

PROCUREMENT & SUPPLY CHAIN 08/09

Salary

SALARY & EMPLOYMENT FORECAST

Michael Page
INTERNATIONAL

WELCOME

Welcome to the 08/09 Michael Page International Procurement & Supply Chain Salary & Employment Forecast.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,000 people in 149 offices in 25 countries worldwide. Coming from all industry sectors, our clients range from market-leading multi-nationals to small and medium sized enterprises.

Our consistent organic growth strategy of investment through cycles is driving our growth in the specialist recruitment market in Australia. In just 23 years, we have grown to become one of the best-known and most respected recruitment consultancies and are proud to set the standard within our profession for specialist service, with a personal touch.

This year, the format of our Salary Survey has changed to reflect our growing business in Australia and make it easier for employers and candidates to stay abreast of current employment market and salary trends.

While a number of current industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page International Salary & Employment Forecast combines both quantitative and qualitative research derived from our national survey of employers and job seekers and our extensive involvement in the professional labour market.

The national survey, completed by approximately 1,500 employers and 5,500 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth national research.

The Procurement & Supply Chain Salary & Employment Forecast provides employers and candidates with useful insights into the hiring expectations, recruitment challenges and wage forecasts of key hiring managers in the procurement and supply chain professions over the coming year. You can also view the Salary & Employment Forecasts for the following key professions on our website:

- Finance
- Financial Services
- Legal
- Marketing
- Sales
- Technology
- Human Resources
- Engineering & Manufacturing
- Property & Construction
- Mining & Resources

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice at www.michaelpage.com.au/contact-us.



Phillip Guest
Managing Director, Australia

MARKET OVERVIEW

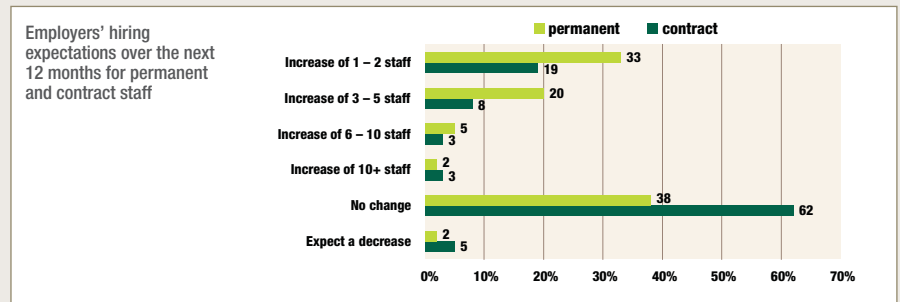
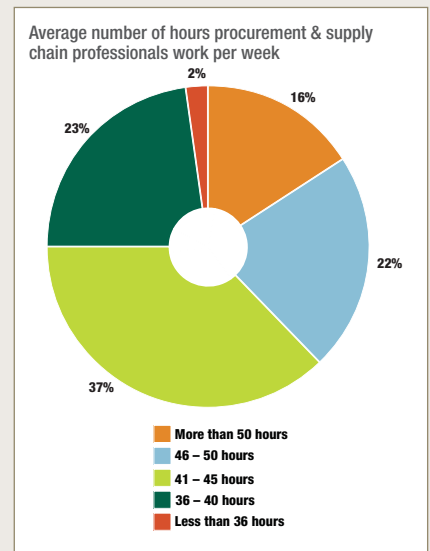
The procurement and supply chain sector is experiencing high levels of investment, as organisations focus on cost management and operational efficiency to maximise profit margins in a mature business environment. This translates to a positive employment market for procurement and supply chain professionals and continues to create a challenging environment for employers in terms of attraction and retention.

Within the procurement sector, there is an acute shortage of candidates at the middle level (\$80,000 - \$120,000), as well as a very limited supply of graduates. It is common for professionals with several years of commercial experience and therefore higher salaries, to move into the procurement function from other business areas. With an increasing number of organisations seeking to create a dedicated procurement team, employers will need to be more flexible and consider procurement professionals with transferable generalist skill sets, who do not necessarily have specific technical or category subject matter expertise.

In a similar way to procurement, the level of demand for talent within the supply chain market has increased substantially as companies recognise the importance of the supply chain function in driving operational efficiency and implementing strategic business initiatives. The retail and FMCG sectors, in particular, place strong

emphasis on the strategic value of supply chain management and continue to look for new ways of streamlining their operations. They have moved beyond tactical planning, purchasing and inventory management activity to develop increasingly sophisticated and collaborative demand management and long-range forecasting strategies.

