PANAYA
Making ERP Easy

2013 SAP SALARY SURVEY SUMMARY

SURVEY RESULTS AND EXECUTIVE SUMMARY

OCTOBER 2013

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SUMMARY

The earnings of an SAP professional depend on many variables, including his or her education level, experience, the location of the company they work for, and the industry they are in.

Published by Panaya for the third year, this survey will help you compare your compensation makeup to industry peers, better understand what drives compensation in this market, and get useful ideas for increasing your value.

Some of the key findings from this year's survey include:

- Median salaries are the **highest for those working for aerospace & defense, professional services, healthcare, and financial services companies**, while the lowest medians are for those working in public sector & education, logistics & transportation, and communications.

- The median salary of SAP professionals working for companies based in North America is **more than 25% higher than the median salary of those working for companies based in Europe and as much as 80% higher than those working for companies based in Latin America.**

- Higher education corresponds with higher earnings for SAP professionals. **The median salary for respondents with a doctoral degree is 21% higher than the median salary for those with a master's degree and 34% higher than the median salary for those with a bachelor's degree**.

- While the two most common types of changes in jobs noted by survey respondents in 2011 were tighter budgets (55%) and more competition (48%), the number of respondents citing these changes dropped dramatically in 2012. This year, the two most common types of changes were **more responsibilities (54%)** and having to **do more with fewer resources (50%).**

The uncertain economic environment continues to have a mixed impact on the earnings and forward-looking expectations of SAP professionals, though they tend to be more optimistic than in the past:

- **64% of the respondents reported an increase in their 2012 earnings compared to 2011,** continuing the trend of salary increases reported in past years**.** Salary increases were most common for SAP professionals working for companies based in North America (70%), while the fewest raises were reported in Europe (59%).
- Just over half of the respondents (52%) received a bonus in 2012. **The average bonus was 14% of total compensation**.
- **67% of the respondents are expecting an increase in their salaries this year**.
- At the same time, **42% of the respondents are somewhat concerned about their job stability, and 11% are very concerned about it,** a slight improvement over the rates reported in 2011**.** Concern over job stability is clearly higher among SAP professionals positioned in Latin America (48% somewhat concerned, 23% very concerned) and APAC (48% somewhat concerned, 13% very concerned) than it is in Europe (37% somewhat concerned, 9% very concerned) and North America (43% somewhat concerned, 8% very concerned).

METHODOLOGY

Survey results are based on 1,240 responses collected from SAP customers and system integrators worldwide through a standardized online questionnaire conducted in January 2013. Salary figures in this survey reflect the total annual compensation for each respondent, including bonuses.

All survey results are presented in US dollars. Salary data for some respondents was collected in Euros and GB Pounds and converted to US dollars at the respective rates of 1.35 dollars to the Euro and 1.60 dollars to one GBP.

ABOUT PANAYA

Panaya's Software as a Service (SaaS) solutions reduce project cost and risk by 50%-70%, by streamlining the way SAP ERP systems are upgraded, enhanced, maintained, tested, and rolled-out. Panaya's cloud-based, runtime technology simulates system changes in advance of their implementation, pinpointing what to test and accelerating how they are tested. For more information, visit www.panaya.com

COMPANY AND JOB CHARACTERISTICS

1,420 individuals completed the survey. The majority of the respondents (68%) come from companies that are SAP customers and run their own business on the SAP system, while 29% represent SAP-partner organizations (integrators) that help other companies implement SAP.
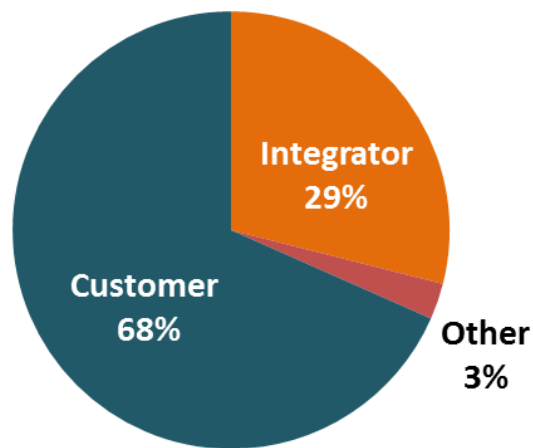

Figure 1: Customer vs. Integrator

Overall, the median salary for employees of SAP customers is 11% higher than the median salary of those working for SAP partners/integrators.
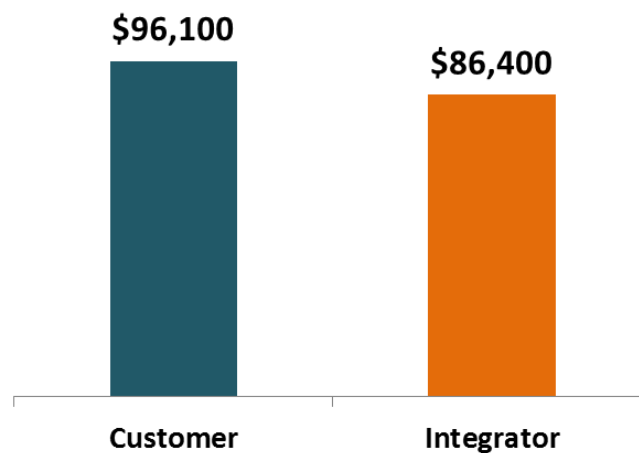

Figure 2: Median Salary - Customer vs. Integrator

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39% of the survey respondents work for companies based in Europe, while 31% work for companies in North America. 30% of the respondents work for companies based in other parts of the world.
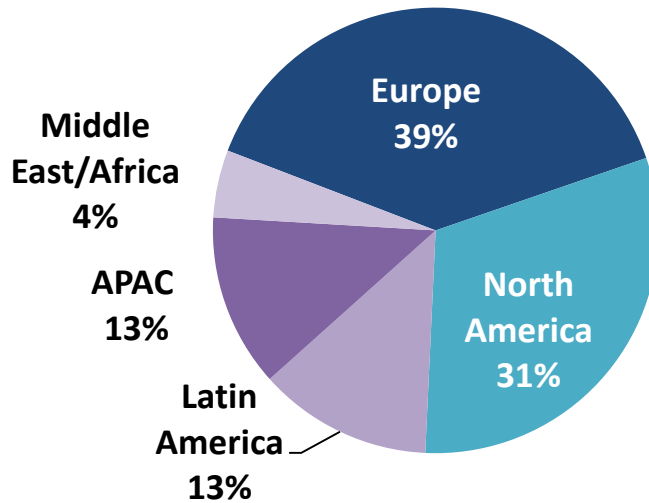

