



THE 2019 ANNUAL SURVEY OF THE CANADIAN SUPPLY CHAIN PROFESSIONAL



**SUPPLY
PROFESSIONAL**

BY MICHAEL POWER

ON THE RISE

THE PAST YEAR SAW A HEALTHY JUMP IN AVERAGE SALARIES, ACCORDING TO THE 2019 ANNUAL SURVEY OF THE CANADIAN SUPPLY CHAIN PROFESSIONAL

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FACT

76%

The total number of 2019 survey respondents who say the supply chain role in their organization has increased in influence with senior management

Salary by region

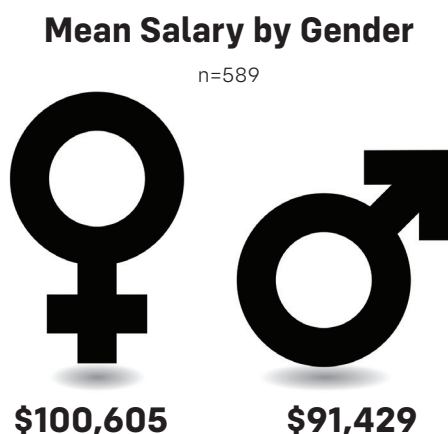


A LOT MORE EMPLOYERS ARE NOW ASKING FOR SUPPLY CHAIN TRAINING OR IF AN INDIVIDUAL IS ENROLLED IN A DESIGNATION PROGRAM/OR HAS THEIR DESIGNATION.

These are a few of the highlights from the 2019 Annual Survey of the Canadian Supply Chain Professional. Each year, Supply Professional magazine surveys readers about work-related topics including salary, job satisfaction, employment situation and organizational influence, along with challenges and trends in the field. This year, we've partnered with Supply Chain Canada for a more comprehensive look at the state of the field.

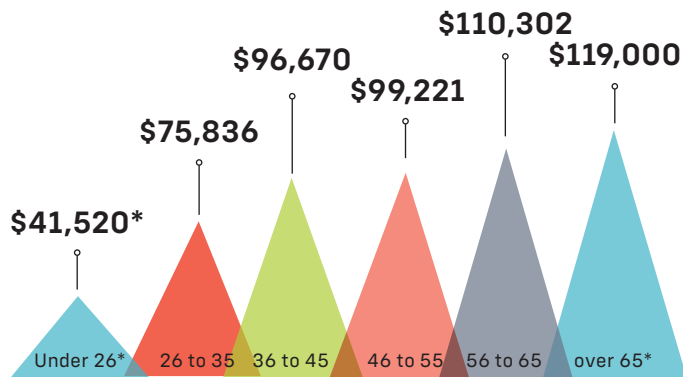
Among respondents, 41 per cent reported they had received a salary increase of 2 per cent or less, while 33 per cent had received a 2.1 to 4 per cent increase. Another 9 per cent gotten a

The gap between the reported earnings of male and female respondents closed slightly this year. Since Supply Professional began performing the survey, a consistent result has been that women report making less than their male counterparts.

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Another factor affecting earning potential

The number of survey respondents whose base salary increased in the past year.



*small sample size (<30) in 2019

YOU SAID

DRIVING TRANSFORMATION TO MOVE FROM TACTICAL COST SAVINGS TO BECOME A STRATEGIC BUSINESS PARTNER PROVIDING THE ORGANIZATION WITH COMPETITIVE ADVANTAGE IS KEY.

is education, with a higher education level generally translating into higher earnings. Also, every age range with an adequate sample size saw their earnings increase this year. Those with a trade/technical diploma earned \$87,273, up from last year's \$76,410. A college diploma meant an average salary of \$94,961, while those with a bachelor's degree saw a salary of \$96,821. At \$108,811, those with an MBA degree took home the most. Supply chain professionals with a university degree of any kind had an average salary of \$98,183.

