

Paying Competitively: Why it's Crucial, and Why it's Difficult

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Market data: Why it matters

- Attracting, retaining, and motivating talent isn't only about pay
- But it sure has a lot to do with pay
- Paying too much is a problem, and paying too little is a problem
- But: Measuring labor markets is easier said than done

Gathering market data

- The problem: employers need to know how the market values labor
- But: employers sharing pay information directly between themselves is both
 - *impractical*
 - *and illegal*

U.S. Compensation Survey

Safe Harbor Guidelines

- Issued by U.S. Department of Commerce
- Independent third party data collector only
- Historical data collection only
- Aggregate data presentation only

An independent third party

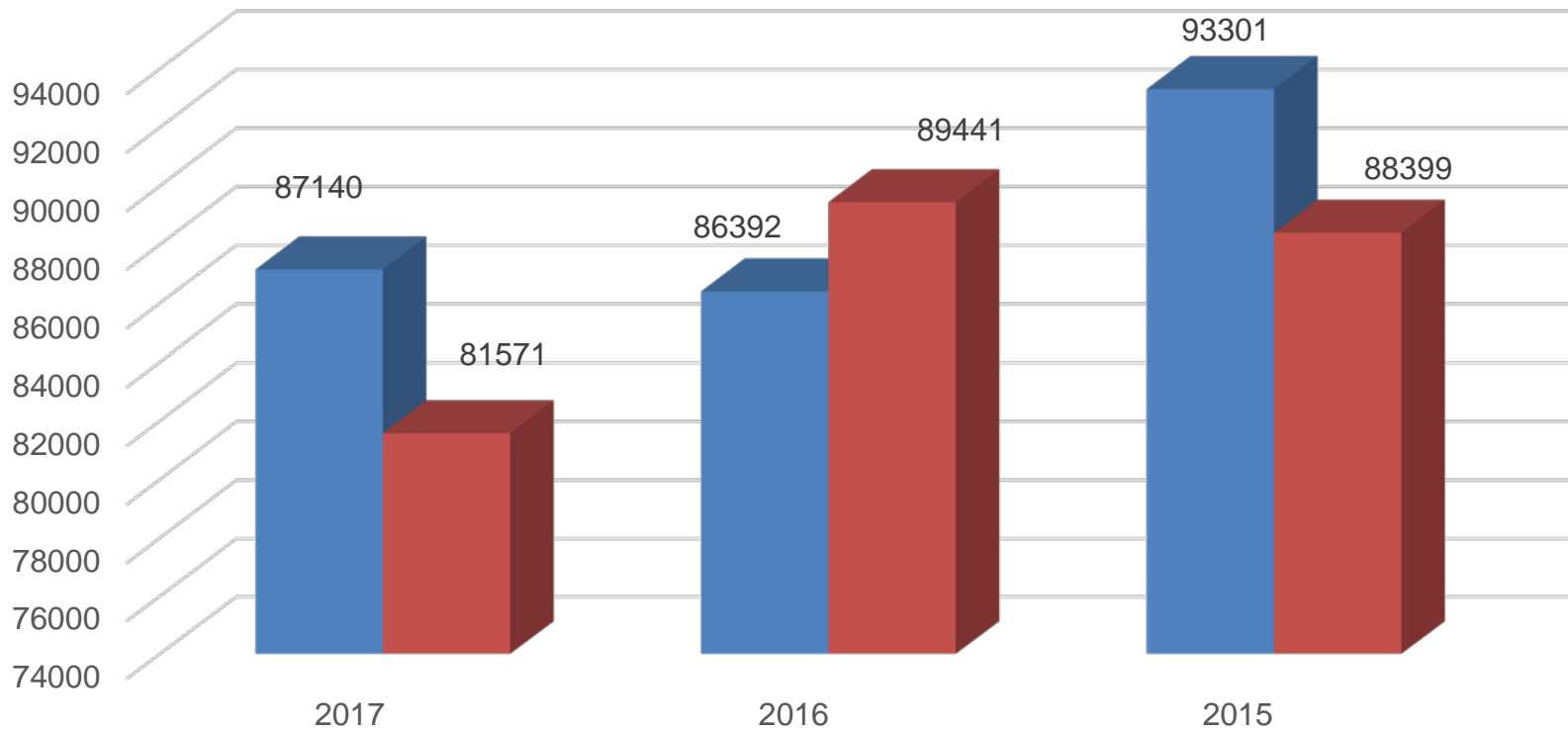
- Western Management Group
- A “survey house”
- In operation since 1972
- Conduct multiple surveys in many industries and many countries
- Including the wine/grape industry

