

Purchasing & Supply Chain

Salary Survey 2006

European Leaders In
Procurement



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Introduction

PSD's annual Salary Survey 2006 is an invaluable guide to pay and reward across all sectors of the procurement and supply chain industry. It is the result of a comprehensive analysis of the remuneration of nearly 9,000 procurement professionals and is broken down by geographical location as well as industry sector. It allows hiring managers, HR and candidates to quickly analyse trends across sectors, and to benchmark their own company's reward policy.

Over the last 12 months we have seen the rise of the procurement department's status within organisations. Increasingly, companies are recognising that this is a key function that can have a dramatic impact on the bottom line and as such we have seen an encouraging increase to Board level procurement executives. This increase in profile of procurement has led to a greater emphasis being placed on performance and this is reflected in bonus schemes that reward customer satisfaction as well as spend reduction. Share option/save schemes are on the up whilst not surprisingly, final salary pensions are declining.

Overall, the survey makes for encouraging reading with a significant number of graduates entering the industry as a profession of choice. There is certainly plenty of talent out there and they expect to be rewarded accordingly.

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PSD: An Overview

PSD is an international recruitment services organisation operating across Europe and Asia Pacific at the Middle to Senior Executive level

We offer expert knowledge of our specialist markets: purchasing, customer contact, technology, IT, finance and banking, marketing and sales, property and construction, law and HR.

Our strength lies in our dedicated approach to and expert knowledge of our specialist sectors and functional disciplines. Each specialist division of PSD is well established as a market leader within its specific field of recruitment.

Recruitment Services

Our reputation has been built upon our ability to deliver highly effective recruitment solutions to our client companies. Each recruitment consultant is fully trained in file search, advertised selection, executive search and contracting, ensuring that we are in the strongest position to recommend solutions that are appropriate to the individual needs of our clients.

The skills and experience of our consultants and the resources and capability of the PSD group enable us to handle a wide variety of recruitment requirements, from single key appointments to large-scale recruitment projects, in both international corporations and small private businesses.

Our People

Standing out in the recruitment market is never easy; most consultancies tend to offer similar services. However, at PSD we have a key point of difference – the quality of our people. It is the skills and knowledge of our consultants and support staff that provide clients and candidates with exceptional service. All staff successfully work within a values based culture.

Commitment to Quality

PSD is committed to the training and development of our people and to the continuing improvement in the quality of our services. We continue to adhere to the Investors in People standard and ISO 9001:2000.

Corporate Social Responsibility (CSR)

The PSD Group is a member of the FTSE4Good Index and is listed as an All-Share Index Constituent.

Corporate Social Responsibility (CSR) standards are becoming increasingly more prominent in clients' selection for suppliers and is an excellent tool to use in our client relations and communications. The CSR standard incorporates companies policies, management and reporting on environmental, social issues and stakeholder relations criteria. This includes areas such as equal opportunities, health & safety, training and development and employee relations.

The FTSE4Good indices provide investors with a tool to measure the performance of companies that meet globally accepted international standards of CSR. Being a member of the FTSE4Good index is a strong signal of our commitment to this standard.

www.psdgroup.com/purchasing
PSD's website continues to attract quality candidates and compliments our advertising response on behalf of clients.

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State of Flux: An Overview

State of Flux is a supply chain change organisation offering supply chain solutions to large organisations.

Our successful solutions are based on three interconnected support functions:
Services, Consult and Run.

Services include: Research, Tax in the Supply Chain, eTools (including eAuctions and eRFx), Ethical Supply Chain, Supply Chain Risk and Training (both buyer and sales training).

State of Flux Consult supports clients by providing consulting services for both the revenue generating and the supply side of an organisation. These services are designed to help clients in any aspect of their supply chain reorganisation.

State of Flux Run includes our White Label services, where we work with clients offering a joint customer solution.