Figure 3: Company Headquarters Location

The median salary of SAP professionals working for companies based in North America is **10% higher than the median salary of those working for companies based in Europe and as much as 25-80% higher than those working for companies based in other parts of the world**.
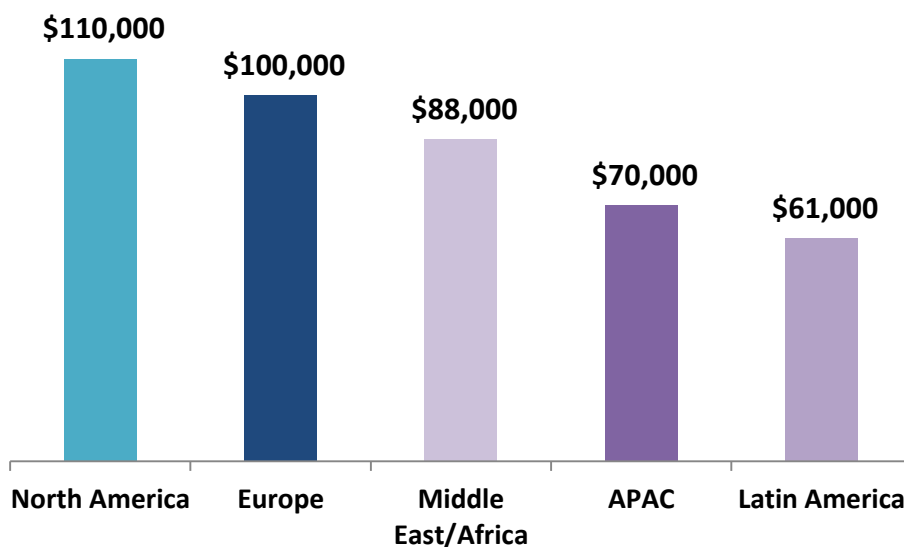

Figure 4: Median Salary by Headquarters Location

Survey respondents represent companies of all sizes. Almost one third of the respondents (31%) work for companies with revenues of less than half a billion dollars, while 30% work for companies with revenues of five billion dollars or more.
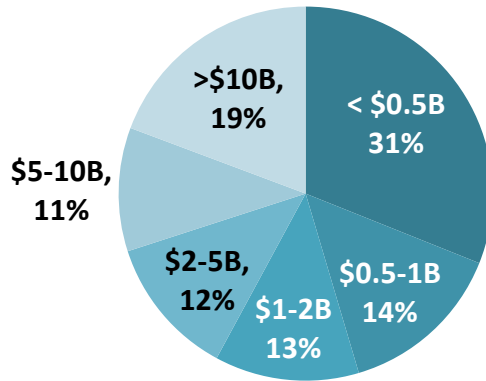

Figure 5: Company Revenues

Salaries of employees of SAP customers tend to be higher for those employed by companies with higher revenues, while salaries of partners and integrators are highest at companies with revenues below half a billion dollars.

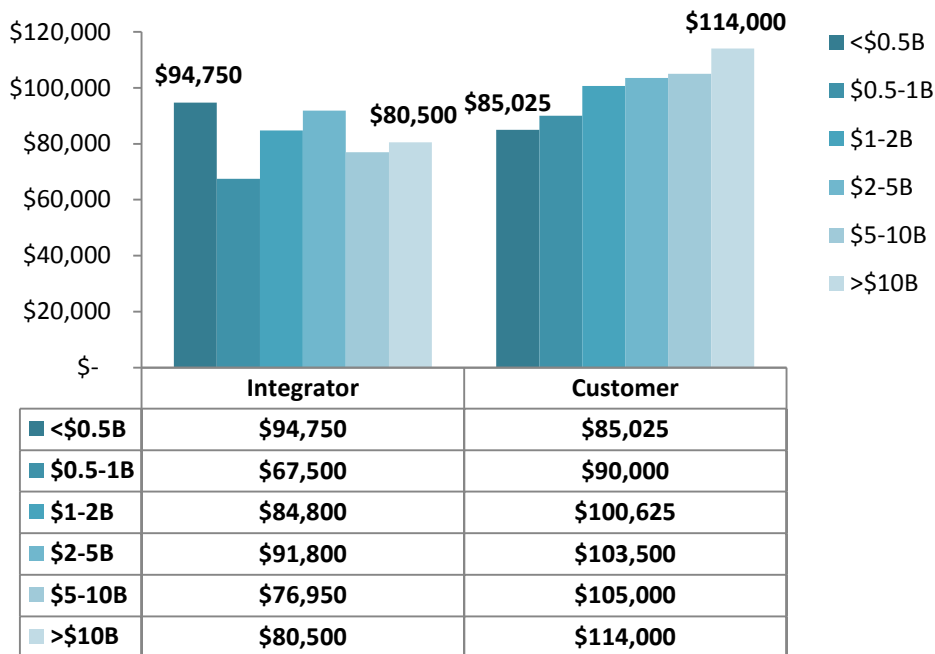|	Integrator	Customer
■ <$0.5B	$94,750	$85,025
■ $0.5-1B	$67,500	$90,000
■ $1-2B	$84,800	$100,625
■ $2-5B	$91,800	$103,500
■ $5-10B	$76,950	$105,000
■ >$10B	$80,500	$114,000

Figure 6: Median Salary by Company Revenues and SAP Relationships

Almost half of the respondents (44%) work in organizations employing more than 50 SAP professionals. 30% work for organizations with more than 100 SAP professionals.
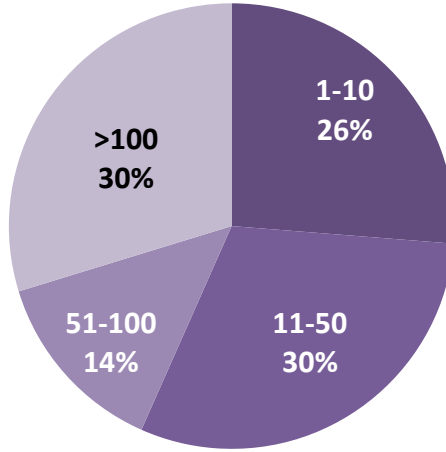
Figure 7: Number of SAP Professionals

For employees of SAP customers, salaries are highest at organizations with 51-100 SAP professionals, while salaries of partners and integrators are highest at organizations with 11-50 professionals.

