Association Network has a rich history dating back to the late 1800s. Their experience and skill serve and support in the success of the printing industry across North America.



## Sponsors



RIT’s graphic media science and technology programs prepare students to excel in print and graphic media, and to serve a broad range of industries in need of innovative thinkers and creative leaders. Earning a BS in Media Arts and Technology or an MS in Print and Graphic Media Science, RIT students emerge as leaders in the print and graphic media field. At RIT, we apply science to fuel the creative process.



LB Carlson is a CPA and management consulting firm that has specialized in providing services to the print and graphics industry for more than 45 years. LB Carlson understands the unique challenges within this industry and has become the service provider of choice for many print and print-related organizations. They provide business consulting, merger & acquisition, tax, attest, SOC reporting and accounting services. To learn more, visit their website at [lbcarlson.com](http://lbcarlson.com).

## About the Authors

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Malcolm is Professor of Practice and Graduate Advisor at Rochester Institute of Technology (RIT), and Professor in the Graphic Communication Dept. at Cal Poly, where he teaches courses in data management, analytics, visualization, and database publishing. A frequent speaker and industry contributor, he is the author of three books: *Lean Printing*, *Setup Reduction for Printers*, and *Designer's Postpress Companion*. Malcolm holds a Ph.D. from University of Missouri.

### *Teresa Campbell*



Teresa Campbell is President of Printing & Imaging Association of MidAmerica, a dynamic association helping nearly 500 print, visual communications, and marketing firms in Texas, Kansas, Oklahoma, and Western Missouri achieve their business objectives. Teresa is a co-founder of Print Industries, a workforce development organization serving the advanced manufacturing sectors of print and graphic communications, and also serves as Chair of Americas Print Association Network.

## Introduction to the Print Industries Sales Compensation Report

In today's competitive print marketplace, attracting and retaining top sales professionals is essential. Ensuring these sales representatives are incentivized with tools and policies to maximize corporate sales goals is equally critical. The 2022 Print Industries Sales Compensation Study was conducted during the first quarter of 2022 by **Americas Print Association Network**, with the express purpose of benchmarking best-in-class sales compensation practices, policies and benefits.

### *About the Study*

The purpose of this study is to document sales performance, company policies and benefits, as well as common sales compensation practices, for the purpose of benchmarking. The study is not designed for insider-sharing, reducing competition, or violating antitrust laws, but rather it provides readers a look at the industry as a whole and highlights best-practices for improved sales performance and compensation. Participating companies have the opportunity to learn industry practices, increasing their competitive offerings and boosting profitability.

The survey used for data collection was initiated in April, 2022. Association Network members were invited to participate via email with a link to the survey.

### *Anonymity*

Anonymity is essential to this study to ensure confidential, as well as promote participation. All data is reported in aggregate with anonymous plots and graphs. In some cases, X and Y-axes are deliberately truncated to hide maximum values. This ensures specific sales representatives' salaries or commissions are not identifiable to particular companies or individuals.

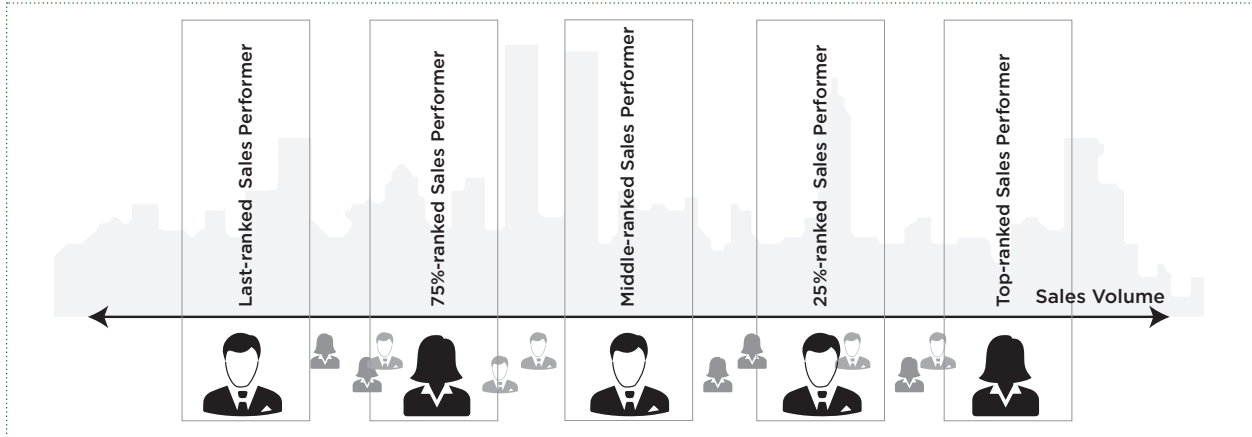
### *Methodology*

More than 100 companies participated in the 2022 Print Industries Sales Compensation Study. Americas Printing Associating Network member companies were invited to complete the detailed online survey, which sought input about their sales practices used in 2021. The survey was divided into three parts: 1) Demographics, 2) Sales practices and policies, and 3) Sales performance and compensation.

### *Research Sampling*

To reduce the overall time required to answer sales performance and compensation questions for larger sales organizations, population sampling was employed. In companies with five or fewer sales reps, questions were answered about their entire sales group. Organizations with more than five sales reps from one or more sales

groups were asked to rank their reps by sales volume. From this group, specific sales reps were selected representing Max, 75th, 50th (median), 25th, and Min rankings, as illustrated below. The survey asked for specific rep ranks. Participants entered data for up to five sales representatives per sales group.



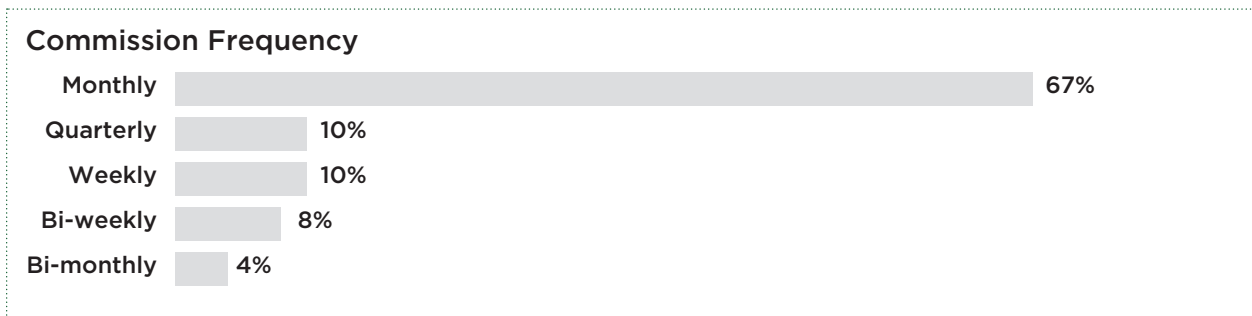
This sampling methodology allowed the calculation of Mean, Median, Quartiles, Max, Min, and Ranges for large sales organizations, without the burden of entering repeated data for every representative in a sales group.

## Understanding the Graphs Used in this Report

There are two types of graphs used in this report for displaying collected and analyzed data.

### Bar Graph

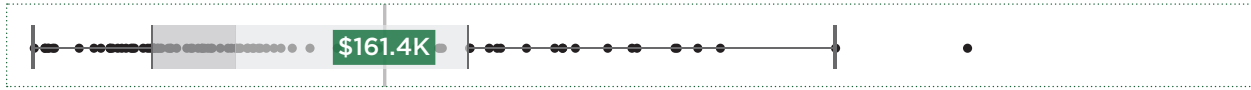
The first is a conventional bar chart used for categorical questions, likely very familiar to readers:



Readers easily interpret this graph as the majority (67%) of respondents pay sales rep commissions on a monthly basis. Ten percent pay quarterly and ten percent pay weekly.

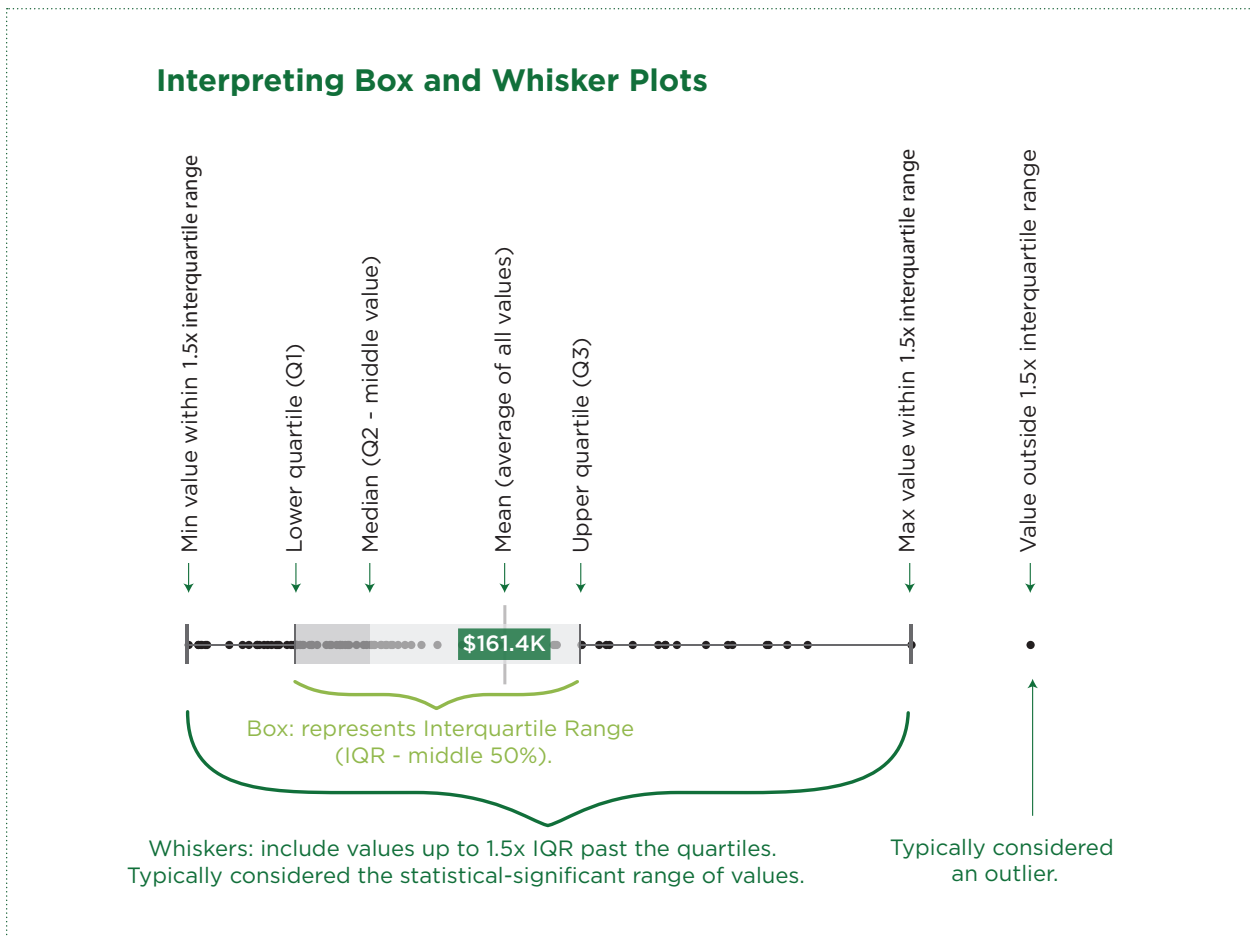
### Box and Whisker Plot

The second type of graph is a bit more detailed and shows many dimensions simultaneously:

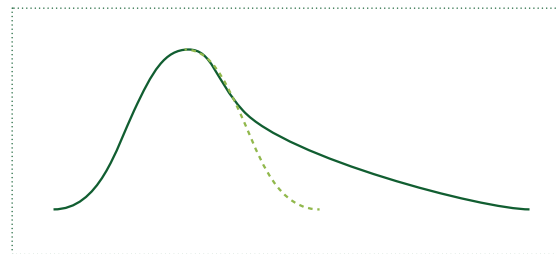


The **bar and whisker plot** is used for numerical values to show the spread of the data, the statistically-significant variation, the mean, the median, quartiles, and outliers.

To interpret box and whisker plots, one needs to know the nomenclature and the meaning of the various marks.



Readers correctly interpret the above plot as a \$161,400 mean salary, recognizing the median salary is considerably less than that (point where dark and light areas meet in box), due to several values skewed right. The above distribution is not **normal**. Normal distributions have equal means and medians



with relatively similar values to the right and the left of the mean. The above plot is well-illustrated as the dark green line in the distribution plot to the right, rather than a normal distribution shown by the dotted light-green line. Most of the data in this report is not normal, and therefore most plots have medians lower than means, due to a few high-performing sales reps skewing data to the right.

The *whiskers* in the box and whisker plot extend and include values up to 1.5 times the spread of the middle 50% values (from 25% to 75%), called the *Interquartile Range (IQR)*. Typically, values that extend 1.5 times below the IQR and 1.5 times above the IQR are considered significant. Values outside this range are frequently considered outliers, which merely means they are anomalies. In this context, that doesn't mean they are inaccurate, but merely unique values from high-performers and should not be considered typical.

As noted above, for the purposes of anonymity, some outlier values from high-performers are *not displayed* on the X-axis purposely, though they are included in mean calculations.

### Mathematical Rounding and Value Anomalies

While every attempt was made to maintain accuracy and transparency, due to the nature of data analysis, one may find graphs that do not total 100% even though they seem as they should. In most cases, this is due to rounding errors. Occasionally, some values were purposely hidden in an effort to ensure anonymity. For best understanding, the reader should look for relationships between and among the data, even with apparent rounding issues.

## Survey Demographics

More than 100 companies participated in the 2022 PI Sales Compensation Study. The 108 companies represented 157 sites, 662 sales representatives, and more than \$2 Billion in annual sales volume.

Participants Surveyed	
Participating Companies	108
Production and Sales Locations	157
Sales Representatives	662
Total Annual Revenue	\$2.04B

While commercial and Packaging/Labels represented the top two spots in terms of sales revenue, Packaging/Labels dropped to number four in terms of number of companies and reps. Total revenue of participants is broken out in the following table.



### Total Revenue Breakdown for Responding Companies

Sales Rep Serviced Revenue	Commercial	\$585.9M
	Packaging/Labels	\$572.3M
	Mailing/Fulfilment	\$373.0M
	Other	\$145.8M
	Wide format	\$45.9M
	Trade Bindery	\$40.7M
	Digital Marketing	\$6.9M
	Transactional	\$6.9M
	Design	\$5.8M
House Account Revenue	Commercial HA	\$136.6M
	Packaging/Labels HA	\$51.4M
	Mailing/Fulfilment HA	\$29.9M
	Other HA	\$14.9M
	Wide Format HA	\$13.7M
	Transactional HA	\$5.7M
	Trade Bindery HA	\$4.4M
	Digital Marketing HA	\$2.4M
	Design HA	\$2.1M

Of the 656 sales representatives covered in this study, two-thirds of those reps were male and nearly half were between 45-59 years old. Only 27 reps were under the age of 30 years old.

