

# **Investment Sales Manager Salary Survey**

Report Compiled By

**Paul Harper Search & Selection**

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## Introduction



Paul Harper Search & Selection receives regular feedback from clients and candidates alike that our salary surveys are increasingly used as the definitive benchmarks within the specialist markets in which we work.

Each year we have placed the findings of a specialist survey on general release. This Year we have chosen to focus on the Investment Sales Sector.

While others issue industry salary surveys, they tend to be more general in their content with responses on a reactive basis from people who chose to complete and return response forms. The specialist nature of ours, together with the size of sample and proactive nature of information gathering make it unique .

Despite our expertise in producing information of this nature it should be remembered that survey and benchmarking work is only one of a number of services we can offer.

Now firmly established as one of the leading Financial Services recruiters in the UK, we have become renowned for our wealth of industry knowledge, enabling us to use this expertise for the mutual benefit of candidates and clients.

With a network of senior level contacts across the industry, we are well positioned to fill key positions quickly and efficiently. Our knowledge & market expertise, and the fact that candidates are interviewed face to face wherever possible, offers our clients a highly targeted, assignment led solution to their specialist senior recruitment needs. Consultants are supported by a dedicated team of researchers and marketing personnel, ensuring that we consistently have the highest quality candidates, many of whom are not actively on the market.

By specialising in one market we can ensure a greater understanding of the financial services industry, the effect of new legislation, industry trends and, most of all, how these impact on the people employed in the industry.

The last time we reviewed the earnings of Investment Sales Manager was in May 2001 as part of our “Senior and Specialist Intermediary Sales Salary Survey”. Now 2 years on the investment industry has undergone considerable change. This far more in depth survey identifies those changes.

This survey provides an overall perspective of the differences between basic and total salaries earned by the senior staff working in the investment market. We have further divided them into key categories to provide further useful information to Sales Directors.

The other key aspect from our study of the market is the apparent reduction in numbers of people working in this market. While we were unable to quantify this it seems evident that many companies are cutting back on numbers employed in Sales roles. However, as salary figures disclosed are usually based on 2002 earnings and we perceive that companies retain the services of their most successful (and therefore highest earning)

sales staff this appears to have the effect of increasing typical earnings in the short term. No doubt this will right itself in the medium term as new hires have their salaries adjusted accordingly.

**So how can this information help you, the Sales Director?**

Some aspects are obvious – you will quickly be able to identify whether your current sales manager remuneration is in line with the market.

You should also be able to use this as a base for future hires. In difficult market conditions we tend to see an increase in basic salaries and guarantees as companies need to retain the services of their most productive sales staff while achieving cost savings through release less productive sales staff.

This has the effect of creating a two-tier market.

Those in work are closely protected and become harder to recruit, either because they are well rewarded where they are or because they hope to negotiate an exit package. Either way, they will usually require a significant premium on salary to move. Counter offers are also rife at this time. In contrast, those out of work become increasingly flexible as their period of unemployment lengthens. This produces an amazing effect whereby certain "high demand" candidates are experiencing a rush for their services as soon as their company releases them – often creating an auction for their services even though other out of work candidates are seeing their market value drop.

Hiring Sales Directors need to be aware of this phenomenon if they are recruiting at present. The War for Talent has become even more intense in these difficult market conditions when the fortunes of a major investment house can be dependent on the success or otherwise of less than half a dozen sales staff.

**We hope you will utilize this survey in making more informed salary decisions.**



## **Methodology**

This survey is the result of extensive research conducted over a six month period from February 2003 to August 2003, involving salary information supplied by 78 investment sales professionals from 44 investment houses and other product providers across the whole of the UK.

During our recruitment process it is essential that we know the basic and total salaries of our candidates. Although a considerable proportion of figures are supplied verbally, candidates are made aware that they will need to supply proof of earnings, in the form of a P60 or Self Assessment Form if we agree to work with them later. We do not find a significant variation for those candidates where proof is later requested.

The Investment Sales Manager role carries various titles, dependent on the employer but all are responsible for direct account management of a group of Investment intermediaries such as IFAs, Stockbrokers, Discretionary Managers or, in the case of those working with strategic partners, life companies, IFA network head offices and head offices of other major introducers.



## Definitions

As titles vary considerably between companies, we have focused on job roles.

### Investment Sales Manager

This is an individual working for an Investment House or Life Office (in A Specialist Investment Sales Capacity) who is personally responsible for generating intermediary sales through account management of a group of investment brokers, IFAs or discretionary portfolio managers. We have also included individuals who are responsible for Head Office relationships with national accounts or third party distributors such as Life Companies. If a sales director manages a team, he or she will only be included if they are personally responsible for their own panel of accounts in addition to this responsibility.

### Locations

- **London**

Investment sales Managers based in or around London whose main focus is London and the South East

- **North**

Individuals based North of Birmingham/ Nottingham. In most cases their main focus will be on the North of England and Scotland but in some cases, other areas may be included outside this territory

- **South**

An individual living in Birmingham / Nottingham or South of this line but outside the London Commute. In most case their responsibilities will be the Midlands, South and South West of England and Wales. In most, but not all cases they do not have responsibility for accounts in Central London.

### Categories

- **Retail sales**

Those whose main focus is on sales of investment vehicles into the retail market through advisory IFAs

- **Discretionary/ Institutional Sales**

Focus on sales to institutional and discretionary managers to purchase as part of a portfolio. Our survey has predominantly focused on retail players so we can assume this section is weighted more towards those Sales managers account managing Discretionary fund Managers than companies operating solely in the institutional market.

- **Third Party Sales and National accounts**

This is becoming an increasingly important part of the market as more and more Life Assurance Companies offer a choice of external fund managers and the National IFAs and IFA Networks start to dominate the market. This role involves Head Office level negotiation and presentations at member level.