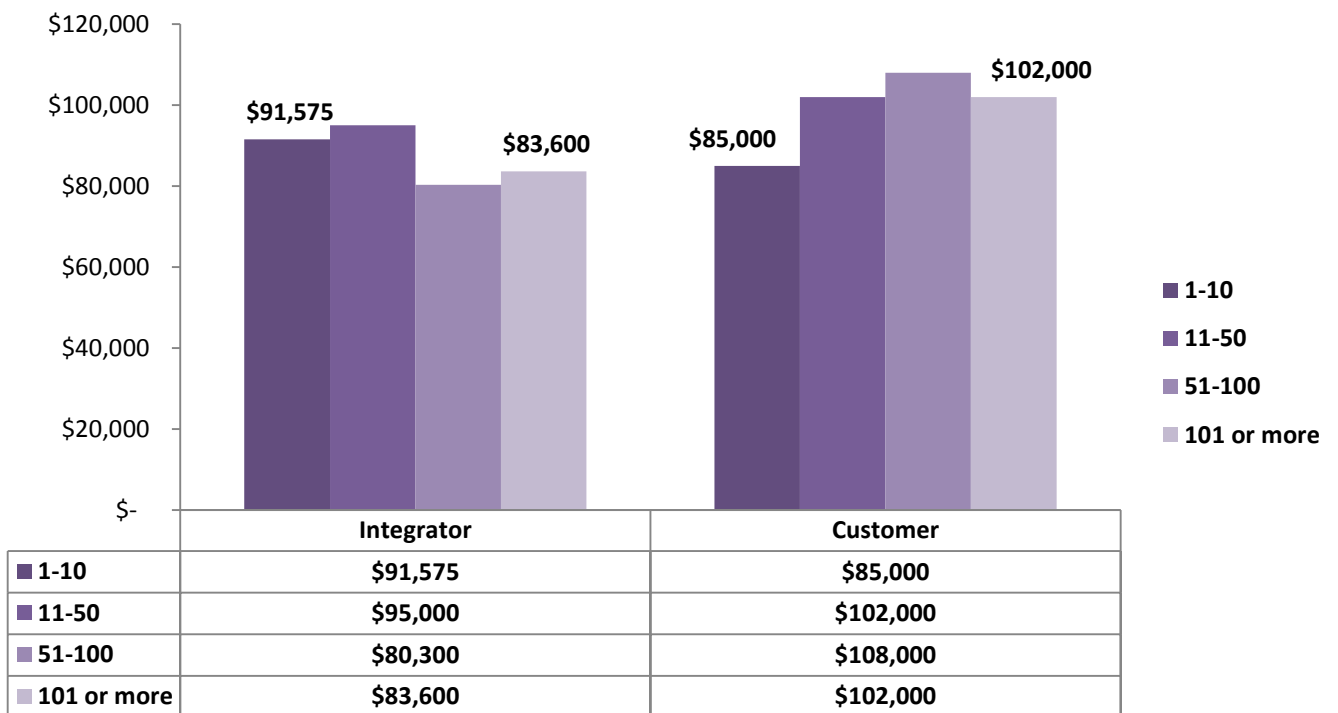|	Integrator	Customer
■ 1-10	$91,575	$85,000
■ 11-50	$95,000	$102,000
■ 51-100	$80,300	$108,000
■ 101 or more	$83,600	$102,000

Figure 8: Median Salary by Number of SAP Professionals and SAP Relationships

When looking at respondents' industries, **median salaries are the highest for those working for companies in aerospace & defense, professional services, healthcare, and financial services**. The lowest medians are for those working in the public sector & education, logistics & transportation, and communications.
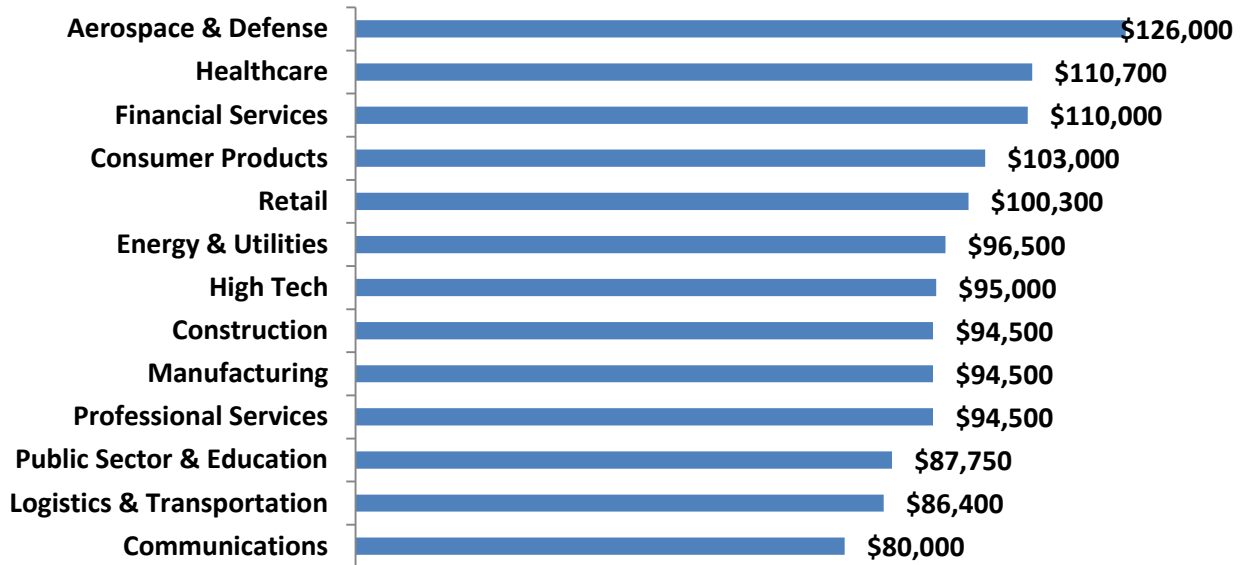
Industry	Median Salary
Aerospace & Defense	$126,000
Healthcare	$110,700
Financial Services	$110,000
Consumer Products	$103,000
Retail	$100,300
Energy & Utilities	$96,500
High Tech	$95,000
Construction	$94,500
Manufacturing	$94,500
Professional Services	$94,500
Public Sector & Education	$87,750
Logistics & Transportation	$86,400
Communications	$80,000