### Sales Representative Demographics

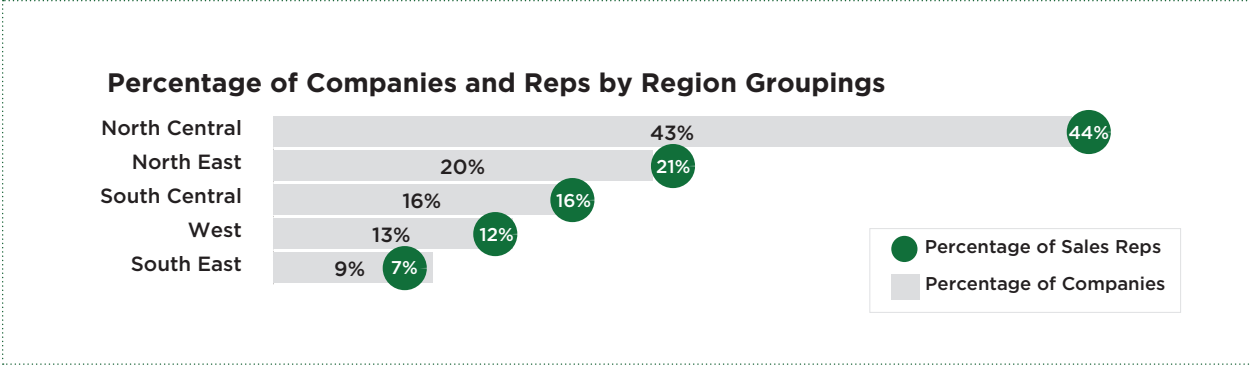
Ages	Total	Female	Male
<30	27	11	16
30-44	129	51	78
45-59	320	102	218
60+	180	45	135
Grand Total	656	209	447

### Companies and Reps in the Study

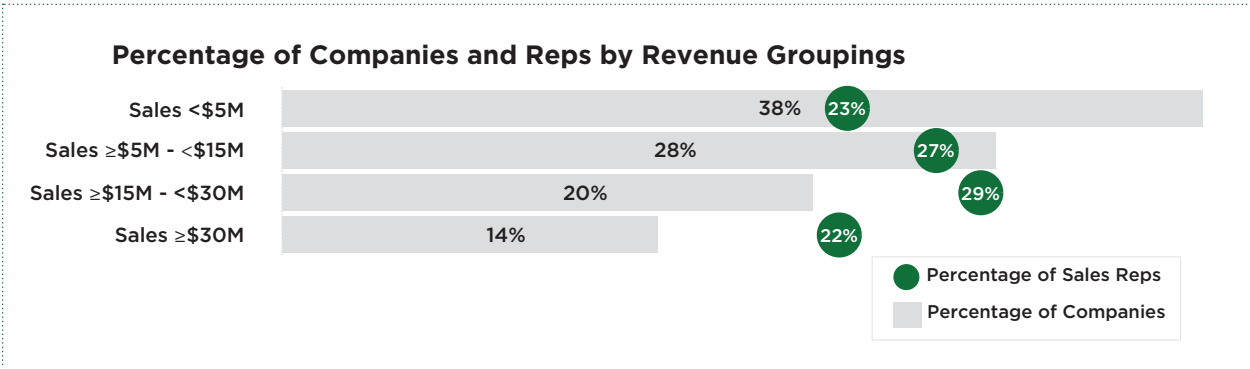
When looking at other dimensions, the majority of companies were from the North Central region of the US.

Because of potential regional differences and company size, various dimensions are reported by region, as well as company size (by sales revenue). States are divided into regions as follows:

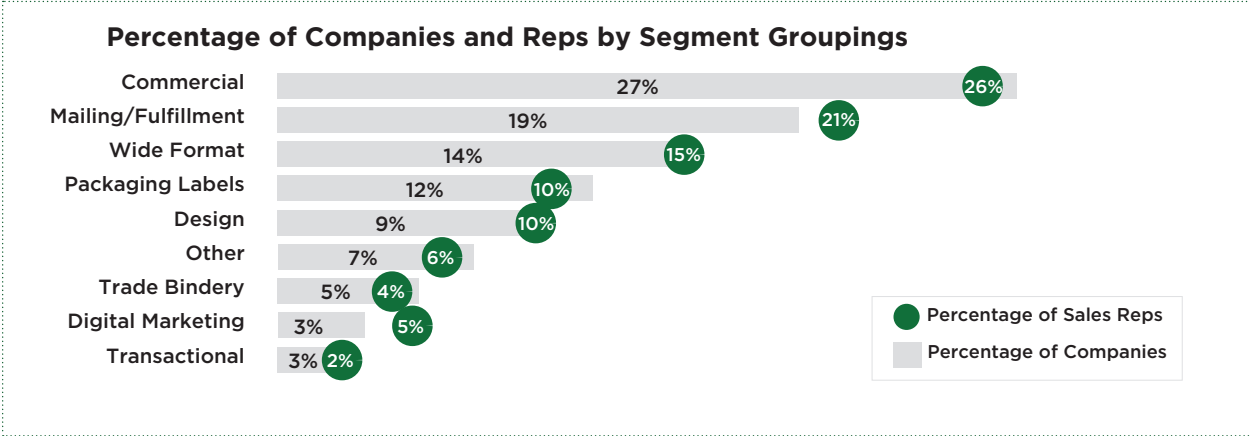
- **North East:** CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT
- **South East:** AL, FL, GA, KY, MS, NC, SC, TN, VA, WV
- **South Central:** AR, KS, LA, MO, OK, TX
- **North Central:** IA, IL, IN, MI, MN, ND, NE, OH, SD, WI
- **West:** AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY



The largest portion of participants had sales under \$5 Million in annual revenue, though the largest portion of sales reps came from the \$15m-\$30M sales category.

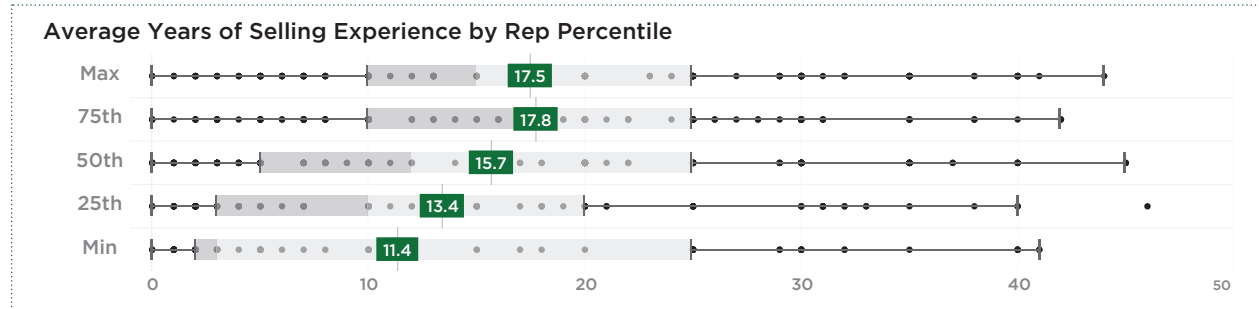


This study also shows data broken into other categories as well: segment groups, printing processes, and rep percentile, when appropriate. As noted earlier, commercial printing represented the largest market segment (27%) for respondents, followed by mailing/fulfillment (19%), wide format (14%), and then Packaging/Labels (12%). Transactional was the smallest market segment represented, at only 3% of the respondents.



### Experience of Reps

One of the ways data is stratified in this study is by representative percentile or ranking. Participants were asked to rank their reps based on sales revenue sold. This gave the ability to see how top professionals perform against low-ranking sales professionals. When looking at experience levels, the average years of experience selling for top reps was 17-1/2 years, while lowest ranking reps averaged 11.4 years experience. Interestingly, the overall spread did not change much, indicating that experience alone does not make a top sales representative.



### Sales Performance

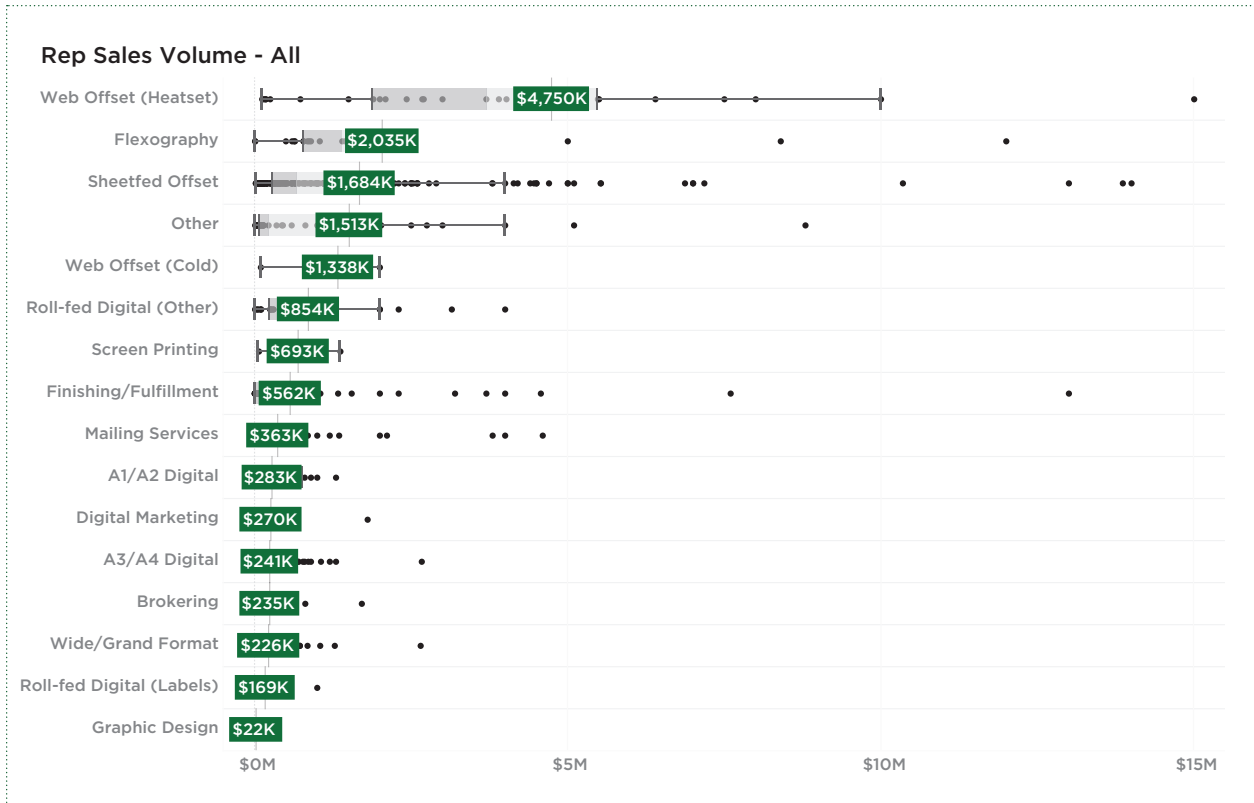
One measure of sales performance is revenue generated. Among all rep data collected, the average print industry sales rep generated \$954K in revenue in 2021. However, it is helpful to look at sales by process, since high volume processes logically result in higher revenues.

