

SUPPLY CHAIN SALARY SURVEY 2022/23

A MARKET GUIDE FOR:

SUPPLY CHAIN, OPERATIONS
PROCUREMENT, LOGISTICS &
MANUFACTURING PROFESSIONALS

FOREWORD

Sitting in the heart of the supply chain industry means we see a lot. We get to witness trends, understand working behaviours and have access to a wealth of information. We're also big sharers and big believers in doing everything we can to support and contribute to an industry we love. So, we will be sharing a series of salary surveys, starting with this UK one, and hope it is useful to you.

We'll be publishing it every year to help both hiring managers and HR teams benchmark roles vs market demand, as well as providing insights to supply chain professionals. We know that salary isn't the only factor that matters to people's careers, which is why we've also included information on how

you as an employer can stay competitive through flexible working and benefits schemes. You will also find insights into the current war for talent, changes in salary levels, what companies are doing to retain talent and what the driving factors are for candidates in today's market, which we hope you'll also find useful.

As a business, Pod is dedicated to constant improvement so please do get in touch and let us know what you think and let us know what else we could include that would help you.

Connect with us on <u>LinkedIn</u>
or email us at <u>hello@pod-talent.com</u>



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ABOUT POD TALENT

We're supply chain recruitment specialists. We do all we can, at every stage of the supply chain journey to offer solutions, solve problems and provide talent. We do this with amazing brands, and we provide a huge array of services ranging from executive search and bespoke multi-hire solutions to talent consulting with specialist consultants covering every level and function of the Supply Chain.

Combining our core values - Creativity, Excellence, Individuality and Openness, with our specialist knowledge, we seek to raise the bar within the recruitment industry.

And with a 100% candidate satisfaction rate and 80% of business coming from repeat customers, we like to think that we're doing something right.



LOGISTICS



SUPPLY CHAIN PLANNING



MANUFACTURING



RESEARCH & DEVELOPMENT



SUPPLY CHAIN TECHNOLOGY



PROCUREMENT

SUPPLY CHAIN SALARY SURVEY REFLECTIONS

A lot has happened across the global Supply Chain & Procurement environment over the last few years, with severe disruptions. Businesses have seen challenges from Brexit, Covid & subsequent national lockdowns to severe shipping disruptions and unpredicted shipping blockages, to now war in Europe. These challenges not only magnified previously unseen vulnerabilities that already existed in the supply chain, but also brought supply chains into the spotlight and emphasised the value a strong, agile supply chain & procurement department can bring to a business. This salary survey, when viewed in this light, provides a very interesting reflection of the state of supply chain in the UK today. Here are some of our key findings:

Supply chain roles are in the top 20 roles in the past 12 months that received the highest salary increases:

According to new data released by recruiting experts, salaries across the supply chain have grown by nearly 16%. According to this same research, salaries across the UK on average have increased by 2.8%, which only highlights the increasing importance the supply chain has on the success of the business.

A top priority for businesses in the next three years is bringing more visibility to their supply chains:

This has impacted the supply chain workforce as businesses are now evaluating their current workforce and concluding that they are not up to the level of skill needed to bring further visibility. Therefore, businesses are now in the market to find more skilled workers, impacting average salary at every level.

The importance of a strong logistics function is key to a more resilient supply chain: According to the Office of National Statistics, the demand for logistics talent has increased over the last year by 300% as challenges in the supply chain market have seen freight prices rocket, leading to businesses searching for strong talent that can successfully tackle the surging prices.

Shift in consumer behaviours from high street to online, and the spike in e-commerce has driven huge changes in the requirements for final mile logistics specialists, and this is reflected in the sharp increases in salaries within the eCommerce and retail industry.

Procurement is still a valued part of the supply chain: Traditionally, procurement specialists comfortably out-earned their supply chain counterparts. However due to challenging supply chain changes over the past few years, their supply chain colleagues are now being compensated as demand increases, and the pay gap is closing. Procurement salaries remain high, and according to CIPS statistics, they enjoyed an above average 6% growth in salary in the UK last year. Interestingly, statistics show that there is a 24% salary disparity in professionals who do have an MCIPS to those who do not. This taps into the running narrative across the supply chain that businesses are now willing to pay for more skilled workers to further professionalise their supply chains.