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European Leaders In Procurement: An Overview

European Leaders In Procurement magazine (ELP magazine) is the leading business title for senior procurement and supply chain executives in Europe. The publication offers topical news, thought-provoking features, profiles, opinions and much more.

ELP magazine is circulated to a carefully targeted audience of Chief Procurement Officers, Procurement Directors and other senior decision makers from leading European and global organisations - totalling over 4000 executives.

Members of the European Leaders Network – a new information exchange for procurement leaders – benefit from free subscription to the quarterly magazine and supporting supplements, as well as full access to the online version of the publication featuring additional articles, jobs, news and insight, not included in the printed edition.

For further information visit www.europeanleaders.net
or call Nuno Cruz on +44 (0)20 7819 6270

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nasa consulting: An Overview

nasa consulting is a leader in the market providing accountancy services to the interim worker and general freelancer.

Our team brings together over 20 years of experience in managing contractor's affairs, including from within the recruitment industry itself to provide an outstanding service, both for contractors and the agencies we work closely with. **nasa consulting** focus on high income retention rates for our contractors, same day CHAPS payments, contract law and extra financial planning to maximise the benefits of being a contractor.

What is integral to providing an effective service to contractors is working closely with any recruitment company or end users of interim workers. We ensure that their contract terms are complied with by the freelancer. By being flexible around payment schedules, by building strong working relationships and ensuring the immediate turnaround of payments we help to streamline the actual contracting process.

In recent years we have become very involved in ensuring all parties are aware of the nature of the services agreement between them and ensuring that the interim worker does not get involved in an employment relationship within their work

engagement. This usually means working closely with the freelancer on IR35 issues, with the agency on the Conduct of Agency Regulations and keeping the client aware of good practices for maintaining a provision of services relationship.

Within our ranks is one of the leading IR35 practitioners in the UK, **nasa consulting's** MD David Greene. Successful in over 100 IR35 investigations, David's knowledge ensures that **nasa consulting** is strategically placed to offer the best IR35 advice around.

By providing a wide range of services from Composite & PAYE umbrellas to the incorporation of a limited company we can assist the majority of contractors, and ensure that each client uses the service that will be most beneficial for their individual circumstances.

Please visit our website for further information, www.nasaconsulting.com or contact the team directly on 0117 904 7755.

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Purchasing & Supply Chain

PSD is a major player in the recruitment of individuals within Purchasing & Supply Chain. We recruit across management levels and support functions up to board level. Typical salaries range from £40,000 - £150,000.

Roles we Recruit

Procurement Director
Head of Purchasing
Purchasing Manager
Logistics Director
Contracts Manager
Senior Buyer
Buyer
Commercial Manager
Supply Chain Manager
Procurement Consultant

Specialisation

Each consultant works across the UK and within a specialist sector enabling them to build a greater understanding of a client's requirements.

Specialist Sectors

Financial Services & Banking
Software & Computer Services
Business & Professional Services
Communications
FMCG
Travel & Leisure
Pharmaceuticals
Energy & Utilities
Manufacturing and Automotive
Consumer – Retail

Advertising

PSD has a strong visual corporate identity. We are one of the major advertisers in the Sunday Times. All our adverts appear, generally with logos in our distinctive PSD colours. The PSD logo acts a magnet to attract high calibre candidates.

PSD Website

PSD's website continues to attract quality candidates and compliments our advertising response on behalf of clients.
www.psdgroup.com

Our Strengths

Professional Consultants
Strong presence in the marketplace
Detailed job brief taken
In depth understanding of clients needs
Agreed timescales for delivery
Over 50% of candidates referred
Up to 80% of positions handled exclusively
Repeat business accounts for over 70% of volumes
Professional and comprehensive contract service
Integrated Services –
Contingency
Advertised Selection
Executive Search

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PSD Diversity: reflecting the changing demographics

At PSD we operate to a strict diversity policy which ensures that no one is rejected on the basis of gender, sexual orientation, age, disability, racial orientation and religious beliefs. Our task is to find, attract and recruit the most talented candidates on behalf of our clients. In our experience we naturally find that the best candidates come from a diverse range of personalities and we feel that there is a natural reflection of the changing demographics of today's society.