# \$954K

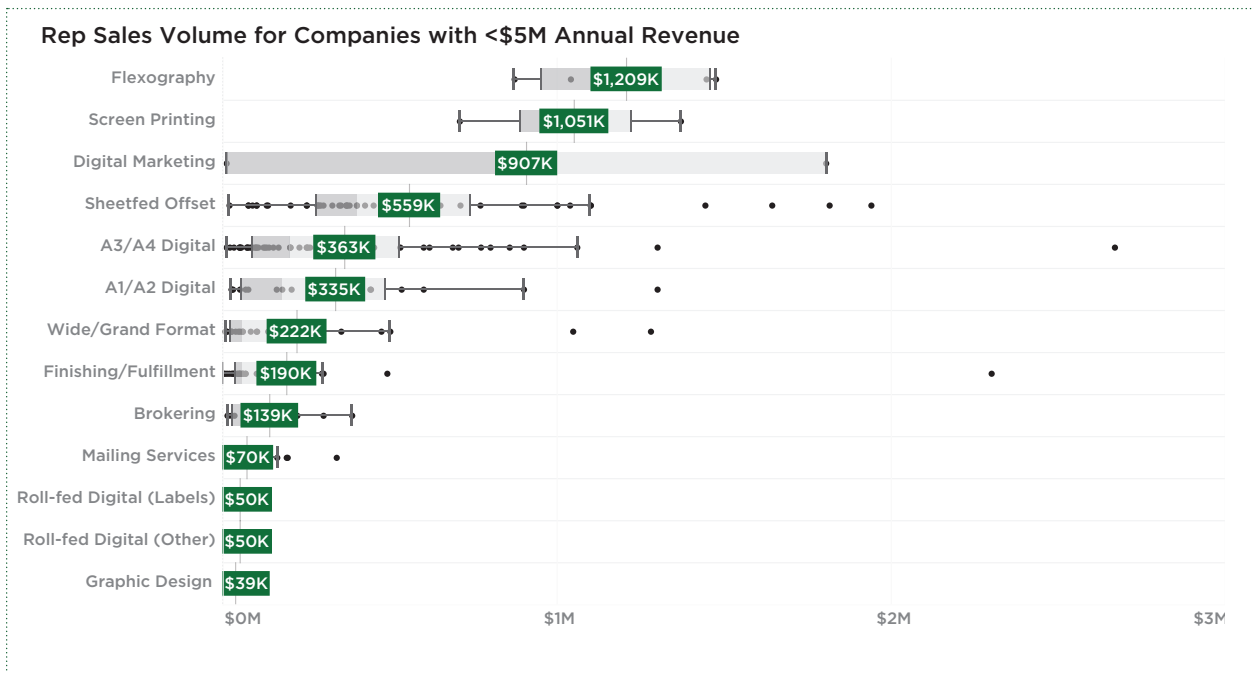
*Average Annual  
Rep Sales Revenue*

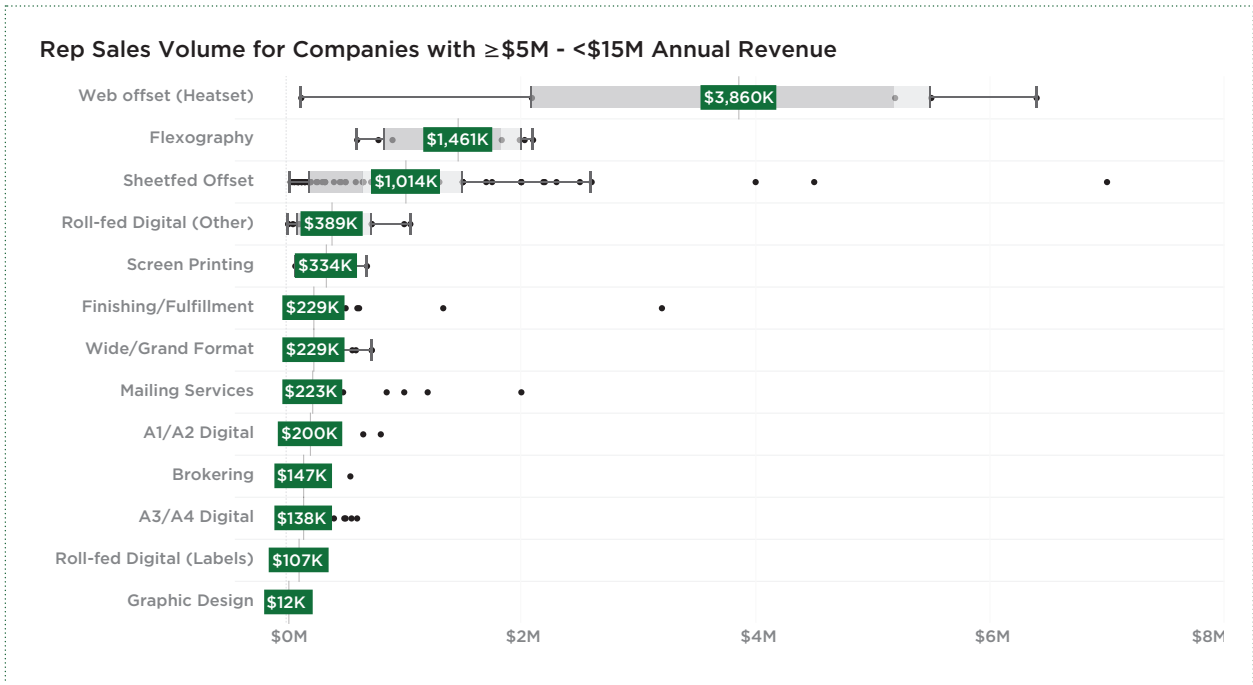
### Representative Sales Volume

Web Offset (Heatset) overall had reps with the highest sales revenue, averaging \$4.75M in sales. Flexography and Sheetfed Offset were second and third, at approximately \$2M and \$1.7M in sales revenue. It should be noted that Sheetfed Offset represented the largest number of respondents and as such, had the greatest variance for both sales performance and sales compensation.

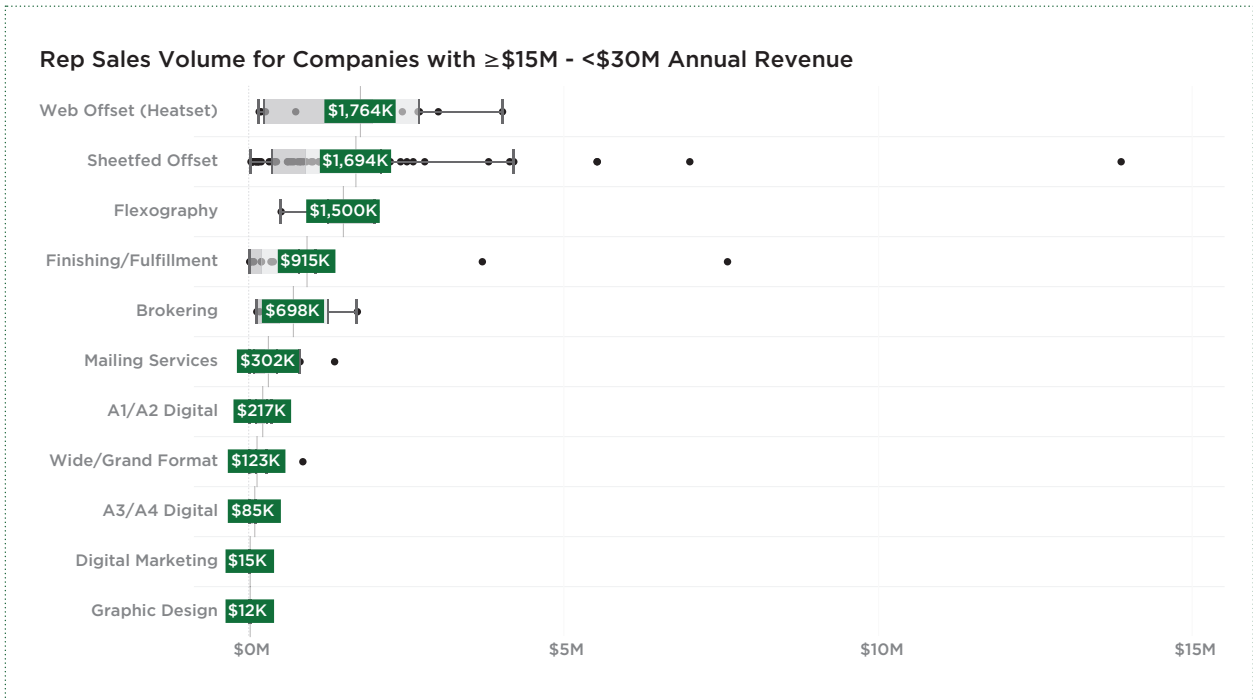


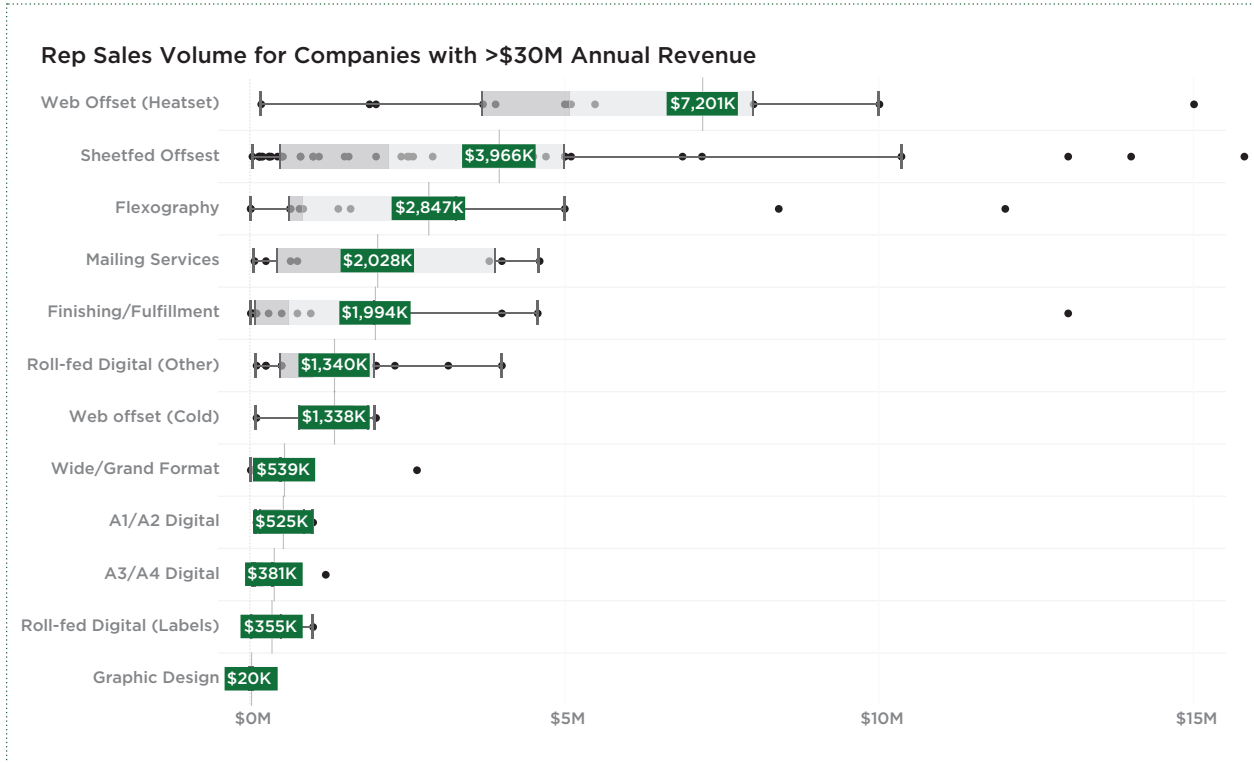
The following plots show representative sales performance for company size values: companies with sales revenue less than \$5M, companies with sales revenue between \$5M and less than \$15M, companies with sales revenue between \$15M and less than \$30M, and companies with revenues greater than \$30M.





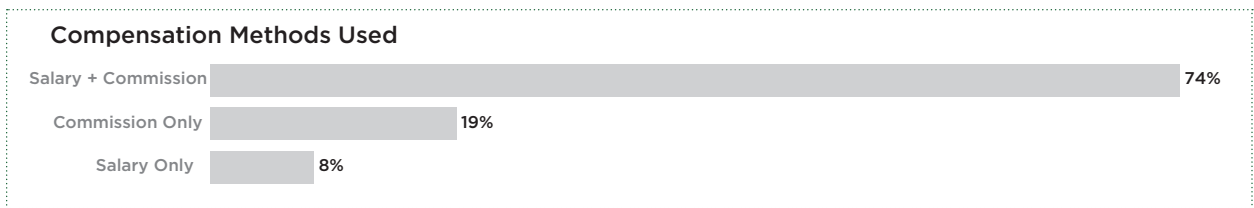
Note there are few values in the above plot for Web Offset for companies with ≥\$5M - <\$15M in sales revenue, with a few high-performing sales reps in this grouping. Ignoring the Web Offset values, there is a consistent trend showing that larger companies generally have higher performing sales representation. This is particularly noteworthy on companies above \$30M in sales.



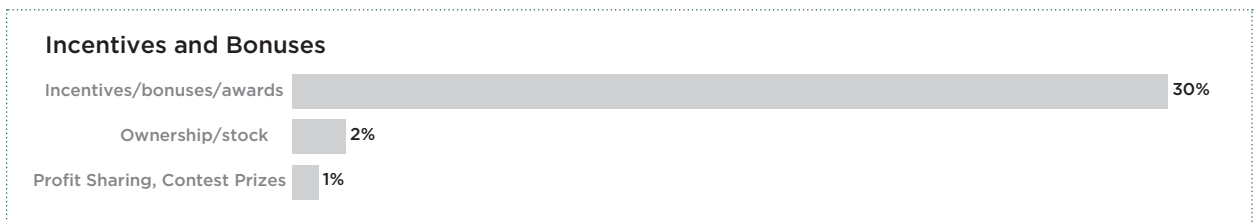


## Sales Representative Compensation

Competitive compensation is essential for attracting and retaining the best sales professionals, as well as optimizing corporate profitability. 74% of respondents indicated they compensate with salary plus commission, while 19% employed commission only and 8% used a fixed salary only as their primary means for compensation.



In addition to these primary compensation methods, 30% of the respondents also indicated they use various incentives and awards to further incentivize sales professionals. Specific incentives employed are discussed later in the report.



A few additional compensation initiatives were entered in the comments section of the survey, including “small bonuses” and “add-ons”.

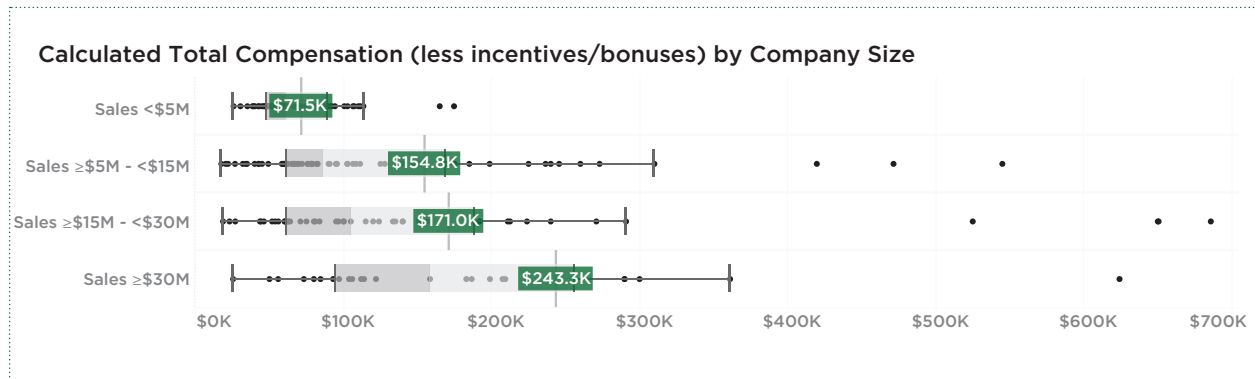
**Total Sales Compensation (less incentives/bonuses)**

This section focuses on total sales compensation. Values were calculated from other responses in the survey, including salary and commission percentages of sales. Incentives and bonuses are not included in these calculations.

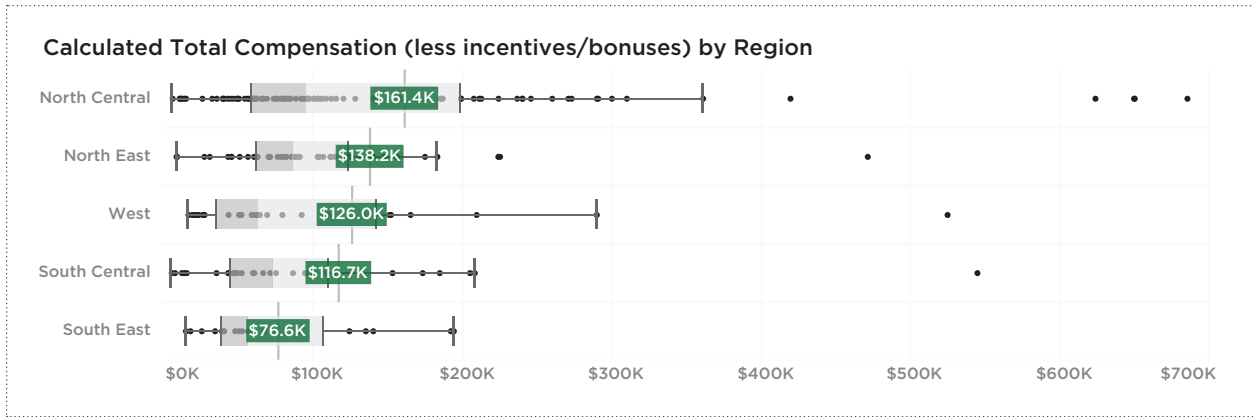
**\$132,000**  
*Avg. calculated Total Compensation for all reps*

Total compensation whisker and box plots are included by company sizes, the five regions, by printing process, and rep rank of the five positions.