We expect the employment market to remain buoyant for procurement and supply chain professionals in the coming year. Our survey results reinforce this with 60% of employers expecting to increase their permanent headcount over the next 12 months. There is a strong argument that a slowing global economy will drive greater investment in the procurement and supply chain functions to streamline operations efficiency gains.



SKILLS IN DEMAND

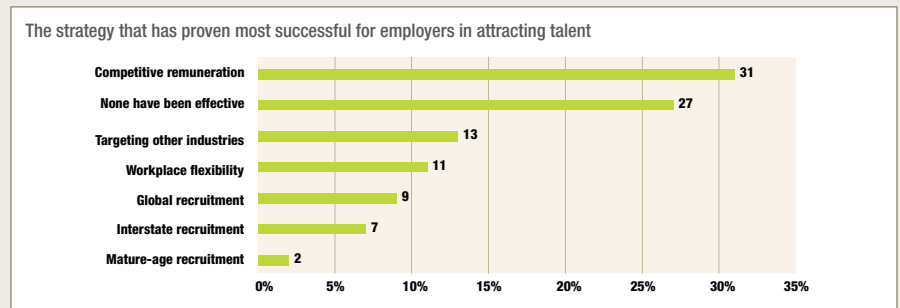
The market will remain buoyant for procurement and supply chain roles overall, but we will see the most demand for professionals with a strategic mindset who can improve processes and develop cost minimisation strategies without compromising quality and service. We expect increased demand for candidates across all industries as companies continue to realise the strategic value of the procurement and supply chain functions and their positive impact on bottom line profitability.

Organisations are increasing their investment in procurement and this is driving demand for professionals who can add value from a strategic perspective. Demand, and therefore competition, is strongest for candidates with a proven background in indirect procurement and procurement analysts who can identify cost efficiencies and bottom line improvements. Procurement specialists with technology specific experience are also increasingly sought

after to support substantial investments in IT systems, software development and systems integration programmes.

We are also seeing employment growth within the supply chain market, as employers bring talent on board to evaluate existing processes and implement strategic improvements. Demand planners, logistics analysts and sales and operations planning (S&OP) managers are among the jobs in demand nationally.

Both employers and candidates have become receptive to short-term and medium-term contract employment. The project based nature of both procurement and supply chain improvement initiatives, coupled with the pronounced skills shortage, has created an environment where candidates can enjoy the flexibility of contract employment and still gain exposure to a variety of interesting and rewarding projects.



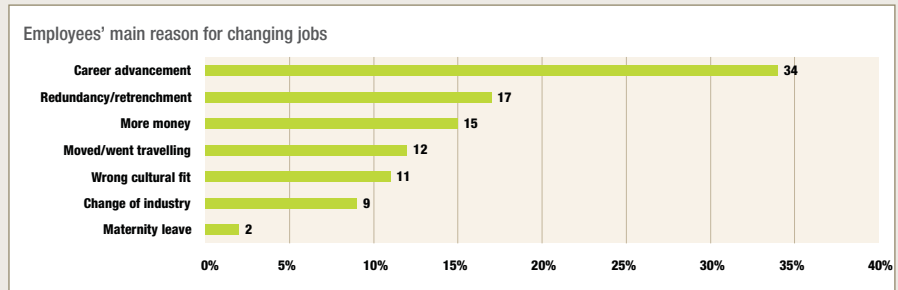
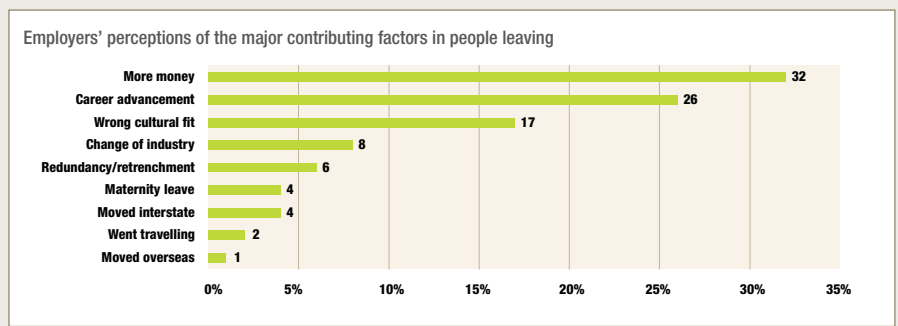
RECRUITMENT CHALLENGES

It is a very competitive employment market and high quality candidates have multiple job opportunities. Companies that respond to the tight labour market by thinking outside the square and investing in long-term talent attraction and retention strategies will enjoy a competitive advantage.

