

**FROM THE FOUNDING SPONSOR**



**TSI GROUP INC.**

Human Resource and Business Solutions

TSI Group is extremely pleased to partner with Canadian Transportation & Logistics, SCL and Laurier Business & Economics for the ninth consecutive year in co-sponsoring the most comprehensive industry specific survey of its kind in Canada, the salary survey of supply chain professionals.

2007 was a dynamic year, changes being fueled by factors such as a high Canadian dollar, continued U.S./Canada cross-border security issues, low cost country sourcing, and ever escalating fuel costs. Despite these challenges, the supply chain profession continues to raise the bar towards excellence, thereby heightening its profile and importance within the corporate organization.

TSI Group continues to be a full service provider of human resource and business solutions to the supply chain and logistics industry. TSI Group is also pleased to announce growth to its corporate family with the addition of TSI Executive Search, a division specializing in the recruitment of senior level managers and corporate executives across all industry verticals. We look forward to the results of this year's salary survey, and continuing to serve the needs of the supply chain and logistics industry.

**FROM THE SUPPORTING PARTNERS**



Supply Chain & Logistics Association Canada (SCL) is pleased to be a partner in the delivery of this comprehensive study of logistics professionals. With a mission to advance the logistics and supply chain profession in Canada through communication and networking; education and training; and knowledge and leadership, SCL focuses on developing the skills of Canada's logisticians. The Association's research endeavours and highly rated educational programs cover many aspects of the supply chain, including human resource development.



Laurier Business & Economics is proud to be a supporter of the ninth annual Survey of the Canadian Logistics Professional. Wilfrid Laurier University's School of Business & Economics is one of Canada's largest business schools.

As supply chain and logistics management transforms business practices by linking strategic planning with information technology and general management, Laurier Business & Economics is creating educational opportunities for professionals in this growing field.

# Is your **SALARY** headed in the **RIGHT DIRECTION?**



Benchmark your pay and bonus package with our 9<sup>th</sup> annual Survey of the Canadian Logistics Professional



## The ninth annual Survey of the Canadian Logistics Professional

Appreciation for the value supply chain management brings to a company's operational and financial performance is growing. As I've mentioned frequently in these pages and in presentations across the country, the same people that used to ignore you – the CEOs, CFOs, and other C-level executives – are now becoming interested in just about everything you do. That's a much welcomed change for supply chain professionals who have put a lot of effort into their careers and take pride in their accomplishments. An important question that is considered at the start of every year, when you compare your new paycheque to the previous year's, is if this appreciation is translating into improved financial rewards. In other words, as our cover suggests, is your salary headed in the right direction? With concern about the health of the North American economy growing, this is a particularly important question this year.

What makes for a competitive compensation package for a supply chain professional these days, and which factors are the most influential in determining pay levels, are exactly the type of questions our survey, now in its ninth year, has been designed to answer.

Our many years in the field with this survey have helped us gather a great deal of trending information, providing valuable insights into how pay packages for the supply chain profession are evolving.

In the following pages you will find a detailed analysis of pay and bonus packages. The various breakouts are presented and designed to provide a strong indication of how corporate/industry factors (such as size of company or logistics budget) and personal factors (such as experience and education) affect pay packages. We hope the data will provide supply chain professionals with a clear indication of where they stand in terms of their total compensation package, which factors are the most important in determining pay levels, and what they can realistically expect for the coming year.

Although pay levels are critically important, they are not the only ingredient to job satisfaction. Our report is spread out over two issues so that we may bring you additional critical information our survey collects about the work life of the Canadian supply professional. In this issue we will also take a look at respondents' experiences in trying to access adequate training. We asked an open-ended question on training and some of the more representative comments are included at the top of each page in this report. In the next issue, we will provide benchmark data on such key areas as mobility, turnover, education, job function, projects implemented, gender differences and job satisfaction. We will also examine how difficult it is becoming to attract and retain talent in a special report.

As with all past years, we enlisted the help of professional research consultants G. Bramm & Associates to compile and analyze the data and to ensure the accuracy of the survey.

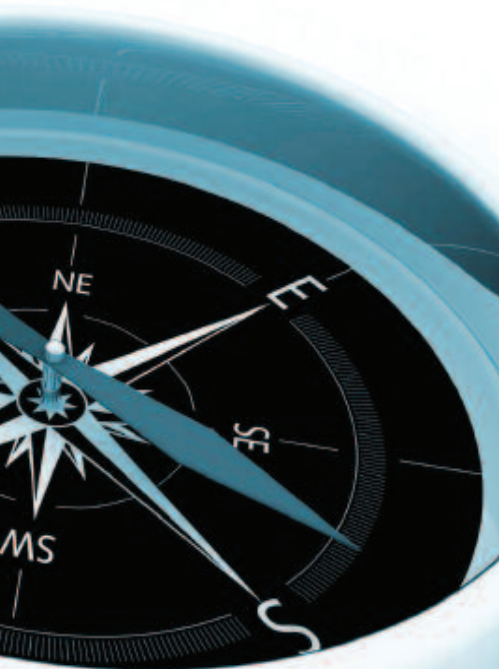
A survey of this size is a considerable undertaking and would not be possible without the continuing support and insights of our founding sponsor TSI Group, and our supporting partners, Supply Chain & Logistics Canada, Laurier Business & Economics. The incredible response we received this year, as well as in past years, has much to do with their involvement.

The greatest thanks goes out to the hundreds of supply chain professionals who take the time each year to fill out our comprehensive survey and also make sure to provide detailed comments to our open-ended questions. We know how busy you are – heck, the data tells us exactly how busy you are down to the hour – so we are very grateful for your contributions every year.

We are confident our annual survey provides the most accurate and comprehensive reflection of the Canadian logistics profession available today. And we look forward to presenting and commenting on the results, as well as providing more detailed information than we have room to show in this issue, at industry gatherings throughout the year.

