



2010 TECHNICAL SUPPORT SALARY SURVEY

PRODUCED BY THE ASSOCIATION OF SUPPORT PROFESSIONALS

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The 2010 ASP Tech Support Salary Survey

As we go to press with this year's ASP salary survey, the national unemployment rate hovers around 10% and the U.S. economy is bogged down in an unusually long-lasting recession. Inevitably, the first question most readers will ask is: What's been the impact on support pay?

And the answer is perhaps surprising: This time, support employees have largely dodged the bullet. Yes, some top-level salaries have declined by a few percentage points, and most rank-and-file staff didn't get meaningful raises in 2009. But support jobs certainly haven't experienced the kind of broad-based meltdown that has occurred in other people-intensive occupations. Overall, this year's numbers describe a *relatively* stable, almost recession-proof industry.

For support veterans, the comparison with earlier recessions is striking. During tough times, support people used to be the prime target for layoffs and salary freezes. Managers were routinely told to squeeze more work out of fewer bodies, and high turnover rates meant that experienced team members were frequently replaced by low-cost neophytes.

What's happened to change this pattern? A few suggestions:

- One major factor is certainly the **trend toward fee-based support**. For most software companies, maintenance and related professional services now generate more than half of all corporate revenues and usually deliver the largest share of profits (for details, see the ASP's yearly *Maintenance & Services Ratios* reports). Especially when customers are deferring capital investments in new software, it makes little sense to cut corners (or headcount) in the departments that are paying the bills.
- The transition to fee-based support also reflects a change in the industry's **basic technology model**. Instead of fairly simple desktop products, most vendors now deliver highly complex enterprise products, which typically require sophisticated support knowledge. Losing experienced techs through layoffs usually means writing off a hefty investment in product-specific training.
- Many years of **ongoing consolidation** in the technology world have weeded out most of the weak players. In general, the survivors have solid customer bases, mature technologies, and sensible leadership. They may take a hit on stock prices and growth rates during a recession, but the kind of extreme volatility the technology market once experienced is now pretty rare.

To help identify benchmarks for support pay, the Association of Support Professionals has been tracking support compensation for the past 15 years. In addition to overall 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 entire 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.”

Seventy-six 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 \$120,000) is down slightly (4%) from last year. Increasingly, the top support executive has become a key spokesperson for customer relationships and overall services management, and this role often puts support executive pay on a par with other top corporate executives;

Tech Support Salaries	Count	High	Low	Median
Senior Support Executive	103	\$150,000	\$102,000	\$120,000
Department Manager	110	\$100,000	\$75,000	\$85,000
Analyst/Project Manager	74	\$87,500	\$60,000	\$75,000
Senior Support Technician	104	\$75,000	\$48,000	\$60,000
Least skilled	58	\$70,000	\$40,000	\$50,000
Most skilled	63	\$100,000	\$54,000	\$80,000
Field Support Technician	51	\$82,400	\$50,000	\$70,000
Least skilled	27	\$65,000	\$45,000	\$50,000
Most skilled	29	\$100,000	\$62,000	\$75,000
Support Technician	97	\$60,000	\$37,000	\$46,000
Least skilled	56	\$50,000	\$33,800	\$40,000
Most skilled	57	\$75,000	\$45,000	\$60,000
Customer Service Rep	60	\$43,000	\$30,000	\$35,000
Least skilled	36	\$44,000	\$26,000	\$31,500
Most skilled	36	\$55,000	\$35,000	\$45,000

Source: 2010 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%.

currently, 29% of the senior executives in our sample earn between \$150,000 and \$250,000.

★ **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 saw a 5.6% drop in pay last year (\$85,000 median), after several years of gains.

★ **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 \$75,000 in median pay, unchanged from the prior year.

★ **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 a senior technician is to provide answers to questions that first-level support reps or outsourcers can't answer. Median pay for senior technicians is now \$60,000, a very slight drop from a previous level of \$61,940. (Historically, senior technician pay has risen more or less steadily by 4%-6% per year.) The best-paid 25% senior support technicians earn more than \$75,000; the bottom 25% earn less than \$48,000.