To help broaden the talent pool, we encourage employers to consider candidates from other industries with transferable skill sets. This has proven to be a very successful strategy in more mature supply chain and procurement recruitment markets overseas such as Europe. Organisations who hire candidates based on potential and ability, rather than specific industry experience, will significantly increase their available talent pool. There is also an increasing trend for employers to invest in training and development and support employees to undertake relevant training and qualifications.

In response to the domestic skills shortage, we also encourage employers to keep an open mind to sourcing talent from overseas. Our survey results show that just 16% of employers are sourcing candidates overseas to address the professional skills shortage. As a business Michael Page International has seen some genuine successes through clients utilising our international expertise and networks in countries such as the USA, UK and Europe and we expect this will continue to play a pivotal role in helping to alleviate the domestic skills shortage.

The efficiency of the recruitment process is also an important consideration for



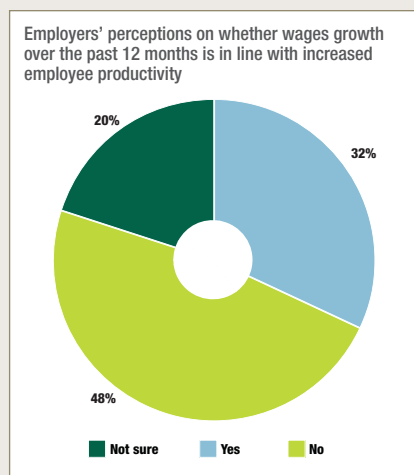
procurement and supply chain professionals when choosing a potential employer. Candidates perceive the process to be an indication of the organisation's overall professionalism and operational efficiency and it can have a significant impact on an employer's brand in the marketplace. Employers who respond quickly and professionally during the recruitment process create a favourable impression and will gain the competitive advantage, whilst those who act slowly will miss out on good candidates. Our survey results also indicate that cultural fit and a defined

career path are major considerations for candidates choosing a potential employer.

The surge in demand for procurement and supply chain professionals over the past year has created a competitive environment where candidates have found themselves holding a significant amount of power when negotiating new roles. However, whilst we have seen some evidence of substantial salary increases for highly specialised skill sets, this is a rare occurrence and candidates should remain realistic about their motivation for changing jobs and should not move based purely on remuneration.

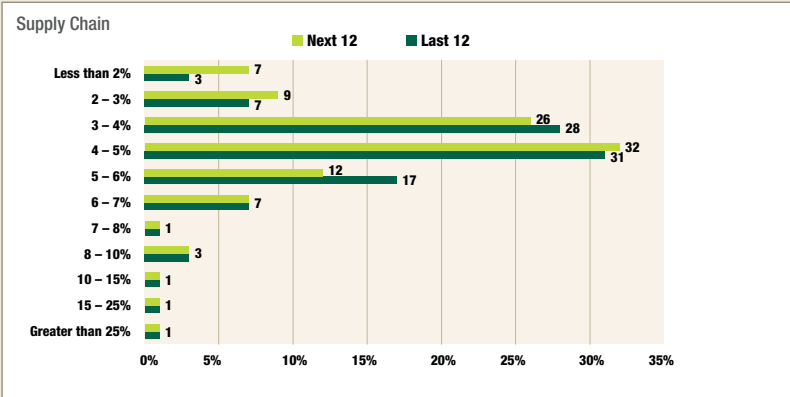
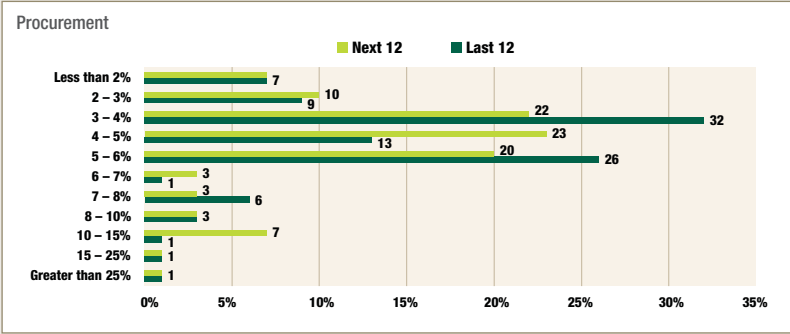
WAGES INFLATION

We anticipate the demand for procurement and supply chain professionals to remain strong. Looking at the year ahead, our forecast is for salary increases of 5–8% across the board with up to 10% for specialist skill sets. Employers will need to offer competitive packages to attract and retain talent.