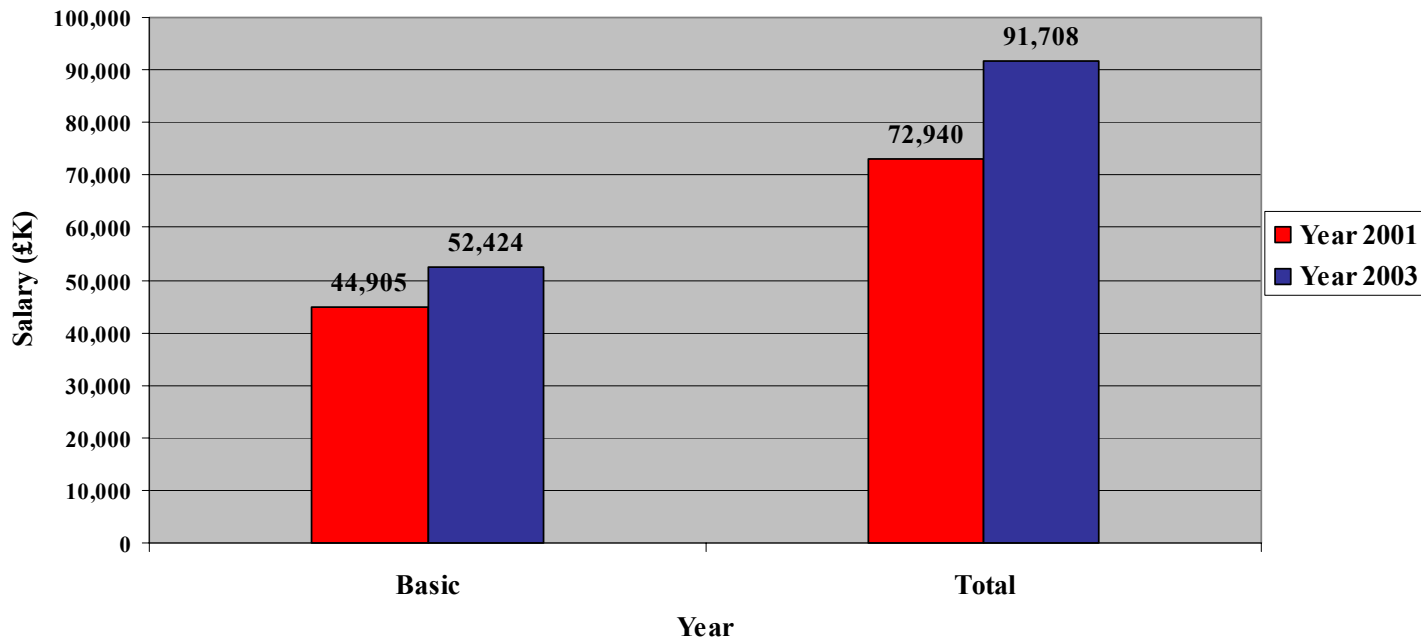
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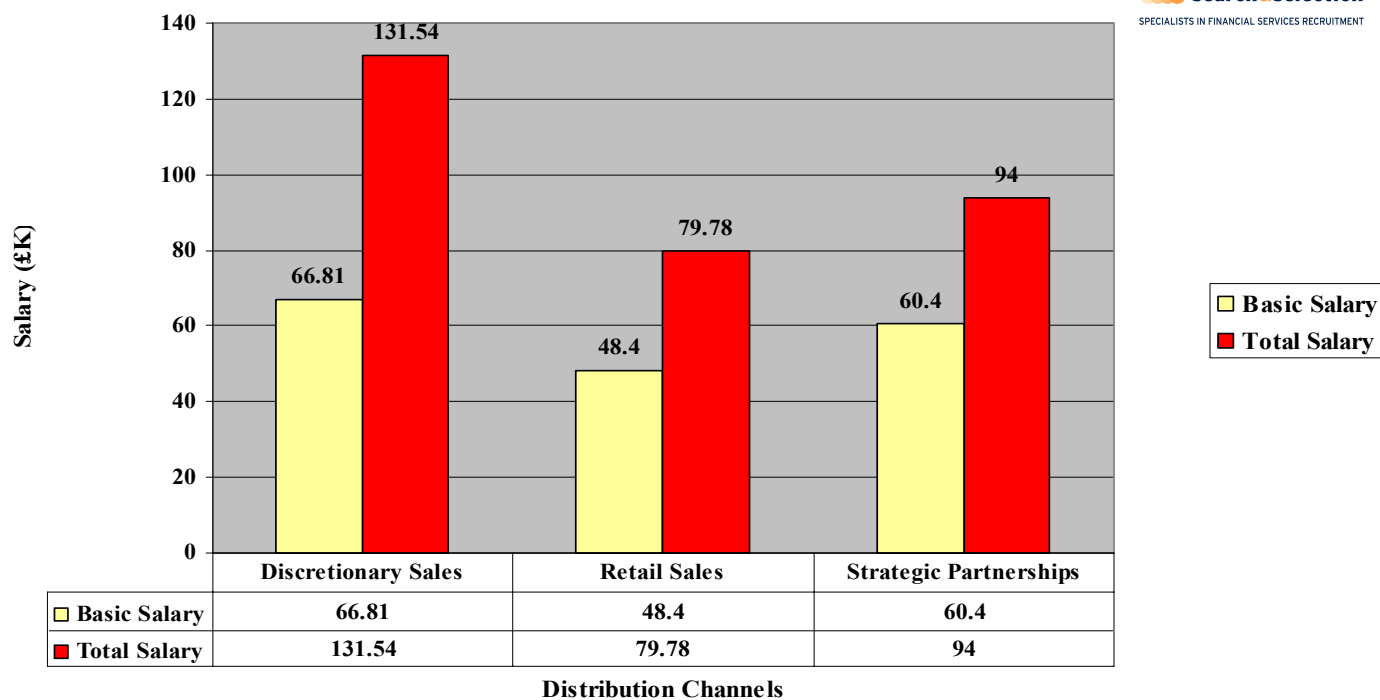
## Comparison of Investment Sales Managers Basic & Total Salary **paulharper** in Year 2001 & 2003

