



NEW ZEALAND
**EMPLOYMENT
MARKET REPORT**

SALES

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Sales

The Market

Riding the record-breaking 2022 wave of consumer spending, the sales labour market was buoyant and busy. Business confidence in the early part of the year was high. As we ticked over into the new financial year, many organisations found themselves with higher sales targets and budgets. To be able to generate more activity, leverage existing clients and meet these targets, a preferred solution was to add headcount to internal teams. This often looked like two or three of the same front line position; typically Business Development Managers (BDMs) or Account Managers.

\$35.93b

New record high for New Zealand consumer spending in 2022 via the electronic payment network

Some flourishing industries ramped up even further post-COVID, for example, freight, all forms of online consumer retail, construction and healthcare. This led to increased demand for experienced sales professionals in any business in, or related to, these sectors. In contrast, real estate and property felt the pinch of economic pressures early on during 2022, and labour demand dropped off rapidly.

When the border reopened in the middle of the year, the possibility of overseas trade and expansion was back on the table, and with this came increasing requirements for experienced, mid-to-senior level sales professionals to lead the charge. However finding Sales Managers or Directors was difficult, supply was scarce, people already in these roles were happy with the status quo and looking to maintain stability. We saw little temporary or contract recruitment, with permanent hiring making up the bulk of activity.

The open border failed to make a positive impact on the supply of new candidates. Immigration has been an infrequent source of sales talent in the past, so employers were not rushing to use this channel to alleviate resourcing woes. We did see a large volume of international applications to advertised roles, but most did not possess the necessary visas to make the move to Aotearoa. Migration of experienced Kiwi sales people, heading overseas for new opportunities, was an issue.

Employers

The big wish list item for employers seeking sales talent was for a candidate who was a 'hunter'. This means someone not afraid to pick up the phone, chasing new business with dogged determination, driven by commission and the excitement of the win. However, this combination of attributes is rare and hard to find, and when a person has them, they are often harder to persuade to make a move.

New Zealand-obtained experience was seen as essential. However, attitude and mindset were generally what employers focused on, and the right combination would be enough to overlook shortfalls in other areas, including lack of specific product knowledge, which could be learned.

In this arena, smaller to mid-sized organisations who struggled to match the salaries offered by larger businesses adapted by squeezing out every dollar to add to the base salary and enhancing the total package, placing emphasis on benefits they could provide instead. Culture fit was a bigger concern for smaller companies than large, who were concerned about internal relationships and also how the new employee would connect and gel within their industry, and unique set of clients.

Aware of the talent shortage, employers continued the pattern of previous years, focusing on potential and transferable skills when recruiting, and then putting money and energy into training and upskilling new starters. Where offered, it was attractive to candidates looking for an 'in' into a particular role or industry. Overall, 2022 was a challenging year for employers who had long ago exhausted their networks of experienced sales people and were forced to adapt in order to meet resourcing needs.

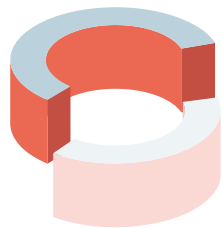


75%

of Sales employers said the size of their workforce increased in 2022

Job Seekers

It could almost be said that the job seeker sales market shrunk in 2022. It is not that there was no hiring activity; because there was. However we seldom saw experienced sales people walking through the metaphorical door, declaring they were looking for a new role. Most of the hiring occurred with 'semi-passive' candidates; they were definitely looking around, but would never make the first move. Mid and senior level career professionals were fully aware of shifting economic conditions, and if comfortable enough in their current role, would only move for a significant increase in salary and commission, a fantastically comprehensive benefits package, and/or if the offer came from a particularly high profile, prestigious New Zealand 'name' that would look great on their resume.



