



Linking Young Adults to Career Paths
in Industrial Distribution



Competing and thriving in tomorrow's marketplace demands that industrial distribution successfully attract the next generation of new talent.

Industrial Careers Pathway® (ICP) is meeting the challenge of filling the industrial distribution sales and customer service employee pipeline.

- Industrial distribution is a critical link in the global supply chain, representing about 5% of U.S. GDP and 1% of the U.S. workforce (2% in Canada).
- Industrial distributors have good jobs with good pay and good working conditions offering great career pathways, interesting work and new challenges every day.
- Our workforce is aging and retiring in growing numbers. Without their experience, we lose product and customer knowledge we rely on. It takes years to train capable outside sales people, and turnover is costly to the distributor and to the customer.
- Industrial distributors are already having difficulty filling key sales positions. We must find ways to attract tomorrow's key employees today.

But we face a competitive disadvantage because potential future employees don't know about industrial distributors and the opportunities for interesting jobs with a path to advancement.

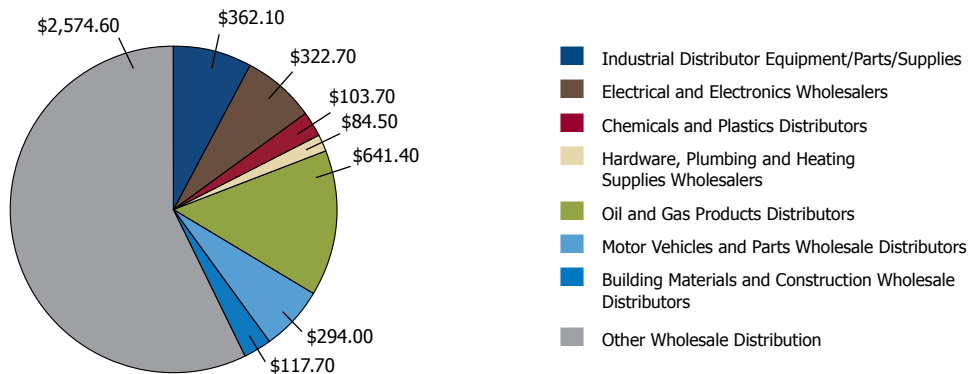
But industrial distributors are competing for talent with better known (not necessarily better paid, though) employment sectors like health care, information technology and green industries.

Industrial distribution employs more than 3.3 million people in every state and province across the United States and Canada. Not only are there millions of jobs in industrial distribution, these jobs offer interesting challenges, competitive pay, safe and stable working conditions and countless career paths. And more than one million of those jobs are in business-to-business sales positions—providing solutions, building relationships, offering products and valuable services to industrial customers.

Industrial distribution is vital to business success.

- In 2008, wholesale distribution contributed more than \$890 billion to the U.S. and Canadian GDP, or about 5.75% of total GDP.
- Industrial distribution represents about 42% of wholesale distribution.
- In 2008, total wholesale distribution revenue in the U.S. was \$4.5 trillion. Seven categories of industrial distributor had combined revenue of \$1.9 trillion.

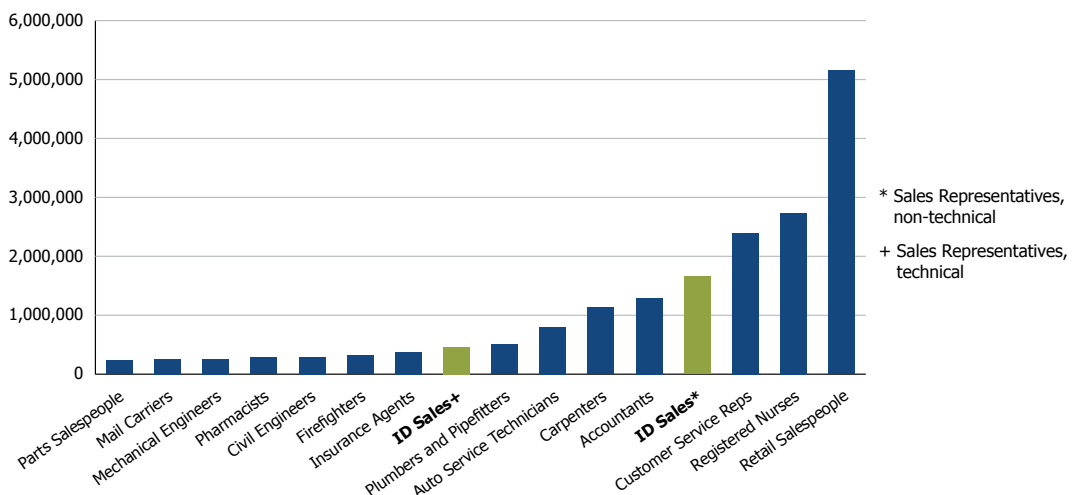
Wholesale Distribution Sector Revenue (2008 in billions)



Industrial distribution is a major employer across North America.

- U.S. Department of Labor data shows industrial distributors are in every state.
- There are more than 80,000 industrial distributors in the U.S.
- Industrial distribution employs about 3.3 million people.
- Durable goods distribution is about 2% of U.S. employment and industrial wholesale is 2.7% of Canadian employment.
- Through 2016, the projected annual growth and replacement need for non-technical sales reps is more than 140,000, with an average projected net increase of more than 45,000.