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**Lou Smyrlis**  
Editorial Director



Canada's supply chain professionals looking to bolster their financial position did well in 2007 in the face of a possible economic downturn, the results of our ninth annual salary survey, completed at the close of 2007, indicate.

On average, supply chain professionals saw their salaries increase by 4% in 2007, keeping pace with the 4% average increase they experienced in 2006. But considering the dark clouds on the economic horizon that started appearing by mid-2007, keeping even should be considered a positive. The average salary increase in 2007 also surpassed our respondents' own expectations. In the previous survey they told us they expected, on average, just a 3.7% increase. It was also better than the 3.9% increase in base pay experienced in 2005.

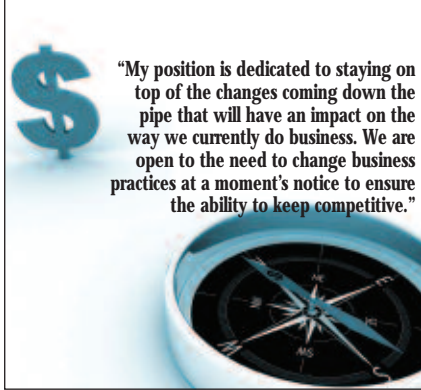
Similar to previous years, the majority (54%) received an increase in the range of 2.1-4%. Another 15% did better than that with increases in the 4.1%-6% range while 9% pulled off raises in the 6.1-10% range and 5% of our survey sample did very well in 2007 with pay increases above 10%. (If you know who they are, they should be picking up the lunch tab). At the bottom end were 17% who managed raises of less than 2%.

More importantly, the pay hikes in 2007 were more equally shared with three quarters of respondents receiving an increase, again similar to last year's survey. Although the number of people receiving an increase still trails the high mark set back in 2001, when more than 8 in 10 received an increase, it does indicate an important change in direction. The years 2001 to 2005 marked consecutive declines in the number of supply chain professionals receiving an increase. Only 68% received an increase in 2005 compared to 72% in 2004; 73% in 2003; 76% in 2002 and 82% in 2001.

About half reported also receiving a bonus as part of their package.

It is hard, however, to ignore the signals for an economic slowdown in 2008, particularly with so many public figures in the US openly now talking about the possibility of recession. Whereas 82% reported during our previous survey they were hopeful about receiving a raise, only 76% were similarly optimistic for 2008. And when individual expectations for a salary increase in 2008 were combined into an average it was no better than 3.7%. Also, similar to the previous year, about half say their salary levels have not kept pace with their growing responsibilities over the past five years. They report that their salaries have increased 17%, on average, over the past five years but are only mildly satisfied with this, ranking it a 2.2 out of 4 on our satisfaction scale, a satisfaction level slightly lower than the previous year.

Another indication that salary levels may take a hit in 2008 is what's happening to the younger supply chain professionals entering the industry. The average pay for those aged 35 and under dropped considerably – by about \$7,000 – in 2007. This may



"My position is dedicated to staying on top of the changes coming down the pipe that will have an impact on the way we currently do business. We are open to the need to change business practices at a moment's notice to ensure the ability to keep competitive."

### BASE SALARY INCREASES

	2007	Expected for 2008
Received increase	75%	76%
Did not receive	20%	19%
<b>Size of increase</b>		
Less than 2%	17%	16%
2.1 to 4%	54%	59%
4.1 to 6%	15%	16%
6.1 to 10%	9%	7%
Greater than 10%	5%	2%
Average	4%	3.7%

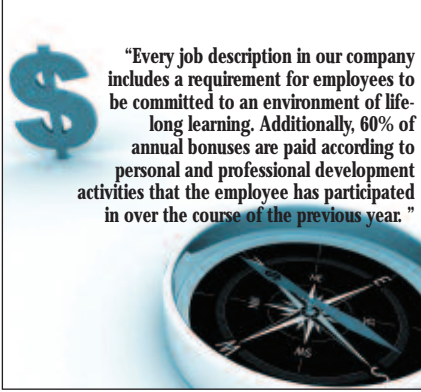
### TOP FACTORS IMPACTING SALARY LEVEL

FACTORS	% OF VARIATION FOR BASE SALARY
1. Position in organization	25.7%
2. Logistics budget	13.3%
3. No. of years in logistics	11.1%
4. Hours worked per week	8.8%
5. Age	8.0%
6. Education	6.5%
7. Company size (sales)	3.8%
8. Province	1.7%
9. Company size (employees)	1.4%
10. No. of direct reports	1.0%
11. Sector	0.9%
12. Metropolitan area	0.7%



### COMPENSATION BY POSITION

POSITION	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
Executive Managers	\$103,986	\$16,795	\$120,781
Senior Managers	\$86,694	\$9,536	\$96,135
Operations Managers/ Supervisors	\$64,372	\$4,620	\$68,944
Support & Sales Staff	\$53,715	\$3,589	\$57,320



“Every job description in our company includes a requirement for employees to be committed to an environment of life-long learning. Additionally, 60% of annual bonuses are paid according to personal and professional development activities that the employee has participated in over the course of the previous year.”

## RESPONDENT PROFILE

Consistent with previous surveys, the vast majority (75%) of the 733 supply chain management professionals included in our sample defined themselves as being in the management ranks of their organizations. The average age of respondents was 44, which is the same as the average reported last year. Similarly, they had 17 years of industry experience. There were more female respondents this year, making up 26% of the sample.