60%

of Sales job seekers expect a salary increase and/or a bonus in 2023/24

The factors that drove salespeople to consider other opportunities were, firstly, the chance to make a higher total salary. This means generous commission structures, without limits. Secondly, we might get interest in a vacancy from candidates who held the perception that growth opportunities were limited in their current position. A lack of autonomy and flexibility were also key drivers of movement. On the topic of flexibility, sales job seekers are aware that a different model is necessary, and are not asking for work-from-home. Instead, flexibility looks like being able to manage their own time, call and work cycles, and an organisation that is focused on results, rather than visibility. Candidates preferred to work in businesses who had adopted digital solutions; efficient CRMs, tablet sales on the road etc.

Tenure for senior roles remains at higher levels than we see in other industries; with the average sitting around three to four years. Junior level roles tend to have a much shorter tenure, around the 18 month mark.

The Year Ahead

With the potential for consumer spending to decrease in response to New Zealand's economic pressures, sales salaries may correspondingly stabilise. However the prediction is that commission structures will move to uncapped, rewarding those salespeople who can achieve success in a difficult market.

Organisations do not want to lose any hard-earned customers in 2023, and will focus energy and resources on maintaining relationships and their sales pipeline. Therefore, we expect to see an increase in the types of positions whose key accountabilities are the retention of customers, i.e. Account Management roles.

Given the known shortage of experienced sales professionals, in 2023 organisations may offer pay rises to match inflation (at minimum), in order to enhance retention and remove

the possibility of breath-takingly high turnover costs. Where replacement recruitment cannot be avoided, businesses with adequate budgets may offer sign-on bonuses to win the candidate of their choice, rather than lose them to competitors. All levels of sales professionals with New Zealand-earned experience will be in short supply, and sourcing and hiring will remain challenging over the year ahead.

Top reasons why Sales job seekers are considering a new job in 2023/24



More competitive salary/ total remuneration package



Better management style or team environment



Better company values or workplace culture

Sales Salary Guide

SALARY RANGE IN NZD \$'000s

ROLE	AUCKLAND		WELLINGTON		WAIKATO/BOP		WAIRARAPA		CHRISTCHURCH	
	Low	High	Low	High	Low	High	Low	High	Low	High
Sales Director	220	280	200	260	150	250	120	250	120	250
Sales Manager	130	180	120	180	120	150	100	150	100	170
Senior Account Manager	125	150	120	150	100	130	90	120	90	120
Key Account Manager	95	145	95	135	90	130	70	120	70	130
Customer Relationship Manager	95	130	90	130	90	110	75	110	75	125
Business Development Manager	80	145	90	140	85	130	75	120	80	120
Account Manager	75	100	70	95	80	95	70	90	70	110
Sales Coordinator	62	75	65	80	65	75	50	65	50	80



About Madison

Madison was established in 1998 and is a wholly owned subsidiary of the Accordant Group, New Zealand's largest recruitment company and the only in our industry to be listed on the NZX. We operate across seven key locations in Auckland Central, Auckland South East, Hamilton, Tauranga, Wairarapa, Wellington and Christchurch.

What We Do

Madison works across almost all industry sectors, with clients that range from small start-ups to global blue-chip corporates, large public sector and not-for-profit organisations. Our track record includes full-service recruitment covering temporary, permanent and contractor needs across the following sectors:

- Accounting, Banking, Finance and Insurance
- Business Support and Administration
- Business Transformation, Programme and Project Management
- Contact Centre and Customer Service
- Engineering
- Government and Policy
- Human Resources and Recruitment
- Industrial
- Marketing and Communications
- Procurement and Supply Chain
- Project and Volume
- Property and Construction
- Sales and Relationship Management

Within disciplines, we recruit for the full range of positions from entry-level through to executive appointments. Depending on our clients' needs, our recruiters will deliver an end-to-end solution or unbundle the recruitment process to supplement the expertise and resources you have in your organisation.

How We Do It

Because we have a broad focus, but we are staffed by specialist recruitment professionals, we're able to offer the combined benefits of breadth, reach and personalised, expert service. Collaboration, sharing, building a real relationship and true partnerships are what set us apart. Not only do we understand New Zealand, but we have been specifically built and grown for this market.