Manufacturing operative salaries remain stable: Interestingly, in the last year, manufacturing operatives have seen their salaries remain fairly stable across a turbulent and changing supply chain, as much of the challenges in other spaces within the supply chain did not drastically affect the continued ways of working for their roles. Positively, there is a consistent demand for their skills in the market.

Junior supply chain salaries are being driven by the battle between talent retention and talent attraction:

Companies are doing their best to hold onto their talent, particularly the future leaders of their businesses. Companies are now offering junior talent increases in salaries, promotions, new roles, and new projects internally to keep them engaged in their business and ensure they retain them long term. On average there has been a 10-15% increase in salaries offered for these junior level roles. As a result, this has driven salary increases in the market, as businesses searching for talent are having to pay above the market to attract the same talent as before, affecting the average junior salary across all supply chain functions.



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LOGISTICS





UK SALARY

GUIDE

ROLE	SALARY RANGE - UK		
	Low	Average	High
VP Logistics	£130,000	£150,000	£180,000
Logistics Director	£100,000	£125,000	£150,000
Head of Logistics	£70,000	£85,000	£100,000
Head of Customer Services	£65,000	£75,000	£90,000
Logistics/3PL Manager	£55,000	£65,000	£75,000
Customer Logistics Manager	£55,000	£60,000	£65,000
Shipping Manager	£50,000	£65,000	£75,000
Logistics Project Manager	£50,000	£65,000	£75,000
Customer Services Manager	£45,000	£55,000	£70,000
Logistics Co-Ordinator	£28,000	£34,000	£40,000
Regional Operations Director	£100,000	£125,000	£150,000
General Manager	£80,000	£100,000	£120,000
Site Manager	£50,000	£60,000	£65,000
Transport Manager	£40,000	£45,000	£50,000
Warehouse Manager	£50,000	£58,000	£68,000
Inventory Manager	£40,000	£45,000	£50,000
Shift Manager	£28,000	£35,000	£40,000
Transport Planner	£25,000	£30,000	£35,000

MANUFACTURING & TECHNICAL







ROLE	SALARY RANGE - UK		
	Low	Average	High
Chief Supply Chain Officer	£160,000	£180,000	£230,000
VP Supply Chain	£130,000	£170,000	£200,000
Supply Chain Director	£120,000	£150,000	£180,000
Supply Planning Director	£110,000	£125,000	£140,000
S&OP Director	£110,000	£130,000	£150,000
Head of Supply Chain	£90,000	£100,000	£110,000
Head of S&OP	£80,000	£90,000	£100,000
Head of Supply Planning	£80,000	£90,000	£100,000
S&OP Manager	£60,000	£70,000	£80,000
Demand Planning Manager	£55,000	£65,000	£70,000
Supply Planning Manager	£45,000	£60,000	£65,000
Senior Demand Planner	£45,000	£50,000	£60,000
Senior Supply Planner	£40,000	£45,000	£55,000
Demand Planner	£35,000	£42,000	£50,000
Supply Planner	£32,000	£35,000	£42,000
Materials/Production Planner	£29,000	£33,000	£40,000
Supply Chain Analyst	£35,000	£40,000	£45,000
Supply Chain Coordinator	£24,000	£28,000	£33,000
Supply Chain Administrator	£18,000	£23,500	£25,000

ROLE	SALARY RANGE - UK		
	Low	Average	High
VP Operations	£120,000	£150,000	£180,000
VP R&D	£120,000	£150,000	£180,000
VP Engineering	£120,000	£150,000	£180,000
Operations Director	£100,000	£110,000	£130,000
Factory General Manager	£90,000	£100,000	£120,000
Technical Director	£90,000	£100,000	£120,000
Quality Director	£90,000	£100,000	£120,000
Engineering Director	£100,000	£110,000	£120,000
Manufacturing Excellence Manager	£60,000	£75,000	£85,000
Engineering Manager	£55,000	£65,000	£75,000
Production Manager	£55,000	£60,000	£65,000
Quality Manager	£50,000	£60,000	£70,000
Technical Manager	£50,000	£60,000	£70,000
CI Manager	£55,000	£65,000	£75,000
Health and Safety Manager	£45,000	£55,000	£65,000
Facilities Manager	£40,000	£50,000	£60,000
Shift Manager	£30,000	£35,000	£40,000
Food Technologist	£25,000	£30,000	£40,000
Engineer	£35,000	£42,000	£48,000