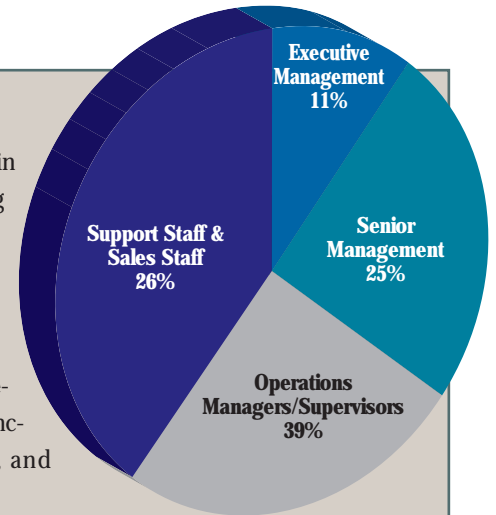
Respondents performed a variety of functions. The most frequently mentioned remained transportation with 4 out of 5 having responsibilities in this discipline. Other functions mentioned by about half the sample included warehousing/inventory control, and customs, purchasing, and customer service.

The majority of respondents (46%) were employed by companies in the manufacturing sector. Another 17% were employed in the retail sector while those working for third-party logistics providers (19%) and the logistics arms of transportation companies (17%) made up the rest of the respondent pie.

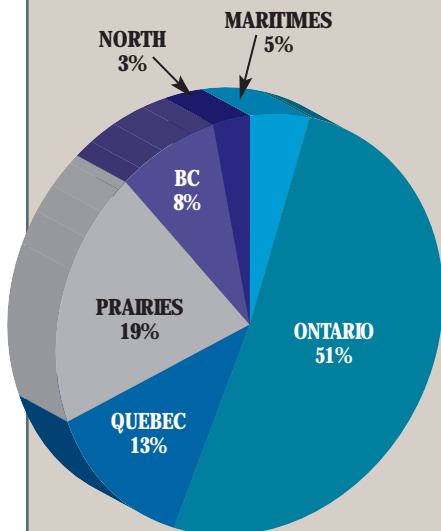
Industry-wise, consumer products, food and kindred products, automotive, high-tech and chemical and allied products were the groups most highly represented by survey respondents.

More than half (51%) of respondents worked in Ontario while 19% worked in the Prairies, 13% worked in Quebec, 8% in BC, 5% in the Maritimes and another 3% in the Yukon, Nunavut and Northwest Territories.

The respondents also came from a mix of small, medium and large companies.

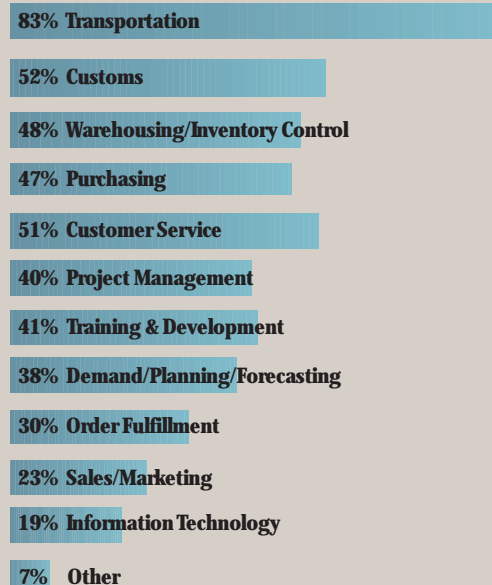


## GEOGRAPHIC DISTRIBUTION



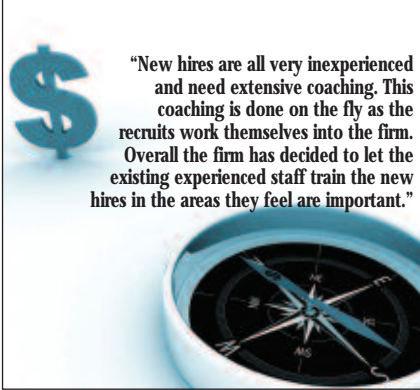
## LOGISTICS JOB FUNCTIONS

(% of respondents who perform function)



## SIZE OF COMPANY – ANNUAL SALES





"New hires are all very inexperienced and need extensive coaching. This coaching is done on the fly as the recruits work themselves into the firm. Overall the firm has decided to let the existing experienced staff train the new hires in the areas they feel are important."

### COMPENSATION BY SIZE OF LOGISTICS BUDGET

SIZE OF BUDGET	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>Less than \$100K</b>	\$59,054	\$3,178	\$62,171
<b>\$100k - \$500k</b>	\$56,036	\$4,536	\$60,584
<b>\$500k - \$1M</b>	\$61,652	\$4,192	\$65,326
<b>\$1M - \$5M</b>	\$65,188	\$4,662	\$69,842
<b>\$5M - \$10M</b>	\$75,585	\$7,171	\$82,807
<b>\$10M - \$20M</b>	\$77,669	\$7,990	\$85,659
<b>\$20M +</b>	\$86,135	\$10,828	\$96,591

### COMPENSATION BY COMPANY SIZE (Annual Revenues)

ANNUAL REVENUES	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>\$5M or less</b>	\$57,437	\$2,214	\$59,651
<b>Over \$5M to \$15M</b>	\$58,904	\$5,521	\$64,425
<b>Over \$15M to \$30M</b>	\$62,362	\$4,710	\$67,164
<b>Over \$30M to \$60M</b>	\$66,594	\$4,786	\$71,364
<b>Over \$60M to \$100M</b>	\$72,612	\$6,433	\$79,045
<b>Over \$100M to \$500M</b>	\$78,370	\$8,768	\$86,885
<b>Over \$500M to \$2B</b>	\$82,424	\$9,310	\$91,841
<b>Over \$2B</b>	\$80,361	\$10,162	\$90,495

### COMPENSATION BY COMPANY SIZE (No. of Employees)

NUMBER OF EMPLOYEES	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>25 or less</b>	\$62,557	\$4,657	\$67,215
<b>26 to 100</b>	\$61,666	\$4,090	\$65,791
<b>101 to 500</b>	\$68,661	\$6,175	\$74,703
<b>501 to 1,000</b>	\$78,510	\$8,205	\$86,690
<b>1,001 to 5,000</b>	\$76,688	\$8,309	\$84,951
<b>5,001 to 25,000</b>	\$78,688	\$9,976	\$88,780
<b>More than 25,000</b>	\$77,692	\$7,878	\$85,570

indicate new entrants are being hired at lower wages.