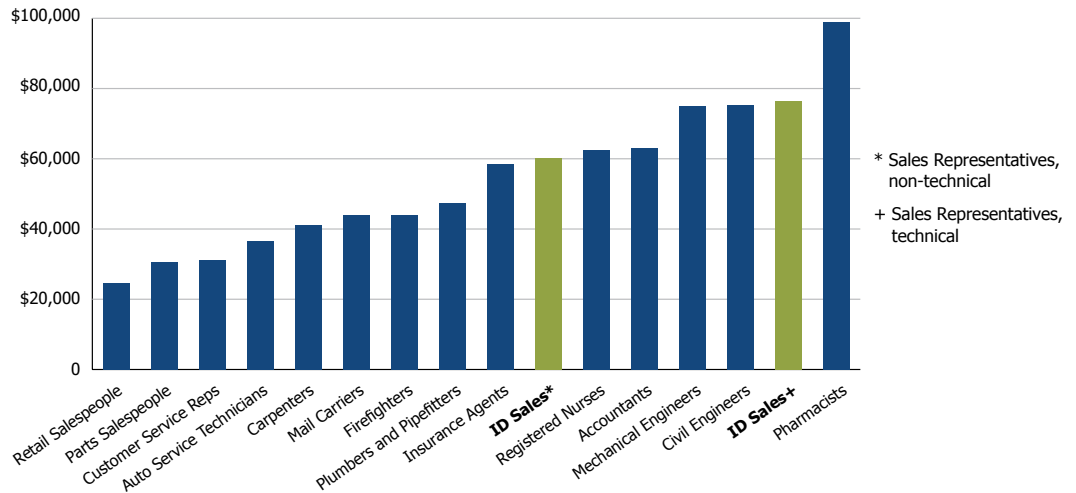
Employment for Selected Occupations - U.S. (2008) and Canada (2006)



Industrial distribution offers good jobs at good wages with good career paths.

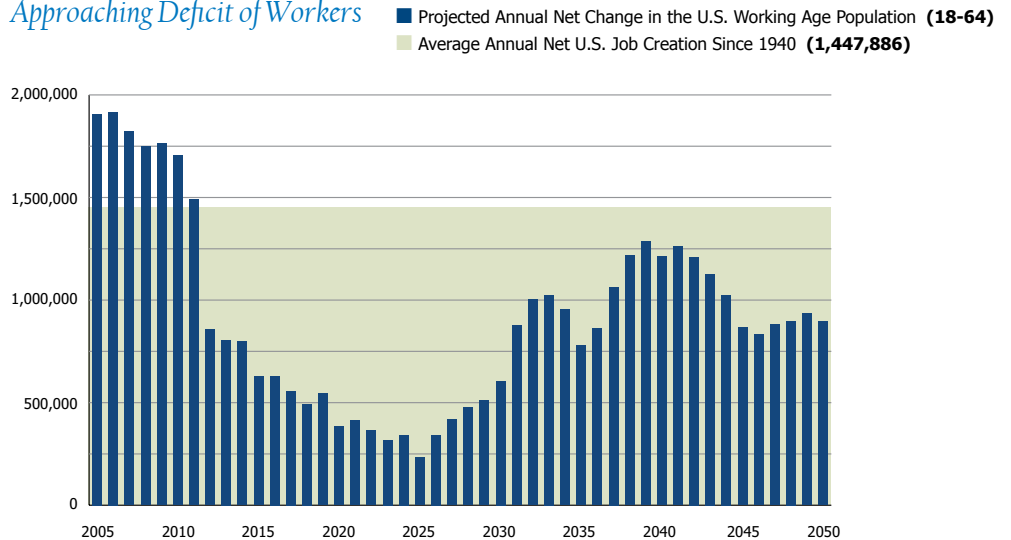
- In 2006, 14% of all durable goods merchant wholesaler positions were non-technical sales reps (418,373 positions).
- In 2008, the median salary for non-technical sales reps was \$51,000. Starting salaries averaged \$27,000 to \$36,000.
- Wages for wholesale and manufacturing sales reps rank very high for positions that do not require a college degree.

Median Salary for Selected Occupations - U.S. (2008)



Industrial distribution will compete for employees in a tightening job market without enough skilled and educated people to fill all jobs.

Approaching Deficit of Workers



Data sources: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Stat CAN, 2009 Wholesale Distribution Economic Report prepared by Pembroke Consulting, TIP Strategies

For more information about the data and industrial distribution, visit us at www.industrialcareerspathway.org/case.

A 2008 human resource study of distributors “The Quest for Human Talent” prepared for the Industrial Supply Association by Dr. W.R. McCleave found the most difficult human resource challenge was finding qualified people for all jobs. **Finding sales talent was the second most difficult challenge.** Less than 5% of small distributors and 40% of large distributors felt they were successful in meeting the challenge of finding sales talent.

Meeting the challenge—filling the pipeline.

Through the ICP Alliance, we are connected to thousands of companies working in the industrial distribution channel. We're seeking and connecting with future employees, telling them about this field and preparing them for an industrial distribution career.

- ICP is reaching out to young adults across North America in new ways with positive messages and information about industrial distribution.
- ICP is a catalyst and support for the creation of industrial distribution programs and courses at community and technical colleges.
- ICP builds necessary educational tools and resources based on a solid understanding of industrial distribution.
- ICP connects employers and potential employees.
- ICP is finding, connecting with and preparing the right candidates for industrial distribution careers.

That will improve hiring opportunities, strengthen the North American workforce and decrease the time and expense of training new employees.



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ICP Alliance Partners

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