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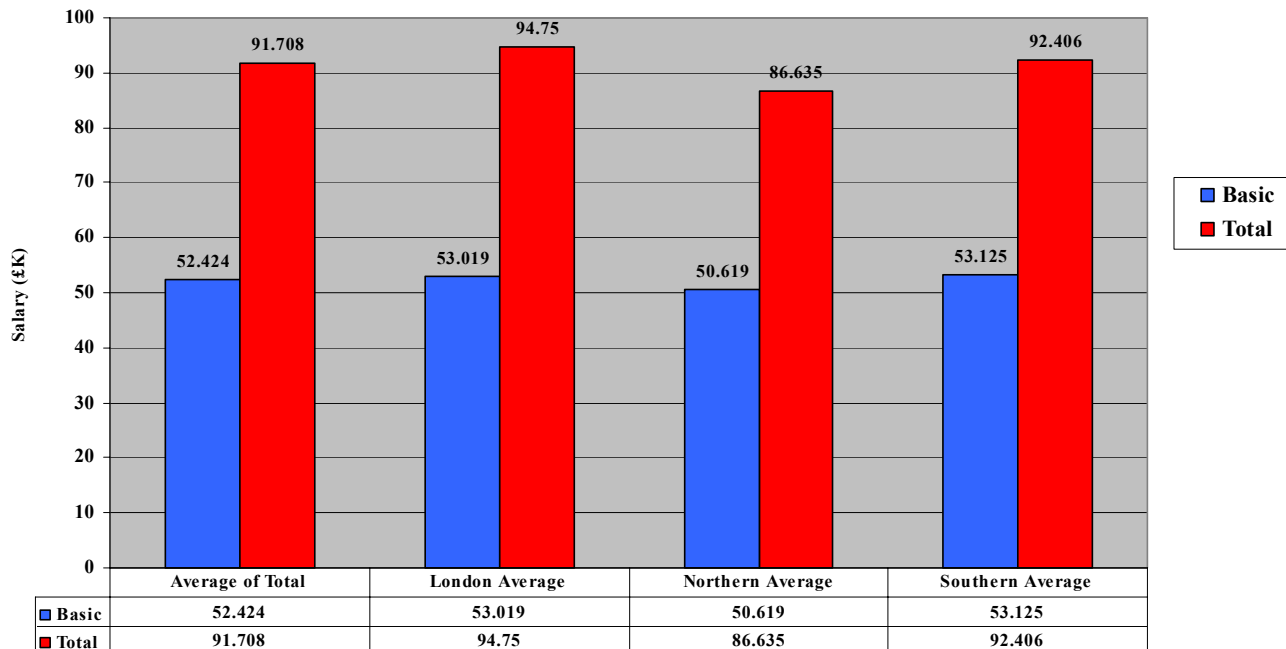
## Average Basic & Total Salary Comparisons for three Distribution Channels

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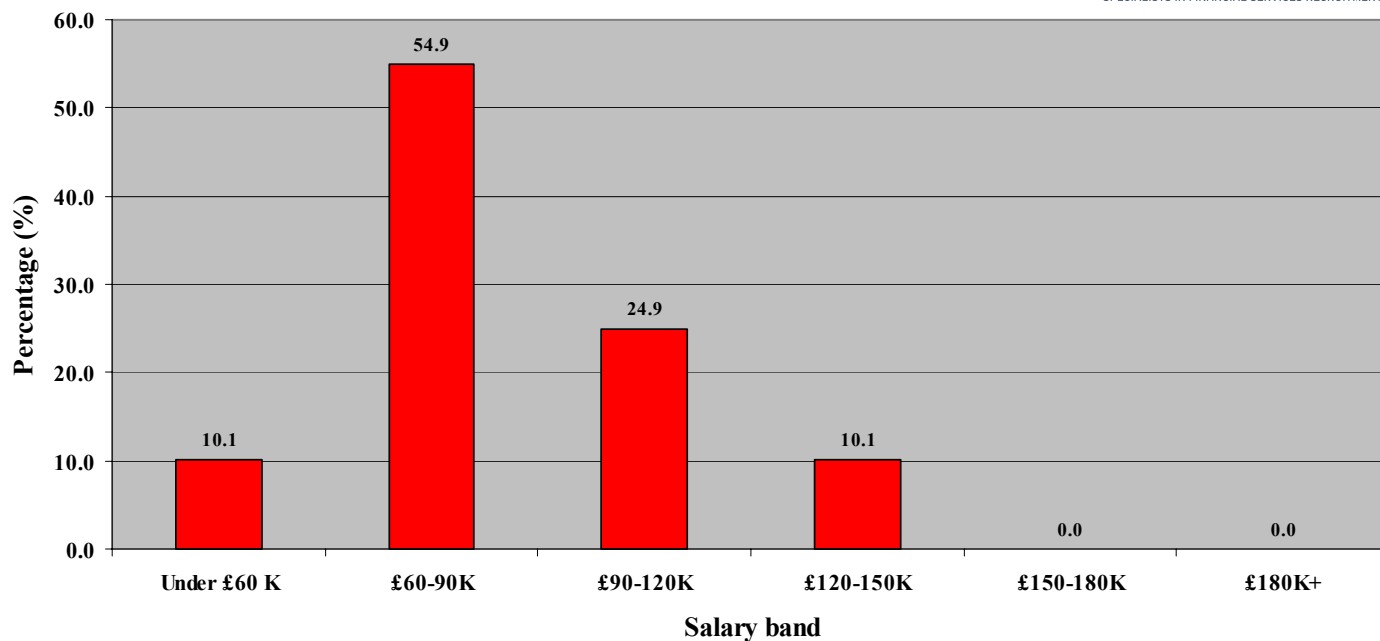