Our consultants are trained to identify talent and to operate an inclusive recruitment strategy that respects diversity. PSD is working proactively with the HR Community to encourage diversity. PSD's recent HR in Focus journal focused on diversity and stimulated debate from prominent figures in industry. All PSD advertisements contain no reference to any criteria outside those required to carry out the role. Advertisements are designed to attract the best person for the job.

PSD respects the rights of individuals both internally and externally. We pride ourselves on working within an organisation where differences no longer represent barriers to entry, progression and effective contribution.

To discuss these issues in more detail, please contact Stephen Fletcher at: stephen.fletcher@psdgroup.com

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Interim Recruitment

We appreciate that time is the key aspect when recruiting contract and interim roles. With this in mind we are able to conduct the full interview and selection cycle representing your organisation with the utmost efficiency and effectiveness.

Professional Contractors and Interim Managers

In any modern commercially driven environment, success is characterised by an organisation's ability to implement change effectively, whilst remaining efficient and dynamic enough to satisfy increasingly demanding market conditions.

As a consequence contractors and Interim Managers are utilised as a resource and are able to leverage a competitive advantage or simply stabilise operations through periods of change.

Why Use Contractors?

Interim candidates can add significant value to major projects during corporate restructuring, headcount freezes, systems implementations, maternity cover or any similar planned or indeed unplanned circumstances.

These individuals possess a track record of industry specific success ensuring that with a minimum lead in time they are able to "hit the ground running" and immediately make an impact on the business.

What is the Cost?

Contractors and Interim Managers earn a daily rate or hourly market rate for their level of experience. Costs associated with their engagement are relevant only for the contract term.

Why Choose PSD?

PSD provides a flexible service that is individually tailored to your organisation's particular requirement. Each consultant is a sector expert and works solely within their vertical market. The benefit to both client and candidate is that PSD builds effective long term relationships and can introduce your organisation to high calibre individuals relevant to your business at any given time.

After registering a contract position with PSD you will receive a two hour call back to detail the process that will take place in order to successfully fill the role.

The network of contacts a consultant at PSD has will ensure that the role is filled in the majority of cases in 48 hours or within an agreed timescale.

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Package and Benefits

Benefits not only make a significant difference to the total remuneration, but the security that these can bring must not be underestimated. We have seen a number of candidates re-consider their options when they realise the value of some benefits. In particular, those that are on 'final salary' pension schemes would often need to secure five figure rises when joining a new employer just to negate the effects of the lost pension. In 2005, less than five percent of all the roles that PSD recruited for offered a final-salary pension scheme.

Sometimes regarded as 'perks and benefits', extras such as car allowances, bonuses and health cover are now treated as essential by experienced professionals.

Growing trends include:

1. **Bonuses** are a part of most packages and generally vary between 5 – 40%, dependent on level. Companies now tend to calculate such bonuses on both personal and company performance objectives. Telemarketing and sales roles always command a more substantial bonus than other roles.
2. There is a continuing shift from offering a company car to providing a **car allowance** – this is usually between £4,000 - £10,000 and is also more tax efficient.
3. **Peripheral benefits**, such as on-site free or subsidised car parking can also be highly attractive, especially in city centres, where parking can cost around £10 a day.
4. **Traditional benefits**, such as contributory pension, life assurance and private health cover are still popular inclusions.
5. **Stock options** are not as attractive as they once were. They may still be of importance, but options are now rarely taken instead of basic salary. They are usually now used as an incentive for employees to stay with an employer.
6. **Flexible benefit** schemes continue to improve and are becoming even more 'lifestyle' focused. These allow employees to pick and mix the benefits most important to them. Key trends include improvements in the provision of childcare vouchers or crèche facilities, gyms or extending healthcare schemes to include the family.
7. Finally, a number of employers are offering candidates the chance of pursuing **professional qualifications** either with CIPS or via an MBA. The study support, both financially and time wise, is considered vitally important to those that wish to balance career development with gaining a recognised professional qualification.

