



2002 TECHNICAL SUPPORT SALARY SURVEY

PRODUCED BY THE ASSOCIATION OF SUPPORT PROFESSIONALS

Published by
The Association of
Support Professionals

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The 2002 ASP Tech Support Salary Survey

In the past year, a great many software companies have wrestled with stagnant sales and tight cash flows; even relatively healthy firms have imposed layoffs and hiring freezes, especially in their support departments. Conventional wisdom suggests that hard times like these put downward pressure on salaries—but in fact just the opposite seems to be happening. During 2001, support salaries have *risen* in almost every category, from entry-level customer service reps to the top levels of management.

What's going on here? There's probably no single explanation, but we see at least two factors at work:

- **Staff upgrades:** When companies cut headcount, they generally target their lowest performers and employees with the least experience or seniority. The people they keep tend to be the company's most valuable staff—who are also likely to be the highest paid. At the same time, many companies are taking advantage of an unusually deep labor pool to recruit new talent; rather than haggle over a few dollars of salary, these companies are often willing to pay slightly higher salaries to get dramatically better people.
- **Customer retention:** Recessions usually force companies to pay attention to their current customers instead of trying to capture new business. Support plays a double role in marketing to installed-base customers: Support quality by itself is often an essential element in retaining customers, and ancillary service products—maintenance, training, premium support, etc.—also tend to become a more significant source of revenue. Not surprisingly, support salaries tend to rise when service quality has a clear bottom-line impact.

Of course, these two factors don't explain salary trends in every company. Other trends—such as a steep decline in the consumer software business and widespread outsourcing of many first-level support jobs—have also contributed to a change in the profile of a “typical” software support employee. More than ever, however, support employees with experience and expertise are becoming increasingly valuable, and it's almost inevitable that this value will be reflected in higher salaries.

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To help identify benchmarks for support pay, the Association of Support Professionals compiles this annual support compensation survey. In addition to industry-wide compensation statistics (page 3), we offer a look at some of the variables—such as company size, number of support employees, application price, and geography—that have an impact on these general numbers.*

A key part of our survey methodology is a set of standardized job titles and capsule job descriptions that have remained constant for the seven-year history of this survey. Here's how our questionnaire describes the categories we use, along with a few observations about this year's data:

★ **SENIOR SUPPORT EXECUTIVE (vice president or director level)**

“Coordinates activities and budgets of multiple support groups or sites. Meets regularly with senior corporate management and key customers.”

Two-thirds of the companies in this year's survey have a “senior support executive” who coordinates several support groups (or in some cases other operating groups) and is the company spokesperson for support and services. Overall pay for senior support executives (median \$100,000) rose by 3.1% last year, compared to a 7.8% increase in the previous year. One fascinating change we've noticed is a jump in the number of executives with director-level titles, which has risen from 58 two years ago to 88 in this year's report. At the same time, the count of vice presidents in our sample has remained unchanged at 40.

* One caution: Statistical reliability suffers when there are too few responses in a breakout category. We've indicated the number of responses (the “count”) in every segment as a rough guide to the accuracy of each data point.

2001 Support Salaries

	Count	High	Low	Median
Senior Support Executive	145	\$120,000	\$80,000	\$100,000
Vice president	40	\$125,000	\$80,000	\$95,000
Director	88	\$120,000	\$80,000	\$100,000
Department Manager	185	\$80,000	\$55,000	\$65,000
Analyst/Project Manager	115	\$65,000	\$45,000	\$55,000
Senior Support Technician	176	\$58,000	\$40,000	\$47,000
Least skilled	80	\$48,000	\$37,500	\$42,000
Most skilled	83	\$70,000	\$50,000	\$54,000
Field Support Technician	77	\$55,000	\$38,000	\$43,000
Least skilled	39	\$48,000	\$32,000	\$36,900
Most skilled	38	\$70,000	\$46,000	\$52,500
Support Technician	176	\$42,000	\$32,000	\$36,000
Least skilled	98	\$38,000	\$28,000	\$31,575
Most skilled	98	\$49,000	\$37,000	\$42,000
Customer Service Rep	112	\$35,000	\$25,000	\$30,000
Least skilled	53	\$30,000	\$23,000	\$26,000
Most skilled	53	\$40,000	\$30,000	\$35,000

Source: 2002 ASP Tech Support Salary Survey. Note: "Count" is the number of responses in each salary category or sub-category. "High" salary is the median for the top 50% of all salaries in each category; "Low" salary is the median for the bottom 50%.