★ **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. In the past, field technicians were the industry's highest paid support reps; in the past few years, however, their salary profile has become more closely aligned with the "senior support technician" category. Pay trends for this relatively small group have often shown big year-to-year gains and losses; last year, median field support technician pay jumped from \$60,000 to a current level of \$70,000.

★ **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 that may lead to a "senior" support technician title or even a job in development or sales. We've seen a fairly steady year-to-year trend (roughly 3%-5% per year) toward higher pay since 1998, but last year median pay in this category rose by only 2.2% to \$46,000, and the year before the median pay level of \$45,000 reflected no gains at all over the 2007 level.

★ **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 pay customer service reps on an hourly basis; the current industry median salary of \$35,000 is equal to about \$17-\$18/hour. There has been little salary growth in this category in recent years.

VARIABLES: REVENUES, ORGANIZATION SIZE, PRODUCT PRICE, LOCATION

- **Annual revenues:** Company size is becoming a very predictable factor in support pay. With only two minor exceptions (field service techs and customer service reps), big companies now pay the highest salaries, and the smallest companies the lowest:

	Annual Company Revenues		
	<\$10 MM	\$10-\$99 MM	\$100+ MM
Senior Support Executive	\$102,000	\$120,000	\$147,500
Count:	23	40	38
Department Manager	\$65,000	\$85,000	\$97,500
Count:	20	43	44
Analyst/Project Manager	\$57,500	\$75,000	\$80,000
Count:	12	29	32
Senior Support Technician	\$49,000	\$65,000	\$68,000
Count:	23	38	40
Field Support Technician	\$65,000	\$58,500	\$72,500
Count:	12	16	22
Support Technician	\$45,000	\$46,000	\$54,000
Count:	22	38	35
Customer Service Rep	\$32,000	\$36,500	\$35,000
Count:	14	24	20

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

- **Organization size:** Another important variable for support compensation is the size of a firm's support department. Large support organizations (those with 30 or more employees) generally pay substantially higher salaries in higher-skilled categories, compared to their mid-sized (10-29 employees) and small (1-9 employees) counterparts. Even among lower-skilled support technicians and customer service reps, moreover, the pay differential between large and small support organizations has become substantial.

This pay pattern probably reflects the fact that most large organizations now provide support for relatively complex products, which require above-average technical skills even for entry-level customer issues. In addition, the near-universal adoption of self-service Web support has reduced the demand for live entry-level support throughout the whole industry.

	Support Organization Size (employees)		
	1 - 9	10 - 29	30+
Senior Support Executive	\$112,850	\$120,000	\$130,000
Count:	18	41	43
Department Manager	\$78,000	\$80,000	\$90,000
Count:	19	43	47
Analyst/Project Manager	*	\$75,000	\$80,000
Count:	8	27	39
Senior Support Technician	\$57,000	\$60,000	\$68,000
Count:	18	43	42
Field Support Technician	*	\$57,500	\$73,500
Count:	6	18	26
Support Technician	\$44,500	\$45,000	\$52,000
Count:	18	38	40
Customer Service Rep	\$29,500	\$35,000	\$43,500
Count:	10	23	26

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 staff. Our data also suggests that the number of companies that support lower-priced products (under \$10,000) has declined relative to those in high-end markets:

	Price of Company's Best-Selling Product		
	<\$999	\$1,000-\$9,995	\$10,000+
Senior Support Executive	\$110,000	\$124,500	\$125,000
Count:	12	12	69
Department Manager	\$84,500	\$75,000	\$90,000
Count:	14	17	67
Analyst/Project Manager	\$80,000	*	\$75,000
Count:	11	9	48
Senior Support Technician	\$47,000	\$60,000	\$68,000
Count:	13	16	65
Field Support Technician	*	*	\$70,000
Count:	4	6	36
Support Technician	*	\$44,500	\$50,000
Count:	9	14	61
Customer Service Rep	*	*	\$37,500
Count:	9	9	36

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. California, the state with the highest concentration of technology companies in our survey (18 respondents) has labor costs that now seem to be about 15% above our national average. That labor cost differential *may* help explain the fact that California's support centers are relatively small (14 employees) compared to a national median of 20 employees—or it may just be statistical noise. The data here is too sketchy to tell.