Figure 9: Median Salary by Industry

JOB FUNCTION, EXPERIENCE, GENDER, EDUCATION

As expected, professionals in director and manager positions earn the most, while SAP trainers have the lowest salaries. The median for the highest earning positions (CIO) is as much as 165% higher than the median for the lowest earning position (SAP Trainer).
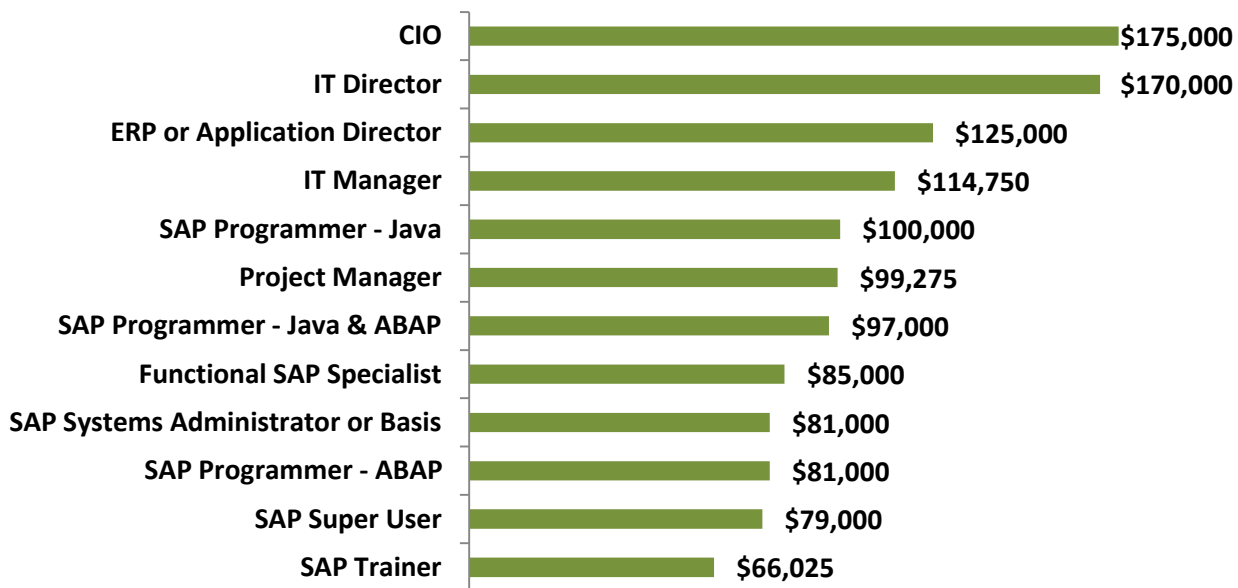
Job Function	Median Salary
CIO	$175,000
IT Director	$170,000
ERP or Application Director	$125,000
IT Manager	$114,750
SAP Programmer - Java	$100,000
Project Manager	$99,275
SAP Programmer - Java & ABAP	$97,000
Functional SAP Specialist	$85,000
SAP Systems Administrator or Basis	$81,000
SAP Programmer - ABAP	$81,000
SAP Super User	$79,000
SAP Trainer	$66,025

Figure 10: Median Salary by Job Function

Job experience plays a major role in determining salary levels. The median salary for **respondents with more than 10 years of experience is more than double (124% higher) than for those with 1-3 years of experience.**

Years of Experience	Median Salary
1-3 years	$53,500
4-6 years	$77,000
7-10 years	$88,000
More than 10 years	$120,000
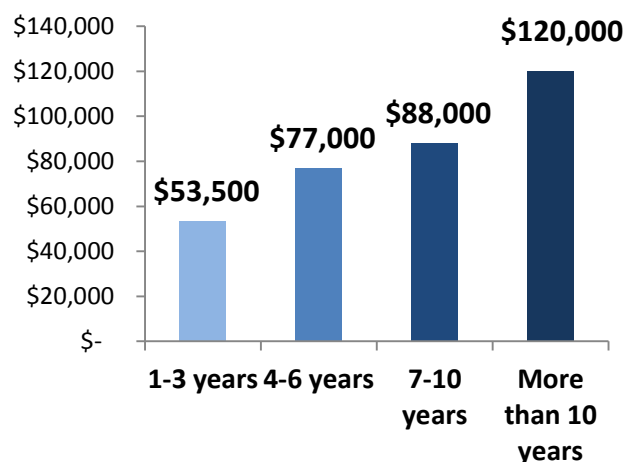
Figure 11: Median Salary by Years of Experience