SIZE MATTERS

The type of organization a respondent works at, along with its revenue and the number of employees, also affects how much supply chain professionals earn. Those working in the oil and gas extraction field earned the most this year, with an average salary of \$121,270. Those in the natural resources sector took home \$108,693. The trade/wholesale sector earned \$98,011 while those in public administration and manufacturing reported average salaries of \$94,461 and \$94,165, respectively. Those in the service industry earned \$92,632 while the construction sector saw an average salary of \$88,562. That's followed by educational services at \$87,130.

Those in supply chain looking for higher earnings would do well to join organizations with higher revenue, according to the survey. The highest earners in the field work for companies with revenues greater than \$1 billion, with an average salary of \$111,594. Supply chain professionals employed at organizations with revenues between \$51 million and \$1

Mean Salary by Company Revenue

n=589



Mean Salary by Education Level

BASE: All respondents

2019

High school or less	\$91,963
Trade/technical diploma	\$87,273
College diploma/CEGEP	\$94,961
Some university	\$98,099
University Bachelor's degree	\$96,821
MBA	\$108,811
Other Masters	*\$89,791
PhD	*n/a
Univ. Degree/MBA/Masters/PhD (Net)	\$98,142

*small sample size (<30) in 2019

Mean Salary by Type of Organization

BASE: All respondents

2019

Natural Resources (Net)	\$108,693
Service (Net)	\$92,632
Trade/Wholesale (Net)	\$98,011
Manufacturing	\$94,165
Public administration	\$94,461
Educational services	\$87,130
Utilities	\$101,154
Oil and gas extraction	\$121,270
Construction	\$88,562

billion earned \$102,038 while those working at organizations with revenues up to \$50 million took home an average salary of \$82,357.

The same pattern shows up regarding the number of people on a company's staff. With an average salary of \$101,198, the highest

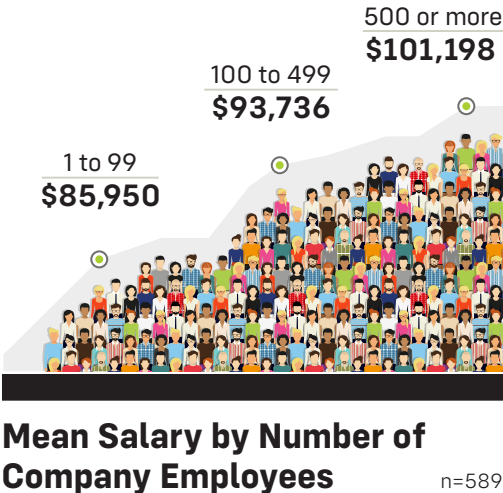
earners worked at organizations with 500 or more employees. Companies with 100 to 499 employees paid their supply chain professionals an average of \$93,736, while the average salary for those employed by companies with one to 99 employees was \$85,950.

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FACT

90%

The number of survey respondents who are Supply Chain Canada members that report being satisfied with their overall job.



YOU SAID

SUPPLY CHAIN PROFESSIONALS ARE REQUIRED TO BE AT A HIGHER LEVEL THAN EVER BEFORE IN TERMS OF NEGOTIATIONS, COLLABORATION, INFLUENCE, STRATEGY AND MARKETING.

THE TYPICAL RESPONDENT

This year, the average respondent is 45.8 years old—slightly younger compared to last year’s average age of 49.7—and works an average of 42 hours a week. They have 18 years of experience in supply chain and 8.4 years at their current companies. They have also been in their job an average of 5.8 years.

When it comes to job functions (respondents checked all that applied) 90 per cent said they worked in purchasing/procurement while 72

per cent said supply chain management. A total of 69 responded with vendor management, while 69 said strategic sourcing. Overall, 39 per cent work management positions, 32 per cent have a strategic position and 26 per cent are in operations/tactical. They each supervised five people. Fifty-six per cent of respondents were male, while 41 per cent were female.

Respondents also personally placed an estimated annual sourcing volume of \$29 million, while their departments placed \$69

million. Their departments’ average supply chain budget this year was \$80 million.

SATISFACTION RATES

The overall higher salaries this year appear to come with an overall high satisfaction level from respondents. A total of 90 per cent of respondents said they were very or somewhat satisfied with their jobs overall. Within that percentage, 33 per cent said they were very satisfied, while 57 per cent answered that they

Q.10 to Q.12 Years of experience...