Two wine/grape industry surveys

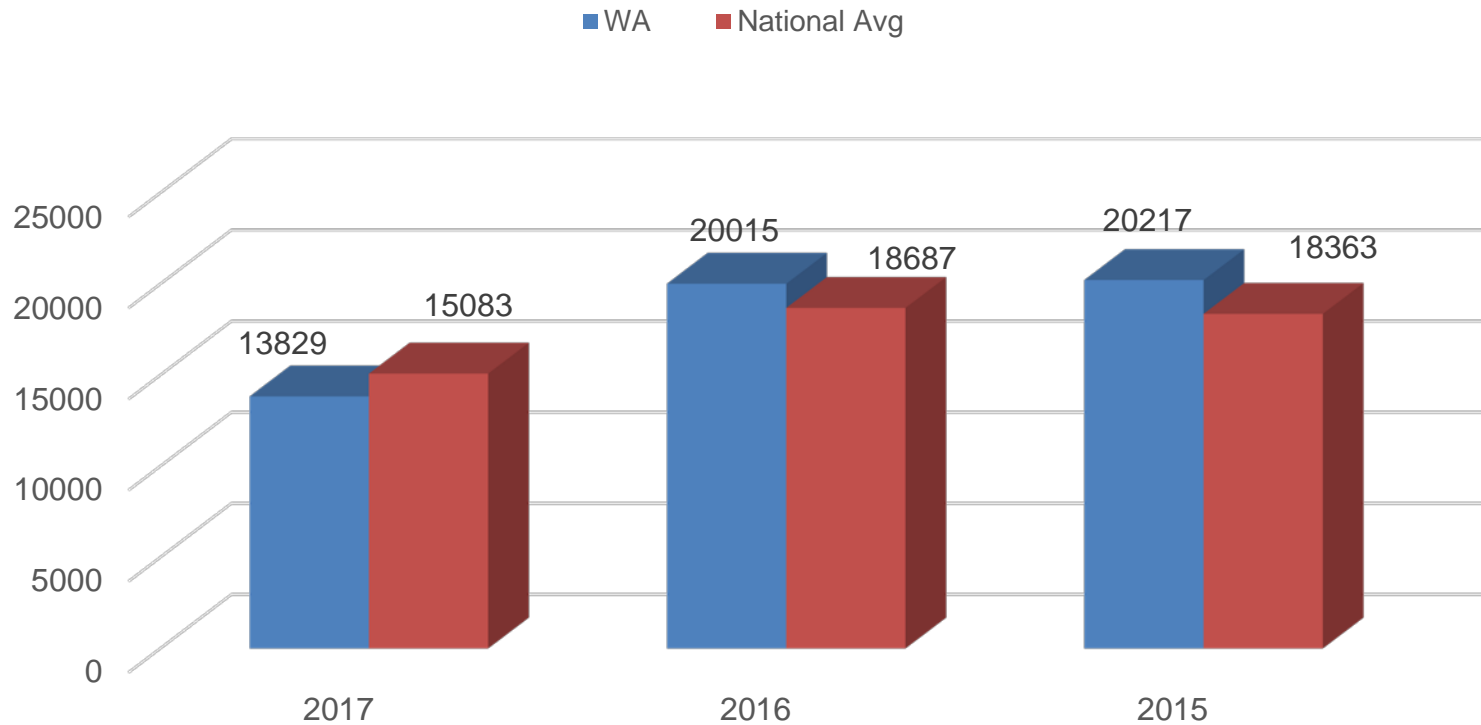
- The WMG Wine Industry Comp. Survey
 - *250+ jobs, 16 data elements*
- The Wine Business Monthly/WMG Winery Survey
 - *6 jobs, 2 data elements*
 - Winemaker
 - Vineyard Manager
 - Tasting Room Manager
 - Wine Club Manager
 - Sales Manager
 - Office Manager