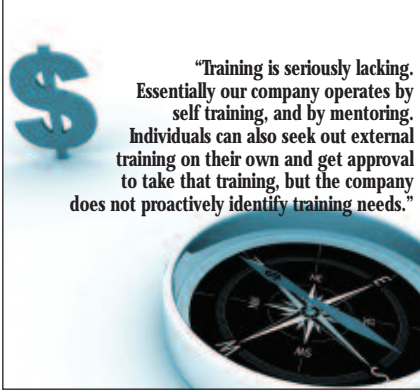
The average base salary for 2007 across all positions came in at \$71,100; the average bonus was \$6,750. In combination, the average salary and average bonus make for an average total compensation package of \$77,850. However, that figure represents salaries averaged across all sectors and all levels of hierarchy. It's far more accurate to consider compensation levels by position in the company.

When examined by position, those considered to be executive managers within their companies enjoyed an average total compensation package of \$120,781. Senior managers had an average total compensation package of \$96,135 while operations managers pulled in \$68,944 on average. Supply chain professionals considered to have support or sales roles within their companies had an average total compensation package of \$57,320.

What these figures also point out are the differences in pay levels attributed to a variety of factors such as the sector you work in, the region of the country in which you are based, the size of company for which you work, and how highly your company values the role of supply chain management within the corporate hierarchy.

Our survey takes into account 12 different factors as a way to provide as accurate a picture as possible about how they influence pay levels (see the accompanying charts). It is also the only survey in the Canadian supply chain market that includes a formula that helps explain how each of these factors relates to each other – in other words, which factors are most important and which least important in determining pay levels. The statistical procedure we employ is called coefficient of determination and measures the impact of factors such as experience, size of company and position in the organization on total compensation. It also allows us to measure the degree of importance of one factor over another in helping determine pay. (See the Top Factors Impacting Salary Level on p.12).

Examining the corporate factors first, the most important factor in determining a supply chain professional's salary is position in the organization. This goes beyond the obvious observation that the higher you climb up the corporate ladder the more money you can expect to make. It speaks to the fact that the importance a company places on its supply chain management function will most likely determine if supply chain management is considered an executive or senior level position within the company or an operational or support staff role. Understanding your company's perspective when it comes to the value of supply chain management is critical; our computation found that position with the company is about two times as important as experience and size of logistics budget in determining salary level.



**“Training is seriously lacking. Essentially our company operates by self training, and by mentoring. Individuals can also seek out external training on their own and get approval to take that training, but the company does not proactively identify training needs.”**



### COMPENSATION BY GEOGRAPHIC REGION

REGION	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>B.C.</b>	\$72,461	\$9,291	\$81,740
<b>Prairies</b>	\$69,796	\$7,276	\$77,078
<b>Ontario</b>	\$73,506	\$6,717	\$80,151
<b>Quebec</b>	\$64,039	\$5,096	\$69,135
<b>Maritimes</b>	\$63,058	\$6,053	\$69,251

### COMPENSATION BY METROPOLITAN REGION

METRO REGION	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>Calgary</b>	\$85,874	\$14,394	\$100,317
<b>Edmonton</b>	\$74,289	\$10,826	\$85,115
<b>Halifax</b>	\$65,363	\$9,172	\$74,536
<b>Hamilton</b>	\$90,000	\$9,969	\$99,969
<b>Mississauga</b>	\$75,737	\$8,390	\$84,159
<b>Montreal</b>	\$66,717	\$5,650	\$72,367
<b>Ottawa-Hull</b>	\$65,300	\$2,275	\$67,575
<b>Toronto</b>	\$75,766	\$6,733	\$82,297
<b>Vancouver</b>	\$72,538	\$8,946	\$81,464
<b>Winnipeg</b>	\$54,170	\$1,762	\$55,933

### COMPENSATION BY NUMBER OF EMPLOYEES MANAGED DIRECTLY

NUMBER OF EMPLOYEES	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>1-2 employees</b>	\$61,779	\$4,830	\$66,610
<b>3-5 employees</b>	\$75,965	\$6,912	\$82,880
<b>6-10 employees</b>	\$82,676	\$8,762	\$91,136
<b>11-20 employees</b>	\$81,011	\$8,084	\$89,096
<b>21+ employees</b>	\$83,810	\$10,318	\$94,372

### COMPENSATION BY SECTOR

SECTOR	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
<b>Manufacturing</b>	\$68,454	\$5,117	\$73,470
<b>Retail</b>	\$71,816	\$8,115	\$79,907
<b>3PL</b>	\$71,980	\$6,584	\$78,592
<b>Transportation</b>	\$75,792	\$9,994	\$85,854

Let's consider the supply chain professional in an operations management or supervisory role as these folks make up the greatest percentage of our sample. On average an operations manager/supervisor has a total compensation package of \$68,944. But it is almost a \$30,000 jump to the senior management level and an additional almost \$25,000 to the executive ranks.

However, this year may prove tougher financially for those in the top ranks. Past surveys have found that those in upper echelons of company management bear the brunt of company belt-tightening, particularly during economic slowdowns. In recent years, executive managers have found it considerably more difficult than supply chain professionals in lower management levels to secure a pay increase or bonus. For example, while 78% of those considered supervisors or operations managers secured a pay increase last year, as did 79% of those in senior management, and 75% of those in support or sales roles, only 56% of executive managers responding to our survey received a pay increase.

