

FROM THE FOUNDING SPONSOR



Human Resource and Business Solutions

TSI Group is extremely pleased to partner with Canadian Transportation & Logistics, SCL and The Laurier Institute of Wilfrid Laurier University for the sixth consecutive year in co-sponsoring the most comprehensive industry specific survey of its kind in Canada, the salary survey of supply chain professionals.

The supply chain profession has continued its evolutionary progress toward corporate optimization, and continues to raise the bar towards excellence, thereby heightening its profile and importance within the corporation.

TSI Group is a full service provider of human resource and business solutions, as well as a provider of corporate training to the supply chain and logistics industry. We recognize the importance of supply chain excellence. We look forward to the results of this year's salary survey and to streamlining future surveys to meet the needs of the supply chain profession.

FROM THE SUPPORTING PARTNERS



Supply Chain & Logistics Canada (SCL) is pleased to be a partner in the delivery of this comprehensive study of logistics professionals. With a mission to advance the logistics and supply chain profession in Canada through communication and networking; education and training; and knowledge and leadership, SCL focuses on developing the skills of Canada's logisticians. The Association's research endeavours and highly rated educational programs cover many aspects of the supply chain, including human resource development.



A leader in executive and management development, The Laurier Institute is proud to be a supporter of the sixth annual Survey of the Canadian Logistics Professional. The Laurier Institute is affiliated with Wilfrid Laurier University's School of Business and Economics, one of Canada's largest business schools. As supply chain and logistics management transforms business practices by linking strategic planning with information technology and general management, The Laurier Institute is creating educational opportunities for professionals in this growing field.



in search of the perfect pr

By Lou Smyrlis

They say you if you really want to get to know a person, you've got to walk a mile in his shoes. To gain a deeper appreciation of the Canadian supply chain professional, for the past six years we've been performing the statistical equivalent - namely taking your measure with our annual 50-page questionnaire. After repeatedly asking you questions about such things as the types of responsibilities and size of budgets you handle, the challenges you face, and your satisfaction with your current job, the profile of the Canadian supply chain professional is becoming quite distinct.



After six years of research, a distinct picture of the Canadian logistics professional has been developed. There's good news, bad news and some contradictory trends.

In the conclusion of our report on the latest annual Survey of the Logistics Professional, we concentrate on drawing out this profile. (For a comprehensive look at pay and benefits packages, see Part I of our report in the January issue.)

First, the bad news: The previous year's survey noted, for the first time, a drop in satisfaction levels, which we measure on a five-point scale, with five indicating the highest level of satisfaction. In 2003, a tough year characterized by slumping pay packages and supply chain managers being asked to respond to a number of unexpected economic shocks, the job satisfaction level dropped to 3.6 compared to 3.7 in 2002 and 3.8 in 2001 and 2000.

2004 proved a much better year not only for the economy but the pocketbook of the average supply chain professional. Pay packages were on the increase again after two years of decline (As reported in the January issue, the average pay package rose to \$79,500.) But the job satisfaction level, although not getting any worse, did not get any better either, remaining at 3.6. The fact that almost 80% expected a salary increase but only 72% actually received one, likely played a role in creating a sour mood.

About 60% of you reported being either "satisfied" or "very satisfied" with your jobs, a slight (2%) improvement over the previous year but still below the peak level of 66% reported back in 2001. This holding pattern in job satisfaction levels was noted across most position levels, with the exception of executive managers whose average job satisfaction soared to 4.1.

Now the good news: An area of concern right from the survey's inception was the

annually noted increase in the functional areas of responsibility reported by our survey respondents, particularly when contrasted with the fact the size of their logistics teams was not getting any bigger. In 2004, however, there was a drop, albeit slight, in the number of supply chain professionals reporting they were expected to manage an increasing number of functional areas. And the average number of employees managed was back up to 10, after a drop in 2003. But with shipment volumes on the increase and supply chains expanding to new markets, this is not translating into a reduced workload. If you've been putting in a lot of hours on the job, you're not alone. The average supply chain manager is putting in about 50 hours per week, a slight increase from 49 hours the previous year. Those in executive management positions are working the longest at 52 hours, followed by senior managers at 51, line managers at 48, supervisors at 47 and support staff at 44. The pay is best in the 3PL sector but the hours are among the longest at an average of 50. Those of you working for the logistics departments of transportation companies are also putting in 50 hours a week on average, followed by retail at 49 and manufacturing at 48.

The core job functions remain transportation (78% of respondents); customs (52%), customer service (48%); warehousing/inventory control (50%) and purchasing (50%) but more than a third of respondents report also being involved with project management, training and development, demand planning and forecasting.

