

Megan Tatum

With salaries stagnating, roles more demanding than ever and a diminishing pool of talent, recruiters are having to work harder to pull in the best salespeople. So how are they doing it?

BIG FAVOUR

TO BITE?

Gone is the stereotypical salesman replete with shiny suit and battered brown briefcase. The slickest operators in fmcg sales are now far more likely to spend hours poring over spreadsheets at company HQ than days on the road shaking hands with supermarket buyers and striking deals over dinner. In fact, a poll by The Grocer of nearly 300 national account managers (NAMs) in 2016 revealed that nearly 90% felt the role had changed irrevocably, with all spending far more time behind a desk, sending emails and crunching data than meeting clients face to face.

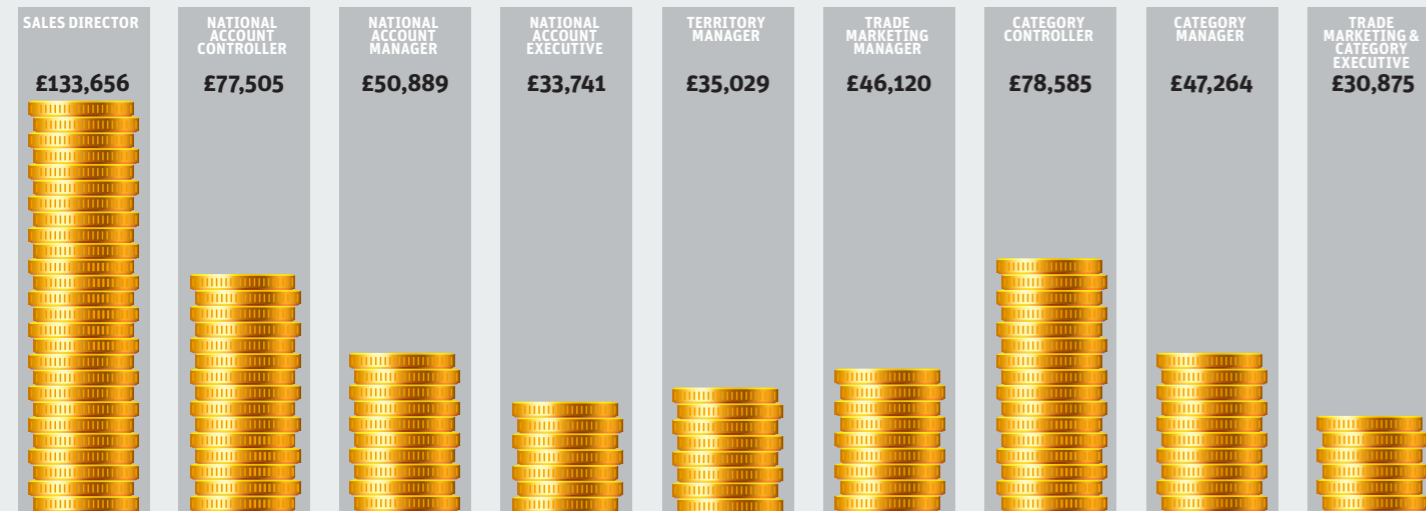
Roles are less regimentally defined, too, with elevations of marketing and innovation par for the course, and job descriptions commonly ditching the word 'sales' altogether to make way for 'building relationships' and 'managing client expectations'. "When I first started in sales it was a lot of cold-calling, hard sales, and old-school strategies and methodologies," says Zak Manhire, commercial manager at Costa, who started in sales over a decade ago handling grocery merchandise for the AA before segueing into a head of sales role at Drink Me Chai. "But I've had roles since where I had to do almost everything, from due diligence, new line forms, proposals, joint business plans, to marketing and activation - there's an enormous amount to the full sales cycle now."

It's an evolution that has made the job of recruiting top salespeople that much more challenging for fmcg brands. "The role is more demanding than ever before and so the quality of the people you need to bring in is rising too," adds John Maltman, a former VP at PepsiCo, P&G and Asda and now CEO at E Fundamentals. "There's less management around so people are expected to do more, customers are highly sophisticated and make their own demands, and companies by and large are doing a lot more with less people, so the roles tend to be a bit bigger."