**Investment Sales Managers.**  
**Average of Basic and Total Earnings for London, Northern and Southern Regions**

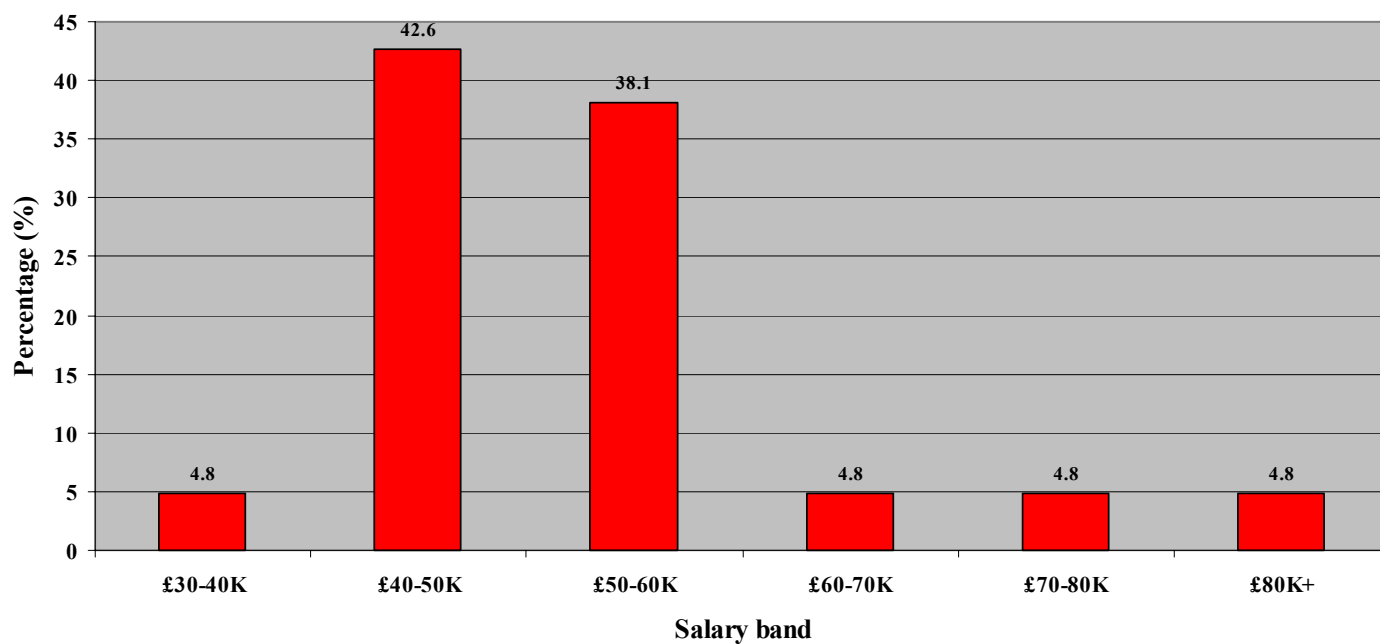




### Total Salary Comparison for the North



### Basic Salary Comparison for the North

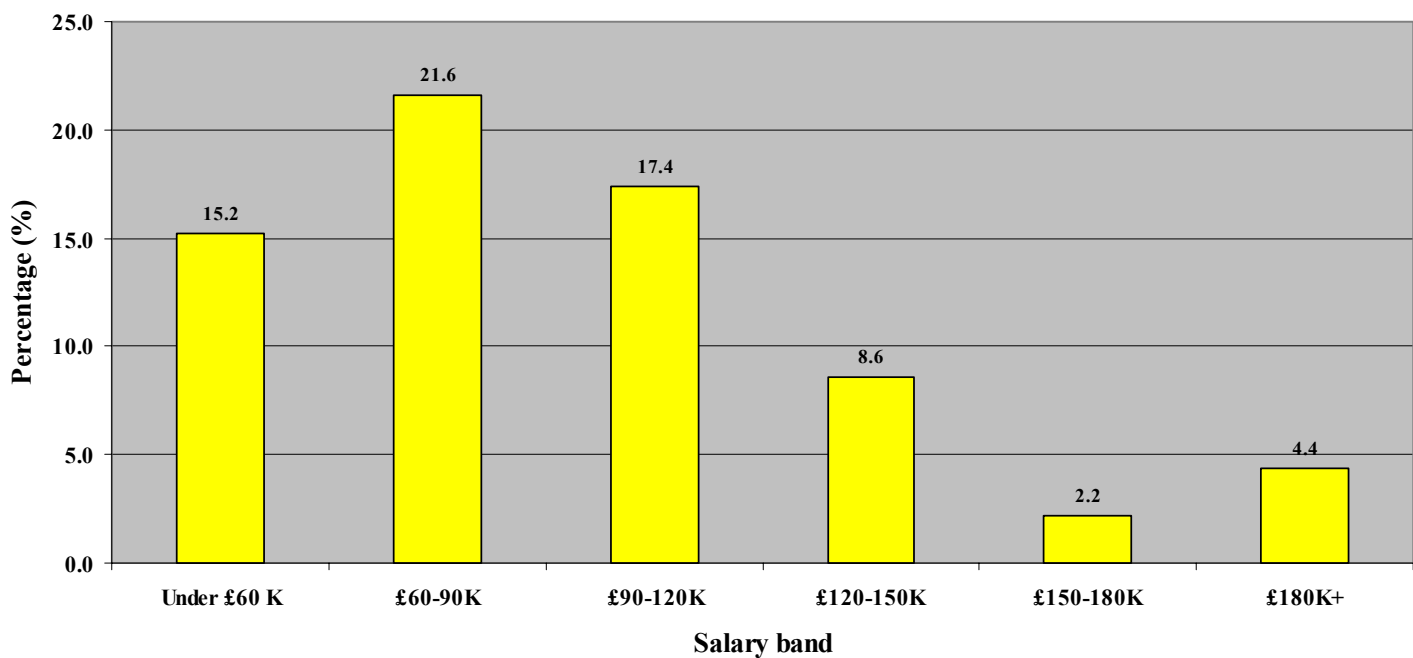




### Basic Salary Comparison for the South

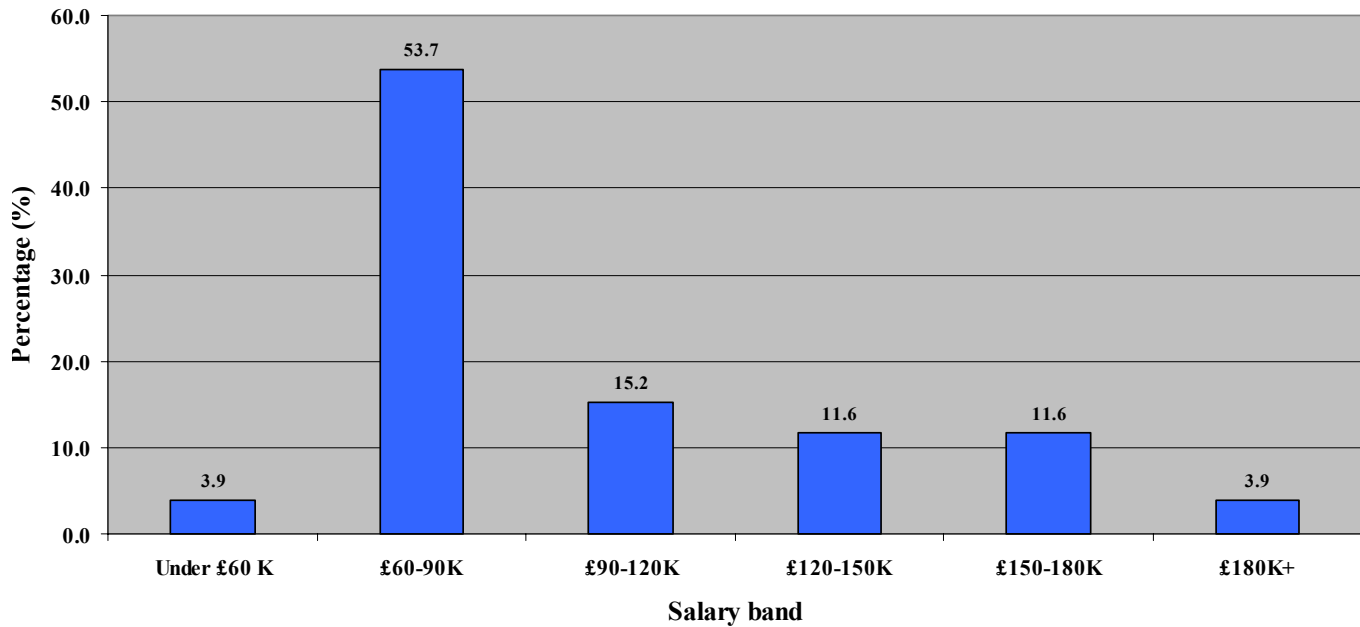


### Total Salary Comparison for the South

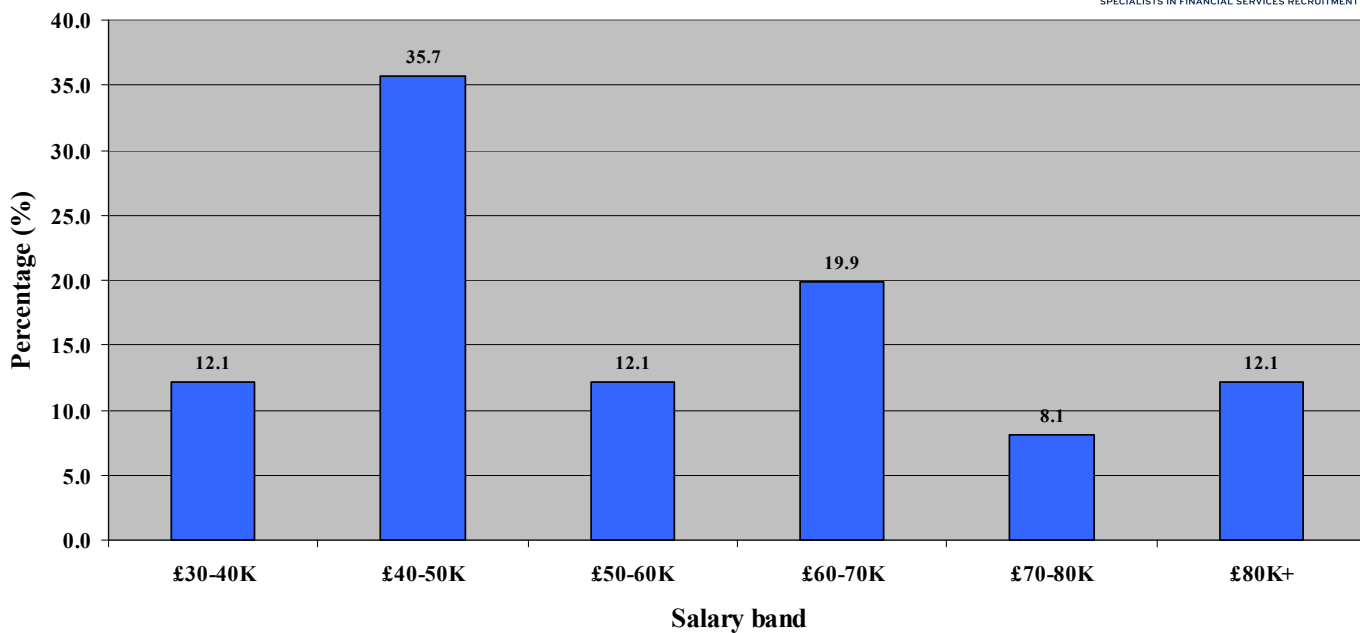




### Total Salary Comparison for London

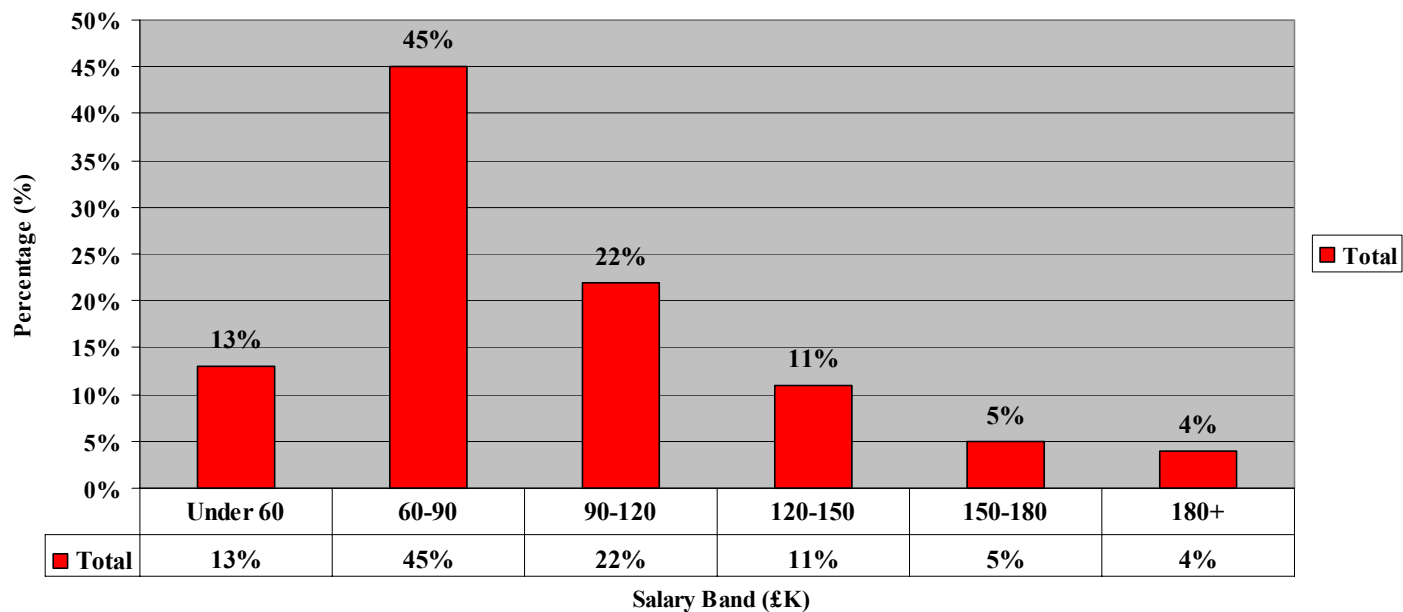


### Basic Salary Comparison for London

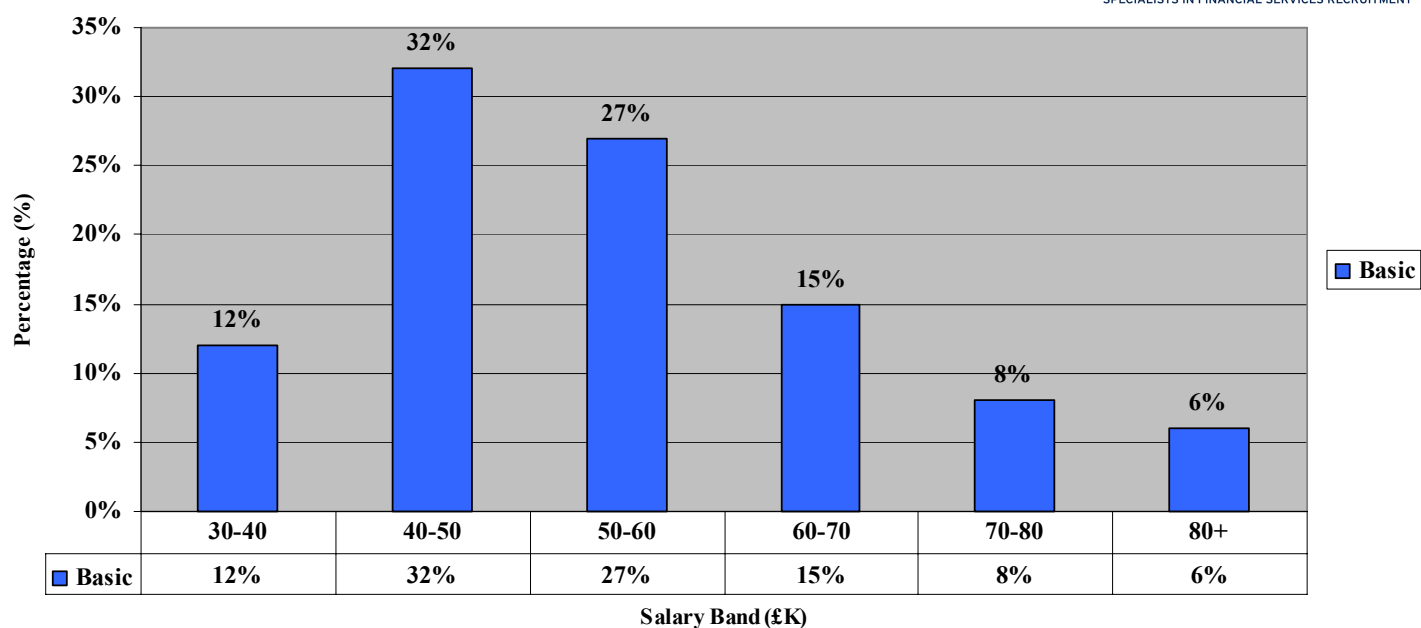




### All Investment Sales Managers. Salary Band For Total Earnings.

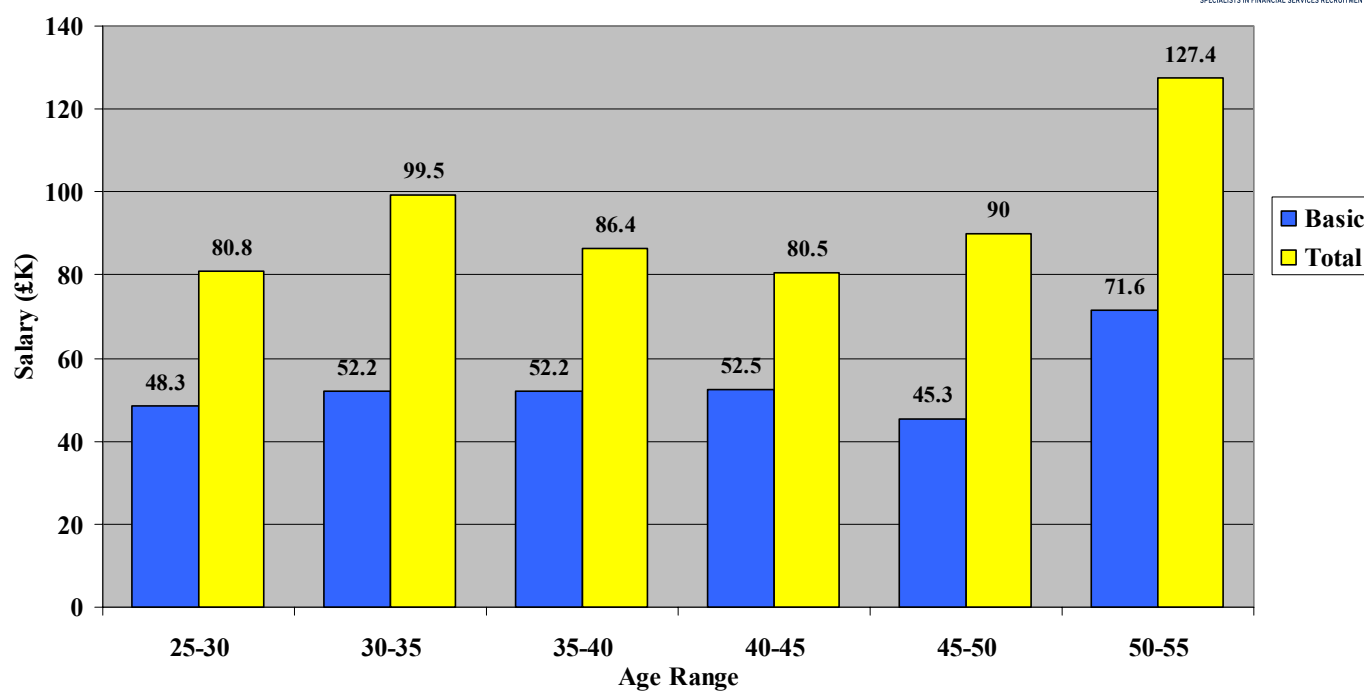


### All Investment Sales Managers. Salary Band For Basic Earnings.

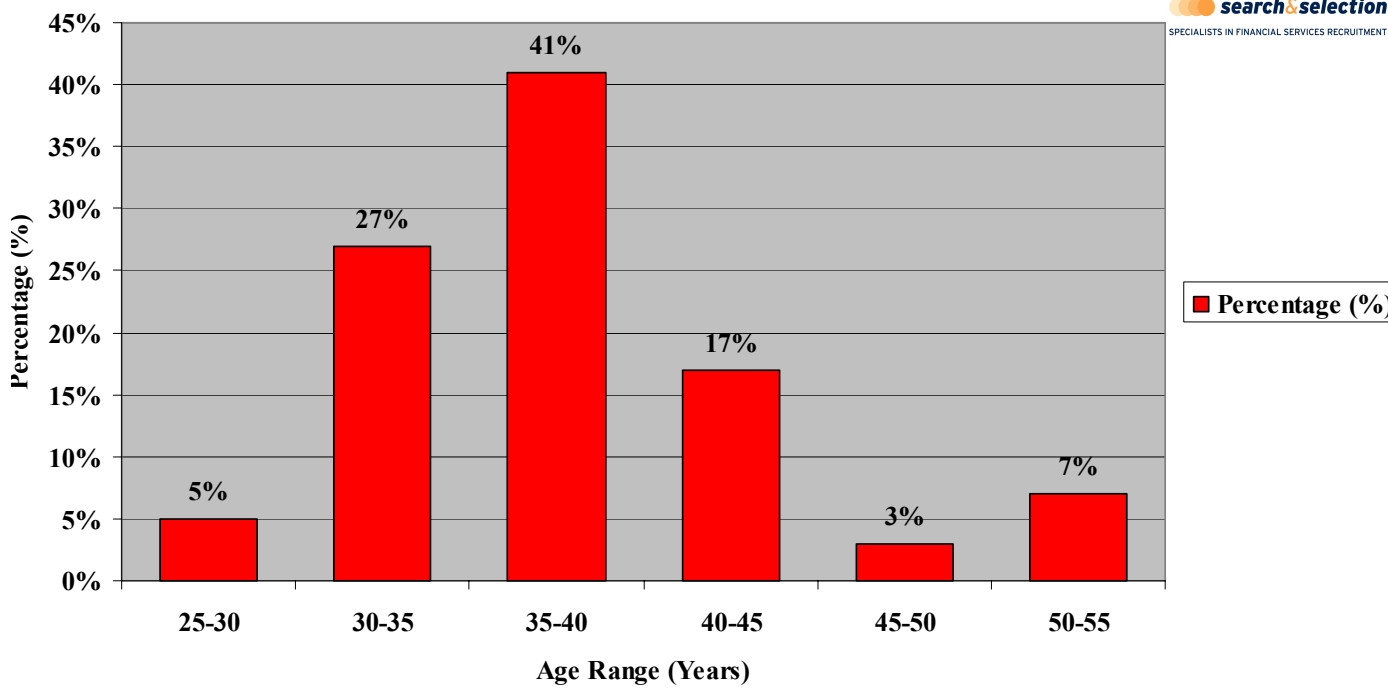




A Graph Illustrating Average Basic & Total Earnings for Investment Sales Managers for Different Age Ranges



A Graph Illustrating the Percentage of Investment Sales Managers Working in the Different Age Categories.





## The Facts

### Salary Information

The average (mean) Investment Sales manager earned £91 708 last year. Of this total figure, £52 424 was basic salary. This compares with total earnings of £72 940 in 2001 and the average basic salary of £44 905. This represents a rise of 25.7% in total earnings and 21.1% in basic salary over a two and a half year period.