THE DEMOGRAPHICS OF SUPPORT

This survey, our 15th annual report on tech support salaries in the software industry, reflects survey data supplied by 124 software support organizations with a total of more than 11,000 support employees. Some key characteristics of our sample universe:

★ **Company size:** 37% of our respondents report annual sales of \$100 million or more, 39% have sales of \$10-\$99 million, and 24% have sales of \$10 million or less.

★ **Organization size:** Although a dominant share of support employees now work for very large companies, there are still a fair number of smaller companies that help keep the median organization size at modest levels. Median support headcount for all the companies in our sample is currently 20 employees; 38% have 30 or more support employees, 39% have 10-29 employees, and 23% have 1-9 employees.

★ **Product price:** The majority of the software companies in our sample serve high-end vertical or enterprise markets. The median price for our respondents' best-selling products is now \$26,000; 67% support products that sell for more than \$10,000, another 16% support products in the \$1,000-\$9,995 range, and 17% support products that sell for less than \$999.

A FEW NOTES ON METHODOLOGY

The world is full of salary surveys, and sometimes the numbers for nearly-identical jobs are remarkably inconsistent. What's going on?

The answer, usually, is that these variations reflect underlying differences in survey methodology. HR managers are generally pretty savvy about these differences in methodology, but most of our readers probably aren't (or really don't want to know...). For those who do care, here are some frequently asked questions:

First, where do you get your data?

We send out e-mail invitations every year to our in-house list of members, former members, survey respondents, research and event customers, support managers, and other potential respondents. While the specific names and companies on this list may change from year to year, it's a good cross-section of people in external tech support roles and related jobs.

Year-to-Year Comparison: The Recession Takes a Bite Out of Many Support Paychecks

	2008	2009	Change
Senior Support Executive	\$125,000	\$120,000	-4.0%
Department Manager	\$90,000	\$85,000	-5.6%
Analyst/Project Manager	\$75,000	\$75,000	0.0%
Senior Support Technician	\$61,940	\$60,000	-3.1%
Field Support Technician	\$60,000	\$70,000	16.7%
Support Technician	\$45,000	\$46,000	2.2%
Customer Service Rep	\$35,000	\$35,000	0.0%

(values are medians)

Does this mean the salary data is self-reported?

No. Self-reported salary surveys, which are typically conducted by large-circulation trade magazines, ask individuals about their own salaries. Self-reporting is a good way to generate lots of data points, but it tends to bias the results upward (lower-paid employees are less likely to supply data on their own pay). The ASP survey asks about pay levels for the whole organization, and most of our respondents are managers who have a big-picture view of compensation in their companies. This year, for example, our respondents included nine CEOs and presidents, 33 vice presidents and C-level officers, 41 directors, 28 managers, and six people in HR or finance roles.

What about company size and demographics?

Our respondents are pretty evenly divided among three groups—large companies with annual sales of at least \$100 million, a mid-range category with sales of \$10 million to \$99 million, and a small-company group with sales of less than \$10 million. Within each of these segments we've found that the organizational models are surprisingly similar: For instance, a billion-dollar company will structure its support groups in essentially the same way as a \$100 million company, even though the bigger company will have many more support employees.

Like a large part of the technology industry these days, most of our respondents are business-to-business software companies, or in closely related technology sectors such as hardware, telecom, or Web services (consumer and business). The biggest long-term change we've seen in our demographics is a continuing decline in the number of small software firms that sell inexpensive software through retail channels. Historically, these firms helped set customer expectations for unlimited free telephone support, so their diminished visibility probably helps the rest of the industry move toward fee-based support (which usually results in less cost pressure on support salaries).

Do you weight your data based on company size?

No. There are two schools of thought about this issue. One group argues that because most support employees now work for relatively large companies, the most realistic picture of industry-wide pay levels is to multiply a company's survey response by the number of its employees in a job category. Thus, a company with 500 senior support reps would carry a 100x more weight in the final results than one with only five senior reps. The counter-argument, which we favor, says that weighting effectively wipes out almost all the data provided by smaller companies, who therefore can't use the survey as a peer-level guideline for their own pay practices. We've tried to find a middle ground by also breaking out our data by company size, but it's worth noting that the \$100+ million segment in our survey sample this year reflects the pay levels of more than 11,000 support employees, while the segment with less than \$10 million in sales reflects pay levels for just 359 total support employees.