BASE: All respondents	2019 Total n=456 Mean	2109 Supply Chain Canada n=456 Mean	2019 Non-Supply Chain Canada n=57 Mean
In supply chain	17.9	18.1	20.1
At your current company	8.4	8.3	11.9
In your current job	5.8	5.6	8.6

Q.14 Has influence at the C-level

BASE: All respondents	2019 Total n=611 %	2109 Supply Chain Canada n=456 %	2019 Non-Supply Chain Canada n=57 %
Yes, I am at the C-level	2	2	4
Yes, I have influence at the C-level	46	43	53
No, but I would like to have influence	29	30	19
No, I don't need to have influence	20	22	19
Don't know	3	3	4
NS/ REF	0	0	2

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FACT

\$108,693

The average salary for natural resources workers, the survey’s highest paid industry.

YOU SAID

THE PACE OF CHANGE AND ADOPTION OF SAAS PRODUCTS HAS MADE IT MUCH EASIER FOR SMALL COMPANIES TO START LEAPING FORWARD. HOWEVER, A LARGE NUMBER OF FORWARDERS ARE NOT MAKING THE LEAP AND ARE STILL STUCK ON DECADES OLD LEGACY SYSTEMS.

were somewhat satisfied. Another 8 per cent were not very satisfied and only 3 per cent said they were not at all satisfied.

Looking specifically at salary, 85 per cent of respondents were very/somewhat satisfied with their income. Among them, 27 per cent said they were very satisfied and 58 per cent were somewhat satisfied. Another 15 per cent reported being not very/not at all satisfied with their salaries. At the same time, 65 per cent agreed that their compensation level has kept up with their job responsibilities. Only 9 per cent strongly disagreed.

Along with their satisfaction regarding salary, the survey asked whether respondents felt their compensation level has kept up with their job responsibilities. Overall, 65 per cent agreed they had, with 20 per cent of those strongly agreeing. Thirty-one per cent disagreed and 9 per cent strongly disagreed.

Across several other areas, respondents reported high levels of satisfaction with their employment situation. For example, 92 per cent

said they were very/somewhat satisfied with their work/life balance, while 78 per cent said the same about the support they received for their career and professional development. As well, 87 per cent were very/somewhat satisfied with their benefits and 90 per cent were very/

somewhat satisfied with vacation time. A sense of job security is also high, since 89 per cent very/somewhat satisfied with how secure they were in their position.

As with previous years, the survey asked what the top supply chain issue respondents anticipated facing over the next 12 months. Cost control usually ranks as the top concern, with this year no exception. Overall, 25 per cent of respondents answered cost control as the main issue, with staffing issues second at 8 per cent. Risk management, capacity shortages, technology upgrades and reorganization each garnered 6 per cent while lack of internal support was the main issue for 5 per cent of respondents.

Through reaching out to Supply Professional readers and Supply Chain Canada members across the country, we surveyed 611 supply chain professionals. That provides a margin of error of plus or minus 4 per cent, 19 times out of 20. The survey was fielded online from June 4 to July 21, 2019. **SP**

Organization pays for...

BASE: All respondents

	2019 Total n=611 %	2109 Supply Chain Canada n=456 %	2019 Non-Supply Chain Canada n=57 %
Education courses and other continuing professional development	75	76	74
Membership in professional associations	74	78	60
Professional certification programs	62	65	56
None of these	15	13	21
NS/ REF	0	1	0

Gross base salary, that is, before taxes or other deductions

BASE: All respondents

	2019 Total n=611 %	2109 Supply Chain Canada n=456 %	2019 Non-Supply Chain Canada n=57 %
Less than \$50,000	4	4	4
\$50,000 to \$59,999	7	6	7
\$60,000 to \$69,999	10	11	7
\$70,000 to \$79,999	12	13	14
\$80,000 to \$89,999	22	23	23
\$90,000 to \$99,999	14	13	12
\$100,000 to \$119,999	9	10	9
\$120,000 to \$139,999	6	6	5
\$140,000 and higher	n/a	n/a	n/a
Prefer not to say	16	14	19