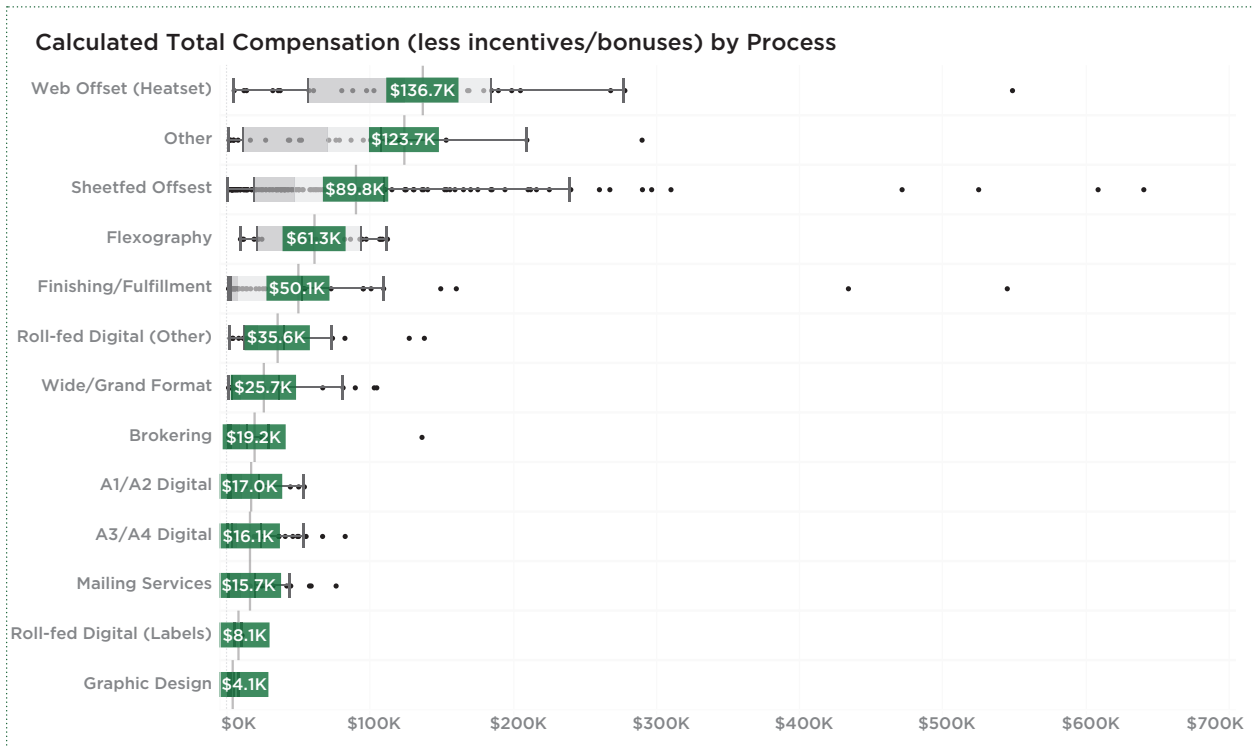
In the following plots, the x-axis was purposely stopped at \$700K to ensure anonymity, even though one or more points were beyond \$700K. Calculated means, however, include values >\$700K in their computation. The first plot focuses on company size. Sales reps for higher volume companies receive a higher mean total compensation.



Of the five regions, North Central reps earned the highest mean compensation. The North East and West follow next, which are broadly considered more expensive living areas. While the survey provided no empirical data explaining why the North Central region is highest, it is clear from the outliers that some data points are skewing the mean substantially. Even the median value (represented by point between dark gray and light gray in the box) for North Central is slightly higher than the North East. Since North Central shows the highest sales volume, it is reasonable to expect reps to have the highest compensation.

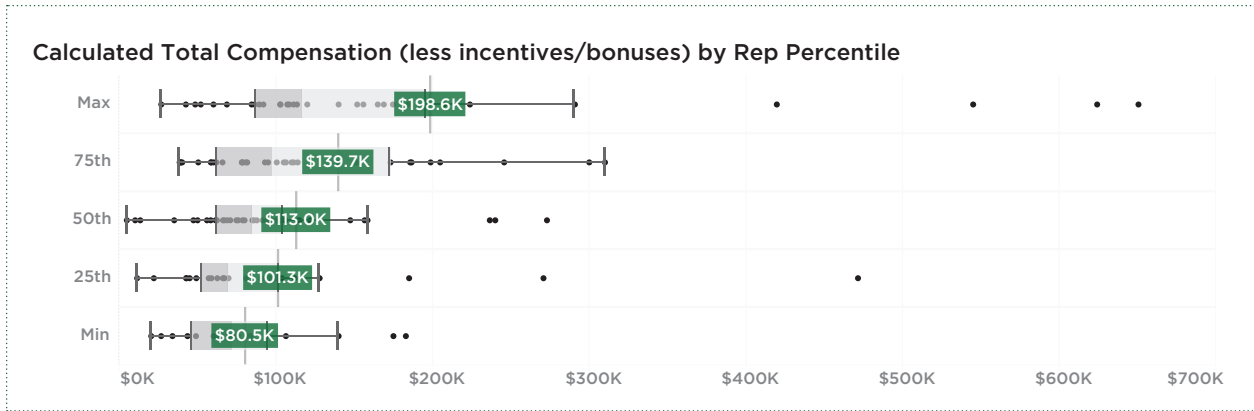


Web Offset resulted in the highest calculated total compensation process at an estimated mean of \$137K, followed by Sheetfed Offset and Flexography.



The final plot for calculated total compensation segments the data by rep rank. As one would expect, reps with higher sales volume have higher calculated total compensation, with top sales professionals averaging very close to \$200,000 per year.





**Salary**

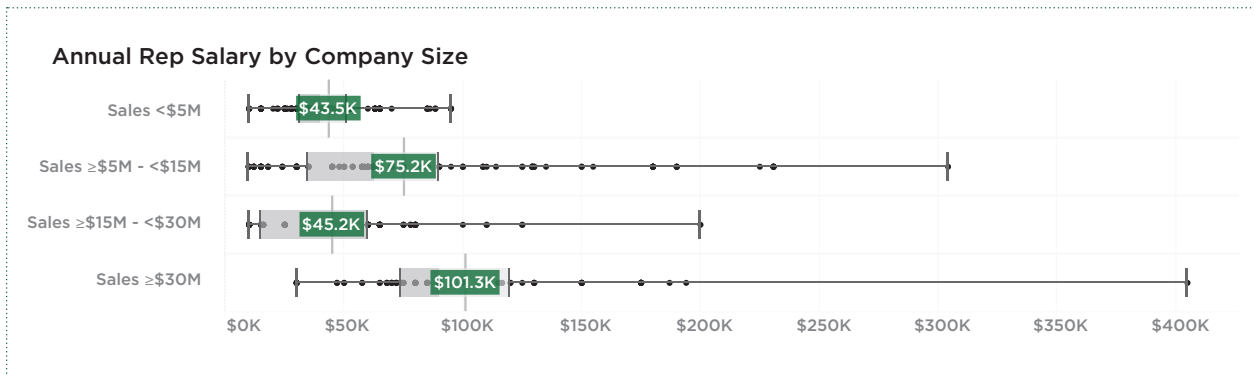
Eighty-two percent of all companies incorporated salaries in their compensation package. It is unclear if this is related in any way to the pandemic of 2020-22, at which time some segments were hurt by the economic shutdown.

**82%**  
*Companies that include salaries in compensation*

As noted previously, the x-axis on these plots are truncated at \$400K to ensure anonymity. Some outlier values may exceed \$400K, though all conforming values are included in mean calculations.

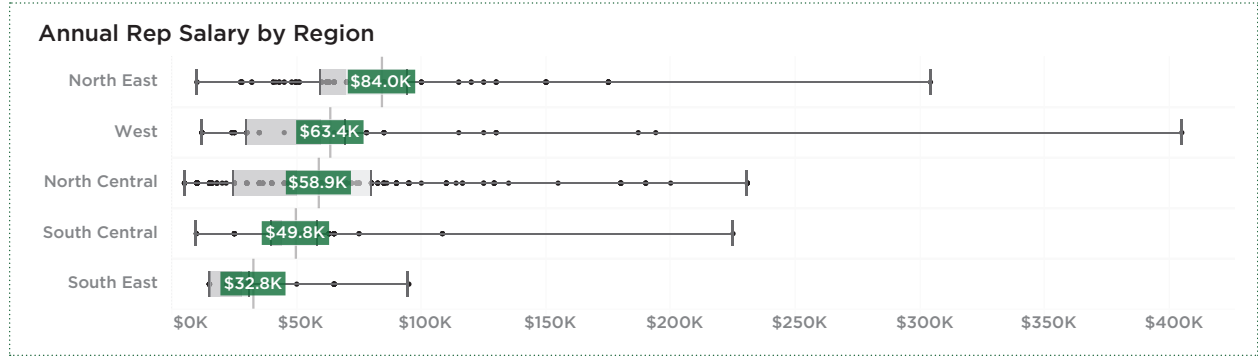
The amounts of sales professionals' salaries vary depending on how they are analyzed. The first plot shows salaries by company size. Interestingly, while smallest companies offer the smallest mean salaries and the largest companies offer the largest mean salaries, the ≥\$5M to <\$15M sales companies provided a higher mean and median salary than their larger neighbor.

**\$61,400**  
*Ave. Salary for all sales reps*

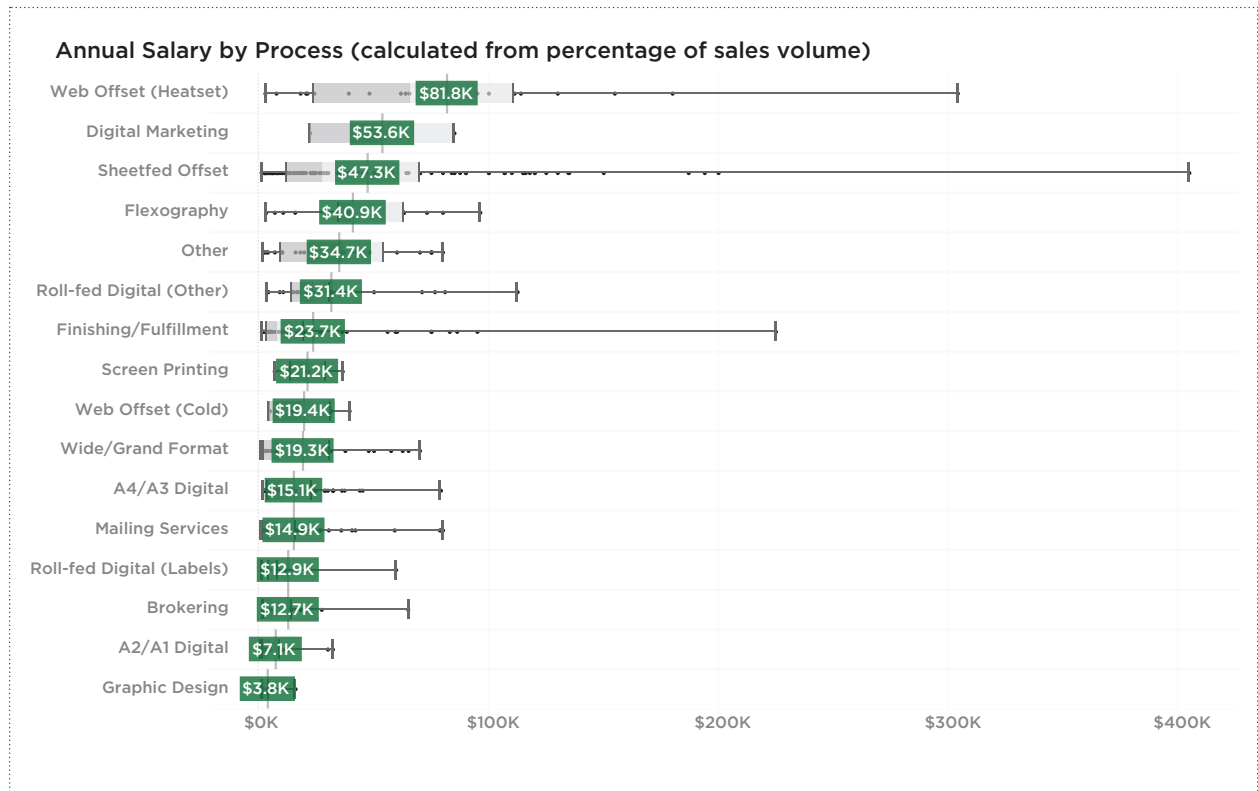


When comparing salaries by region, the North East and West regions provided the highest mean salaries. This seems logical based on the perceived higher-cost of living

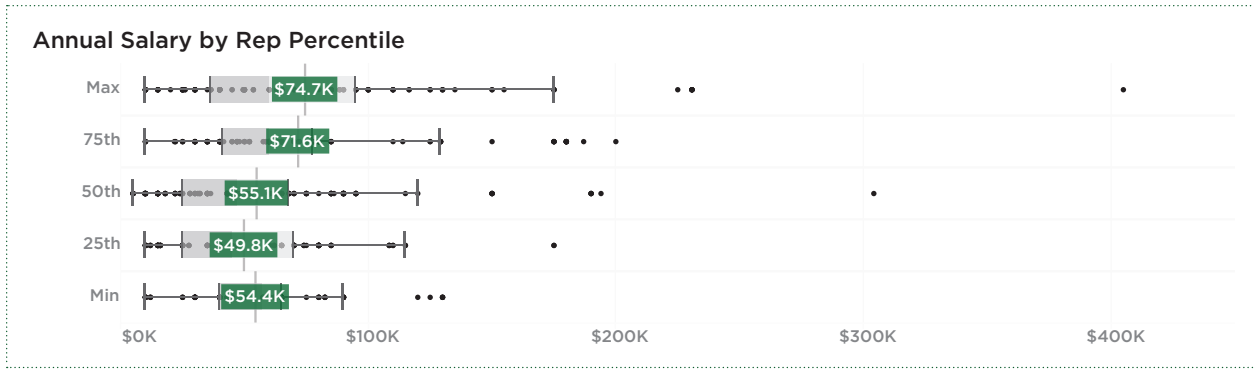
in many cities in those areas. The North Central had the third highest mean salary, even though this region had the highest calculated total compensation. Many large printing companies are in the North Central part of the United States, which provides potential for higher sales volumes, and therefore, larger commissions.