★ DEPARTMENT MANAGER

"Manages day-to-day activity of a single support center staff."

Most support organizations have at least one "inside" manager who oversees ongoing operations, including such tactical areas as productivity, recruiting, and customer satisfaction. Usually, support department managers supervise fairly small groups of technicians, and many spend part of their time on the phone during periods of heavy call volume. Department managers saw the largest salary growth of any category last year, with an 8.3% average raise for the category.

★ ANALYST/PROJECT MANAGER

"Manages major business activity; usually has no direct reports."

In addition to department managers, many support organizations have specialists who manage such areas as performance analysis, staff scheduling, Web site implementation, and automation systems. Currently, analysts and project managers earn \$55,000 in median pay. Pay for the analyst/project manager category has been fairly level in recent years: Last year produced a modest 1.1% rise, on top of a 3.6% increase the year before.

★ SENIOR SUPPORT TECHNICIAN

"Answers escalated calls; may function as a group or team leader."

Most support organizations have developed career paths that reward experience, in-depth product knowledge, certification, or a part-time management and training role. Often, the primary job of the "senior" technician is to provide answers to questions that first-level support reps or outsourcers can't answer. Median pay for senior technicians rose by 4.4% last year to \$47,000, on top of a 4.7% increase the year before. The best-paid 25% senior support technicians earn more than \$58,000; the bottom 25% earn less than \$40,000.

★ **FIELD SUPPORT TECHNICIAN**

"Provides on-site service, primarily for enterprise products."

PC support is typically provided over the telephone, but many high-end software companies also provide on-site services, usually as part of installation or fee-based maintenance plans. In the past, field technicians were the industry's highest paid support reps; in the past few years, however, their salary profile (\$43,000 median) has become more closely aligned with the "senior support technician" category. Field support is the one category that saw a salary decline last year (-3.1%), which perhaps reflects an adjustment on the previous year's 12.5% increase.

★ **SUPPORT TECHNICIAN**

"Provides first-level solutions, primarily over the phone."

At most software companies, the task of handling unescalated telephone calls is an entry-level job with relatively high turnover. Although pay levels tend to be low (\$36,000 median), there has been a steady year-to-year trend toward higher pay: Compensation rose by 2.9% last year, 3.1% the previous year, 5.1% in 1999, and 3.9% in 1998.

★ **CUSTOMER SERVICE REP**

"Answers routine service questions; routes calls to technicians."

Customer service reps typically handle first-level customer contacts that don't require diagnostic skills or training, such as collecting background information and filling orders. Many companies now pay customer service reps on an hourly basis; the current industry median salary, \$30,000, is equal to about \$14.50/hour.

VARIABLES: REVENUES, ORGANIZATION SIZE, PRODUCT PRICE, LOCATION

- * **Annual revenues:** Although company size is not always an important variable in support salaries, our data currently shows a fairly consistent correlation between annual revenues and median pay for most of our categories. The biggest jumps occur above and below the \$10-million level in annual revenues; in some cases—support technicians and analyst/project managers—pay levels actually drop slightly for employees who work for the largest companies (those with \$100+ million in revenues):

	Annual Company Revenues			
	<\$1 MM	\$1-\$10 MM	\$10-\$99 MM	\$100+ MM
Senior Support Executive	*	\$85,000	\$108,500	\$115,000
Count:	9	37	48	38
Department Manager	\$60,000	\$55,000	\$69,000	\$75,000
Count:	11	62	57	44
Analyst/Project Manager	*	\$50,000	\$60,000	\$57,000
Count:	6	34	36	30
Senior Support Technician	*	\$42,500	\$50,000	\$53,000
Count:	7	56	58	43
Field Support Technician	*	\$40,000	\$49,000	\$50,000
Count:	4	26	26	17
Support Technician	*	\$35,000	\$40,000	\$39,325
Count:	8	61	54	41
Customer Service Rep	*	\$29,000	\$30,000	\$31,000
Count:	4	33	35	33

Salaries are medians. "Count" is the number of responses in each salary category or sub-category. Asterisk (*) indicates insufficient data (fewer than 10 responses).

- * **Organization size:** A more important variable for support compensation is the size of a firm's support department. Large support organizations (those with 30 or more employees) pay higher salaries in all categories, compared to their mid-sized counterparts (10-29 employees). Moreover, the pay differential tends to be greater for employees and managers with higher levels of skills; organization size has much less impact on pay levels for first-level support technicians and customer service reps.

