**Winning the Compensation
and Benefits Battle**

2016 Employee Compensation Study

Co-sponsored by GAWDA

One of the major challenges facing business owners is in providing a fair and adequate compensation and benefits package for employees. If the package is insufficient, the company cannot attract and keep qualified personnel. If the package is too generous, profit tends to suffer.

In trying to establish a sound compensation system, managers are continually looking for benchmarks. That is, they want to know how much other companies are paying for certain positions. They also want to know what fringe benefit packages are being offered. Such benchmarking is essential for the two key types of employees and requires two different types of analysis.

* **Executive Compensation**—For top management positions, such benchmarking is often national in scope. In attempting to attract a top CFO, for example, the firm may compete with a large number of distribution firms across the entire United States.
* **Employee Compensation**—In terms of operating employees, the relevant market is always local. Comparisons for truck drivers, warehouse employees and sales representatives in a particular geographic area are much more useful than are national averages.

Even though compensation benchmarks are critical, developing such benchmarks has always been a very difficult undertaking in distribution. Typical compensation surveys almost always focus on one particular line of trade. As a result, they tend to have very small sample sizes. The resulting information is fragmentary, at best.

The **2016 Employee Compensation Study** eliminates these problems. GAWDA has joined together with 30 other distribution organizations in sponsoring the largest cross-industry compensation survey ever conducted. It is anticipated that approximately 1,000 firms with 8,000 locations will take part. With such a large-scale study, GAWDA distributors will receive a wealth of information.

**The Power of a Cross-Industry Study**

Volume I of the final report will focus on the data collected for GAWDA distributors as a group. That is, firms can compare their compensation levels and benefit programs to other GAWDA distributors. This ability to compare to similar firms in your industry is of significant value.

With the combination of 30 distribution groups, though, a much more powerful analysis is possible. Volume II aggregates the results of the entire sample that enables an in-depth examination of the data by both geographic area and firm sales size.

* **Geographic Area**—The competition for the majority of employee talent is local. The survey will allow precise analysis down to specific regions, states and even local metro areas, such as Atlanta or Denver. It will be possible to know what distributors of all kinds are paying for various employee positions at a local level.
* **Firm Sales Size**—With the comprehensive sample, 20 or more sales size breaks are possible, from under $1 million to over $1 billion. This allows firms to look at the compensation practices of variously sized firms to determine at what point specific benefit programs become affordable.

The availability of such a large sample size broken out into so many specific sub-categories provides managers with an enormous amount of data for decision making. For example, firms thinking about opening an additional branch in a new geographic region will have precise payroll information at hand for the target geographic area.

Likewise, firms of any given sales size will have an idea of the extent to which specific fringe benefits are provided by similarly sized firms. They will also have information on what sales volume level must be attained before certain fringe benefits become realistic additions to the company's compensation package.

**Types of Information Provided**

Both Volume I and Volume II of the report will include two types of data—compensation levels by position and fringe benefits. Each section contains a wide range of information for the typical GAWDA distributor.

* **Compensation**—The compensation data will be broken out into three components by position—base salary, bonus and total compensation. In addition, the range of common experience for total compensation will also be provided. The positions to be covered include:
* Executives—those with titles such as chief executive officer, chief financial officer, chief marketing officer and the like.
* Operating Employees—includes such positions as office manager, purchasing agent, warehouse employee and warehouse supervisor.
* Sales Employees—including both inside and outside sales reps.
* Branch Managers
* **Fringe Benefit Programs**—This section will review the benefit programs provided by distributors. Topics of interest will include:
* Health Care Plans
* Retirement Income Plans
* Paid Time Off & Vacation Policies
* Changes in insurance associated with the ACA

As mentioned earlier, all of this information will be available at the national level as well as by geographic location and sales size of firm. The 2016 report provides an unprecedented opportunity to fully understand labor markets and is available only through the combined efforts of 30 different distribution organizations.

**Schedule**

Employee Compensation questionnaires will be sent to GAWDA distributors in early January. Since all firms in the United States are required to report employee financial information to the federal government by the end of January, almost all of the information required for the survey should be readily at hand.

Completed surveys are due by **February 15, 2016**. This should give every firm ample time to complete the questionnaire. All information collected in the survey is absolutely confidential. No member of the GAWDA staff will have access to any firm’s survey data. All questionnaires are returned directly to Profit Planning Group, the research company conducting the study.

The final report, including Volumes I and II, should be in the hands of GAWDA by March, 2016. Since it will cover the 2015 calendar year, the information will be current and timely.

**2016
Employee Compensation Study**

**How does your compensation package stack up against other distributors?**

***Are your employees overpaid or underpaid?***

***How about the management team?***

***What benefits do other firms provide?***

**Get the answers by participating in this GAWDA sponsored study.**

If you’re like most distribution firms, you’re running lean these days with just enough personnel to get by. Hiring and keeping good employees is essential to the profitability of your business, especially in today’s economy.

When it comes to hiring employees, you must consider your overall employee compensation plan–not just your wage scales, but your benefits package as well–in comparison to others in distribution. Furthermore, you’re not just competing for the best employees with other GAWDA distributors, you’re also up against all the distributors in your area.

The **2016 Employee Compensation Study** will provide a detailed view of compensation and benefit programs based on approximately 1,000 distributors with 8,000 locations from 30 distribution organizations. This large, diverse sample will provide a wide range of compensation information for your specific industry and also for distribution in general with 20 sales volume categories, over 100 geographic areas and 50 metro markets.

**Participating firms will receive a wealth of information covering topics such as:**

* **Executive Compensation**
* **Employee Compensation**
* **Sales Commission Plans**
* **Inside/Counter Sales Policies**
* **Benefit Programs**

 Health Care

 Retirement

 Vacation and Time Off

**Schedule**

Questionnaires will be distributed to all GAWDA distributors in early January, 2016. They are due back by February 15, 2016. Survey results should be available in March, 2016.

***Don’t miss this opportunity to receive the most comprehensive compensation data available in distribution!***