



# TURNINGPOINT TALENT QUARTERLY REPORT

Q4 2014



# Executive Hiring Summary

## – San Diego, Orange County and Los Angeles

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Over the past 3 months, we conducted a variety of searches, across a number of industries and company structures. Our clients included B2B software, golf products, luxury travel and digital media, ranging from start up, pre-revenue businesses, to mature, \$200m+ companies celebrating 50 years in business. Among others, we recruited a VP Sales and Marketing, VP Marketing and Communications, a Marketing Strategist and an Inside Sales Professional.

As these searches demonstrated, the “war for great talent” is continuing to heat up. Our volume of outbound calls and emails to prospective candidates has been steadily rising since the end of 2013. According to a variety of recent surveys by LinkedIn, Careerbuilder and others, between 55% and 85% of employed professionals expect to change jobs in the next 12 months. While social media and the internet continue to streamline the sourcing process, our ability to successfully recruit top talent is directly correlated with our expertise in telling a compelling story, comprised of leading edge companies offering progressive and challenging positions

## Recent Trends

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As the economy continues to improve, and companies commit to expanding their employee ranks, the “A Players” are no longer content to change jobs for a lateral offer. On average, candidates are expecting – and receiving - a 12%-20% increase in base salary, as they move from one sales or marketing position to another. Additionally, the best candidates are not only weighing multiple offers, they are also receiving compelling counter offers. Just last month, one of our clients experienced this first hand as their lead candidate accepted a counter offer that not only provided a 25% increase in base pay – matching our client’s offer - but equity as well! As we dive into the 4th quarter, companies are looking to retain their best talent by offering year-end bonuses. Therefore, companies must be prepared to respond to requests from their final candidates to match the bonus they will be walking away from at year’s end. This is especially true for sales professionals.

Finally, our analysis of last quarter’s searches uncovered – or perhaps simply validated – an interesting trend. It is widely believed that long tenures are a thing of the past. Those in their 50s and 60s, are from an era where employees were expected to remain loyal to their employers for 10, 15 or 20 years. In turn, companies were expected to provide for their employees over the long haul, by way of annual merit increases, vacation pay and pensions. However, over the past 15 years, this expectation has waned. Today, the average tenure is only 4.6 years, according to the latest BLS statistics published September, 2014. Even more telling, the median tenure of workers ages 55 to 64 (10.4 years) was more than three times that of workers ages 25 to 34 years (3.0 years).

We recently conducted our own research, using data from our searches in Q3, in hopes of identifying local trends. We separated our data into two groups: those with 10-20 years of experience, and those with 20+ years. Our analysis further validated this notion of the diminishing tenure. Those sales and

marketing professionals with 10-20 years of experience, on average, stayed in their jobs for 3.15 years. The more seasoned professionals, those with 20+ years of experience, had average tenures that were 31% longer: 4.13 years. Interestingly, these numbers were consistent across different functions and industries: technology and hospitality, and marketing and sales.

We then reviewed these same categories, in order to identify an average salary for each group. The average salary for a Director or VP Sales & Marketing candidate with 10-20 years of experience was \$138,416; while the average for those with 20+ years of experience was 17% higher at \$162,750. Similarly, the average 10-20 year Director of VP Marketing candidate is earning a base of \$140,684, with their more senior counterparts earning 13% more at \$158,904. After identifying these trends, several recommendations and “calls to action” surfaced.

## Recommendations

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- In order to retain your top talent, spend time over the next quarter re-engaging your teams. Identify their biggest obstacles to accomplishing their goals, and discuss expectations, career goals and KPIs for 2015. Share your vision for the company and/or department, reassuring them that they are an integral part of your plan to grow.
- As you look to fill open positions, spend some time researching current salaries. If you haven't hired for the position or department in a few years, you may be surprised to find out the going rate has increased by 10%, 15% or 25%.
- Don't dismiss candidates with shorter tenures as unreliable or a “bad investment”. In many cases, each job change has equipped them with the skills and mindset you are seeking. And as the data proves, these shorter tenures are the new norm.
- Once you have extended an offer, spend some time talking to your candidate about responding to counter offers. They may dismiss it as highly unlikely, but it is imperative that you remind them of the reason they decided to give notice in the first place. Leaving a job is an emotional experience, and candidates can sometimes be overcome by a counter offer, as it makes them feel appreciated and acknowledged.

## Sample of Recent Searches

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Position: VP Sales & Marketing, Managing 2 Directors and a total team of 12; San Diego, CA

Industry: Technology – Software; Founded in 2000

Employee base: 70 employees / \$10m

Requirements: Minimum 10 years' experience; recent background in software and/or technology; recent experience building and managing a team of 5+; recent experience leading a sales and marketing team in a hyper growth, \$10-\$50m tech company

Compensation: \$200k base, 50% commission, equity

Position: VP Marketing & Communications, Managing a team of 14; Los Angeles, CA

Industry: Hospitality – Luxury Travel; Founded in 1985

Employee base / Revenue: 150 employees / \$150m

Requirements: Minimum 10 years' experience; recent background in hospitality, travel or luxury goods; recent experience building and managing a team of 10+; recent experience building, leading and developing a "best in class" marketing, branding and communications team; direct experience managing outsourced marketing and digital assets

Compensation: \$160k base, 25% bonus

Position: Marketing Strategist: San Diego, CA

Industry: Digital Agency; Founded in 2011

Employee base / Revenue: 5 employees / \$3m

Requirements: Minimum 3 years' experience as a marketing professional, ideally in an agency setting; solid grasp of digital marketing, social media and PPC

Compensation: \$48k base

## Company Information

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TurningPoint Executive Search

3460 Marron Road, #103-351, Oceanside, CA 92056

(760) 434-5401

[www.turningpointsearch.net](http://www.turningpointsearch.net)