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Why Salary Survey – Methodology

PSD's Salary Survey is the result of analysing our database of 9,000 active and inactive candidates. It also takes into account the successful placements of 2005 and how candidates were attracted in terms of pay and reward. The figures indicated refer to basic salary, which we find the best indication to allow for serious comparison. Packages are usually calculated by adding 30 – 50% on top of basic salaries, but it is not uncommon for the more senior candidate to be enjoying a package of up to 100% of basic salary.

This document will focus on our key specialist sectors, and provides a useful guide allowing for comparison between different sectors. Please note that this acts as a guide only and there will be anomalies as there are with any indicators.

For a more detailed opinion on pay and reward, do not hesitate to contact a member of the team listed at the back of this report.

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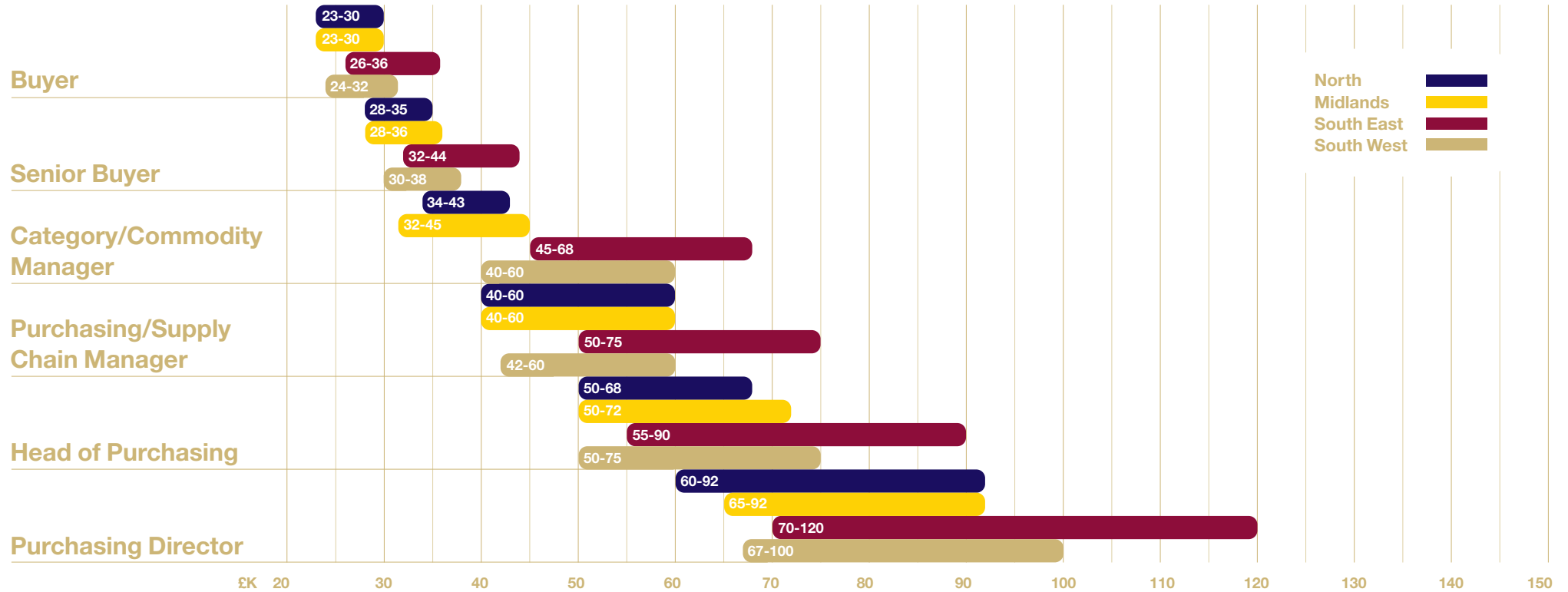
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Financial Services and Banking