PROCUREMENT





ROLE	SALARY RANGE - UK		
	Low	Average	High
Chief Information Officer	£140,000	£170,000	£210,000
Supply Chain Systems Director	£110,000	£140,000	£160,000
Head of Supply Chain Systems	£90,000	£110,000	£130,000
Systems Manager	£60,000	£70,000	£80,000
Programme Manager	£80,000	£90,000	£110,000
Implementation Manager	£75,000	£85,000	£100,000
Master Data Manager	£50,000	£60,000	£70,000
Supply Chain Systems BPO	£55,000	£65,000	£75,000
Reporting Lead	£45,000	£50,000	£55,000
Reporting Analyst	£35,000	£40,000	£50,000
Data Analyst	£30,000	£40,000	£50,000

ROLE	SALARY RANGE - UK		
	Low	Average	High
Chief Procurement Officer	£135,000	£180,000	£255,000
Procurement Director	£120,000	£150,000	£190,000
Head of Procurement	£90,000	£125,000	£155,000
Category Director	£80,000	£95,000	£120,000
Head of Supplier Relations	£75,000	£87,000	£105,000
Procurement Manager	£70,000	£80,000	£95,000
Senior Category Manager	£70,000	£75,000	£90,000
Category Manager	£55,000	£65,000	£80,000
Buyer	£35,000	£45,000	£55,000
Procurement Analyst	£32,000	£38,000	£45,000



FURTHER MARKET INSIGHTS

BENEFITS OVERVIEW

What to take into consideration when comparing salary packages

Basic salaries are just one part of the package. When taking into consideration salary, there are other features within the package that you should think about when offering a candidate. Here are some things to consider:

- 1. Bonuses Supply Chain Management & Procurement roles typically come with a bonus ranging from 5-40%, depending on seniority and type of business. For every company it is a little bit different, but typically we see a lot of bonus schemes which are paid out annually and are based on 50% company performance and 50% achieving personal goals.
- 2. Car allowance or company car Not all roles come with a car or car allowance but typically at management level and upwards, it will involve a lot of travel so companies may offer this benefit to make the package more attractive. If your business is not able to offer a car or car allowance scheme, it would be worth considering looking into a travel allowance scheme that supports the candidate in using public transport and travel reimbursements as many candidates at this level that have a high level of travel would expect financial support.

- 3. LTIP (long-term incentive plan) -
- Retaining talent is a hot topic right now with the difficulties in the candidate market so we are seeing more and more companies offer LTIPs to keep their talent engaged and motivated within their business. There's a wide variety of LTIPs a company can offer including stock options, discounted share schemes, retention bonuses or a combination of all schemes.
- 4. Pension Pension schemes differ massively from company to company, ranging from the new auto-enrolment pension schemes of 3% to matched, or even doubled matched pension schemes. You should take your employer's contribution to your pension into account when calculating your package.
- Private healthcare From personal to family cover, this is commonly part of a package in the UK market.
- 6. Holiday days Holiday allowance tends to be around 25 days + bank holidays as a standard. If it's less than that, it can become challenging to attract some talent. Some companies are now offering up to 5 days extra on top of the 25 days which can be 'bought' by the employee, or the ability to carry holiday over to the next holiday year. There is also a growing trend with companies offering unlimited holiday as the market is moving away from strict holiday day policies as a tool to attract talent.

HARD & SOFT BENEFITS

Soft benefits

Examples of soft benefits are free breakfast, gym membership and regular company social events.