In the plot below, annual salaries were divided by process, by taking total rep salaries reported and dividing by the percentage of rep sales revenue for each process. Since companies do not pay salaries based on process, this is merely an estimate of rep salaries across printing processes. It is obvious that higher sales volume processes result in higher salary allocation in this model.



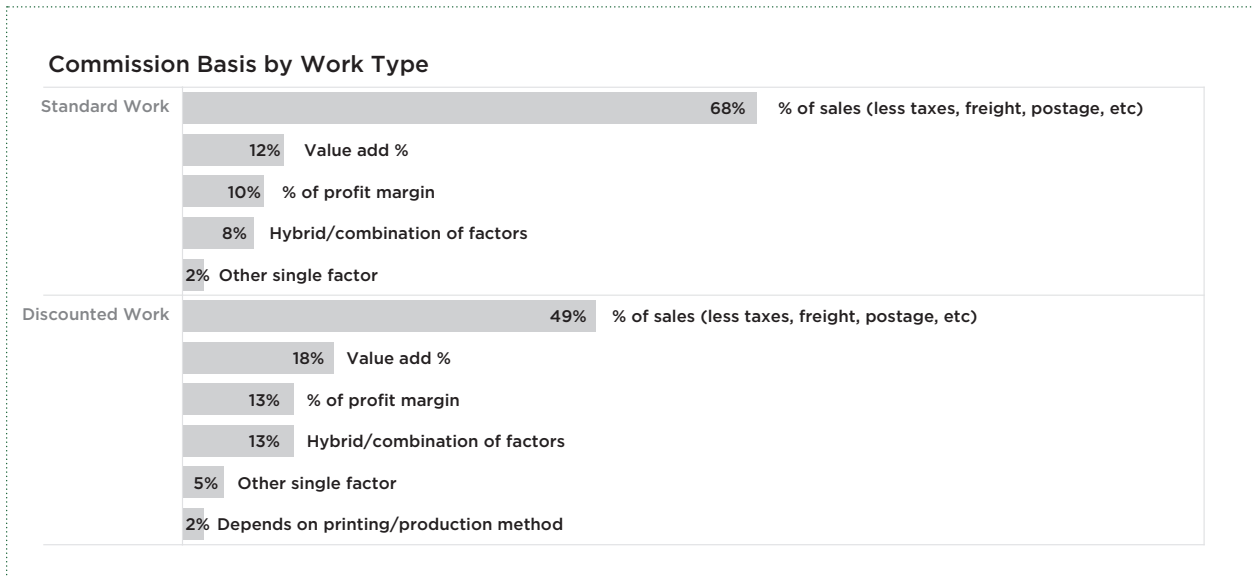
Salary by rep rank is an interesting metric. Top reps have a slightly higher mean salary, though careful study reveals the median values are quite similar for all reps. Outliers for high-performing reps clearly impact the means in these plots.



### Commission Basis

Commission is a mainstay in sales. Commissions typically motivate performance, and therefore companies choose to incentivize sales representatives by compensating on some portion of sales, profit, or value-add. This motivates most reps to sell more or focus on high-margin or high value-add work. In this survey, respondents had the option of reporting commission either in dollars, or as a percentage.

Basis of commission varies by company but the majority of respondents (68%) use percentage of sales price as their basis for standard work. For discounted work, that number drops to just under 50%. Value-add, percent of profit margin, and hybrid price bases play a slightly greater role for discounted work. Two percent of the respondents indicated that the price basis for discounted work changes based on process used.



As for “Other” and “Hybrid”, the following comments were provided by respondents:

- “8% commission on top of base, or larger base.”
- “Percent of total sales plus additional split on mark up”
- “No commissions on trucking, postage or paper. Balance of commission is based on what they sell the project for. The higher the base sale, the higher the commission.”
- “New accounts developed by the rep are paid at 3 to 4 times more than accounts that were handed off to the reps.”
- “A percentage of VA +/- a percentage off of benchmark for type of work performed”
- “Sales reps are allowed to increase or discount the 100% estimated price. Based on that number they get paid a % commission that has been established the same for all reps.”
- “Existing customer/Sales Growth, New customer incentive, Gross Margin Improvement, Top Sales #1 and #2”
- “One group uses Salary + % of VA. Another group uses a split of the mark up.”

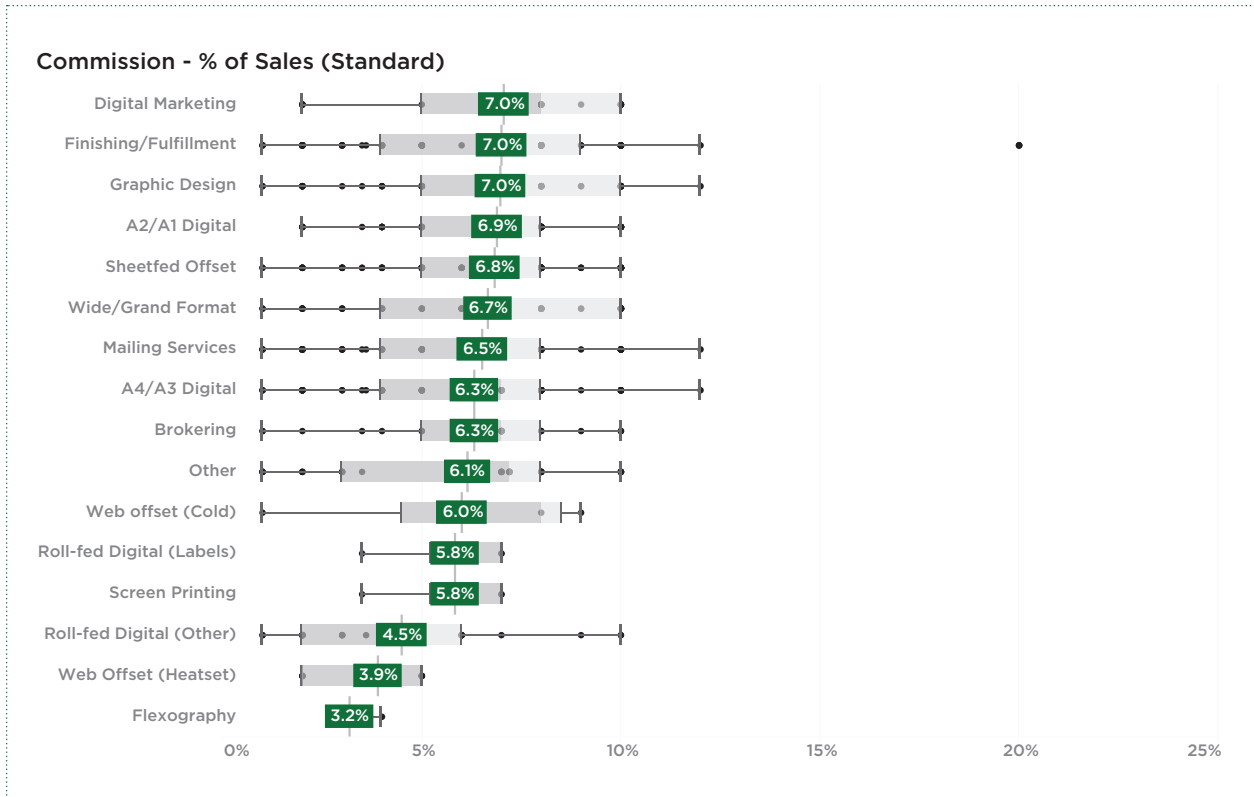
**8.0%**  
*Avg. Standard commission  
 % of VA across processes*

**Commission Percentage for Standard and Discount Work**

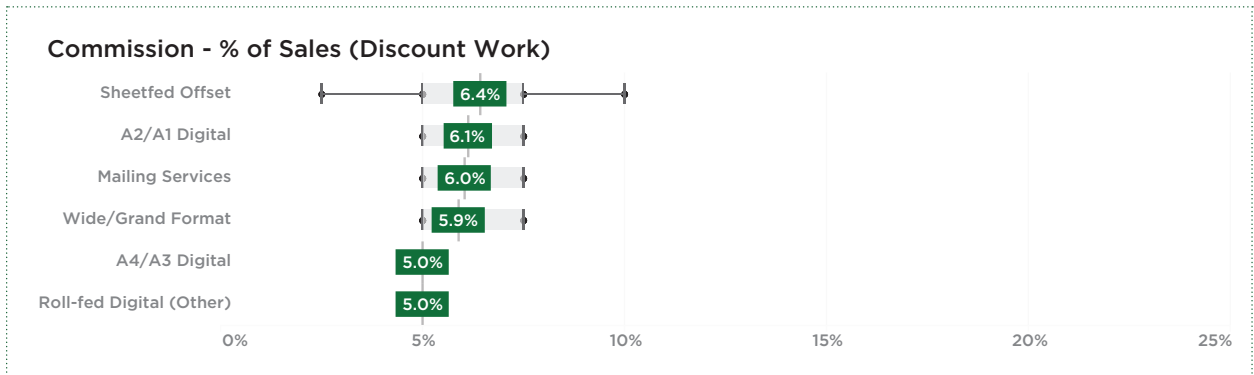
As noted above, 68% of respondents use percentage of sale as the basis for standard work. But what is the actual percentage? The aggregate commission as a percentage of sales across all processes and regions is 6.5%.

The following plots show average percentages by process for all bases employed by respondents. Both Standard and Discount work are plotted. All process are ordered based on average percent commission. Note that the order changes based on the metric. The order even changes between Standard and Discount work, as the values change.

**6.5%**  
*Avg. Standard commission  
 % of sales across processes*

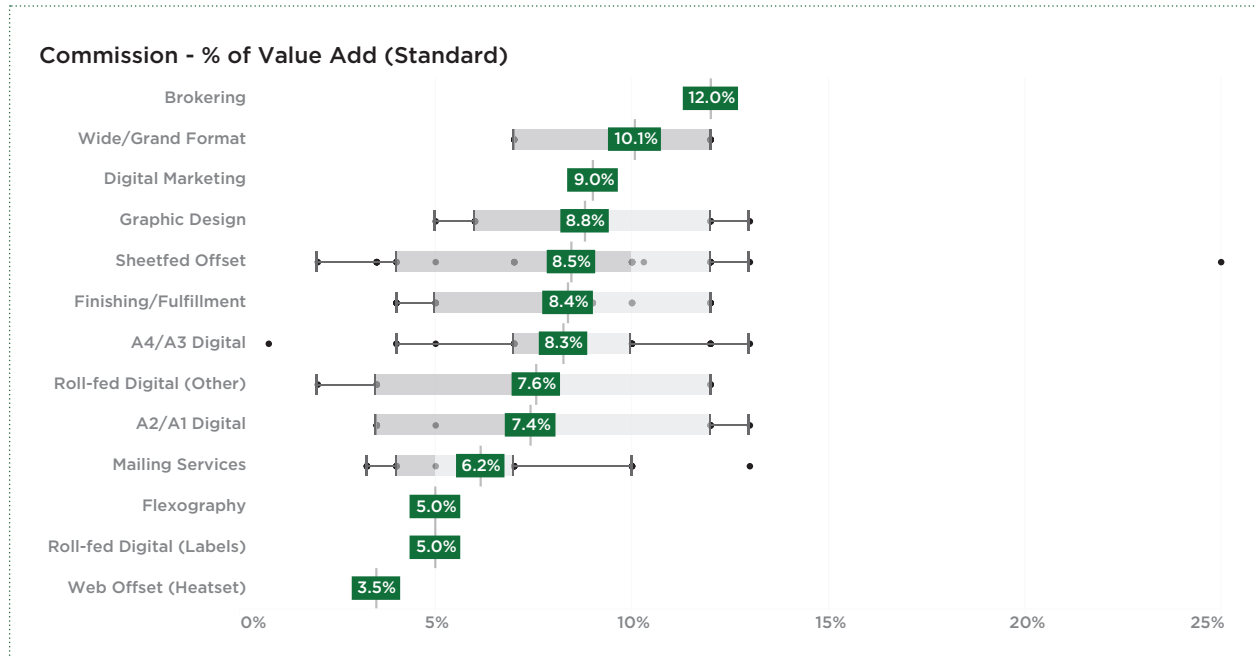


As noted above, some companies use % of sales for standard work and then switch to either a hybrid model or value-add for discounted work. Below each standard commission plot is the same dimension plotted for discounted work. Note that the percentages are always lower for discount work, except for % of profit margin. It is a common practice for rep income to decrease when company margins decrease.

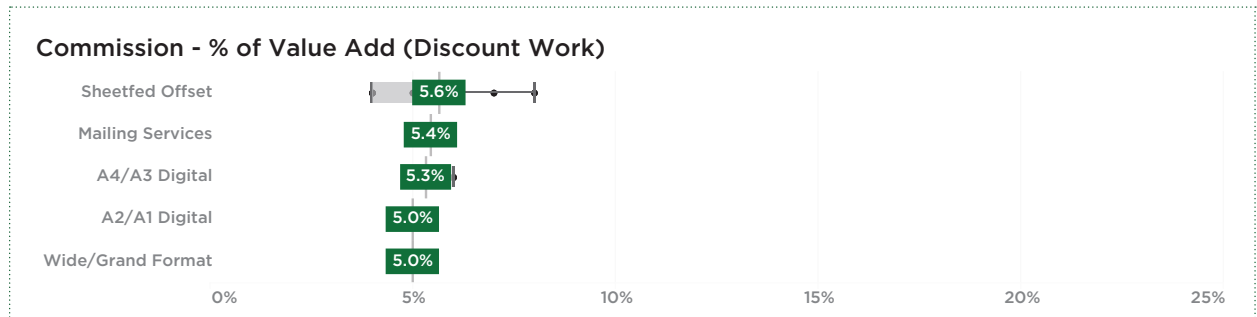


Next we look at Value-Add as a basis for commission. “Value-add” is the improvement added to raw materials to increase its value to customers. As printers, we buy ink and paper. We then use equipment, labor, and expertise to convert the raw materials into finished pieces. The appeal for focusing on value-add for sales compensation is related to fixed-costs associated with capital expenditures and labor. We need to keep presses “churning” to meet fixed costs, cover risk, and hit the “monthly nut”.

The overall number of respondents using VA was relatively low. Care in analysis is necessary, as fewer measurements are available from which to infer findings. Brokering typically involves low value-add, since all or most of the work is outsourced. Respondents listed brokering at 12% mean commission as a percentage of value-add. Wide/grand format was second at 10%. Web offset, with it's relatively tight margins, high volumes and subsequently high use of raw materials, came in lowest with a mean of 3.5% as a percent of VA.