Not surprisingly, after years of such experiences, executive managers are the least optimistic about a raise for 2008. Only 65% believe they will get a pay hike in 2008, compared to 81% of senior managers, 75% of operations managers and supervisors and 76% of those in support and sales roles. Although supply chain managers from all four levels are less optimistic about 2008 than they were last year, those in the executive ranks were by far the least optimistic. That reality is tempered, however, by the fact that more executive managers (51%) are likely to believe their salary levels over the past five years have kept up with their responsibilities compared to other supply chain professionals in other levels – for example, only 44% of supply chain managers in support roles and only 42% of operations managers believe their salaries have kept up with their responsibilities. Executive managers also have slightly higher satisfaction levels with their salary increases over the past five years than other supply chain professionals. And it should also be remembered that although fewer executive managers get pay hikes, the ones that do tend to make out better than those in all other management positions. In 2007, executive managers managed an average 4.6% pay hike, which although down from the 5.4% increase of 2006, still outdistanced the average 4.0% for senior managers, 3.7% for operations managers/supervisors, and 4.1% for those in support and sales roles.

Executive and senior managers are also more likely to receive a bonus. While only half of operations managers and 43% of supply chain professionals in support roles reported receiving a bonus in 2007, 57% of executive managers and 64% of senior managers received a bonus.

Size of logistics budget – hence responsibility – also plays



"We ensure that staff, sales and management courses are kept updated with refresher courses, pertinent seminars and industry programs provided by CFFA and/or private training centres or companies for more specialized training such as hazardous material handling."



### COMPENSATION BY AGE

AGE	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
35 and under	\$51,297	\$2,497	\$53,798
36 - 40	\$66,490	\$6,515	\$72,954
41 - 45	\$74,906	\$8,183	\$83,137
46 - 50	\$83,659	\$8,634	\$92,293
51 - 55	\$75,421	\$7,602	\$82,792
56 +	\$79,484	\$8,426	\$87,910

### COMPENSATION BY YEARS OF EXPERIENCE

YEARS IN LOGISTICS	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
5 or less years	\$50,801	\$3,854	\$54,655
6-10 years	\$57,903	\$3,938	\$61,781
11-15 years	\$71,105	\$6,640	\$77,800
16-20 years	\$76,784	\$8,380	\$85,218
21-25 years	\$81,866	\$9,837	\$91,783
26-30 years	\$86,481	\$6,911	\$93,392
31-35 years	\$82,230	\$8,701	\$90,932
36-40 years	\$88,431	\$10,954	\$99,386

### COMPENSATION BY HOURS WORKED

NUMBER OF HOURS WORKED	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
41 to 45	\$66,611	\$5,488	\$72,143
46 to 50	\$75,158	\$7,349	\$82,500
51 to 55	\$94,080	\$11,558	\$105,639
56 or more	\$84,670	\$11,236	\$95,523

### COMPENSATION BY EDUCATION

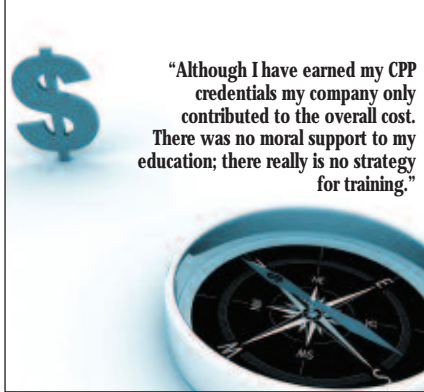
EDUCATION LEVEL	AVERAGE BASE SALARY	AVERAGE BONUS	AVERAGE TOTAL COMPENSATION
College degree	\$66,946	\$6,392	\$73,372
Bachelor university degree	\$71,369	\$6,621	\$77,962
Post grad. degree	\$95,402	\$10,814	\$106,217

an important role in determining pay scales. Only supply chain professionals working for companies with logistics budgets over \$5 million earned above the average total compensation in 2007, with some significant jumps in pay the larger the budget got. For example, those at the top of the scale, with budgets of more than \$20 million, are being paid \$96,951 on average. That's more than a \$10,000 improvement over those with budgets in the \$10-\$20 million range and almost \$25,000 better than those with budgets in the \$1-5 million range. Those with budgets under \$1 million are pulling in \$65,000 or less.

Company size makes a similar, albeit not quite as dramatic difference. Only supply chain professionals working for companies with more than \$60 million in annual sales earned a total compensation package above the industry average. There is much to be learned in working for a small company, and perhaps being involved in many different functions; but there is a price to pay. Those working for the smallest companies (with annual revenues of \$5 million or less) averaged \$59,651 in total compensation in 2007. Contrast that with the average \$79,045 made by those working for companies in the \$60-\$100 million range for annual revenues and the \$90,945 average pay earned by those working for companies with \$2 billion or more in annual revenues.

Geographic location is another influence on pay. Supply chain professionals working in Ontario are often the best off, their salaries buoyed by the pay in the Toronto market. They did make \$80,151 in 2007 on average, which was very similar to the previous year's mark. However, they could not keep up with the salary levels in B.C. and two of the Prairie provinces, led by booming Alberta which posted the top average salary of \$86,352. Saskatchewan and B.C. salaries also topped Ontario's in 2007. The western boom does not seem to have had a significant impact on Manitoba salaries, however, where the average was \$58,972. Although we do not have a particularly large sample from the north (Nunavut, Yukon and the Northwest Territories) the average total compensation there was \$79,851, which also beat the national average.

Of the 10 major metropolitan areas tracked by our survey, six were paying above the survey average this year with Winnipeg, Ottawa-Hull, Montreal and Halifax total compensation packages coming in below the mark. The Greater Toronto Area and Calgary traditionally battle for the top average total compensation package, but Calgary has pulled ahead



**“Although I have earned my CPP credentials my company only contributed to the overall cost. There was no moral support to my education; there really is no strategy for training.”**

considerably the last few years. The average total compensation package for supply chain professionals working in Calgary was \$100,317.

Every year our survey also examines total compensation packages in four different sectors: manufacturing, retail, third-party logistics and transportation. Pay in the third-party logistics sector has traditionally been the best but the margin has been shrinking in recent years. In 2007, a supply chain job in the 3PL sector was no longer the best ticket in town. The \$78,592 average total compensation for 3PL practitioners was down by about \$2,000 from the previous survey and was overshadowed by those working in retail (\$79,907) and those working in transportation (\$85,854).