There has been a big increase in companies offering soft benefits in their salary packages such as gym memberships, free breakfasts, and regular company social events. More positively, there is a trend in businesses using stand out in a competitive this to offer mental health and wellness market to attract talent" benefits such as disc-

ounts on massages, spa days, nutritional supplements and therapies which are now being viewed as an important part of packages by many candidates.

Soft benefits, while often not the deciding factor to candidates making a move, are an important part of any package. They are a company's opportunity to promote their working culture, and stand out in a competitive market to attract talent to their business.

Hard benefits

Examples of hard benefits are bonus schemes, equity schemes, pension, private healthcare and extended holidays.

Nearly all candidates respond well to pay incentives. It can motivate harder work, and be a critical tool in talent retention

particularly when using LTIPs and equity schemes. As mentioned,

these benefits can range from bonuses & company cars to equity schemes and other long-term incentive plans. All companies are different, and packages vary significantly across industries. While soft benefits are a great way to showcase your culture and remain competitive, ultimately, most candidates search for a competititive salary and hard benefits first when

Building a competitive package requires a combination of both hard and soft benefits, with consideration to the interests and requirements of your current talent and prospective future employees. While there are many reasons to move role, and many important factors to take into account, a competitive salary and strong benefits package is one of the most beneficial talent attraction and retention tools.

searching for a new role.

Something to think about: How inclusive is your benefits package?

"Soft benefits are an

opportunity to promote

working culture, and

Do your benefits encourage everyone to feel valued in your business equally? Can you flex your benefits package for individuals, based on their personal situations? Can you enhance your maternity/paternity policy to attract and retain more working parents? Can you allow those from different faiths to have floating leave days to celebrate various cultural & religious holidays? Can you offer flexible working schedules? Does your healthcare and sickness policy cover mental health? The list is endless, but any inclusive benefit you can offer will go some way to improving the diversity of your workforce. If you'd like to discuss this with us more, drop us a line!

FLEXIBLE WORKING - NOT JUST A PERK

The disruptions of the global labour market during the pandemic initiated huge changes to an outdated way of working. During the pandemic, we quickly adjusted to a new way of working, with offices closed and digital working behaviours normalised. Now offices are opening back up, flexible working has become a hot topic for HR as we are seeing employees maintaining the expectation for their business to offer a continued flexible working solution, often allowing employees to achieve a better desired work life balance. According to Future Forum research, 72% of surveyed participants stated they want a hybrid remote-office model moving forward and only 12% wanted to return to full-time office work. This is also reflected in the recruitment market, where some candidates are now considering whether they accept a job on the strength of the company's hybrid model.

What does a flexible working model look like?

Most companies are still defining a long-term policy for their flexible working model, so currently, we are seeing companies staying fluid regarding their policies. Nevertheless. when designing a flexible working model there are a few things to consider:

Flexibility on core working hours...

We are seeing the working environment moving away from a regimented schedule where everyone must work traditional hours. It is becoming more of an expectation for employees to have flexibility on when they start and finish their workdays in order to fit around their personal individual needs, with much more trust and autonomy over their schedules than previously seen.

Working from home days...

Since COVID, the flexible working model isn't just about when you work, but also where you work. There is a growing expectation in the market that companies need to offer flexibility on location and to work from home. Many people are not open to spending 5 days a week in the office, expecting a hybrid split. Being able to offer flexible workdays to suit individual needs can help to also create a much more inclusive and diverse workforce.

What is this trend saying about the future?

The ultimate goal of many is to allow people to work whenever from wherever and luckily, since COVID, many UK companies are now trying to offer more competitive working models to attract and retain talent.

Although there is a growing expectation for better flexible working, there are numerous challenges for a business to think about when implementing this flexibility, ranging from technology requirements, processes to ensure high levels of productivity from the remote locations, and adequate considerations in place to ensure continuity of company culture and onboarding of new employees.

Supply chain often works in a global environment, and often requires flexibility of hours to speak with international suppliers and stakeholders. Flexibility on core working hours and remote working can be a solution to ensure a work life balance, and is an attractive offering to many candidates.

ATTRACTING AND RETAINING TALENT

Attracting Talent - What's Key for Candidates?