Fewer values still were provided for % value-add for discount work, as differentiated from standard work. These values all hover around 5% mean %VA commission.

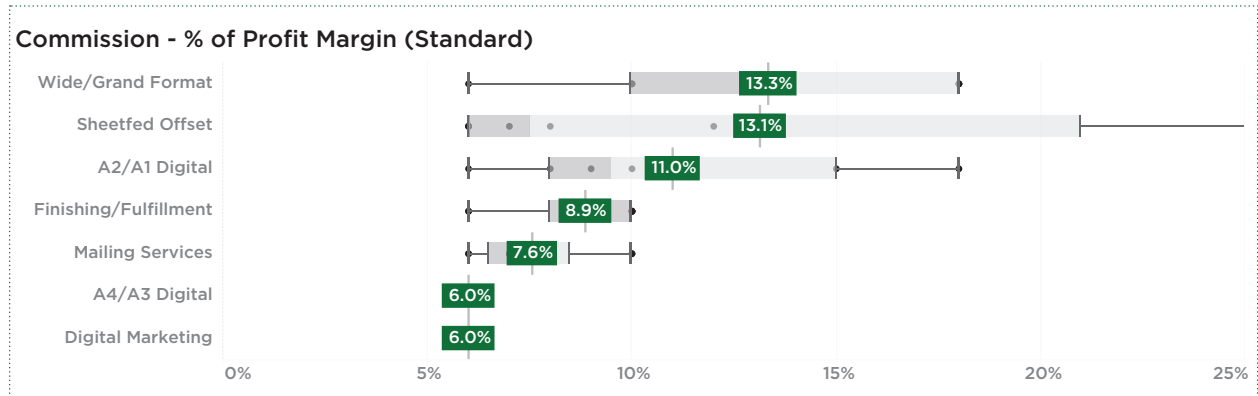


The third commission basis, percent of profit margin was only used by 10% of the respondents for standard work, and 13% for discount work, where reps are taking a direct share of a job's profit.

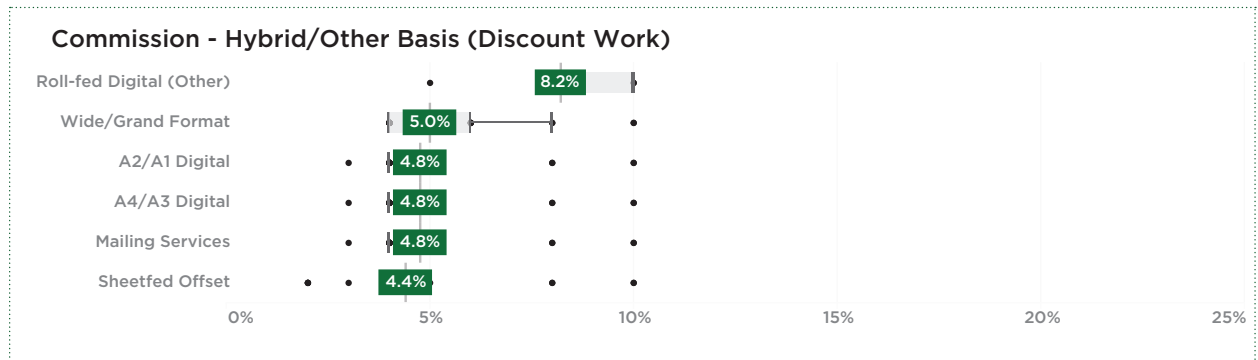
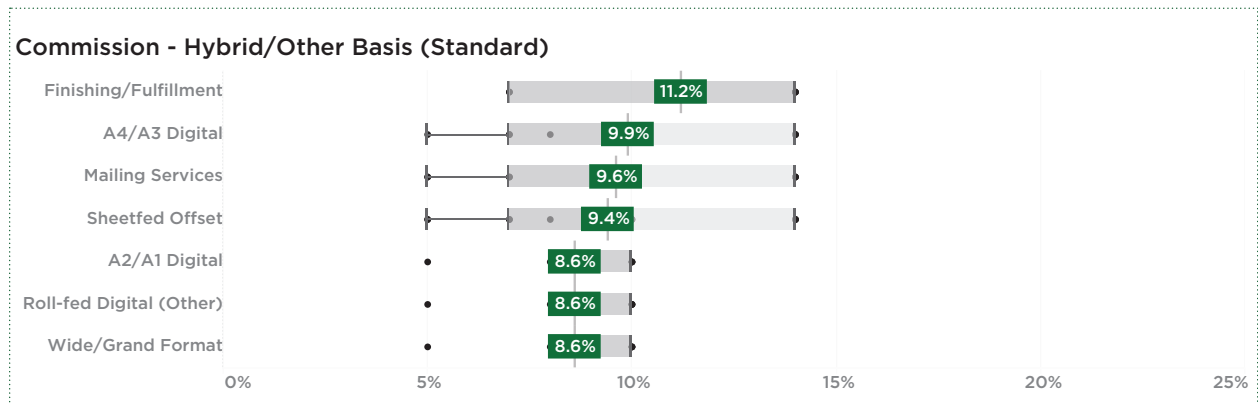
Wide/Grand format and Sheetfed Offset topped the percentage commission at 13% mean

**10.4%**  
*Avg. Standard commission  
 % of Profit across processes*

percentage. Percentages did not change for discount work, since this basis already accounts for the loss in company margin.



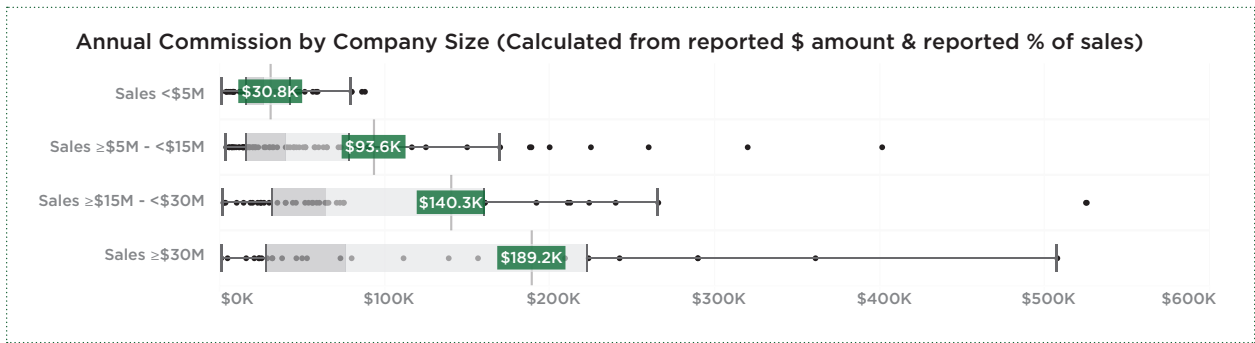
Hybrid/other values for standard and discount work are shown here. It is difficult to derive much meaning from them, as each company used slightly different bases for commission.



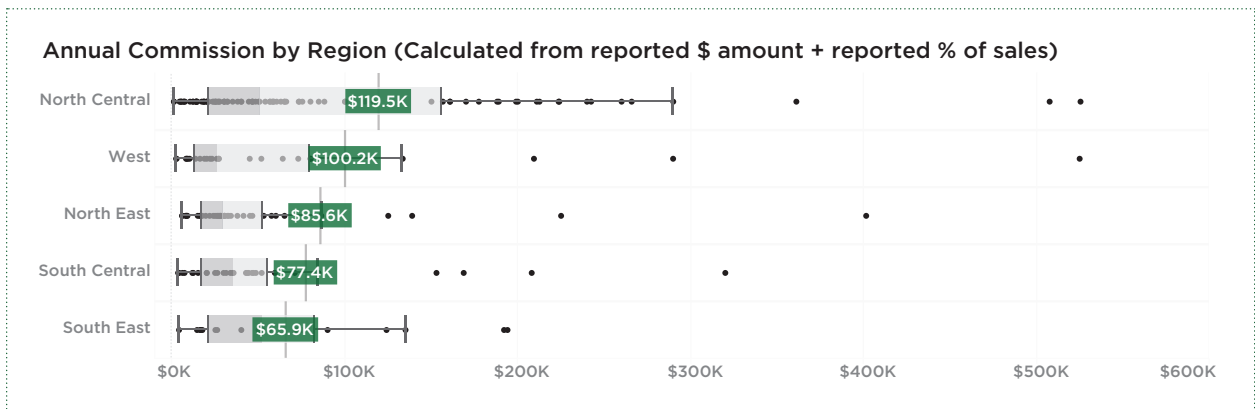
### Calculated Annual Commissions

Since 68% of companies used % of sales as a basis for standard work, annual commissions were calculated for reps across company size, regions, processes, and rep ranks. These computations assumed 50% of the work was sold as “standard” and 50% of the work sold as “discounted”. The average calculated commission for all reps across all process and segments was \$99,600. The following plots show the calculated results by company size, region, process, and rep rank, which provides a detailed view of sales commissions across the industry.

**\$99,600**  
*Avg. calculated  
**commission** for all reps*

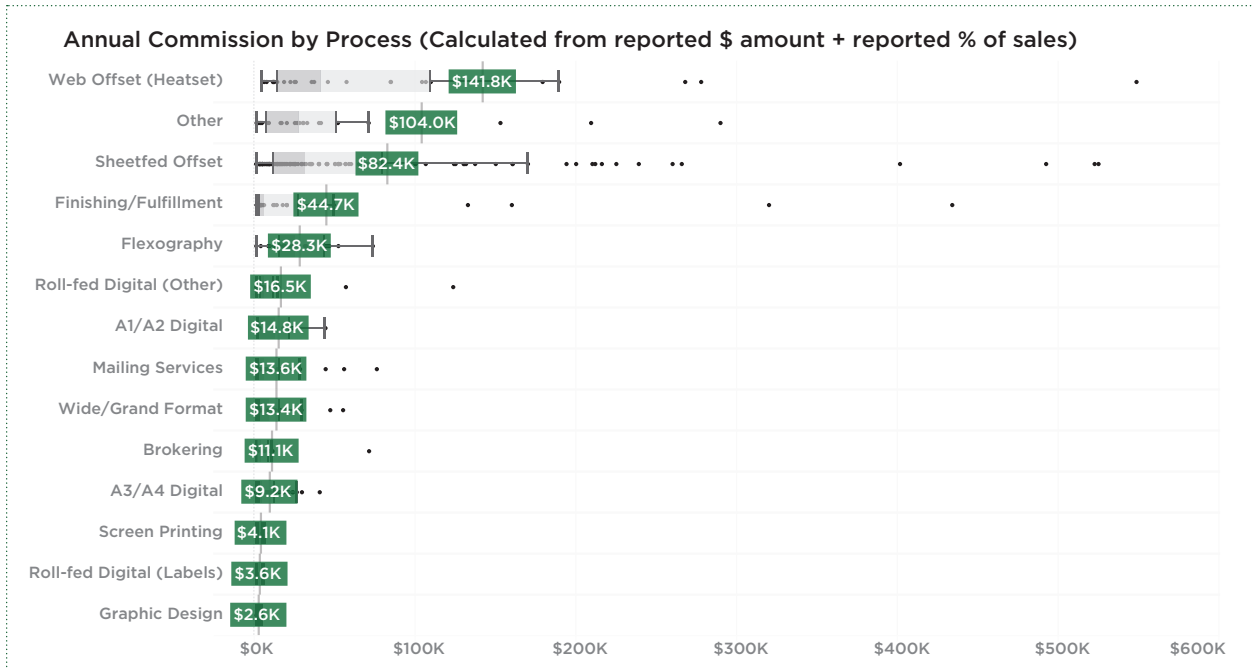


Calculated commissions as a percentage are higher when reps have greater sales volumes, which are shown in the sales performance plots earlier. Similarly, since the North Central region showed higher overall sales performance than other regions, their calculated commission shows a higher mean value.

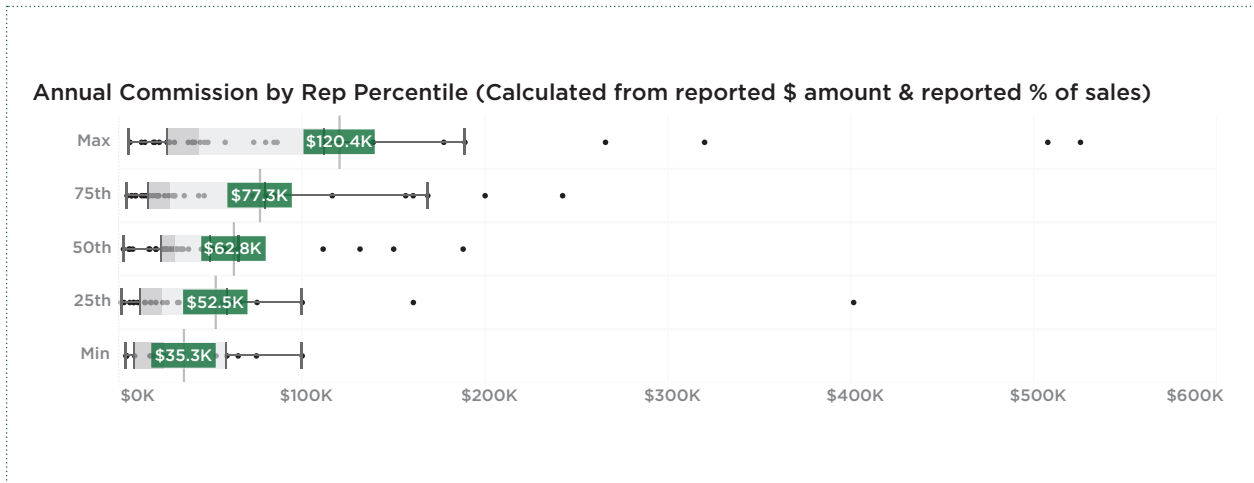


Few sales reps only sell one process. Therefore, most reps earn a portion of their overall commissions from various processes. Annual commission by process shows the calculated mean commission earned from each respective processes.





Similar to the other plots, calculated commission for rep rank shows that top sales reps earned higher calculated commissions, based on higher sales volumes.



### Commission Triggers and Frequency

Survey respondents were asked two questions related to commissions: “When is commission earned?” and “At what frequency are commissions paid?” Respondents were evenly split on which triggers earned commission. Nearly one-half selected “upon invoice” and the other half selected “when paid”. Only a few selected other options, such as at time of sale or at time of delivery.

Many printers extend credit to customers, which puts companies at risk of delivering product to customers who default on payment. In contrast, sales reps often have little control over receivables or debt collection.



The second question focused on frequency of commission payment. Two-thirds of the respondents pay commissions monthly. Ten percent pay quarterly, likely from companies with reps receiving higher portions of total income from salary.