Winemaker - Base Pay

■ WA ■ National Avg



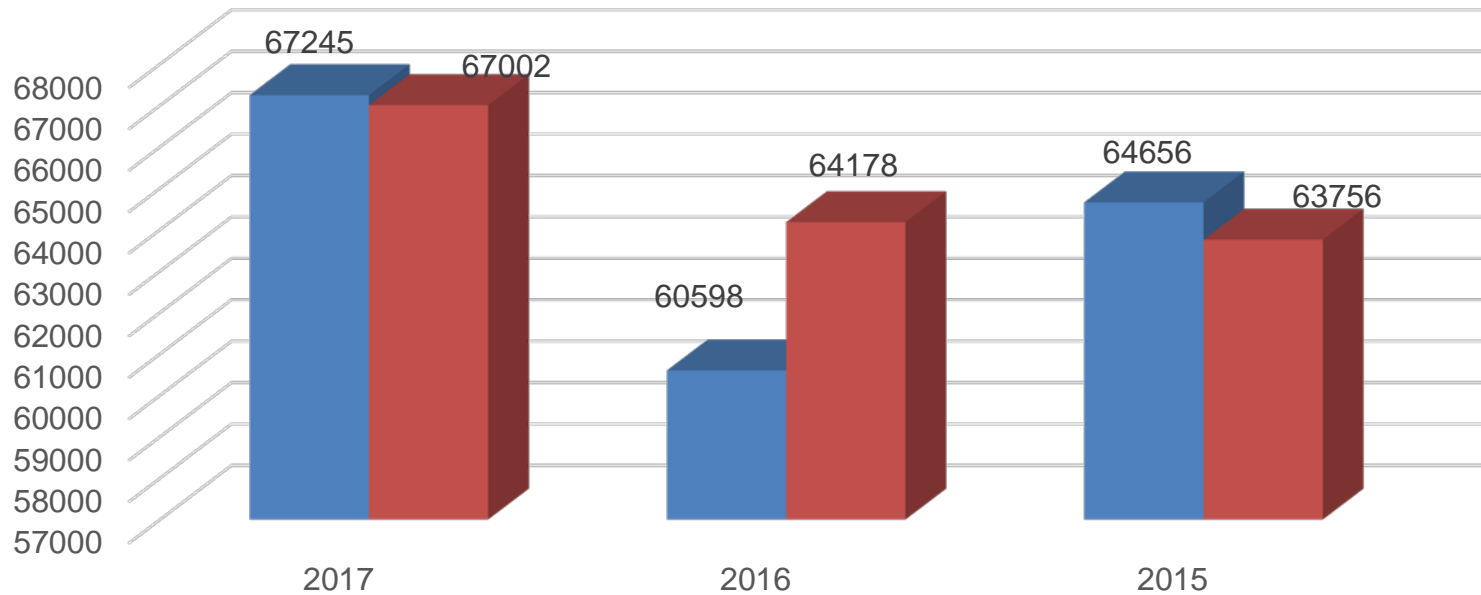
Winemaker- Bonus Pay



Source: 2015/2016/2017 WBM/WMG Winery Survey

Vineyard Mgr - Base Pay

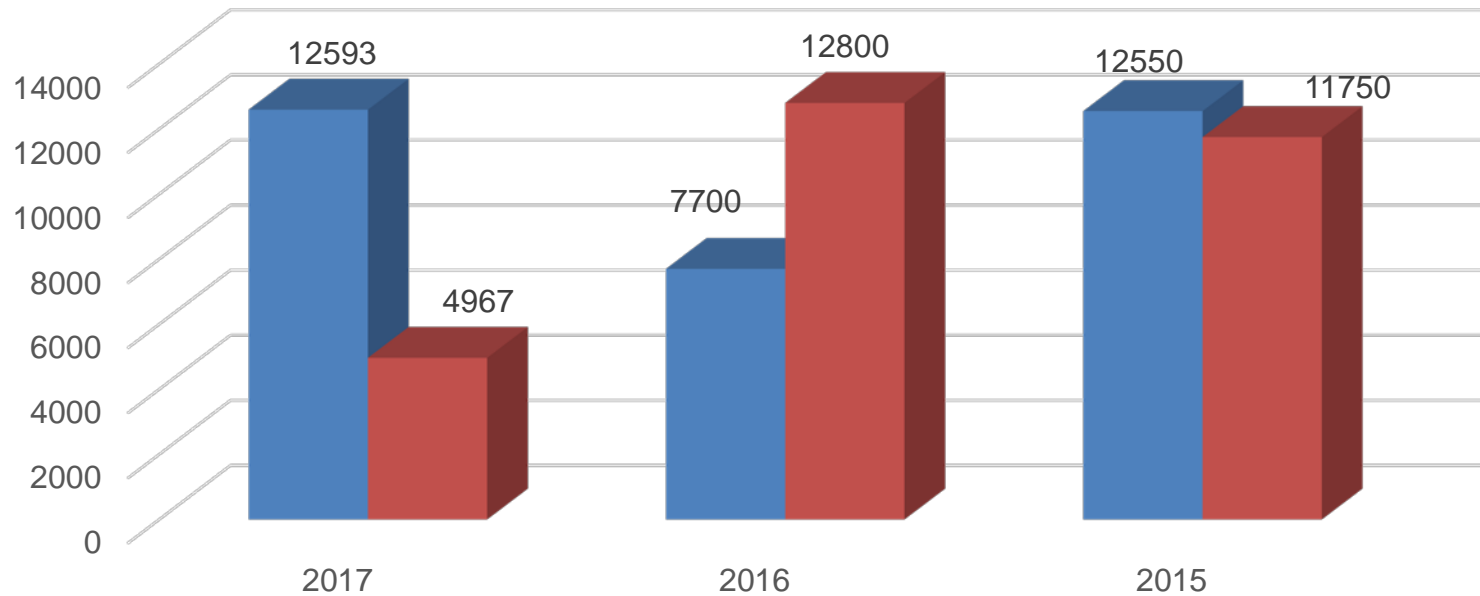
■ WA ■ National Avg



Source: 2015/2016/2017 WBM/WMG Winery Survey

Vineyard Mgr - Bonus Pay

■ WA ■ National Avg



Source: 2015/2016/2017 WBM/WMG Winery Survey



Job	Median Total Cash
Vineyard Worker 1	\$28,247
Vineyard Worker 2	\$29,120
Vineyard Worker 3	\$35,360
Vineyard Worker Lead	\$37,440
Tractor Driver 1	\$31,096
Tractor Driver 2	\$36,046
Irrigator 2	\$33,328

Source: 2017 WMG Wine Industry Compensation Survey, all geographies



Job	Median Total Cash
Viticulturist Technician 1	\$45,760
Viticulturist Technician 2	\$44,350
Viticulturist 2	\$55,000
Viticulturist 3	\$86,000

Source: 2017 WMG Wine Industry Compensation Survey, all geographies



Job	Median Total Cash
Vineyard Supervisor/Foreman	\$51,414
Vineyard Manager	\$88,000
Vineyard Director	\$125,461

Source: 2017 WMG Wine Industry Compensation Survey, all geographies



Job	Median Total Cash
Government Compliance Analyst 1	\$41,600
Government Compliance Analyst 2	\$62,700
Government Compliance Analyst 3	\$80,000
Government Compliance Manager	\$81,689

Source: 2017 WMG Wine Industry Compensation Survey, all geographies

Data analysis tips: Labor markets

- Business competitors vs. labor competitors
- The cost of living vs. the cost of labor
- The dynamics of supply and demand

