



2004 TECHNICAL SUPPORT SALARY SURVEY

PRODUCED BY THE ASSOCIATION OF SUPPORT PROFESSIONALS

Published by
The Association of
Support Professionals

122 Barnard Avenue
Watertown, Mass. 02472
Telephone 617/924-3944
Fax 617/924-7288
www.asponline.com

Copyright © ASP 2004.
All rights reserved.

This report may not be reproduced
without permission of the publishers.

The 2004 ASP Tech Support Salary Survey

The technology world has gone through a brutal shakeout in the past few years, and the struggle to survive has left thousands of support employees and managers out of work. Moreover, the damage hasn't been evenly distributed: Larger market leaders have often managed to grow by looking like the safest choice for nervous customers, while second- and third-tier competitors don't even make the short list any more.

Paradoxically, support salaries have tended to rise during this shakeout period, a trend that almost certainly reflects cutbacks that fell most heavily on employees with the poorest skills and least experience, leaving the best-paid top performers relatively untouched.

But our salary data for 2003 suggests that technology companies have finally run out of entry-level jobs to cut. With few exceptions, we now see widespread pay freezes and even declines, especially among managers and senior-level support reps. Years of steady pay gains hit the wall during 2003, and it may take several years to rebuild the lost momentum.

Probably the most important sign of this lost momentum is that median salaries were essentially flat last year for the three groups of employees—department managers, analysts/project managers, and senior support technicians—who are most knowledgeable about product support issues and operations. For the moment, simply getting a paycheck is probably more important to these people than getting a raise. But human resources expert Beverly Kaye recently told Inc. Magazine that any economic uptick is likely to produce tremendous turnover among employees who feel frustrated by their current jobs. "Every survey says people aren't happy, but the talent has stayed put because there weren't many choices," she says. "That's not going to be true for long."

Moreover, stagnant senior-level salaries are generally not a sign of greater efficiency from self-service Web support or automation. In fact, efficiency typically produces the opposite result: Less need for entry-level employees for routine tasks and *more* reliance on experienced people to handle personal relationships with customers, build new knowledge assets, and resolve the toughest questions. If the support industry can't afford career and pay growth for its senior people, that's an ominous sign.

•

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 nine-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."

Sixty-one percent of the companies in this year's survey have *both* a "senior support executive" who coordinates several support groups and at least one "department manager" who oversees an individual support center. Overall pay for senior support executives (median \$100,000) declined by 9.1% last year, ending a seven-year upward trend. Increasingly, the top support executive has become a key spokesperson for customer relationships, and this role often puts support executive pay on a par with other top executives; currently, our survey sample includes 21 executives who earn in excess of \$150,000.

* 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.

Tech Support Salaries	Count	High	Low	Median
Senior Support Executive	85	\$125,000	\$80,000	\$100,000
Department Manager	92	\$86,000	\$58,000	\$70,000
Analyst/Project Manager	61	\$75,000	\$55,000	\$60,000
Senior Support Technician	93	\$60,000	\$40,000	\$50,000
Least skilled	62	\$50,000	\$34,000	\$43,167
Most skilled	69	\$75,000	\$48,000	\$60,000
Field Support Technician	32	\$65,000	\$45,000	\$58,000
Least skilled	21	\$56,000	\$38,000	\$55,000
Most skilled	22	\$75,000	\$60,000	\$70,000
Support Technician	83	\$50,000	\$34,000	\$40,000
Least skilled	61	\$40,000	\$28,000	\$35,000
Most skilled	62	\$56,000	\$39,000	\$46,500
Customer Service Rep	45	\$36,000	\$25,000	\$30,000
Least skilled	28	\$32,000	\$24,000	\$25,500
Most skilled	27	\$48,000	\$35,000	\$40,000

Source: 2004 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 tactical areas such 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 had seen healthy pay gains in recent years, but this year's \$70,000 median is dead even with department manager pay for the prior year.

★ **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 \$60,000 in median pay. Although pay for the analyst/project manager category gained 9.1% during 2002, this is another group that finished this year with exactly the same median pay as 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 has been rising by 4%-6% in recent years, but last year showed no change. The best-paid 25% of senior support technicians earn more than \$60,000; the bottom 25% earn less than \$40,000.

★ **FIELD SUPPORT TECHNICIAN**

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

Support for products priced below \$10,000 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. Although this is a relatively small category, field technicians tend to be the industry's highest paid support reps, probably because they deal face to face with customers and operate with minimum supervision and backup. Pay trends for this group have been erratic: Field support reps gained a remarkable 27.5% last year and 5.8% in 2002, lost 3.1% the previous year, and gained 12.5% the year before that.

★ **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 (\$40,000 median), there has been a steady year-to-year trend (roughly 3%-5% per year) toward higher pay since 1998. Only 25% of support technicians earn more than \$50,000, but experienced techs often move up to senior support jobs and even become analysts and managers.

