

Fuelling Sales Talent

Who Pays To Fill Up?

Paul Brent, *Financial Post*

Published: Wednesday, July 02, 2008



KAREN BLEIER, AFP, GETTY IMAGES FILE PHOTO

Companies may not be thinking about the effect of spiralling fuel prices on their employees' pocketbooks, but all-time high gas prices are certainly top of mind for Canada's road warriors, those outside salespeople who work and live in their cars.

Hellen Alatzakis, who does directory sales with a Toronto company and racks up about 400 kilometres a week on sales calls, said employers have not yet come to terms with the fiscal reality of

\$1.35 a litre gas (\$1.50 for her German-made car). She says money paid out by her employer for driving expenses still covers her fuel but that's probably not the case for some of her co-workers with bigger territories.

Since gas prices started spiking, Ms. Alatzakis has gone on job interviews, but she has found companies are clearly flat-footed on the issue of expenses. "One company could barely tell me the territory I would be working in," she recalled. "Another one that I went on, didn't have a firm idea of what it would offer either" concerning expenses.

Her current employer, which pays salespeople a monthly auto stipend, has not increased auto-related compensation in the face of higher gas prices, although Ms. Alatzakis said her sales manager has hinted changes may be coming.

In an era of sky-high gas prices, an up-to-date auto expense plan just might become the next recruiting tool for good salespeople. A recent survey of 600 sales professionals has found that companies with outside sales teams must offer auto compensation that factors in today's fuel prices, or their employees will do it for them. The survey conducted by Toronto sales recruitment firm LeapJob revealed two-thirds of companies have not modified car expense plans in the past two years, while gas prices have risen to a June average of \$1.31 a litre from 94¢. Travelling salespeople, however, are adjusting to the unofficial cut in their compensation by visiting clients less, usually without the knowledge or consent of management.

"All of these companies are expecting their sales reps to do prospecting, walk-ins and customer visits 80% of the time and they are probably spending another third of their time behind the windshield of their car going from one end of the city to the other," said Jeremy Miller, a LeapJob partner. "It's wasted time, and expensive time at \$1.40 a litre." Sales staff may be spending as much "face time" as ever with their most valued clients, but are cutting back on visits with less lucrative customers or trying to service them over the telephone or with e-mail, he said. As well,

they are increasingly resisting management requests for regular trips in to the office.

Employers, for the most part, have not figured out that improved auto expenses are becoming important among road warriors, but they will, Mr. Miller said. "It will come out in the recruiting, when everyone that they try to hire will say, 'No, your plan is too low,' or secondarily their salespeople start squawking a lot."

Key findings of the survey include: More than half of respondents (53.5%) are decreasing the number of trips or sales calls they make; 61% said sales fuel costs will influence the purchase of their next vehicle; 65% of companies have not increased their mileage or car allowances in the past two years; and three quarters said car allowance or mileage will be "an important component of compensation" during negotiations for their next job.

fpworking@nationalpost.com