What if our job descriptions don't match your categories?

There's no standard business model for tech support delivery in the technology industry; in fact, there aren't even standard job titles for the employees who deliver support. Our approach, based on a lot of input from support managers and HR consultants, has been to create seven job categories that seem to accommodate the majority of support employees. In addition, we've defined skill-based sub-categories for the largest categories. But if you've really set up a unique set of job classifications, you'll probably have trouble finding any salary survey that aligns perfectly with your compensation system.

What if our salaries are generally higher or lower than your survey benchmarks?

Our survey data isn't designed to tell you what you *should* pay your employees—it's just a statistical snapshot of what is currently happening in the marketplace. Companies are different from each other, employees are different, and even job descriptions are different from company to company. Often, the best use of our survey data is to measure *relative* differences in pay levels based on such factors as experience, skill, and responsibility.

We've also designed the survey to capture small year-to-year trends in support pay. We've done this primarily by strictly preserving consistent language in the wording of survey questions and the appearance of the survey questionnaire for more than a decade. (Survey experts point out that even

subtle changes in wording can have a dramatic impact on survey answers.) Even if your actual pay levels differ from our benchmarks, you can use the year-to-year trend data to better align your pay levels with current market trends.

Speaking of medians, how are these values different from averages?

When you analyze a group of salaries using averaging, a few extremely high salaries will tend to bump up the average value for the whole category. For example, if four employees earn \$25-\$35,000 each and one earns \$100,000, the *average* pay for the group will be about \$44,000, which doesn't correspond to any real-world salaries in that group. Medians, which we use for all of our data reporting in this survey, generally provide a better indication of the midpoint in a range of salaries. In the preceding example, the median will be about \$33,000, which is a useful number if you're looking at pay levels for the majority of employees in the group.

What's the "50% range" that shows up in many of your pay charts?

This is essentially an expanded median that measures the middle half of all data points in a category. For instance, salaries for customer service reps tend to cluster closely around the \$35,000 median: Half of the employees in our survey sample earn between \$30,000 and \$40,000. By comparison, there's a much wider spread in pay for department managers: Here, the median is \$90,000, but the 50% range extends all the way from \$66,200 to \$100,000. This is especially handy data if you're recruiting new staff or negotiating raises. Paying just \$5,000 above the median for a customer service rep puts your job near the top of the pay scale, but it takes \$10,000 to make a department manager's job equally attractive.

Does your survey report on bonus pay?

Not explicitly. When we set up the original survey questionnaire, hardly anyone in support received bonus or incentive pay. Many more companies have now incorporated incentive pay into their comp plans, though the actual amounts are usually small. We do ask about "average annual salary rates," so it's likely that most respondents will include group bonuses in the numbers they report to us. But we'll have to fine-tune this issue in the future. (For more on this topic, see the ASP's 2007 report on Customer Satisfaction Benchmarking.)

You show breakouts on company size, organization size, and product price. Which variable is most important?

That depends on your individual company demographics. Often, these variables converge—for instance, a large enterprise software company will probably have a good-sized support organization and high-priced products. But there are also large consumer-oriented companies with inexpensive products, and that combination will probably yield a very different salary profile. We provide data for all three variables to let you find the combination that best fits your specific demographics.

However, please note that statistical reliability suffers when there are too few responses in a breakout category. We've reported the specific number of responses (the "count") in every segment as a rough guide to the accuracy of each data point.

What about geographical breakouts?

In the past, we've presented some state-level breakouts for Massachusetts and California, which reveal—no surprise—that it costs more to operate a support center in these states. However, the biggest variations tend to appear at a more granular level (urban vs. suburban vs. rural), so we'd need several thousand more responses to provide meaningful geographical comparisons, virtually impossible with our present methodology. Instead, we suggest using one of the popular cost-of-living calculators, such as Sperling's BestPlaces (www.bestplaces.net), to adjust pay levels to local conditions.