EMPLOYER SALARY PREDICTIONS

Percentage increase next 12 months VS last 12 months



SALARY TABLE
PROCUREMENT & SUPPLY CHAIN

State	NSW	NSW	VIC	VIC	QLD	QLD
Size of Company	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large
SUPPLY CHAIN PLANNING						
Production Planner/Scheduler	50–70	60–80	40–60	60–75	40–60	55–75
Demand Planner	70–85	75–100	50–70	70–90	50–75	70–87
Supply Planner	60–80	70–95	60–80	70–95	55–75	65–90
S&OP Analyst	70–90	75–95	N/A	70–90	N/A	70–90
Demand Planning Manager	90–110	110–150	85–100	110–150	85–100	95–140
Supply Chain Planning Manager	100–130	130–170	N/A	120–185	N/A	110–175
LOGISTICS & DISTRIBUTION						
Customer Service Officer	45–55	50–65	40–50	40–55	40–50	40–55
Logistics/Supply Chain Coordinator	50–75	60–80	50–75	60–80	48–70	58–80
Logistics/Inventory Analyst	60–75	65–90	50–70	50–85	50–70	50–80
Inventory Controller	50–70	55–85	45–65	55–85	45–65	60–90
Warehouse Supervisor	50–70	55–80	45–65	50–80	45–65	50–77
Warehouse Manager	65–85	80–120	55–75	75–110	55–75	75–110
DC Manager	90–120	110–160	90–120	110–160	85–115	110–150
Transport/Distribution/Logistics Manager	75–100	100–145	70–90	100–145	70–90	90–145
Supply Chain Manager	90–120	100–180	85–110	100–160	80–110	110–180
GM Supply Chain Logistics	100–150	180–350	100–150	150–250	100–150	140–240
PROCUREMENT						
Purchasing/Procurement Officer	45–65	50–80	45–55	55–65	45–55	50–70
Buyer	45–65	50–80	45–60	55–65	45–65	55–65
Contracts Administrator	55–65	60–80	55–65	60–80	55–65	60–80
Senior Buyer	70–80	80–110	65–75	65–90	60–75	65–90
Strategic Sourcing/Procurement Analyst	65–80	70–100	60–75	70–100	55–70	70–100
Purchasing Manager	85–120	90–130	70–100	90–120	70–100	80–120
Category/Commodity Manager	90–120	100–150	90–120	100–155	90–110	100–145
Procurement Manager	95–115	110–160	95–115	110–160	90–110	105–150
Strategic Sourcing Manager	100–130	130–180	N/A	120–180	N/A	120–180
Commercial/Contracts Manager	80–100	110–175	80–100	110–175	80–110	110–180
Vendor Manager/Supplier Relationship Manager	N/A	110–180	N/A	110–180	N/A	110–180
GM Procurement	N/A	180–400	N/A	180–300	N/A	150–300

Please note:

- Salaries indicated are inclusive of superannuation, but exclusive of bonus/incentive schemes.
- Small to medium companies are defined as having a turnover of less than \$100 million. Large companies are defined as having a turnover of more than \$100 million.
- Roles marked N/A are not commonly found in small to medium size companies.

Salary

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SYDNEY

t +612 8292 2000 **f** +612 8292 2001

PARRAMATTA

t +612 8836 0700 **f** +612 8836 0701

CHATSWOOD

t +612 8292 2500 **f** +612 8292 2501

MELBOURNE

t +613 9607 5600 **f** +613 9607 5666

WHEELERS HILL

t +613 8562 5400 **f** +613 8562 5499

BRISBANE

t +617 3414 6100 **f** +617 3414 6101

PERTH

t +618 9215 9500 **f** +618 9215 9599

e enquiry@michaelpage.com.au