Mean Salary by Education Level

BASE: All respondents

	2019
Increased	58
Decreased	5
Remained the same	36
NS/ REF	2

TECHNOLOGY ADOPTION SURVEY SHEDS LIGHT ON CHALLENGES OF USING NEW TECHNOLOGY

Transformation has become a common pursuit among supply chains eager to adopt the latest technologies to help their organizations run smoother. Yet the tsunami of new technologies that are available can overwhelm to most experienced supply chain professionals. Organizations not only face challenges choosing among those technologies, but also various hurdles in implementation.

With this in mind, Supply Professional magazine asked about technology implementation and its challenges in our 2019 Annual Survey of the Canadian Supply Chain Professional. We surveyed respondents about the use of technology and digitization within their organizations.

According to the results, eight per cent of respondents said they're currently using artificial intelligence, while 16 per cent said they plan to use it within the next 12 months. Meanwhile, 74 per cent have no plans to use it.

When asked about robotic process automation (RPA), 13 per cent of respondents said they are

currently using it, and another 11 per cent plan to do so in the next 12 months. As well, 75 per cent have no plans to use it going forward.

When it comes to blockchain, 84 per cent have no plans to adopt the technology, while 10 per cent said they plan to do so in the next 12 months. A total of three per cent are currently using it.

The internet of things (IoT) is seeing a slightly higher number who plan to use the technology in the next 12 months, at 19 per cent. Another 12 per cent are using IoT, while 65 per cent have no plans to do so. At 61 per cent, cloud-based applications had the highest number of respondents who said they currently use it; 20 per cent said they planned to use it in the next 12 months, while 18 per cent said they had no plans to do so.

THE POWER OF BUZZWORDS

But many organizations currently using technologies like AI and blockchain may not be aware they're doing so, says Jon Trask, chief guru at Blockchain Guru. Some of those functionalities are embedded in software design without users knowing it's there unless they researched the system's architecture, he says. Google, for example, contains elements of AI.

"The Google search functionality uses natural language processing, and natural language

processing is a subset of artificial intelligence," Trask says.

Now that terms like "blockchain" and "artificial intelligence" have become buzzwords with a certain marketing hype attached to them, clients frequently ask him how they can get started using them in their organizations, as well as asking about the benefits, Trask says. "I've never had to do that in the past—I just select the technology that I put in a platform that I'm building," he says. "And if blockchain was the right technology, they would get it and they wouldn't know what's in there."

ADOPTION CHALLENGES

The survey also asked about challenges organizations faced when adopting technology, with 23 per cent of respondents saying a lack of strategic vision was their biggest challenge. Having no budget came in second, at 21 per cent while 15 per cent cited integration issues as their biggest challenge. Talent shortage (9 per cent), a lack of user buy-in (also 9 per cent) and lack of time (8 per cent) were the next largest hurdles.

He wasn't surprised by the number of respondents saying they lack strategic vision surrounding technology adoption, Trask says. But it's necessary to define what strategic vision means. For example, government organizations often have large documents outlining the system's intent. But with other organizations, practically any \$1 million implementation will have some type of paper or business case outlining what it hopes to accomplish. In many cases they may not share that with manager- or associate-level employees. "So, the company has it," he says. "The question is, are they sharing that?"

While not the case across the board, many Canadian organizations are innovative, early adopters of technology, Trask says. Particular companies and industries tend to be more innovative than

others, with Canada's oil fields having a global reputation for leadership in innovation. The country also tends to be innovative from a supply chain perspective, he notes.

In terms of advice for technology adoption, focus on what the system does rather than what the technology is, Trask counsels. Rather than adopting blockchain or AI, companies should look to adopt a tool that solves a business problem—evaluate the tool based on how well it solves that problem rather than the nature of the technology itself.