Added to the difficulty of tracking down these multi-skilled recruits is a diminishing pool of talent to pick from in the first place. At the top end a consolidated grocery market has played havoc. "Historically there were a large number of blue chip fmcg employers in the UK, today there are only a handful, meaning that large-scale fmcg sales directors are at something of a premium," says Andrew Smith, group client director at Norman Broadbent. And at the other end there is a dwindling stream of new talent climbing the ranks, with limited spots

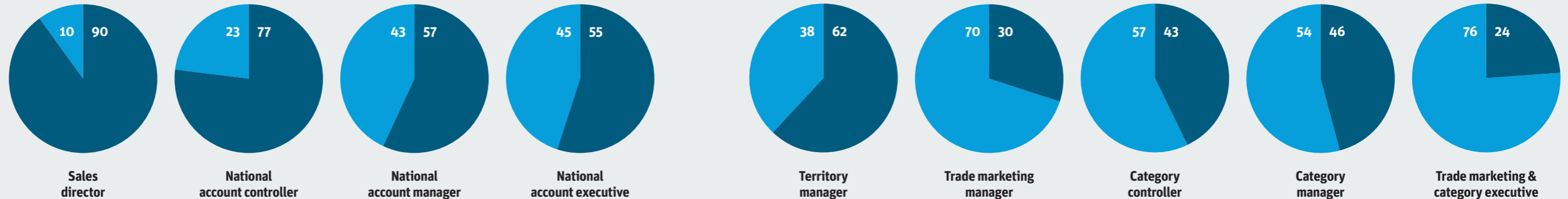
What is the deal on the table for fmcg salespeople?

Average base pay across nine core sales roles



The gender split: the proportion of men and women across fmcg sales teams

■ Male
■ Female



Average bonuses paid out to fmcg sales teams



Does size matter? The salary gap between large fmcg firms (£250m+ turnover) and small (less than £50m turnover)



On graduate schemes at large fmcg employers (in 2017 there were only 50 at Unilever, 35 at Nestlé and 40 at Mondelez). Among young graduates “sales does seem a little out of vogue” adds Ben Vear, who went from family business Winstones before taking on sales roles at Mars and Bear Nibbles. He is now head of sales at start-up Emily’s Crisps.

Earning loyalty

On top of that “millennials on average only plan to stay in their role for three years which is a massive headache for recruitment as you have a constant conveyor belt of talent coming and going. You have to really demonstrate what more you can give.”

All of which means “as a recruiter we have to work a lot harder to get the very best we can in terms of account managers, whether senior, national or regional, to join us in the business,” says Marnie Millard, chief executive at Nichols. “You’ve got to work harder, leaders have to work harder.”

And surely come up with generous salaries and fat bonuses. Or do they? What do remuneration packages



£599
average monthly car allowance



25.5
days average holiday

for fmcg sales teams look like in 2018? And how are firms using them to reel in these coveted sales recruits?

Collecting real-time salary data across nearly 150 fmcg suppliers, from challenger brands to blue-chip behemoths, a study by fmcg recruiters The Simmance Partnership has mapped out the deal currently on the table for salesmen and women working across nine different roles, from sales directors to national account managers (NAMs) and trade marketing execs.

For senior sales director roles, fmcg firms are still digging deep with top candidates raking in up to £210,000 per year in basic pay (seven times the national average), and average pay across startups, SMEs and multinationals all above £100,000.

But move to mid-range roles and Steve Simmance, who collated the data and has been recruiting sales people for 25 years, believes basic pay for both NAMs and category managers (CMs) is “critically undervalued” with average salaries of just over £50,000 and £47,000 respectively.

“Inflation has risen over nearly 20 years but the NAM salary has not, de facto,” he says. “I’ve been troubled

by the NAM population for a number of years. Every time I’m asked to recruit one I shudder with horror at the prospect of the work that goes into it.

“This data helps answer the question of why it is so difficult to attract decent NAMs into our world, where supply is low and demand is critically and dangerously high. Is it any surprise we don’t have decent NAMs because they don’t get decent money?”

The transformation of the job has had a role to play, he believes. “The role of the NAM has changed beyond proportion. We don’t sell any more, we transact, and maybe the reason the value of the role financially has devalued is because the job is different.”