The picture is slightly different for males and females as they progress through their careers. The median salary for female professionals starts out higher than men's, but once they reach seven or more years of experience the median salary for male professionals surpasses that of females.
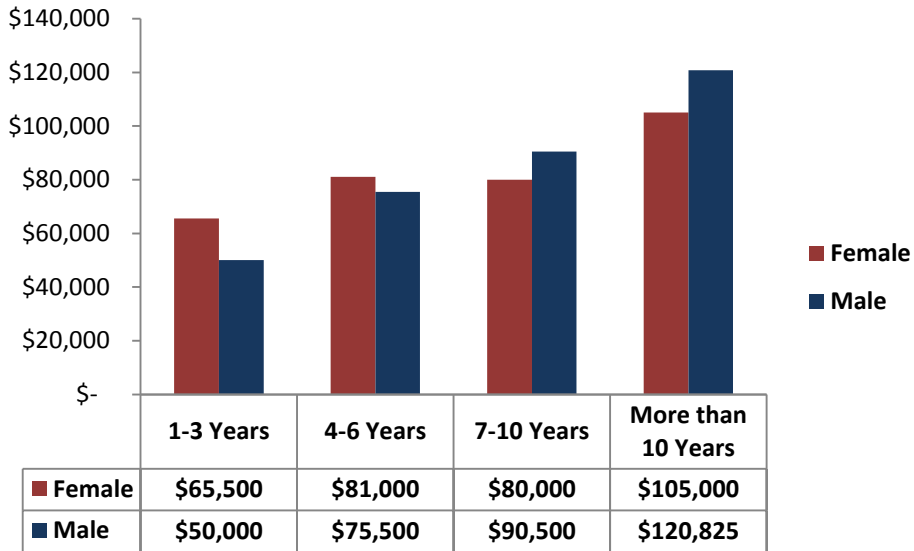
	1-3 Years	4-6 Years	7-10 Years	More than 10 Years
■ Female	$65,500	$81,000	$80,000	$105,000
■ Male	$50,000	$75,500	$90,500	$120,825

Figure 12: Median Salary by Experience and Gender

While women make up 19% of all respondents, they are underrepresented in leadership. Only 17% of Managers, 14% of Directors, and 15% of CIOs are women.
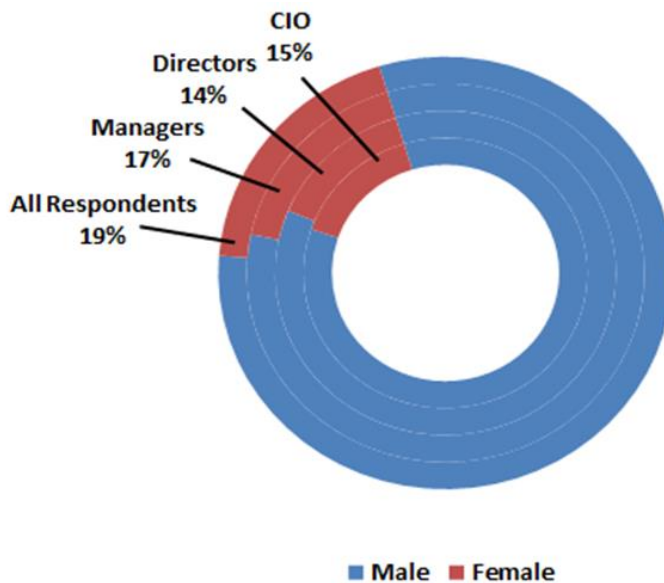
Figure 13: Women in Leadership Positions

With some exceptions, higher education corresponds with higher earnings for SAP professionals. **The median salary for respondents with a doctoral degree is 21% higher than the median salary for those with a master's degree and 34% higher than the median salary for those with a bachelor's degree**. Surprisingly, the median salary for those with only a high school diploma is 7% higher than the median salary of those whose highest education is a Bachelor's degree.
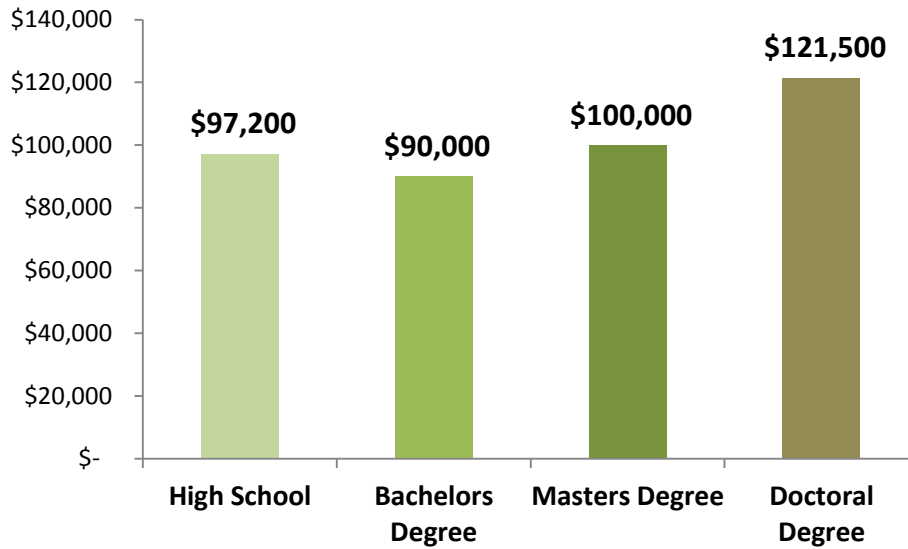
Figure 14: Median Salary by Education Level

SALARY MAKEUP, TRENDS, JOB STABILITY

Just over half of the respondents (52%) received a bonus in 2012. While the average bonus was 14%, most bonuses (65% of those that received one) fell in the 5-20% range**.**
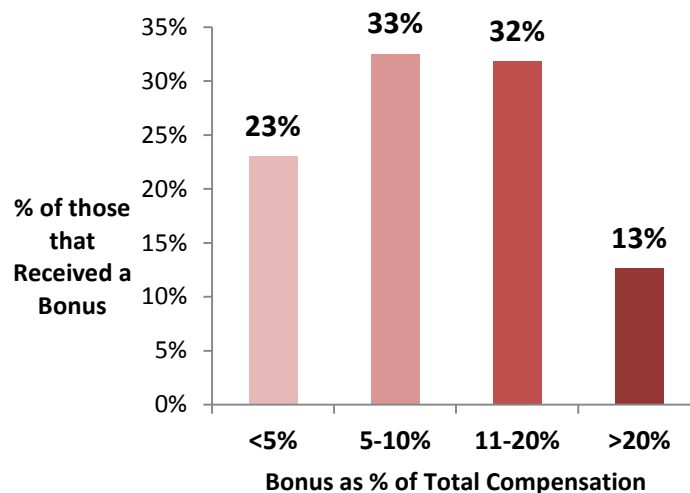
Figure 15: Bonus as percent of total compensation (only those that received a bonus)