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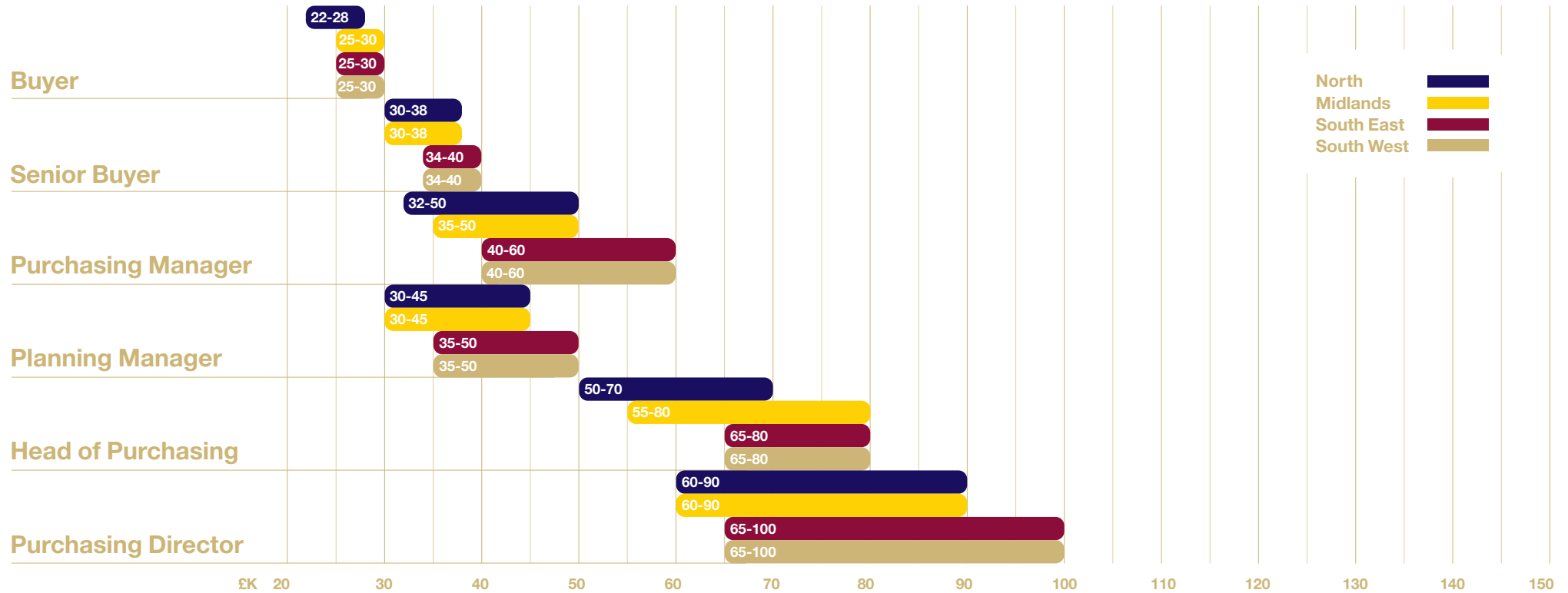
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FMCG & Pharmaceuticals