Fat bonus cheques?

Stagnant pay is also symptomatic of tighter margins and the ongoing struggle in fmcg to achieve sizeable growth, believes Maltman. “Rewarding people for business growth is quite hard for a lot of companies as they’re not seeing the growth levels they used to have.”

As a result “if you’re keeping people in positions long term in a role that isn’t developing it’s really difficult to

Source/methodology: The survey was conducted in the final quarter of 2017 by The Simmance Partnership using real-time data supplied by authorised representatives from 142 fmcg suppliers across nine sales roles. In 85% of cases role titles were consistent, in the remainder these were mutually agreed with the businesses. For more information email Steve@simmance.co.uk or call 01753 856103.

pay them more money.” One solution is “to roadmap people’s jobs so they get broader and deeper over time, allowing you to invest back in that person in terms of salary”.

Alternatively you can offer big fat bonus cheques as an incentive. According to research by The Simmance Partnership, the average potential bonus for NAMs remains at nearly a fifth of their salary (19%) with 12% paid out.

This figure rises to 30% at sales director level, of 36% potential, down to 7% paid out for trade marketing managers (TMMs) of 13% potential – the lowest paid of all the roles, with salaries ranging from £19,500 to a little over £30,000.

That compares favourably with the cash-poor banking sector, says Simmance, which hands out stocks and shares instead.

Smaller fmcg brands looking to compete will often use general bonus schemes to supplement lower pay base salary, says Manhire. “I know a lot of startups and SMEs that, when they’re looking to recruit, their base salary is often comparably lower than that in →

How big is the gender pay gap in sales? A look at the average pay for men and women across nine different sales roles in fmcg



Sales director

Men: £138,885
Women: £86,600



National account controller

Men: £77,885
Women: £76,201



National account manager

Men: £52,487
Women: £48,753



National account executive

Men: £34,265
Women: £33,091



Territory manager

Men: £34,392
Women: £36,059



Trade marketing manager

Men: £46,797
Women: £45,826



Category controller

Men: £81,993
Women: £76,074



Category manager

Men: £48,577
Women: £46,124



Trade marketing & category executive

Men: £34,505
Women: £29,704

At a larger organisation, we're talking even as much as 30% less, but they'll often add highly attractive and incentivised on-target earnings and bonus structures."

In a "highly competitive landscape", though, these won't always translate into take-home pay.

"It's all very well offering tasty bonuses but if they've not been paid out over the last five years it becomes irrelevant," says Millard. "Is that bonus attainable and achievable? What is the likelihood of it? That's where you can make some quite big differences."

Generous bonus schemes can require sizeable company investment of course. As can the array of additional "classic" benefits on offer in sales remuneration packages, with pension and life assurance now standard, and only 13% of salespeople on average without private healthcare.

Monthly car allowances come with all roles too, and range from £406 to £1,071 too – though Simmance forecasts "there'll come a time when car allowances or cars for salespeople will no longer exist, either as a result of government pressure on companies to manage the amount they're driving round the country, or because the role of the salesperson is not to be on the road but in a head office environment sprawling over analyses and spreadsheets."

That's already happened at dairy processor Emmi, which has "stopped providing company cars" for its six-strong sales team, says managing director Julie Plant. "We would rather encourage people to use more sustainable transport. The car allowance equivalent has been rolled into salaries."

All these extra benefits are often undervalued by employees, believes Simmance, who view them as "God-given rights" when actually "they have an inordinate cash value. Employers continue to give them without emphasising the benefit and employees don't ask enough questions about 'what's that worth to me'. It needs to be realised that while it is a standard, it's a hell of a benefit too."

How can packages stand out?

But if pay rises are hard to come by, bonuses harder to

"Soft benefits are being increasingly emphasised as important within the overall package by what I generalise as the millennial generation"

achieve and classic benefits hardly noticed, how can fmcg suppliers ensure their pay packages stand out?

The increasing trend is toward so-called 'soft' benefits. Pioneered by the likes of Innocent Drinks, famed for its ping-pong tables, iPod docks and annual holidays to the Alps, these inexpensive add-ons can charm a new generation of salespeople, says Simmance.