As might be expected, people based in the North of England, with average total earnings of £86 635, earned less than those in London £94 750 or the South £92 406. However, this is by no means enough to allow for the difference in the cost of living between the locations. The difference in basic salaries is even less marked with only a £2900 difference between the best (£53 125 in the South) and the worst (£50 619 in the North)

General sentiment seems to be that total earnings will reduce this year. However, what many people up in the North will find more concerning is that many companies have been reducing sales staff numbers and that, in many cases, sales territories are being merged. It has been apparent to us throughout the period of study that there are fewer vacancies in the North of England than in London and that increasingly, regional roles are being reduced and, in many cases, regional Accounts are being serviced from London.

There is certainly a major variation in total earnings levels. 13% of the population earned under £60 000 whereas 4% earned over £180 000. In all, 20% earned over £120 000 which must be a big attraction to those people seeking to commence their career in Investment Sales. Even in basic salaries there was a marked difference with the top 6% earning over £80 000 which is more than twice that which the lowest 12% earn (less than £40 000).

What type of role?

While the investment sales role can be split into many different facets we have tried to create a meaningful division of roles. We have divided the intermediary sales role into three broad types: -

- The Retail Sales Manager
- The Discretionary/ Institutional Sales manager
- The Third Party and National Accounts Sales Manager (Strategic Partnerships)

We realise others may argue for differing definitions and categories but we hope most will recognise the difficulty we face in achieving any meaningful division. Each company has its own definition and many individuals have more than one area of responsibility. However, we based our categories on what each individual told us about their role. While there is almost always some form of overlap, the individuals we spoke to were all able to agree they fitted one or other category.



Within Investment markets, most would agree that there is a pecking order, which means most Sales staff progress from either a broker desk or Life Company into a retail Sales role and then either into a people management role or progress into specialist discretionary account management. As our survey focuses on those Fund Managers with a retail presence it should be noted that many of the big Institutional Investment Houses have been excluded so the survey is by no means exhaustive. However it does give a flavour of the salaries in the market.

The gaps we found in earnings here were quite marked. The average discretionary/institutional sales manager earns £131 540, which is almost 65% more than the average retail Sales Manager. This is largely a reflection on the Seniority and complexity of the role.

The average retail Sales Manager still earned £79 780 which is very creditable, given the bear market and general drop in investment sales.

Basic Salaries also reflect seniority with the mean Discretionary/Institutional Sales salary of £66 810 being 38% higher than the basic salary for retail sales of £48 400.

Finally, that last few years has seen an increase in appointments of individuals responsible for strategic Partnerships. While the role differs considerably between Investment houses, there has been a general recognition of the part that Life Companies, National IFAs and networks play in distribution of investment products. Since the early days of so called open architecture products, Life assurance companies, with their strong distribution power have gradually extended their products to include external Investment Managers. Nowadays, most companies offer external Fund links and players such as Skandia Life, Canada Life and Zurich IFA Group (through its Stirling range of products) are becoming an increasingly important outlet for fund managers. Many of the bigger players have a specific individual responsible for the Head office and branch level relationships, recognising the value of influencing the companies' vast distribution capabilities.