Data analysis tips: Surveys

- Complete transparency is non-negotiable
- What *employers* are in the survey?
- *When* was the data effective?
- What is the *geographic* composition of the data?
- *Who* conducted the survey?
 - *How* was the data validated/edited?

Data analysis tips: Job matching

- The three most important steps in compensation survey data analysis:
 - Job matching
 - Job matching
 - Job matching
- Do not match on job title alone
- The “80-120” rule of thumb
- “Blended” or “hybrid” jobs

Data analysis tips: Statistics

- The three most important principles of statistical analysis are:
 - Sample size
 - Sample size
 - Sample size
- Data “volatility”
- The elusive balance between size, relevance, and practicality
- Average(s) and data dispersion

Data analysis tips: Compensation

- Base pay vs. Bonus vs. Total Cash
- The crucial importance of geography
- To “age” or “not age” the data?
- Why “aging” is a good idea
- Why “aging” is a bad idea

Data analysis tips: Communication

- The “Open Book” school vs. the “Trust Me” school
- The correct answer is, of course: “it depends”

Market data: Why it matters

- Attracting, retaining, and motivating talent involves more than pay – but pay is extremely important
- Paying too much is a problem, and paying too little is a problem
- Solving this problem is not easy, it's hard
- The hidden cost of ignorance
- The competitive advantage of intelligence

Questions? Comments?

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