64% of the respondents reported an increase in their earnings in 2012 compared to 2011, while 24% reported no change and 11% reported a reduction. **About half of the raises (33% of all responses) were less than 5%.**
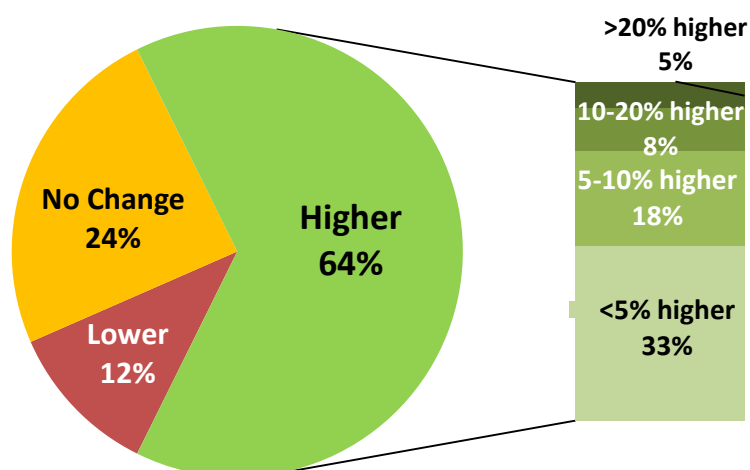
Figure 16: Change in Salary 2011 – 2012

Looking back at their actual 2012 compensation compared to their expectations at the beginning of the year, **more of the respondents were disappointed with lower earnings (26%) than those who were positively surprised to see higher earnings (19%)**, while a majority of the respondents (55%) ended up with earnings that were similar to their expectations.
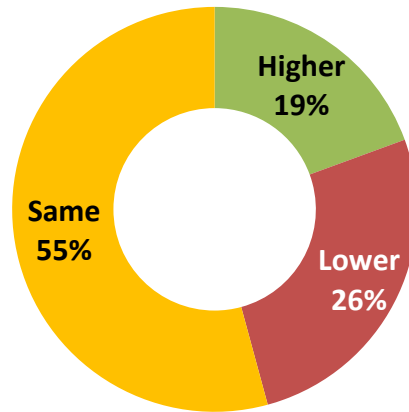
Figure 17: 2012 Earnings Compared to Expectations

Survey respondents expect to see their salaries continue to rise next year, projecting very similar rates of change for the coming year.
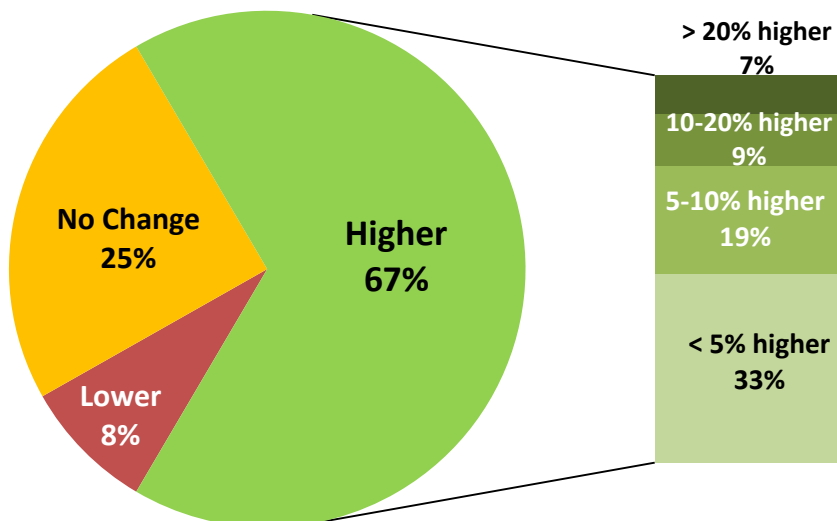
Figure 18: Expected Change in Salary 2012 – 2013

Salary increases were most common for SAP professionals working for companies based in North America (70%), while the fewest raises were reported in Europe (59%).
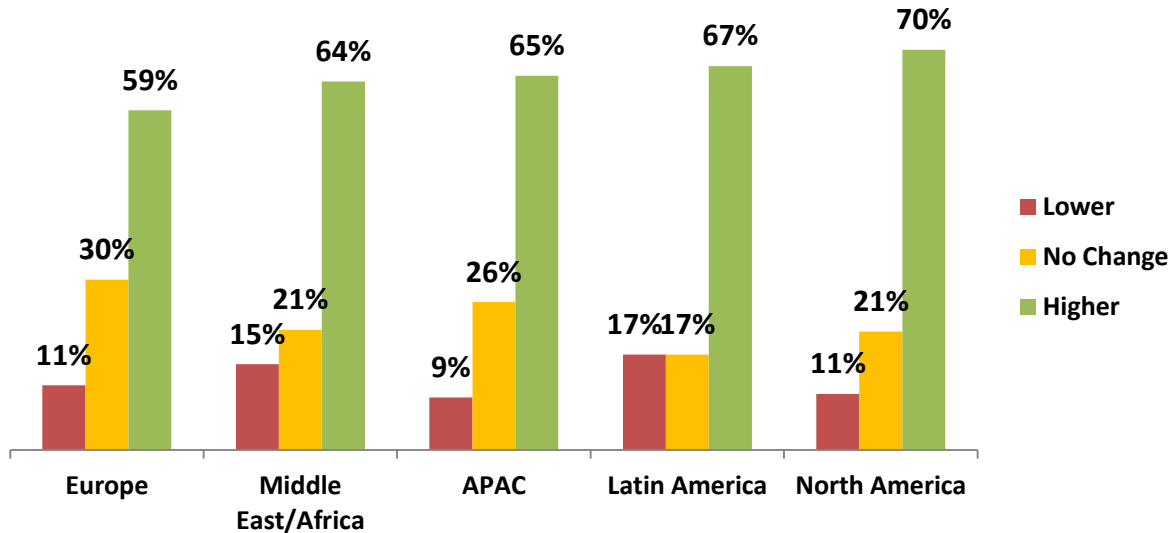
Figure 19: Change in Salary 2011-2012 by Company HQ Location