Personal factors affecting pay that are annually tracked by our survey include age,

hours worked, education and experience. Consistent with past years, supply chain professionals appear to reach their primary earning potential between ages 46 and 50, earning \$92,293 on average. That's nearly a \$40,000 jump from the \$53,798 made by those under age 35. And, as noted earlier, that marks a significant decline in the average pay levels for younger supply chain professionals from previous years and may indicate that new hires are being brought in at lower compensation levels.

Years of experience has a similar influence on pay levels. Our survey found an about \$45,000 difference between those with 5 years or less of experience and those with more than 36 years of experience.

Finally, let's look at education. A higher education has always equaled a better com-

penetration package and it was no different with the latest survey. Supply chain professionals with a college degree earn \$73,372 on average while those with a bachelor's university degree earn \$77,962 and those with a post-graduate degree earn \$106,217, our survey found.

**CT&L**

**NEXT ISSUE: PART II**

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### SURVEY METHODOLOGY

E-mail invitations were sent out to 5,464 supply chain professionals across Canada in November. The e-mail addresses were derived from a subset of Canadian Transportation & Logistics' subscription lists.

TSI Group and JobshLogistics.ca also forwarded our invitation to supply chain professionals using their human resource services. Supply Chain & Logistics Canada and CIIT forwarded our invitation to their members as well.

After filtering out unqualified respondents and incomplete surveys, we compiled data from 733 respondents.

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TSI GROUP INC.

Human Resource and Business Solutions

TSI Group is extremely pleased to partner with Canadian Transportation & Logistics, SCL and Laurier Business & Economics for the ninth consecutive year in co-sponsoring the most comprehensive industry specific survey of its kind in Canada, the salary survey of supply chain professionals.

2007 was a dynamic year, changes being fueled by factors such as a high Canadian dollar, continued US/Canada cross-border security issues, low cost country sourcing, and ever escalating fuel costs. Despite these challenges, the supply chain profession continues to raise the bar towards excellence, thereby heightening its profile and importance within the corporate organization.

TSI Group continues to be a full service provider of human resource and business solutions to the supply chain and logistics industry. TSI Group is also pleased to announce growth to its corporate family with the addition of TSI Executive Search, a division specializing in the recruitment of senior level managers and corporate executives across all industry verticals. We look forward to the results of this year's salary survey and continuing to serve the needs of the supply chain and logistics industry.