Support & Partnership

We offer specialist consulting services to support our client organisations' talent lifecycles. Some of the key services we deliver via workshop, training or coaching include:

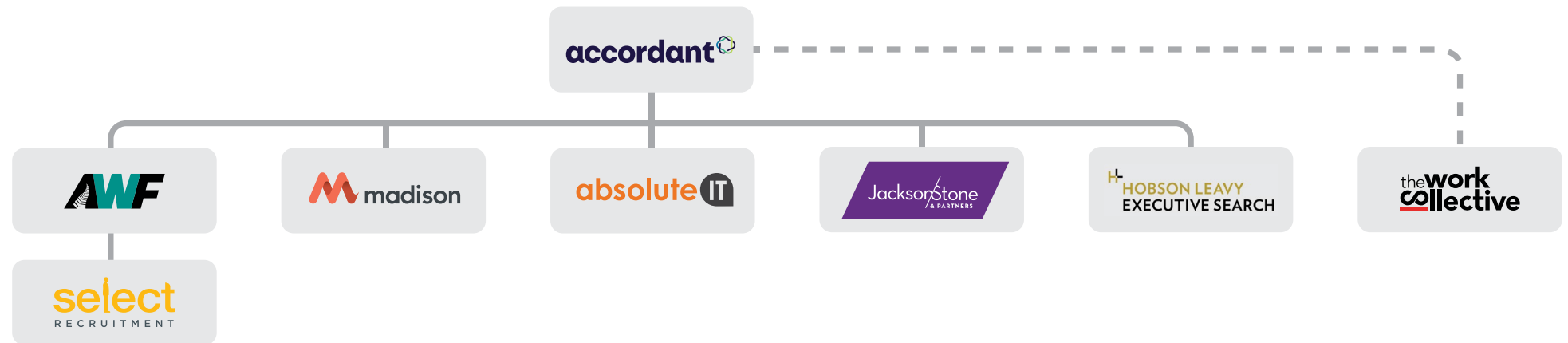
- Talent development
- Assessment centre design
- Outplacement services
- Psychometric profiling and skills testing
- High performance profiling



The Accordant Group

The Accordant Group is New Zealand's leading recruitment company and the only listed on the NZX. Within our stable we have five businesses, each of which holds an enviable position in their market, as well as The Work Collective, Accordant social employment initiative.

To find out more visit accordant.nz



Madison recruits temporary, contract and permanent staff for a broad range of clients in the commercial and government sectors.

JacksonStone & Partners is one of the most experienced executive search, recruitment and contracting agencies in New Zealand, covering all disciplines up to chief executive and board appointments across the private, public and not-for-profit sectors.

Absolute IT operates solely in the tech and digital market recruiting permanent and contract IT professionals.

Hobson Leavy is a retained executive search firm with an extensive track record in both the public and private sectors, successfully appointing some of New Zealand's most senior leaders at Board, CEO and Executive level.

AWF provides labour hire and recruitment services from 21 branches across the country including Select Recruitment in Dunedin.

The Work Collective is our social employment initiative, supported by each of our businesses, and focuses on helping people with barriers to employment find meaningful work opportunities.



To find out more about Madison and our services you can visit our website or call us on **0508 MADISON**.

madison.co.nz

For queries about this report, please contact **Christian Brown** (General Manager) on **09 303 4455**.

AUCKLAND

09 303 4455

Level 6, 51 Shortland Street,
Auckland CBD, Auckland

AUCKLAND SOUTH EAST

09 271 1152

Level 1, Building 5,
The Crossing, 60 Highbrook Drive,
East Tamaki, Auckland

HAMILTON

07 839 5660

Level 5, 127 Alexandra Street,
Hamilton

TAURANGA

07 834 0834

By appointment only

WAIRARAPA

06 370 2400

441 Queen Street,
Kuripuni, Masterton

WELLINGTON

04 499 8055

Level 9, Cnr Customhouse Quay &
Johnston Street, Wellington

CHRISTCHURCH

03 366 6226

Floor 4, 77 Hereford Street,
Christchurch