Surprisingly, the smallest support organizations (1-9 employees) also pay premium salaries for employees in higher-skilled job categories. These smaller organizations may have to pay higher salaries to recruit effectively in a tight labor market, but it's also possible that small organizations recruit employees who have broader skills and more job experience.

	Support Organization Size (employees)		
	1 - 9	10 - 29	30+
Senior Support Executive	\$92,500	\$90,000	\$110,000
Count:	36	42	60
Department Manager	\$60,000	\$65,000	\$67,500
Count:	54	57	64
Analyst/Project Manager	\$55,000	\$50,000	\$56,000
Count:	22	35	51
Senior Support Technician	\$45,250	\$45,000	\$51,500
Count:	50	55	63
Field Support Technician	\$42,000	\$40,000	\$49,500
Count:	13	32	28
Support Technician	\$36,000	\$35,200	\$37,440
Count:	53	56	61
Customer Service Rep	\$30,000	\$29,500	\$30,000
Count:	25	36	46

Salaries are medians. "Count" is the number of responses in each salary category or sub-category.

- * **Product price:** Companies that sell high-end software (priced above \$10,000) usually provide support as part of maintenance contracts and other fee-based programs, so they tend to recruit better-paid senior technicians and field support reps. Pay for lower-skilled support technicians and customer service reps seems to be less affected by product price:

	Price of Company's Best-Selling Product		
	<\$999	\$1,000-\$9,995	\$10,000+
Senior Support Executive	\$102,500	\$88,000	\$97,500
Count:	22	35	58
Department Manager	\$60,000	\$60,000	\$65,000
Count:	25	44	78
Analyst/Project Manager	\$53,000	\$51,000	\$55,000
Count:	16	28	44
Senior Support Technician	\$50,000	\$45,000	\$48,000
Count:	27	39	74
Field Support Technician	*	\$39,500	\$49,000
Count:	7	18	33
Support Technician	\$37,440	\$36,000	\$37,500
Count:	29	47	64
Customer Service Rep	\$31,000	\$30,000	\$30,000
Count:	19	25	42

Salaries are medians. "Count" is the number of responses in each salary category or sub-category. Asterisk (*) indicates insufficient data (fewer than 10 responses)

* **Location:** Support pay is also affected by local cost-of-living differences, especially between rural and metro areas. Two states with high concentrations of technology companies—California and Massachusetts—have especially high labor costs for all levels of support staffing:

	Location of Primary Support Center	
	Calif.	Mass.
Senior Support Executive	\$117,500	\$100,000
Count:	22	19
Department Manager	\$70,000	\$77,500
Count:	27	26
Analyst/Project Manager	\$60,000	\$60,000
Count:	16	12
Senior Support Technician	\$50,000	\$52,000
Count:	26	27
Field Support Technician	*	\$50,000
Count:	7	12
Support Technician	\$40,000	\$41,000
Count:	28	21
Customer Service Rep	\$32,500	\$38,000
Count:	20	13

Salaries are medians. "Count" is the number of responses in each salary category or sub-category. Asterisk (*) indicates insufficient data (fewer than 10 responses).

THE DEMOGRAPHICS OF SUPPORT

This survey, our seventh annual report on tech support salaries in the PC software industry, reflects survey data supplied by 214 software support organizations with a total of more than 17,322 support employees. Some key characteristics of our sample universe:

★ **Company size:** 23% of our respondents report annual sales of \$100 million or more, 32% have sales of \$10-\$99 million, 37% have sales of \$1-\$10 million, and 8% are below \$1 million.

★ **Organization size:** Although 27 companies in our survey have more than 100 support employees, the absolute size of most PC software support organizations is fairly small: Median organization size is currently 13 employees; 37% have 1-9 support employees, 30% have 10-29 employees, and 33% have 30 or more employees.

★ **Product price:** Many of the software companies in our sample serve high-end vertical or enterprise markets. The median price for our respondents' best-selling products is \$9,300; 49% support products that sell for more than \$10,000, another 31% support products in the \$1,000-\$9,995 range, and 20% support products that sell for less than \$999.

Year-to-Year Comparison: Raises Across the Board

	2000	2001	Change
Senior Support Executive	\$97,000	\$100,000	+3.1%
Department Manager	\$60,000	\$65,000	+8.3%
Analyst/Project Manager	\$54,380	\$55,000	+1.1%
Senior Support Technician	\$45,000	\$47,000	+4.4%
Field Support Technician	\$45,000	\$43,600	-3.1%
Support Technician	\$35,000	\$36,000	+2.9%
Customer Service Rep	\$29,000	\$30,000	+3.4%