FROM THE SUPPORTING PARTNERS

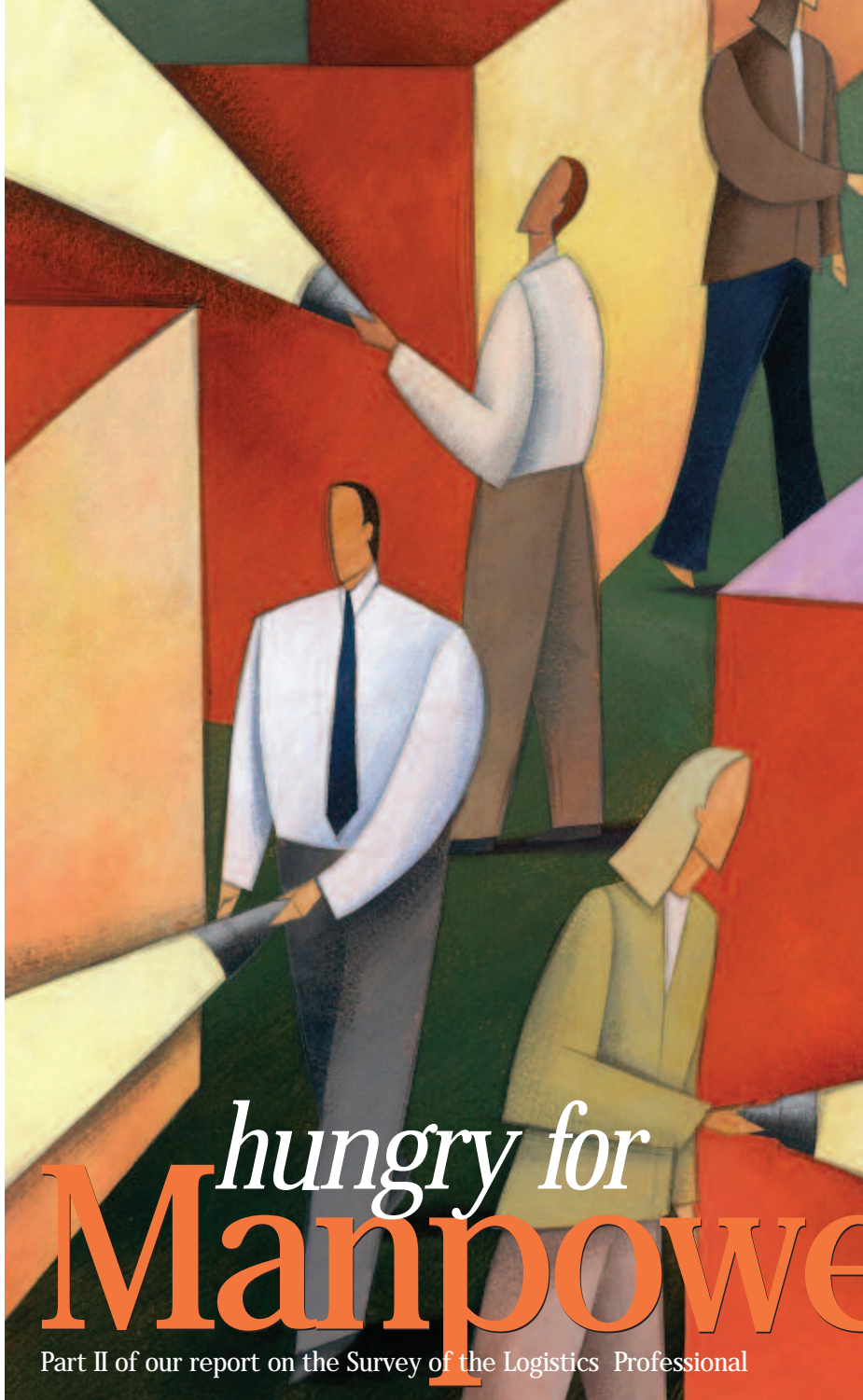


Supply Chain & Logistics Association Canada (SCL) is pleased to be a partner in the delivery of this comprehensive study of logistics professionals. With a mission to advance the logistics and supply chain profession in Canada through communication and networking; education and training; and knowledge and leadership, SCL focuses on developing the skills of Canada's logisticians. The Association's research endeavours and highly rated educational programs cover many aspects of the supply chain, including human resource development.



Laurier Business & Economics is proud to be a supporter of the ninth annual Survey of the Canadian Logistics Professional. Wilfrid Laurier University's School of Business & Economics is one of Canada's largest business schools.

As supply chain and logistics management transforms business practices by linking strategic planning with information technology and general management, Laurier Business & Economics is creating educational opportunities for professionals in this growing field.



# hungry for Manpower

Part II of our report on the Survey of the Logistics Professional

By Lou Smyrlis

Why supply chain professionals on the prowl for a new job should expect good hunting

Despite rising pay packages, more than a quarter of Canada's supply chain professionals are seriously looking for a change in employment, our annual Survey of the Canadian Logistics Professional indicates. And they may find themselves in high demand, despite a slowing economy, because our survey also indicates that filling job vacancies is becoming increasingly difficult.

For the second consecutive year, our survey asked participants whether they were seriously looking for work with another company. Twenty-eight per cent reported that they were, a mark almost identical to the previous year's survey.

Who were the most likely to be job hunting? Predictably it was supply chain professionals under age 35 who were most likely to be looking to move into a new position and those over 51 who were least likely to be looking for a new employer. Thirty-seven per cent of supply chain professionals under age 35 were job hunting compared to just 21% of their counterparts over age 51. Size of company was also an important factor. More than a third (34%) of those working for smaller companies (under \$15 million in annual revenues) were looking for a new employer as were 32% of those working for mid-sized companies (\$15-\$100 million in annual revenues). In contrast, only 24% of those working for the largest companies (\$100 million or more in annual revenues) were looking to change jobs.

Position in the company's hierarchy also was an important factor. Basically, the lower down the company ladder, the more likely a supply chain professional is to be looking for a new job. Only 13% of those in executive roles were planning to be on the move, compared to 27% of those in senior management roles, 32% of those in operations management roles and 31% of those in support roles.

Another telling factor was geographic location. Supply chain professionals working in the west and Quebec are almost twice as likely to be job hunting as those working in the Maritimes. Only 16% of East Coast supply chain professionals told us they were looking for a new employer. Why the difference? Better money, career opportunities and benefits are the three top reasons given by supply chain professionals across the country for considering working for another employer. Those priorities are no different for Maritimers. Where they do differ greatly from supply chain professionals in the rest of Canada, however, is in their attitude about moving to a new location. Only 29% of Maritimers considered new geographic location as an important factor in considering another job offer; in comparison, slightly more than 40% of Ontarians and Quebecers thought a change of scenery would do them good as did 59% of those in British Columbia.

Our survey, now in its ninth year, has found a trend of dropping job satisfaction levels the last few years. It was in 2003, a tough year characterized by slumping pay packages and supply chain managers being asked to respond to a number of unexpected economic shocks, that our survey found job satisfaction levels dropping for the first time. The satisfaction level dropped to 3.6 that year, compared to 3.7 in 2002 and 3.8 in 2001 and 2000. The year 2004 proved much better, not only for the economy, but the pocketbook of the average supply chain professional. Pay packages were on the

increase again after two years of decline. But the job satisfaction level, although not getting any worse, did not get any better, remaining at 3.6. In 2005, despite yet another increase in pay packages, the job satisfaction level dropped once again to an average of 3.5, where it remained through 2006, despite a rise in average pay increases and more equal sharing of pay hikes across the four different corporate levels our survey tracks. Our latest survey found job satisfaction at its lowest level, down now to just 3.4 out of 5 – a C+ rating.

Is the drop in job satisfaction an important factor in employee churn? Supply chain professionals don't tend to bounce around a great deal – certainly not compared to certain other occupations. The average supply chain professional responding to our survey has been in logistics for 17 years and during that time has held six different positions and worked for three different companies. However, the average respondent has spent the last 11 years with the same company.

But many companies do not seem to be doing a particularly good job at getting the buy-in of the youngest supply chain professionals. Those under 35 years of age had by far the lowest average job satisfaction level – just 3.2. In Part I of our report on the results of our annual survey (see the January issue) we reported that average pay for those aged 35 and under dropped considerably – by about \$7,000 – in 2007. This may indicate new entrants are being hired at lower wages. And, of course, as mentioned earlier, supply chain professionals under age 35 are the most likely to be job hunting.

Similarly, those working for smaller companies are less satisfied with their jobs than those working with larger companies and also more likely to be looking for a new employer.

The two groups least likely to be job hunting are executive managers and supply chain professionals working in the Maritimes. Are their job satisfaction levels higher than the rest? Absolutely.