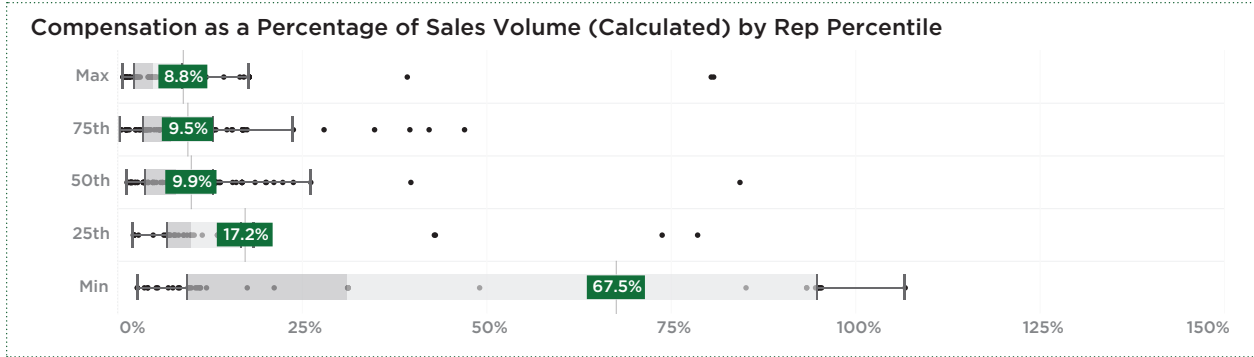
**Rep Compensation as a Percentage of Sales Volume**

An interesting metric for evaluating sales compensation efficiency is **total compensation as a percentage of sales volume** (Comp/Sales). High performing sales reps provide a better overall value to a company. When segmented by rank, it is clear how top ranked sales professionals' overall compensation per sales volume is lower as a percentage than low-performing reps.

The calculated average (not including incentives and bonuses) for all sales reps is 18.6% Comp/Sales. When looking at this metric across all sale rep percentiles, it becomes quite clear how low ranking reps are much more expensive from an efficiency standpoint. High performing sales reps are often at a ratio at or below 10%. To achieve this, a rep's sales volume has to be at a scale to lower the impact of their salary (fixed) on the overall metric.

**18.6%**

*Avg. compensation as a % of Sales Volume*



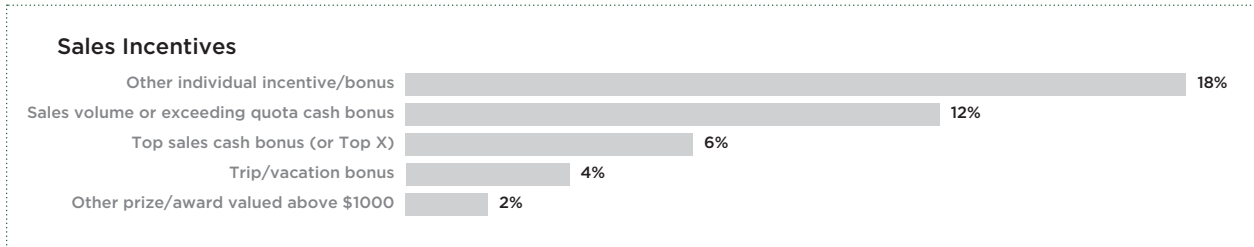
### Incentives/Bonuses

Survey participants were asked about the use of incentives and bonuses. As noted earlier, 30% of respondents indicated they use different types of incentives or bonuses in their compensation packages.

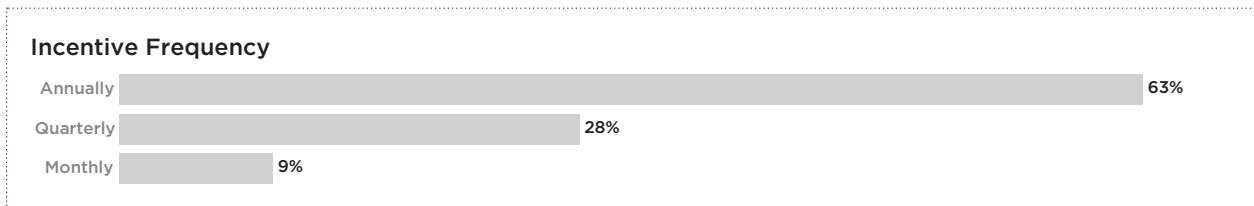
Several nuanced responses were provided by participants, as noted below. The overall mean dollar value of the incentives reported was \$14,725.

# \$14,725

*Avg. dollar value of  
incentive reported*



When asked about the frequency in which incentives were paid, nearly two-thirds indicated they pay incentives/bonuses annually, with the remainder of the companies paying more frequently.



### Company Sales Policies

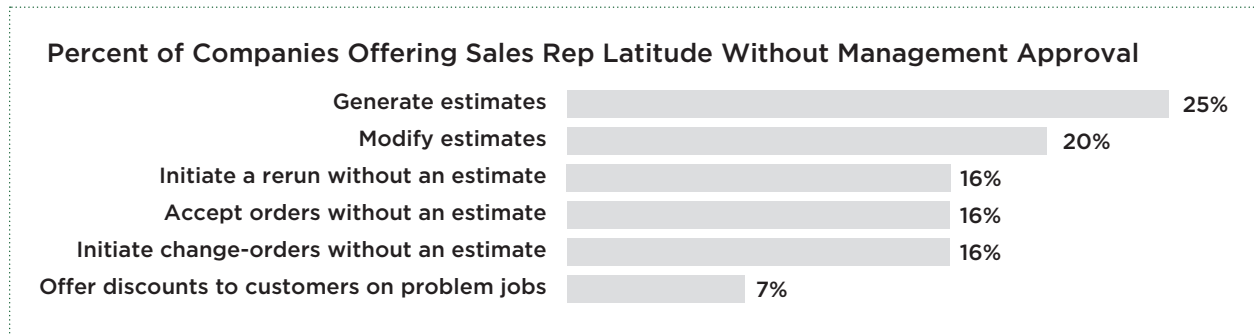
In addition to compensation, survey participants were asked about company policies and company benefits. These included management latitude around

generating estimates, reruns, and discounts, as well as marketing support, marketing initiatives, and sales support personnel.

### Rep Latitude

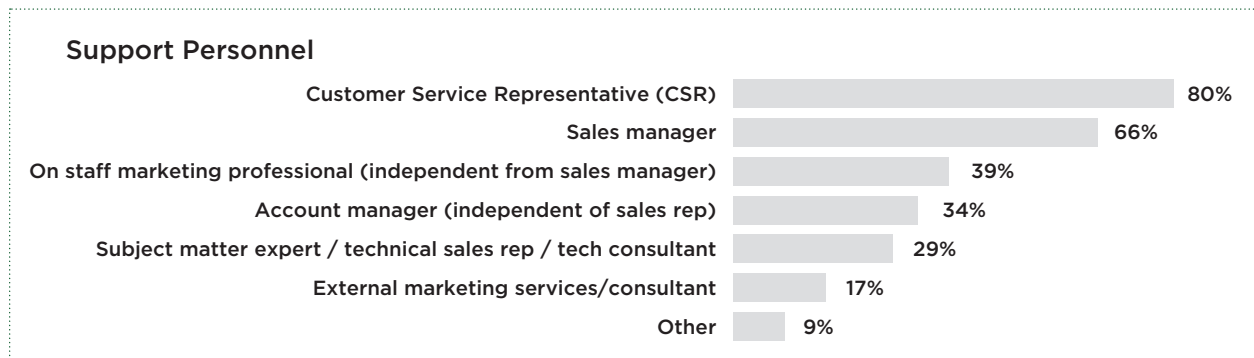
Participants were asked specifically about how much latitude is available to reps concerning customer interactions. Interesting, there was very little variation in responses based on seniority or rank of the rep. Either a company provided rep flexibility and latitude or they did not. Very few gave preferential latitude to top reps.

As noted on the graph below, 25% of the companies allowed reps to generate estimates without management approval, followed by modifying estimates at 20%. Only 7% of the respondents indicated that sales reps have the latitude to offer discounts to customers for problem jobs without management approval. For 75% or more, companies require management approval for all of these types of customer engagements.



### Support Personnel

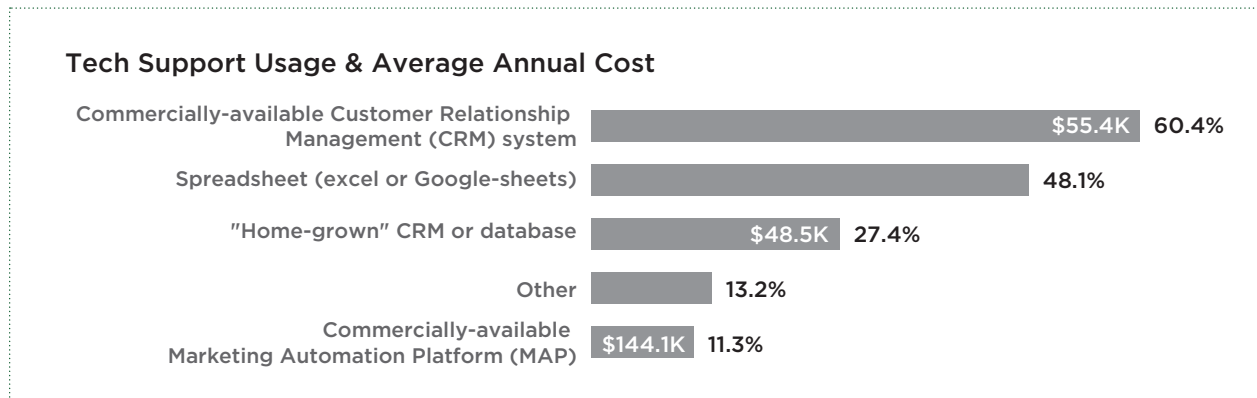
Participants were also asked about which personnel are available to support sales. Four out of five companies provide customer service representatives (CSR) to support the sales function. Two-thirds of the respondents indicated sales management is available as support personnel for sales. Fewer than half indicated staff marketing support and subject matter support to assist in the sales function.



### Sales and Marketing Technology Support

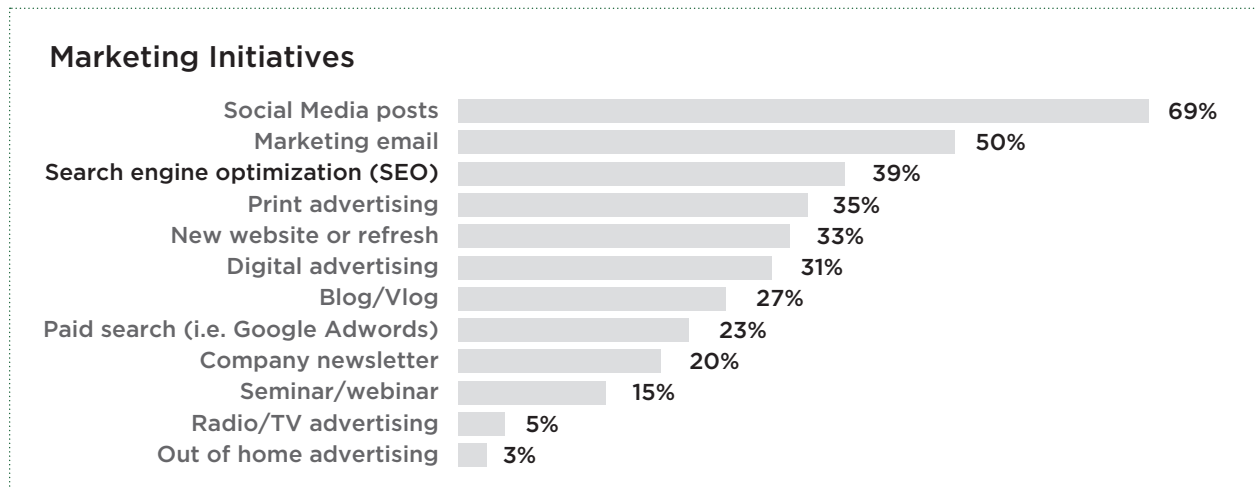
The survey addressed technology used in the sales and marketing function. Note that since some companies use more than one technology, the values total greater than 100 percent.

Nearly two-thirds of the respondents indicated they have a commercially available CRM system, at an average annual cost of \$55K. The next most widely used technology was a simple spreadsheet, followed by a “home-grown” CRM or database, with an annual cost of \$49K. Only 11% of the respondents use a Marketing Automation Platform like Salesforce/Pardot or Hubspot. For those who did, they spent a mean of \$144K annually for Marketing Automation.



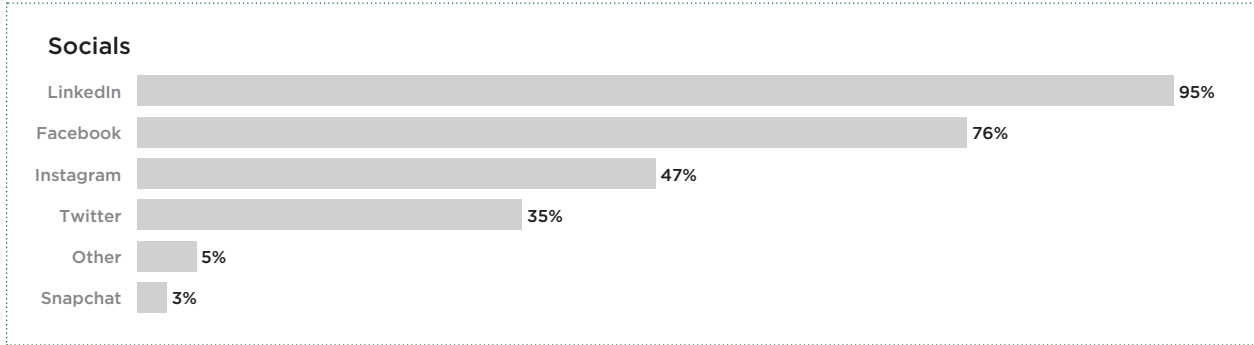
### Marketing Initiatives

Survey participants were asked about marketing initiatives. More than half of the respondents use social media posts



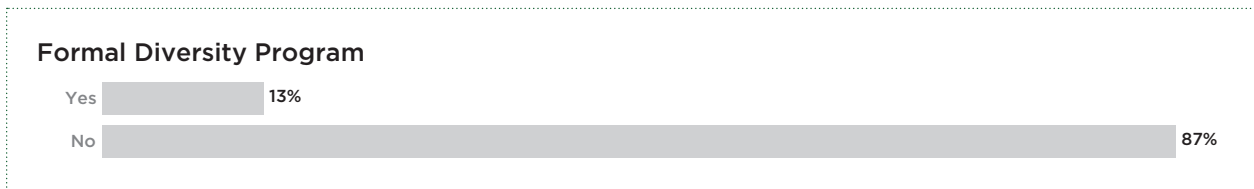
### Social Media

Of the group who indicated they used social media marketing, LinkedIn and Facebook were the top choices. Nearly half of the respondents used Instagram. YouTube was also mentioned in the comments section.