While the two most common job changes noted by survey respondents in 2011 were tighter budgets (55%) and more competition (48%), the number of respondents citing these changes dropped dramatically in 2012. This year, the two most common job changes were **more responsibilities (54%)** and having to **do more with fewer resources (50%)**.
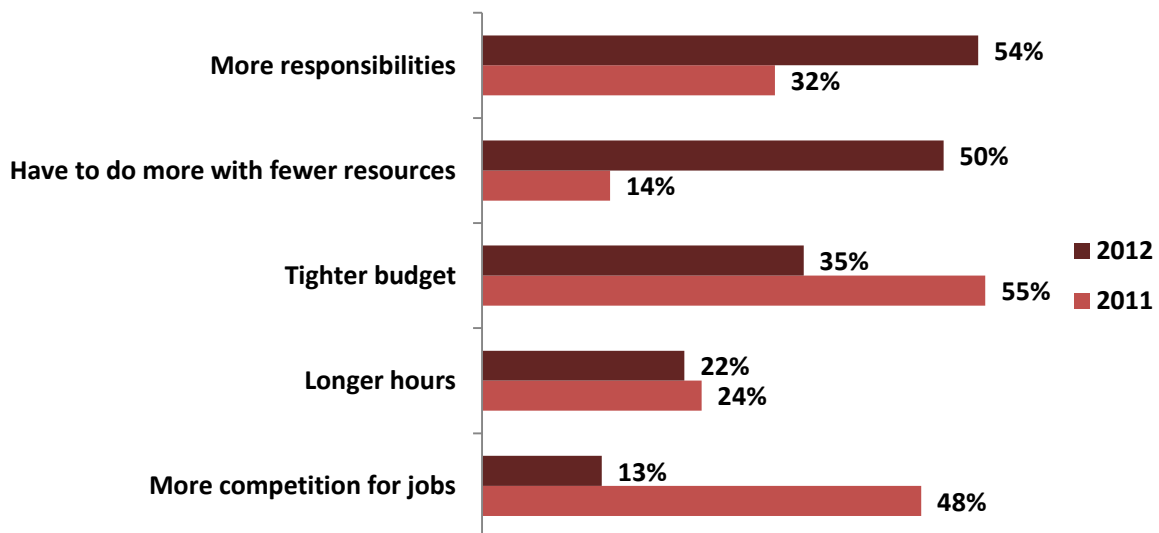
Figure 20: Notable Changes in Job in 2011 and 2012

42% of the respondents are somewhat concerned about their job stability, and 11% are very concerned about it, a slight improvement over the rates reported in 2011.
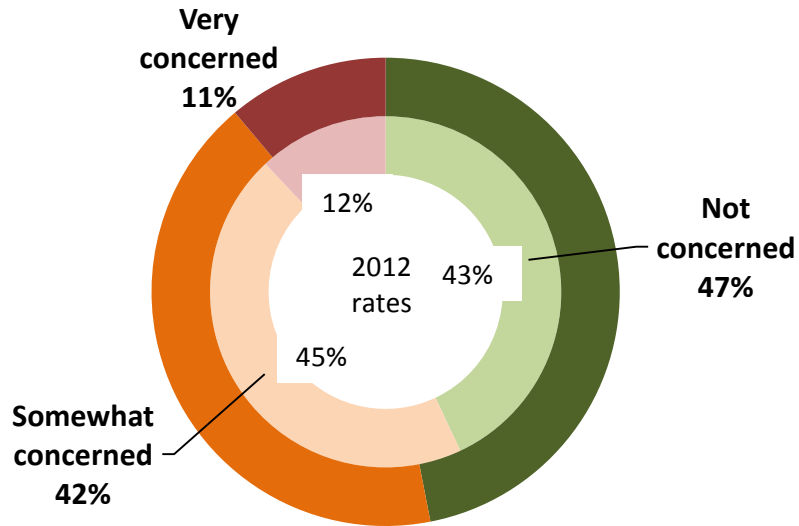

Figure 19: Concern about Job Stability by Job Location

Concern over job stability is clearly **higher among SAP professionals positioned in Latin America** (48% somewhat concerned, 23% very concerned) **and APAC** (48% somewhat concerned, 13% very concerned) than it is in Europe (37% somewhat concerned, 9% very concerned) and North America (43% somewhat concerned, 8% very concerned).
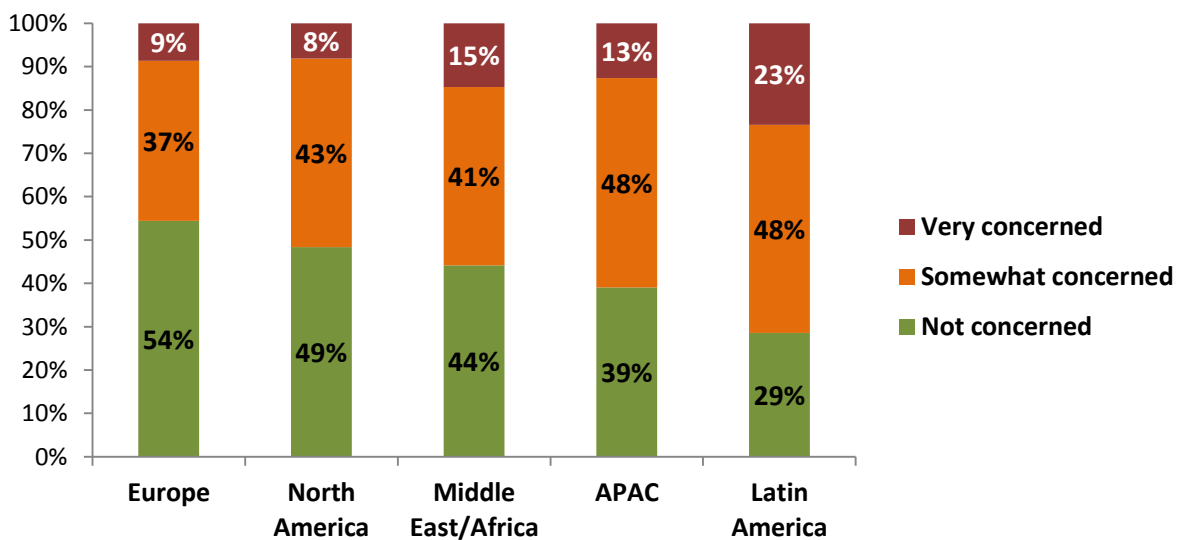