"Soft benefits are being increasingly emphasised as important within the overall package by what I generalise as the millennial generation," he says. "If employers were to convert soft benefits into hard cash it would increase their overheads and attract quite a different audience of candidates and employee. As you can't get a lot of money out of being a NAM any more, you tend to go for these other options."

Options that commonly include flexible hours, free fruit and Friday drinks have been championed by young, challenger brands, says Laura Davis, senior consultant at InVentaBrand, where "grads coming in value that much more than pay."

"Even though they may not be paid as much as friends entering other industries, they like to feel like they are making a difference within the company, particularly with the younger brands, where they feel almost like their own bosses thanks to the small teams. The environment at these companies is very different. At Lily's Kitchen, for example, you can take your dogs to work, they have yoga club, knitting club and weekly choir plus home working one day a week."

More established firms are acutely aware of this new "sexy" working culture. "We offer competitive salaries, we benchmark them every year to make sure nobody is out of kilter with market rates, but then, especially with trying to attract some of the younger talent in the marketplace you do things that are a bit more spirited too," says Clare Blampied, managing director at Saclà, which offers sales teams – and all staff – birthdays off, yoga classes and learning lunches.

For Simmance, though, these 'soft' benefits don't hold the answer to fmcg sales recruitment woes. "We're relying on employees these days to come up with a whole bunch of frankly valueless soft benefits because



Where did all the women go?

That's what Steve Simmance asked himself as data he collected on fmcg sales teams revealed that despite women making up 76% of staff at the most junior level, this dropped to just 10% at sales director level, and 23% among national account controllers. "They've disappeared off a cliff," he says. And what's more those few women that have reached the upper echelons of fmcg sales are paid 37.6% less than their male counterparts – four times the average gender pay gap in the UK – with top women on average £52,000 less.

"The disparity is disappointing,"

adds Simmance. "I didn't think, in my parochial way, that our industry was in any way prejudicial or discriminatory but if you look at the data empirically there is a difference and there's no reason it should be, other than that men are perhaps more inclined to push for greater remuneration than women, who are probably more thoughtful about the role than the money."

This tendency could see women given a pay rise more often as a result of internal promotion, suggests Marnie Millard of Nichols. "We promoted two women into senior roles as they were the best people for the job

but I'm not sure they'd have put themselves forward if we'd gone into an external selection process. I wonder whether leadership teams haven't benchmarked salaries of external candidates against those they've brought into leadership roles in their own company."

Maltman says he isn't presented with the same volume of female candidates at senior roles. "I suspect the gap is more to do with informal rather than formal policies, or custom and practice rather than anyone setting out to do a bad job."

Whatever the reason it's a gross disparity that needs to be tackled.

there is no room left in the cash pot for more salary. Employers don't want to pay more money so they'll resign themselves to letting employees work at home, or bring their pets to work, or an extra day's holiday as it's perceived as having no cash impact.

"There is a constant debate between employer and employee over 'what do I get in return for my buck', and if I can make the landing to work a bit softer via fruit in reception or beer fests every so often, that'll appease my workforce – to whom I don't pay a huge amount of money, but they'll have fun when they get here with a more campus-like environment. Well, remove the campus attitude, get people to work 9-5 in the office but pay them more money, and I think you'd get a different level of attitude."

But would it? For Ben Vear, head of sales at Emily's Crisps, with sales roles in fmcg now unrecognisable from a decade ago, so too must the remuneration package evolve. "There's a different dynamic than there was. The retailers from the other side of the fence want much more collaborative individuals and less sales robots going in doing a business plan once a year and agreeing trade terms, they want to work properly with a supplier."

'More creative individuals'

This mean recruiting "more creative individuals" and dreaming up far more creative remuneration packages. For this new generation of sales aficionados "soft benefits are increasingly important, having flexible working is really important to me, having a voice is also really important, being able to make real impact in my role and in the wider business is really important".

As is a business with the right ethos. "Young people working at Saclà hold us to account on being true to our values," says Blampied. "We're clear what our values are and the team live and breathe that. We have to be robust in our thinking and the youngsters tend to challenge us on that. For them that code is really important."

Even if that means joining an fmcg sales team with far less cash to spare.