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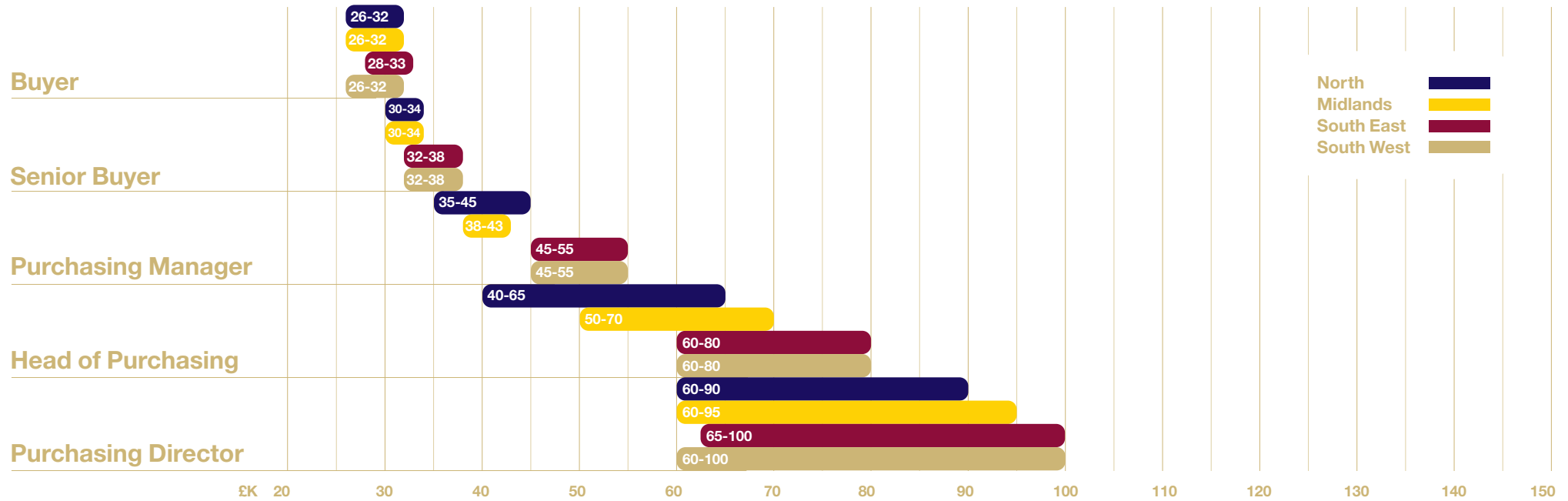
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Travel and Leisure

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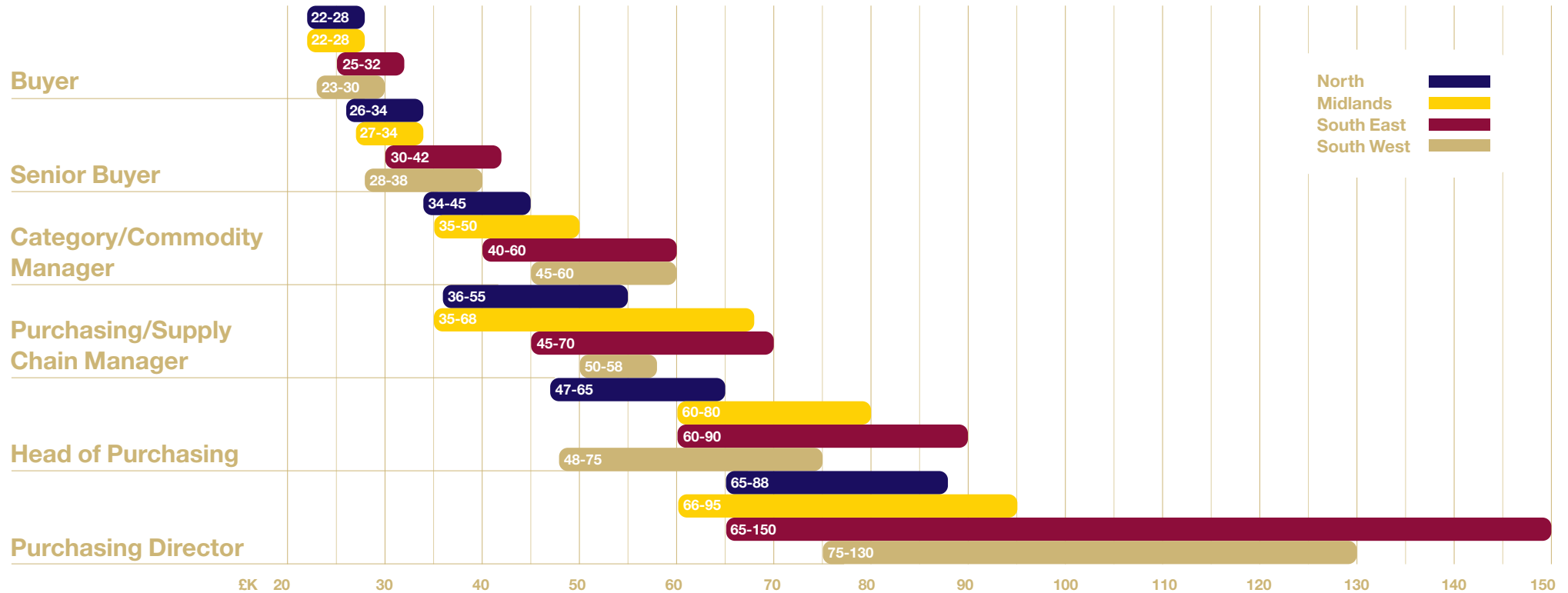
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Communications, Software and Computer Services