### Diversity in the Workplace

The survey asked participants if their company had a formal (written) diversity program. Only 13% indicated they had such a program.

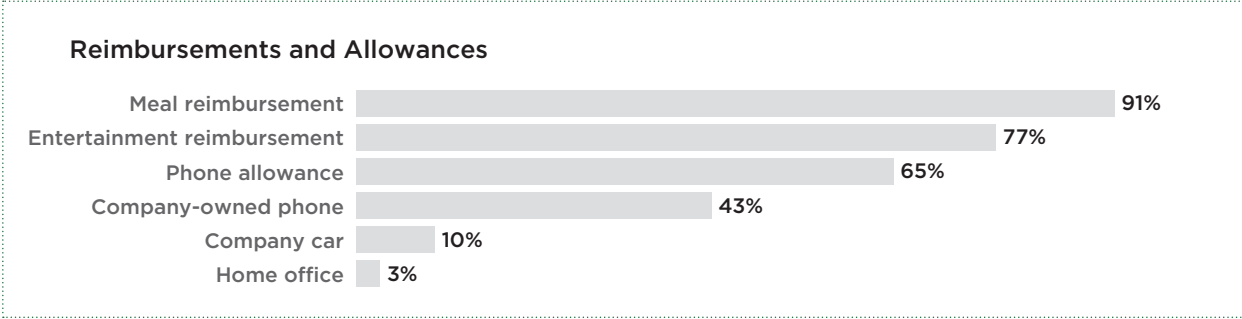


### Company Sales Benefits

The final part of the survey focused on human resource and other sales-related benefits provided to reps. This included allowance and reimbursement policies, profit sharing and 401K plans, and insurances provided.

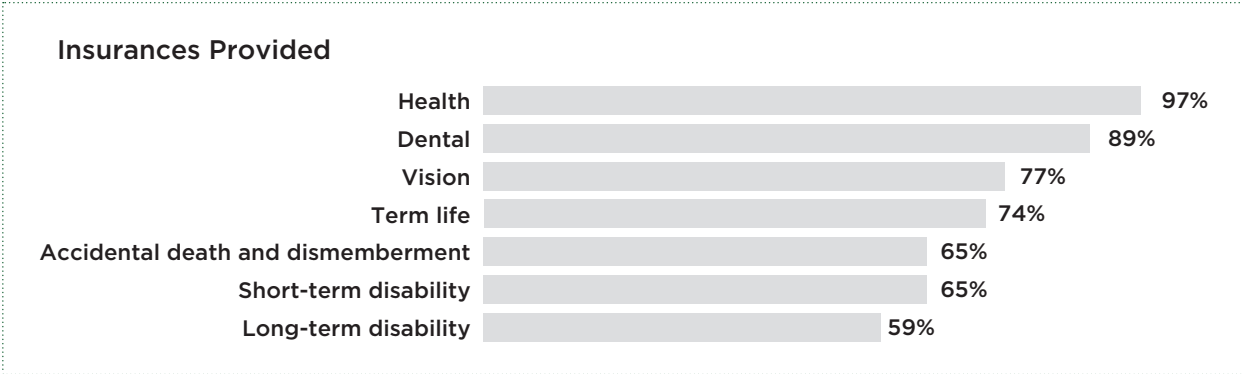
### Reimbursements and Allowances

The survey addressed allowances and reimbursements provided to sales representatives. This includes phone, car, meal reimbursement, entertainment and home office. Nearly all participants offered some type of car or mileage allowance, mentioned frequently by respondents. More than 75% of respondents provide meal or entertainment reimbursement for sales-related activities. Only 3% of respondents provided a home office allowance.



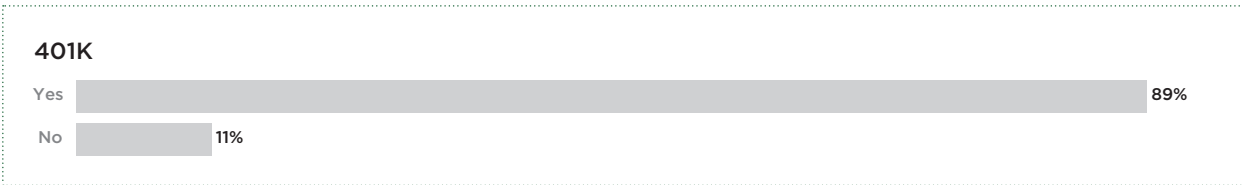
**Insurance Provided**

Concerning insurances, nearly all respondents provide some type of health insurance to full-time sales professionals. Further, almost 90% provide dental insurance to reps.



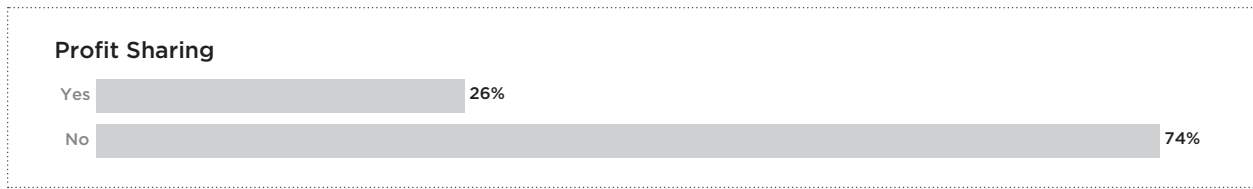
**401K Retirement Benefits**

Nearly 90% offer a 401K plan as a benefit to sales professionals.



**Profit Sharing**

In contrast to the defined contribution retirement benefit afforded by a 401K plan, only about one-quarter of the respondents indicated their company provided some type of profit sharing.



## Findings

The objective of the *2022 Print Industries Sales Compensation Study* is to benchmark sales performance, sales compensation, sales policies and benefits, for the purpose of increasing knowledge and developing actionable insights. The graphs and plots in this report help the reader to compare their company’s policies and compensation practices with industry averages. What are some of the key findings?

### *Focus on High-performers*

First, the data shows there are some excellent high-performing sales representatives in the field. These reps skew means above the medians, as shown in the plots throughout the report. These high-performers sell and are compensated at the high-end and even outside a plots’ “whiskers”. If you have one or more of these sales professionals who have exceptional sales performance, you have a winner and will want to keep them in your organization. Maintaining sales volume, particularly in markets with limited growth potential, is critical.

Among the ways to help retain these high-performers is to look for ways to improve their work life. This could mean bringing in support personnel, whether subject matter expertise or inside CSR or account management. Further, investing in additional marketing tools or marketing automation, may provide important support for these high-performers.

Simple strategies, including investing in client appreciation campaigns are often important to high-performers, as these reps are typically very focused on client satisfaction. It is important to see these reps as client advocates and employ strategies that help them advocate better for their account base.

For low-performers, providing appropriate training and mentorship, as well as using meaningful metrics and incentives, is important to help develop these reps into high performing sales professionals.

### *Focus on Total Comp as a Percentage of Sales*

Top ranked sales representatives have a Total Compensation as a Percentage of Sales (Comp/Sales) metric at or below 9%. That means for every \$90k total compensation (salary+commission), they are producing a minimum of \$1M in sales. Mean



Comp/Sales really falls off for low-performing reps. In this report, sales reps in the 50th percentile and above all had Comp/Sales metrics below 10%, while the 25th percentile reps averaged 17.2%, and the bottom reps averaged 67.5%.

The advantage of focusing on a single metric like Comp/Sales and tying bonuses/incentives to this metric, is that it directly connects salary and commissions (i.e. labor cost) to a single measurement that reps and management can use for benchmarking.

In some organizations, having different Comp/Sales targets may be appropriate too. For example, if margins are higher for Wide/Grand Format printing, than perhaps a target of 15% makes sense for new reps. For Heatset Web Offset, where margins may be lower, a 5% Comp/Sales target may be appropriate.

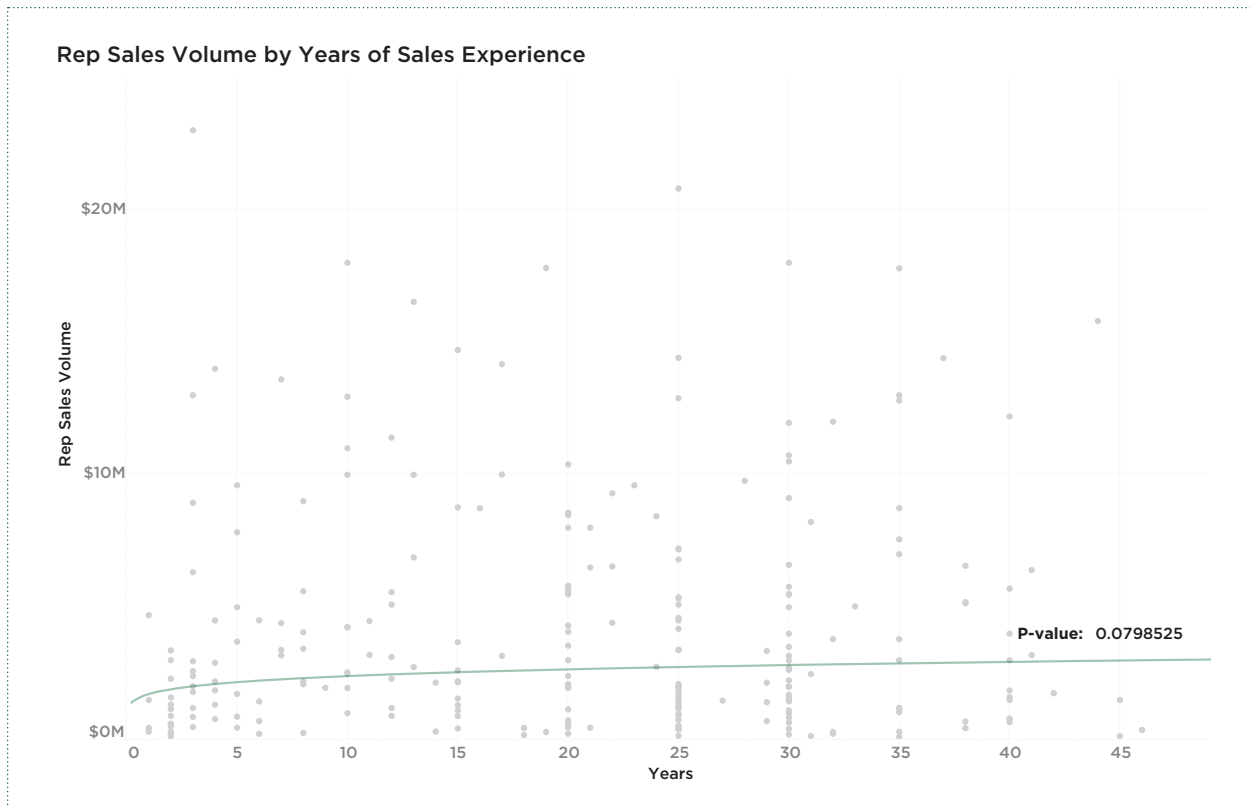
For more advanced sales organizations, one may develop a Total Compensation to % Value-Add metric, which may provide additional insight for sales compensation benchmarking.

### ***10 Years Sales Experience...All that is Needed***

Sales experience is often relied upon when hiring new reps. However, the data shows in this report that somewhere after 5 to 10 years experience, there is little correlation between years of service and sales volume. The plot below uses a Power Model trend line, where both variables (sales volume and years experience) are transformed by the natural log before estimation of the model. These values are then exponentiated to plot the trend line. You will notice that between 0 and 5 years, the slope is noticeable. Somewhere between 5 and 10 years that slope flattens and remains mostly flat the rest of the way.

This plot corroborates the experience box and whisker plot shown earlier in the report related to years of experience by rep rank. Years of experience appears to only be a valuable metric for hiring reps with less than 10 years experience. There were plenty of examples of low-performing reps with more than 25 years experience in the collected data set. Similarly, there are many high-performing reps with less than 25 years experience. Years of experience is not terribly meaningful, once a rep has around 10 years experience.

This plot also helps us understand how important mentorship and training is during the early years of ones career. Early-career sales reps need clear, structured development to build a customer base.



### Company Size Matters

Large companies exhibit better sales performance throughout this report. While there were high-performing outliers in all company sizes, larger organizations showed better mean and median sales performance in most categories. Reps at larger companies achieve better sales performance. As such, sales reps are more highly-compensated in companies with sales volumes greater than \$30M.

Having said that, clearly niche businesses showed strong sales performance. This was evident in the Web Offset (Heatset) process for  $\geq$ \$5m - \$15M companies. While there are limited data points in this and similar segments, it is clear that some strong businesses and sales reps are present in both large and small companies.

### Revisit Value-Add

**Value-add** as a management principle—improvements added to raw materials to increase their value to customers—remains mostly unincentivized in the printing industry. Only 12% of respondents use % of Value-Add as the basis for calculating commissions for standard work. That number goes up to 18% for discounted work.

Value-add is key to productivity and profitability. Using value-add as an incentive for sales compensation promotes jobs with large amounts of in-house work. When compensated a such, sales reps focus their energies on acquiring work with high

percentages of value-add. As noted earlier, this helps keep a company's employees and equipment busy.

It may be that many print companies do not readily track value-add for jobs, or perceive difficulty in calculating VA for each bid. At a minimum, VA would be a great way to offer incentives/bonuses to reps on a quarterly or yearly time frame. In time, reps and sales managers will gain an understanding of the significance of value-add for organizational productivity and profitability.

### ***Differentiate with Marketing Support***

While the majority of companies surveyed for this study employed Customer Service Representatives (CSRs) and Sales Managers, relatively few had on-staff marketing personnel (39%) or utilized outside marketing services (17%). One of the best ways to help low-performing sales reps is to help them with prospecting. Employing marketing strategies is a great way to keep fresh leads coming into your sales organization.

Related, only 11% of the respondents used commercially available Marketing Automation Platforms such as Hubspot, Salesforce/Pardot, etc. While relatively expensive, these systems provide automated workflows such as triggered emails and personalized landing pages, to assist in the sales process. Adding a coordinated marketing effort to support and compliment sales professionals may be an excellent way to differentiate organizations in tight markets.

## **Conclusion**

We hope you find this report valuable as you benchmark your organization's sales performance, compensation practices, sales policies, and benefits. Whether hiring, promoting, or reviewing sales performance, the use of this report and the graphs and plots contained therein, will improve the sales management within your organization. We hope this study helps you develop innovative incentive plans to improve overall sales performance in your organization.