"Companies tend to put a lot of pressure on internal employees to make that evaluation," Trask says. "But work with good advisors that can help you evaluate the landscape. Especially if your company is demanding that you go evaluate blockchain as opposed to the merits of a blockchain system." **SP**

I JUST SELECT THE TECHNOLOGY THAT I PUT IN A PLATFORM THAT I'M BUILDING. AND IF BLOCKCHAIN WAS THE RIGHT TECHNOLOGY, THEY WOULD GET IT AND THEY WOULDN'T KNOW WHAT'S IN THERE

A WHOLE NEW WORLD

TRENDS IN THE WORLD OF SUPPLY CHAIN EMPLOYMENT

Supply chain professionals face myriad challenges in the contemporary employment field. The evolving world of business means they must learn new skills while altering and improving their job-hunting techniques. At the same time, organizations looking to hire must ensure they are doing what's needed to attract and retain the right talent.

To look at these and other supply chain employment trends, as well as to discuss the results of Supply Professional's 2019 Annual Survey of the Canadian Supply Chain Professional, we spoke with several procurement and supply chain experts. They weighed in on the survey results, employment trends and more.

The increase in the average supply chain salary this year to \$97,183 from last year's \$89,334 was a good sign for the industry, says Sean Naidu, business manager—procurement/purchasing at Hays Recruiting Experts Worldwide. Overall, the job market is busy with plenty of opportunities across the board in services and manufacturing, especially in Ontario. At the same time, many organizations are looking to reduce their number of employees while increasing efficiency with the staff they have, Naidu says.

Vacant positions are often at the buyer or senior buyer level, with candidates more able to jump from one industry to another for novel experience and exposure. "Gaining more exposure and confidence in working in different industries is something that a lot of people want to try to do versus just being in that one industry for say, 10 years," he says.

The importance of soft skills is also rising, Naidu notes, with the traits of communication and confidence increasingly important to hiring managers. The ability to influence, collaborate and work closely with stakeholders as well as think strategically are all important. While companies still need those with technical skills, strategic ability is increasingly a factor when making hiring decisions. "It's almost a balance of finding someone that has the transactional and the strategic ability," Naidu says.

The services area, and indirect procurement services specifically, are seeing more hiring, Naidu adds. Manufacturing and the public sector are also hot right now. Whatever the field, Naidu advises researching the company before applying and be targeted in your approach. As well, companies don't want candidates who apply to multiple business units in one organization.

"Know what you want to achieve in your career—what's the path you really want to get into," Naidu says. "If you get the call from the employer, are you able to sell your skill set as it applies to the job?"

GENDER PAY GAP

Looking at this year's salary survey, Neil Drew, director at Winchesters, a recruitment firm, highlighted the gap between salaries earned by men and women. Men reported earning \$100,605 while women reported earning \$91,429—a gap of 9 per cent. While that's a smaller difference than 2018, it shouldn't exist at all. "It has closed, but it's still a 9 per cent difference, and it shouldn't be," Drew says. "I've said it every year and I think we need to continue to say it every year. Why?"

A larger emphasis on supporting the new generation of female procurement and supply chain professionals may help to maintain the gains women have made in the field, he suggests.

The survey results show salaries increasing overall, and Drew notes he has seen the same trend. Small- to medium-sized enterprises (SMEs) are paying more and catching up to larger organizations, likely driven by

KNOW WHAT YOU WANT TO ACHIEVE IN YOUR CAREER— WHAT'S THE PATH YOU REALLY WANT TO GET INTO. IF YOU GET THE CALL FROM THE EMPLOYER, ARE YOU ABLE TO SELL YOUR SKILL SET AS IT APPLIES TO THE JOB?"

competition for the best candidates. In fact, the market is more candidate driven than it has been since the financial crisis in 2008.

Some employers are starting to invest in trying to hire the best talent, Drew says, which has pushed salaries up this year. Companies that have tried to hire staff at lower salary levels haven't seen the quality of candidates they want, especially in the hyper-competitive market in Toronto and its surrounding municipalities. As well, more investment in procurement and supply chain transformation has meant a booming job market, and therefore, competition for top talent, Drew adds.