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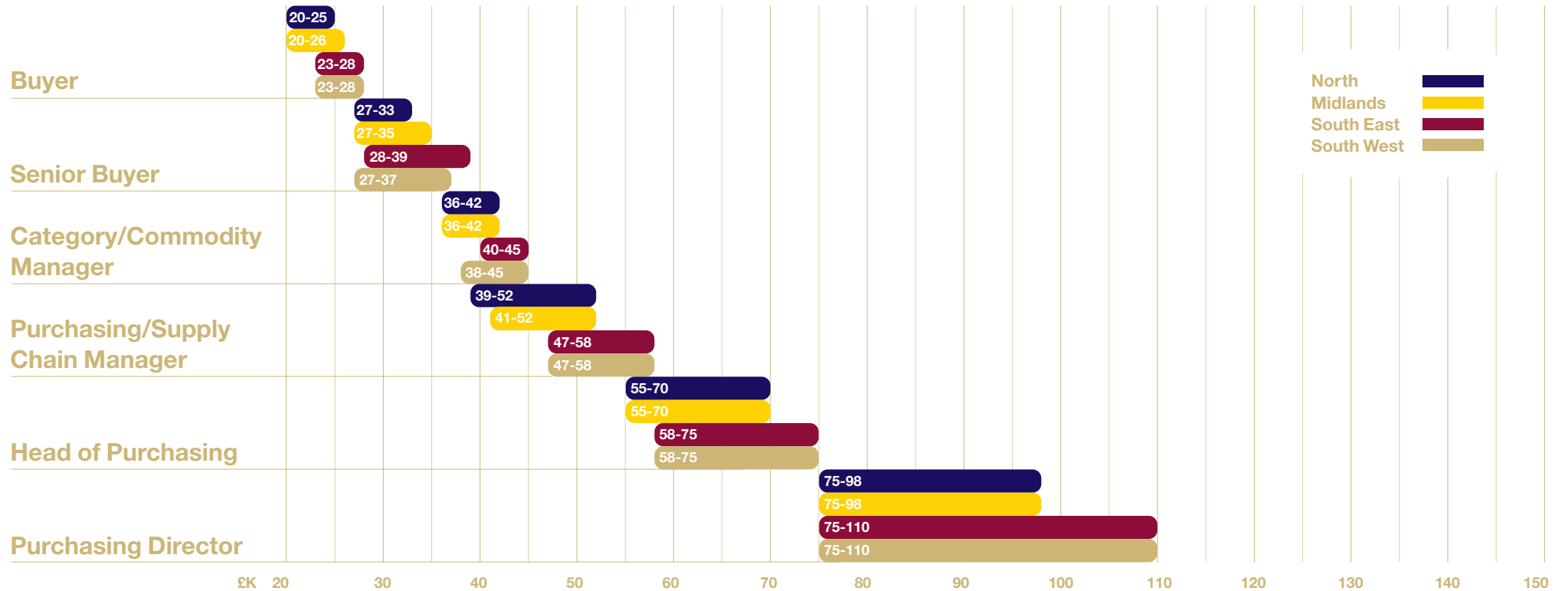
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Manufacturing