Another way to leverage distribution is to influence the large IFA networks and National IFAs, which dominate the intermediary marketplace. Agreeing Panel positioning at Head Office level and presenting at the National road shows can increase sales quickly. With a typical network road show giving the opportunity to present to over 100 registered individuals it is one of the best ways an investment house, usually with very limited distribution, can get its key messages to a high number of IFAs at one time. No wonder this is increasingly considered to be very important.

Like many companies, we have combined the National & Networks role with that of the 3<sup>rd</sup> party Sales role and called it "strategic partnerships" Salaries in this sector are £60 400 basic and £94 000 total earnings. This is considerably higher than the average figures for Retail Sales, probably reflecting the increasing importance of the role.



## Conclusion

### Salary levels have risen in the past two years

Despite 2 – 3 years of a Bear market, Salaries, for those in work, continue to hold up very well. Even though total earnings are expected to fall, earnings are considerably higher than 2001 when we undertook our last survey. Over the past three years, we have seen an increase of over 20% in both basic salaries and total income.

We suspect there are two main reasons for this

1. Salaries given in the 2001 survey reflected earnings for 2000 when the outlook was bright so increases in both basic salaries and total earnings were common as there was a skill shortage and a well publicised war for talent.
2. There has been considerable downsizing of most investment sales teams during the past 18 months. However, most investment houses have tried to retain the services of their top performing, and thus top earning sales staff. It is the lower earners who have left. As a result, the average income has been skewed upwards even though savings in total salary costs have been achieved within many investment institutions through reduced headcount.

It will be interesting to see if Total earnings do finally drop this year, as most of our candidates seem to believe.

### Location makes very little difference to earnings

Investment managers in the North of England earn 5% lower basic salaries and 8.5% lower total earnings than their higher paid colleagues in London and the South of England – an amount which wouldn't encourage many to “get on their bike and travel South” to work – given the higher cost of housing. However, they are finding it increasingly difficult to find work in the North.

### Retail pays least. Discretionary and Institutional sales pays 65% more

With average total earnings of £131 540, Institutional Sales Managers should not plead poverty yet! Even the retail guys earned nearly £80 000 on average.

Twenty per cent of Investment Sales Managers earned over £120 000 last year and 4% earned over £180 000. Only 13% earned less than £60 000 in total

## **Strategic Partnership Sales Managers are earning well.**

This increasingly important small band of individuals earned an average of £94000 last year which included a basic salary of £60 400. Not a bad return for travelling the length and breadth of the UK securing Panel position and making seminar presentations.

## **Most Sales managers are under 40 but the best-paid group is the over 50s.**

While only 7% are over 50, they earn almost 39% more than the average (mean)

It may have been a difficult couple of years for the investment industry. There has clearly been a lot of reduction in headcount in the sales teams for many investment houses. However, those who have a job continue to be well paid and, with hopes of an improvement in Global Markets, it is clear that a career in Intermediary Investment Sales at one of the many Investment Institutions will remain attractive to many ambitious young individuals.

# Our Services



## Retained Executive Search

This is often the most appropriate approach to filling senior or specialist vacancies where speed and/or discretion are important. Effectively, Retained Executive Search involves a targeted, geographical approach to successful individuals within your competitor arena. All possible candidates are identified quickly by a dedicated researcher and confidentially screened for their suitability. Once qualified, they are approached directly for their interest in your role and assessed at a detailed interview with a qualified consultant. Those who are capable of adding value to the role and are interested in your organisation will be presented to you on a shortlist along with relevant information gained from the market sector. This will enable you to make fine adjustments to any specific area within the role or benefits package before fully interviewing selected candidates. Retained search clients enjoy a period of exclusivity during the short-listing process, as we will not submit candidates' details to any other client while they are in the recruitment process. Only once they have been formally rejected will we be prepared to make their details available to other clients with similar requirements.

## Contingency Search

This involves the allocation of a consultant to your requirement who searches the immediate competitor market place on your behalf. Candidates are surfaced on an ad-hoc basis, interviewed in depth and put forward to you on a success only basis. Although the candidates are searched from your competitors, the search will be less comprehensive than a retained executive search. Candidates may also be presented to other clients who seek the same quality or skills.

## Advertised Campaign

This is usually necessary when your assignment covers a large geographical area, an extensive range of skill sets, or where you require many candidates in a short space of time. Paul Harper Search & Selection will add extra value to your advertising response by ensuring quality interviewing and profiling to increase the potential of the campaign. Where deemed necessary the retained process can be conducted in conjunction with the advertising campaign, which has the effect of tripling the response. Candidate ownership applies up to short list stage.

## Database Selection

This involves looking through CVs already received from previous candidates or details of candidates previously approached in an attempt to match them to your requirements. These individuals are usually 'on the market' and looking to move. Naturally, strong individuals do not sit on a database for very long and are quickly snapped up by clients seeking their skills. It is our usual practice to check any 'current candidates' immediately after being given your brief, however remember that even if the candidate is known to us, he or she still has to be approached in the correct manner to create an interest. This avoids time wasting because all candidates whose details are submitted are interested in your **vacancy**.



## What Makes Us Different?

- **Our Expertise** – Our team of Consultants has a wealth of Recruitment experience and specialise solely in Financial Services. This enables us to fully understand both your vacancy and potential candidates suitability for the role.
- **Extensive Resources** – All consultants are supported by a dedicated team of researchers and marketing personnel, ensuring that we consistently have the highest quality candidates, many of who are not actively on the market.
- **Face-to-Face Interviewing** – Without exception, all candidates are interviewed face-to-face at one of our national network of offices before being put forward for a meeting with a client company. By using our knowledge of the market, this enables us to fully screen a candidate's suitability for a particular role, thus ensuring that time wasting is avoided.
- **High Coverage Advertising** – Our close relationship with all the major financial publications allows us to gain extensive coverage within the target audience for a particular vacancy. This is supported by our continually updated website.
- **REC / ASSC Members** – We have a highly ethical approach to business and operate within the guidelines set by the major recruitment industry bodies - Recruitment and Employment Confederation (REC), and The Association of Search & Selection Consultants (ASSC).
- **Competitive Rates** – Although the quality of our service differentiates us from most of the competition, it comes at competitive rates in line with those offered by standard recruiters.