"The first thing to do in a transformation is hire," Drew says. "We've always said that in procurement and supply chain, we've been a little behind some countries in Europe and the US. We seem to be really attacking it now. So, there seems to be in the couple of years a big influx of hiring and that leaves gaps elsewhere. Which means salaries have gone up to compete."

Regarding important skills in the field, Drew stressed the advisory, consultative role of procurement and supply chain to stakeholders, vendors and clients—strong communications skills will be necessary going forward.

"Systems are getting better, so administrative, operational functions will decrease," Drew says. "Technology and process implementation is big now, but once that's done, I think what will be left is an advisory approach and giving stakeholders a service to walk them through the process, versus just ordering some stuff and letting them know when it comes in."

RIISING SALARIES

It's heartening to see salaries rise in the survey over the previous year, says Sam Manna, specialty recruiting partner in supply chain and logistics, direct and indirect procurement, operations and planning at Horizon Recruitment. Practically every region and province saw an increase in the average salary, with the \$9,682 jump in Alberta perhaps due to recovery in the oil and gas sector. Also encouraging were increases in Atlantic Canada and Quebec, Manna says.

He agreed with others in the field that the supply chain job market holds plenty of

opportunity for candidates. Growth across most sectors makes it a candidates' market, with organizations fighting to attract top talent. The jump in average salaries for strategic positions (consultants' salaries jumped 22 per cent, for example) indicated the value placed on such positions and the importance of innovation.

Adapting to the times, thinking outside the box and embracing new technologies and ideas are characteristics supply chain professionals should hone to be successful, Manna says. "Those that are able to adapt are seeing it reflected in their salary and in the demand for candidates like themselves," he says.

One trend Manna sees is the rise of the cannabis industry and supply chain candidates looking for employment there. It's not so much the product that attracts them, Manna notes, but the opportunity to start on the ground floor of a new industry.

"It's also the challenges that go along with that as well, from building a supply chain from the bottom up, to putting in the contracts with the manufacturers, the producers, and then getting that out to market," Manna notes. "It's a challenge in so many different ways, from market penetration and from the industry, from the regulations and dealing with the different provincial guidelines as well."

BIG BANG TO SUPERNOVA

Tim Moore, owner and president of Tim Moore Associates, notes that it's important for companies to consider the attitudes and behaviours of different generations when searching for candidates, whether it's the Traditionalists (born before 1946), Boomers (1946 to 1964), Generation X (1965 to 1976), Millennials (1977 to 1997), or Generation Z (1995 to 2005).

While members of demographic groups

spanning 20-plus years won't all share the same behaviours and attitudes, Moore encourages companies to think openly and generationally to evolve and accommodate all age groups. Doing so helps employees of all generations grow, motivates them to stay while allowing employers to benefit from their unique skills and perspectives.

Through new technology and innovation, Moore sees the supply chain field expanding so much and so rapidly that there is a looming shortage of qualified candidates with the right academic credentials. With disruptive trends like AI, the Internet of Things, digital twins, blockchain and other innovations, the field will see a "big bang" of potential employment opportunities rather than technology wiping out jobs in the field.

"In reality it's gone supernova with expanded scope, far faster and further than we ever thought," Moore says.

With an aging workforce, supply chain managers are retiring faster than they're being replaced and there's not enough new supply chain talent to fill the gap, Moore notes. By some estimates, there are six roles to fill for every new graduate with supply chain skills. Now, he notes, supply chain practitioners need skills that include geopolitical savvy, corporate social responsibility, deep understanding of logistics and disruptive technologies and so-called soft skills like leadership, creativity, communication and collaboration. Meanwhile, business schools aren't keeping up with the demand for qualified teaching staff in the supply chain field.

"The qualifications are expanding as well," Moore notes. "You're getting fewer people and the ones we have must expand their qualifications for the job they're doing now."

With so many disruptive forces affecting supply chain, it's more important than ever that practitioners hone their skills and stay abreast of technology developments. However, it also affords opportunities to grow professionally, advance in the field and potentially earn more. It's a rewarding, if challenging, time for the field. **SP**