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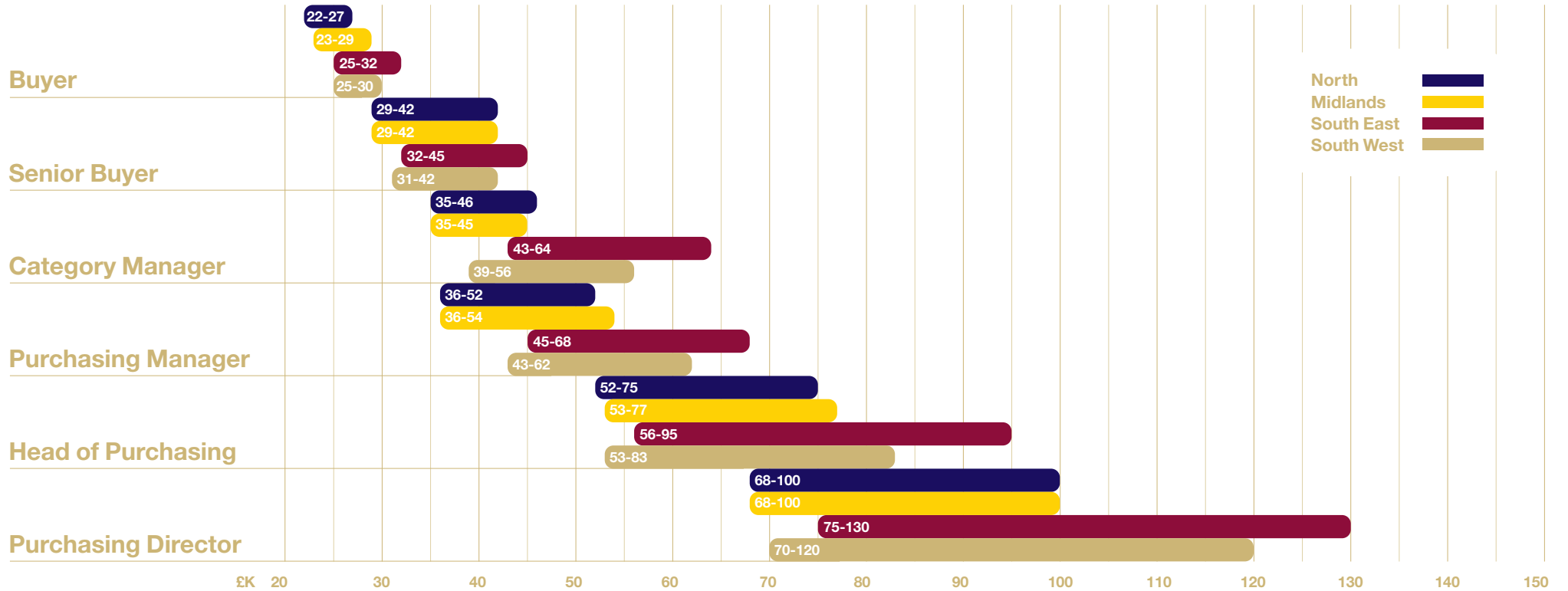
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Energy & Utilities

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Purchasing Contacts

Banking and Professional Services

Permanent:		Interim:
Stephen Fletcher	Christian Shawcross	Stuart Walters
Stephen.Fletcher@psdgroup.com	Christian.shawcross@psdgroup.com	Stuart.Walters@psdgroup.com
0161 234 0394	0161 234 0331	0161 234 0310

Business and Professional Services

Permanent:		Interim:
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Communications & Technology

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FMCG, Pharmaceuticals

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Energy & Utilities

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