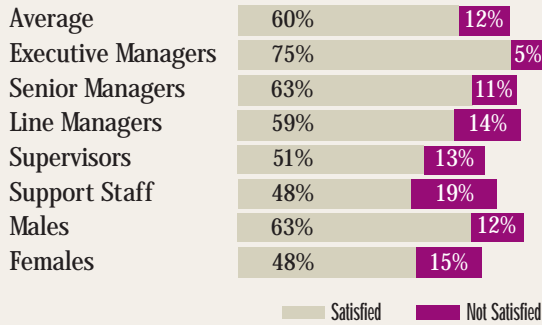
This year's survey also found some con-

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Part II

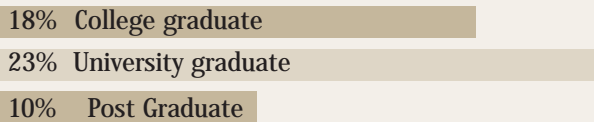
The "Average" Logistics Professional

| |
|---|
| Gender: Male (83%) |
| Average age: 45 years old |
| Years of logistics experience: 17 |
| Average no. of companies worked for: 4 |
| Average no. of years with current employer: 11 years |
| Average total compensation (base salary and bonus): \$79,500 |
| Education: 38% have attained bachelor's or higher degree |
| Training: 17% are currently enrolled in professional development |

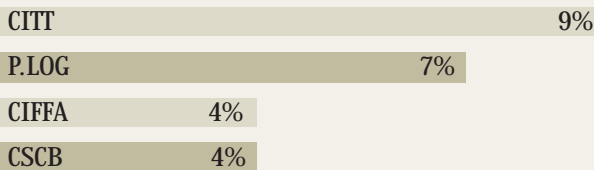
Job Satisfaction (% Satisfied)



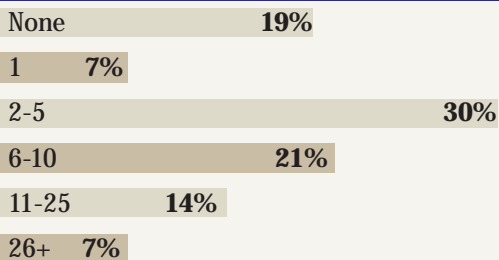
Education (Highest Level Attained)



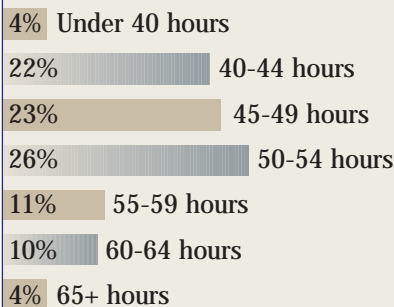
Top 4 Professional Designations Earned



Number of Employees Managed Directly



No. of Hours Worked During Typical Week



Average: 48 hours

flicting statistics that bear watching but may require a few more years of data to sort out.

One of the most heartening statistics gathered by our survey over the past six years is the growing importance of supply chain management as noted by the number of supply chain professionals with "manager" titles or better.

As one respondent wrote about his company's supply chain operation: "We are an integral part of the success or failure of the group. Without the logistics arm we would not serve our customers as successfully as we do."

Forty-four percent of respondents to the 2004 survey were considered managers, with another 15% holding director and vice president titles. Sixteen percent reported being within their company's executive management ranks; a third were considered senior managers and 23% were in line management.

Yet despite the success in turning supply chain into a management-level position at many companies, the battle is far from won. The comment from this respondent was reflective of a fair number of our respondents: "The role of logistics is very low in importance and at most is an afterthought in corporate strategy...the contribution of an effective and efficient supply chain operation is taken for granted and only receives attention when it fails to meet demand."

Also contradictory to the noted trend in supply chain becoming a management-level position is a decline in the number of respondents controlling their own budget. Last year's survey, for the first time in the survey's six-year history, found a drop in the number of respondents given responsibility for a budget. Only 56% reported managing a budget in 2003. That number improved slightly in 2004 to 57% but remains considerably below the 68% of you who had control over the logistics purse strings back in 2002.

Of those who do manage a budget, a third have less than one million to work with. Another 27% have \$1M-\$5M; 15% have \$5M-\$10M; 12% have \$10M-\$20M and 13% have logistics budgets over \$20M.

What's it take to succeed in supply chain management? It would seem success has more to do with the "soft skills", such as communication skills, than general business knowledge. Being results oriented topped the list of the top seven key competencies required for a supply chain manager, followed by being customer service oriented, having strong communication skills, being adept at creative problem solving, decision making, and leadership, and having strong team building abilities. Competencies such as business acumen and technical skill sets were ranked at the bottom of the list. **CT&L**

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Gender Differences

| | MALES | FEMALES |
|-----------------------|-------|---------|
| Age | 46% | 42% |
| University Degree | 19% | 14% |
| Post Graduate Degree | 10% | 8% |
| Years in Logistics | 18% | 13% |
| Manage Budget | 59% | 48% |
| Direct Reports | 11% | 7% |
| In Executive Mgt | 16% | 13% |
| Avg. Hours Worked | 50% | 46% |
| Satisfaction with Job | 3.7% | 3.4% |