Executive managers have traditionally been the most job satisfied respondents to our survey and it was no different with our latest survey. The average job satisfaction rating among supply chain professionals in the executive ranks of their companies was 4.04 – an A grade. Not surprisingly, few executive managers told us they were looking to change jobs. What is perhaps surprising is the job satisfaction levels among Maritimers. They have traditionally been among the lowest paid – those working in Halifax, for example, routinely report salaries below the national average determined by our survey. Yet supply chain professionals working in the Maritimes have the second highest average job satisfaction level – 3.5. And, as previously

### The Average Logistics Professional

**Gender:** Male (69%)

**Average age:** 44 years old

**Years of logistics experience:** 17

**Average no. of companies worked for:** 3

**Average no. of years with current employer:** 11 years

**Mean total compensation (base salary and bonus):** \$77,850

**Education:** 34% have attained bachelors or higher degree

**Training:** 23% are currently enrolled in professional development

mentioned, are the least likely, by a considerable margin, to be looking to change jobs. Money is not everything, after all.

Those looking to change jobs may find themselves in the driver's seat, despite the slowing economy, because finding talent is proving increasingly difficult. Only 18% of survey respondents who had to fill a job vacancy in the past two years reported that the talent they were looking for was "readily available." The vast majority (56%) said filling the vacancy was "somewhat problematic" while 16% found it "very problematic." Interestingly, it appears it has been easier to fill jobs at the smaller companies with 21% of survey respondents working for companies with less than \$15 million in annual revenues reporting no problems finding talent compared to just 15% of those working for companies with more than \$100 million in annual revenues reporting likewise. Filling job vacancies was also particularly difficult in the 3PL sector – only 12% of respondents from that sector said they had no problems finding the necessary talent, compared to 17% of those from transportation, 19% of those in manufacturing and 21% of those in retail. Looking at the situation across Canada, job vacancy issues are most pronounced on both coasts and, predictably, the Prairies. Sixty-nine per cent of those from B.C. found it "somewhat difficult" to fill job vacancies and 17% found it "very difficult." It was a similar story on the East Coast with 74% reporting it was "somewhat difficult" to fill job vacancies while 13% found it "very difficult." It's in the Prairies, however, where job

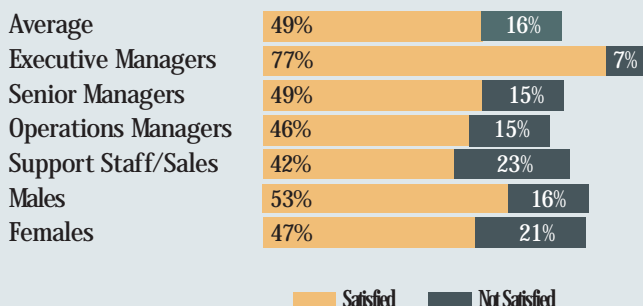
vacancies stay open the longest – and supply chain professionals can demand the best dollar. While 46% of survey respondents from the Prairies reported it was "somewhat difficult" to fill job vacancies, almost a third (30%) found it "very difficult." Not surprisingly, in such a labour market, Calgary has been able to pull considerably ahead of traditional rival Toronto the last few years in the battle for the top average total compensation package. The average total compensation package for supply chain professionals working in Calgary was \$100,317, as reported in our January issue.

And the ability to quickly fill supply chain jobs is expected to get worse in the near future. While almost half (48%) of survey respondents expected the filling of job vacancies to stay similarly tough in the future, one-third expect it to get harder. That represents a significant jump from the 25% who were similarly pessimistic during the previous survey about the ability to fill job vacancies – and also further indication that supply chain professionals on the prowl for a new job can expect good hunting.

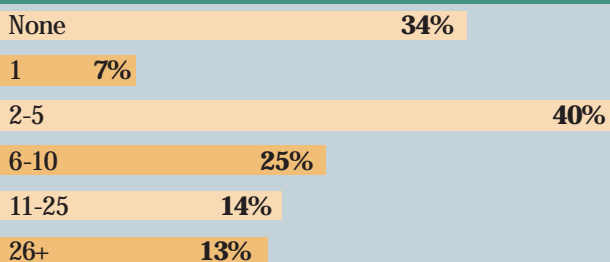
Our survey also includes information on education levels achieved by supply chain professionals and the professional designations considered the most popular, the hours they work and specific breakdowns of their job satisfaction levels. Charts on those, as well as breakouts comparing the most important statistical differences between male and female supply chain professionals, are also included with this month's report and we encourage you to have a look. **CT&L**

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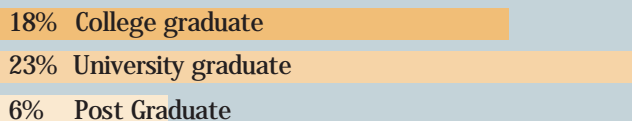
### Job Satisfaction (% Satisfied)



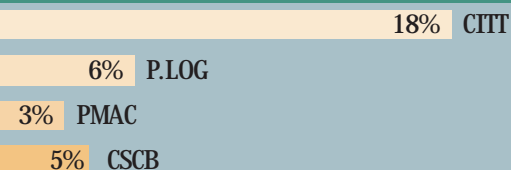
### Number of Employees Managed Directly



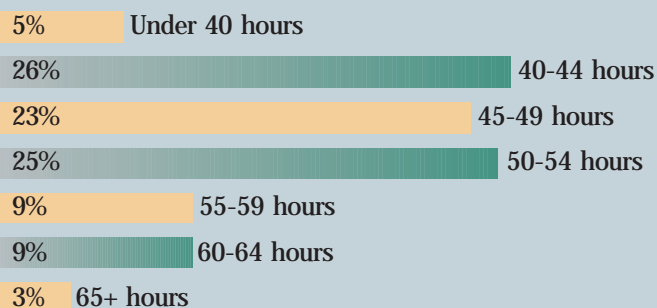
### Education (Highest Level Attained)



### Top 4 Professional Designations Earned



### No. of Hours Worked During Typical Week



**Average: 47 hours**

### Gender Differences

	MALES	FEMALES
Age	45	42
University Degree	27%	16%
Post Graduate Degree	8%	3%
Years in Logistics	18	15
Manage Budget	64%	41%
Direct Reports	22	14
In Executive Mgt.	12%	7%
Avg. Hours Worked	49	45
Satisfaction with Job	3.4	3.3