★ **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-\$15.00/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.

		Annual Company Revenues			
		<\$1 MM	\$1-\$10 MM	\$10-\$99 MM	\$100+ MM
Senior Support Executive	*		\$96,000	\$100,000	\$125,000
Count:	4		24	30	23
Department Manager	*		\$65,000	\$68,500	\$80,000
Count:	5		22	32	27
Analyst/Project Manager	*		\$55,000	\$60,000	\$80,000
Count:	4		15	22	17
Senior Support Technician	*		\$52,000	\$45,000	\$55,000
Count:	3		28	29	28
Field Support Technician	*		\$48,500	*	\$65,000
Count:	1		10	6	11
Support Technician	*		\$36,000	\$40,000	\$45,000
Count:	2		25	26	26
Customer Service Rep	*		\$29,000	\$33,000	\$32,500
Count:	2		12	15	12

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. Larger support organizations (those with 30 or more employees) pay higher salaries for managers (senior support executives and department managers) and for analyst/project manager professionals, compared to their mid-sized (10-29 employees) and small (1-9 employees) counterparts. For support technicians and customer service reps, however, the pay differential between large and small support organizations is negligible; in fact, salaries for more senior-level reps actually declined slightly in large organizations last year.

	Support Organization Size (employees)		
	1 - 9	10 - 29	30+
Senior Support Executive	\$98,000	\$95,000	\$117,000
Count:	22	35	28
Department Manager	\$60,000	\$70,000	\$80,000
Count:	25	36	31
Analyst/Project Manager	\$58,000	\$60,000	\$65,000
Count:	11	23	27
Senior Support Technician	\$52,000	\$50,000	\$49,000
Count:	27	34	32
Field Support Technician	*	\$60,000	\$55,000
Count:	8	14	10
Support Technician	\$40,000	\$40,000	\$42,000
Count:	23	31	29
Customer Service Rep	*	\$30,000	\$33,312
Count:	9	22	14

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

- **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 support technicians, managers, and professionals.

One noteworthy trend this year is the scarcity of respondents with flagship products in the so-called "desktop" price range (under \$999). In last year's survey, companies in this price range represented 22% of our sample base and two years ago the percentage was 33%; this year, the percentage is just 11%.

	Price of Company's Best-Selling Product		
	<\$999	\$1,000-\$9,995	\$10,000+
Senior Support Executive	*	\$90,000	\$110,000
Count:	8	21	46
Department Manager	\$53,000	\$66,000	\$75,000
Count:	10	18	51
Analyst/Project Manager	*	\$60,000	\$65,000
Count:	6	14	35
Senior Support Technician	\$41,000	\$50,000	\$55,000
Count:	10	23	48
Field Support Technician	*	*	\$63,750
Count:	3	7	20
Support Technician	*	\$40,000	\$43,500
Count:	8	23	42
Customer Service Rep	*	\$33,000	\$31,000
Count:	9	11	18

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 labor costs that are typically 10%-15% higher than national averages.

	Location of Primary Support Center	
	Calif.	Mass.
Senior Support Executive	\$125,000	*
Count:	17	8
Department Manager	\$75,000	\$80,000
Count:	17	10
Analyst/Project Manager	\$65,000	*
Count:	13	4
Senior Support Technician	\$55,000	\$58,000
Count:	17	11
Field Support Technician	*	*
Count:	7	2
Support Technician	\$45,000	\$43,000
Count:	17	10
Customer Service Rep	\$39,500	*
Count:	10	2

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 ninth annual report on tech support salaries in the software industry, reflects survey data supplied by 120 software support organizations with a total of more than 12,827 support employees. Some key characteristics of our sample universe:

★ **Company size:** 29% of our respondents report annual sales of \$100 million or more, 30% have sales of \$10-\$99 million, 33% have sales of \$1-\$10 million, and 8% are below \$1 million.

★ **Organization size:** Although 21 companies in our survey have more than 100 support employees, the absolute size of most software support organizations is fairly small: Median organization size is currently 15 employees; 30% have 30 or more support employees, 35% have 10-29 employees, and 35% have 1-9 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 \$15,000; 61% support products that sell for more than \$10,000, another 28% support products in the \$1,000-\$9,995 range, and 11% support products that sell for less than \$999.

Year-to-Year Comparison: Scattered Gains and Losses, But Little Overall Change

	2002	2003	Change
Senior Support Executive	\$110,000	\$100,000	-9.1%
Department Manager	\$70,000	\$70,000	0.0%
Analyst/Project Manager	\$60,000	\$60,000	0.0%
Senior Support Technician	\$50,000	\$50,000	0.0%
Field Support Technician	\$45,500	\$58,000	+27.5%
Support Technician	\$38,000	\$40,000	+5.3%
Customer Service Rep	\$31,200	\$30,000	-3.8%