Figure 20: Concern about Job Stability by Job Location

ADVANCING YOUR CAREER AND MARKET VALUE

Our survey respondents have some insightful advice for advancing your SAP career:

1) Continue to learn and improve your skills
2) Increase your business knowledge
3) Improve your communication skills
4) Keep up to date with new technology
5) Develop expertise in specific areas

According to the respondents, the general skills most important for securing higher pay and additional job options are **project management (48%), business function expertise (35%), analytical (34%),** and **communication (33%) skills**.
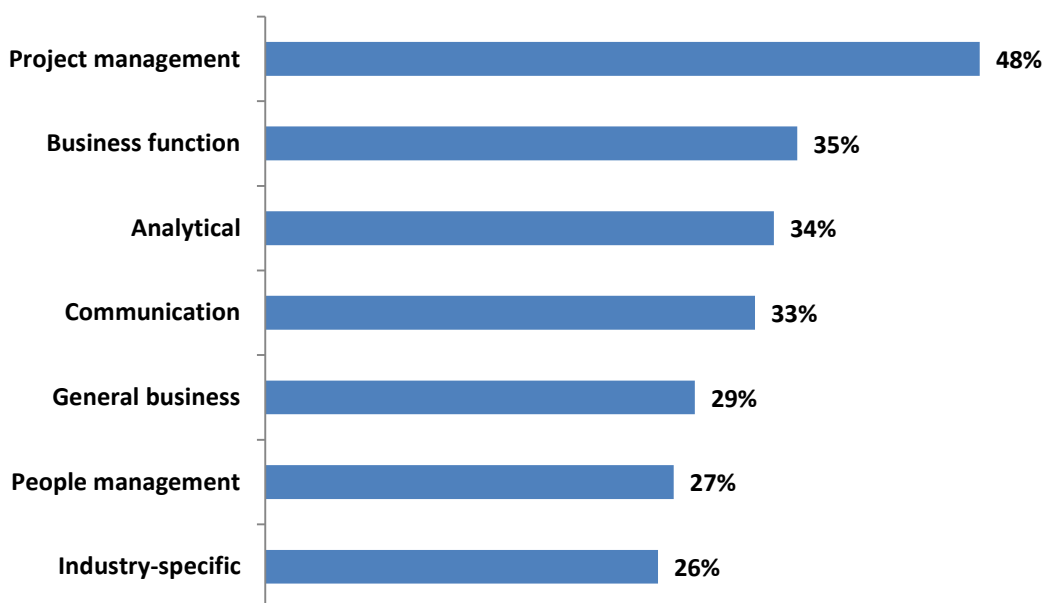

Figure 21: Most Important General Skills

The most valuable technology skills, according to survey respondents, are **mobile application development (41%), data visualization (40%),** and **cloud deployment and virtualization (31%).**
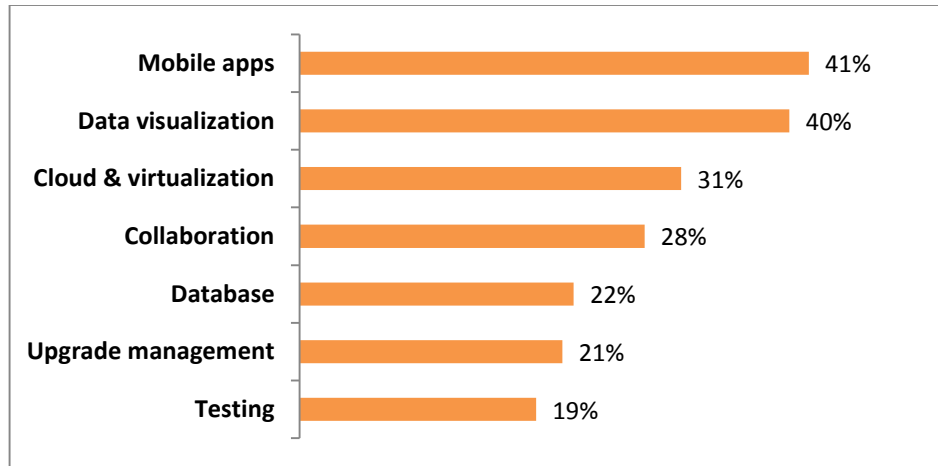

Figure 24: Most Important Technical Skills

In addition, the following SAP-specific skills are cited by respondents as the most valuable for increasing the market value of the SAP professional:

Top Skills named by SAP Systems Administrators and Basis and SAP Programmers - Java and/or ABAP
SAP ERP 6.0 Upgrade Skills
Enterprise Architecture/Integration Skills
Solution Manager Skills

Top Skills named by SAP Trainers, SAP Super Users, and Functional SAP Specialists
Business Suite Skills (CRM, PLM, SRM, or SCM)
SAP Business Objects and BI/BW Skills
SAP ERP 6.0 Upgrade Skills

Top 3 Skills named by IT Directors and Managers, Application Directors, and Project Managers
SAP Business Objects and BI/BW Skills
Business Suite Skills (CRM, PLM, SRM, or SCM)
SAP ERP 6.0 Upgrade Skills

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