It's more important than ever that businesses are doing everything possible to attract and retain top talent, when there's so much competition for top tier supply chain candidates in the market. We've identified some of the key elements of your recruitment processes we would recommend reviewing in order to remain as competitive as possible!

Employer Branding

To be an attractive offering to candidates, having a strong company brand with a clear appeal to candidates is key. Being able to discuss your business culture, mission and future plans are critical in building interest and engagement with candidates, and a poor interview process or employee experience can significantly negatively affect your recruitment process and ability to attract top talent.

Consider what your unique selling points are as a business, but also the selling points of your department and the role specifically. Make sure you can outline the company, the exciting elements of the role, and also the team culture and why candidates should be interested! Asking for feedback from current and past employees is also a good way to get an alternative perspective on your business and identify areas you can improve.

Documents to sell a role

When candidates first hear about an opportunity, it is usually in the form of an advert or job description. While adverts and JDs can be anywhere from a short summary to a large detailed document, we find that often companies will forego updating these for significant periods of time, often reusing legacy documents.

A well written JD and advert is crucial in attracting talent, and is a great chance to not only describe the role, but sell the opportunity and show your own individual branding.

Conversely, a poorly written JD can immediately be off-putting to many candidates, giving a bad first impression and dissuading from further exploring the opportunity.

A JD or advert should include information about the company, the role, and the details of the package in it's entirety; including any inclusive benefits such as flexible working or enhanced maternity/paternity leave. This can be a great opportunity to attract underrepresented talent as it shows you're a business who care about your staff. And yes, you should (almost always) put the salary in the job advert!

"Having a strong company brand with a clear appeal to candidates is key"

Recruitment & Interview Process

Before starting the hiring process for a role, you should ensure the entire interview process is clear at each stage. Being able to openly tell the candidate what stages the process consists of, interviewers being trained in conducting structured interviews (with pre-defined competency based questions to ensure everyone is assessed equally and fairly) and providing clear, detailed, timely feedback all contribute to providing a great candidate experience.

Furthermore, in a candidate-short market, keeping the process moving as quickly as possible is essential – candidates may go from having no interviews to multiple offers in a matter of weeks, and so processes must be undertaken as efficiently as possible!

Flexibility on requirements

Many companies begin a search with an extensive list of requirements that an individual must possess in order to be considered for a role. This often excludes a large amount of candidates immediately, narrowing down the candidate pool to a very small number of people. In our experience, the company then often has to reconsider these requirements in order to broaden the candidate pool at a later date, which not only slows down the time to hire, but also risks some of the ideal candidates being placed elsewhere in the interim, or losing interest after having been initially rejected.

When determining the specification needed for the role, you should consider:

- What experience is absolutely essential to the role and what can be trained?
- Are certain qualifications essential or can you be flexible on this to broaden your talent pool?
- What are the skill strengths and weaknesses in your team? Using your team's strengths for training purposes could give you further flexibility when hiring an external candidate.
- Can you be more flexible on the working hours/location of work in order to attract more diverse candidates from different backgrounds?
- Is there any flexibility on the salary and/or package for the right person?

Considering the firm requirements and flexible areas of a job description at the beginning of a process can significantly increase your talent pool, and get you someone started in your business sooner.

Reviewing Salary Benchmarks

Ultimately, whilst experience and process are very important, ensuring your salaries are competitive in the market is still critical to attracting – and retaining – top talent. With competition for rising talent and Supply Chain becoming a more critical function than ever before, now is the right time to review not only the salaries for external hires, but your teams internally. This can ensure you not only retain talent, but hire new talent at a competitive level.

ABOUT THE AUTHORS



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Declan is the Associate Director of our UK team, and has over 10 years' recruitment experience in Supply Chain and Procurement. He has a wealth of experience leading multi-hire projects and specialises in senior level procurement recruitment. Declan is responsible for the day-to-day running of the UK team.



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THANK YOU

Thank you for downloading the salary survey. We hope this has been useful information to you as an employer and/or as an employee. If you have any ideas for topics next year, general comments or if we can help you with a recruitment solution or new opportunity, please get in touch.