



CHARLES
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EXECUTIVE SEARCH

2020 Former Strategy Consultant Compensation Study

March 27, 2020

Thank you

- ◆ Charles Aris is proud to present its second annual **Former Strategy Consultant Compensation Study**, and a huge thank you is in order. Historically, we were able to gather the data required for our compensation studies simply by asking current and former consultants about their compensation over the course of thousands of career conversations we have each year. However..
- ◆ Given **pay equity legislation** that is being enacted across much of the United States and associated territories, we changed our approach to gathering compensation data beginning in 2018. Although pay equity laws are not universal in the United States, we fully embraced the concept across all searches, regardless of location. Now, instead of asking candidates about their current compensation, we only ask about their compensation expectations.
- ◆ And that's where our gratitude comes in. For us to continue producing this study the data had to come to us voluntarily and anonymously, which led to us transitioning to a 100% anonymous survey as our sole method for gathering this data. We send heartfelt thanks to the 1,845 of you who took the time to complete the survey that made this study possible. We're grateful to have such strong support from the strategy community.



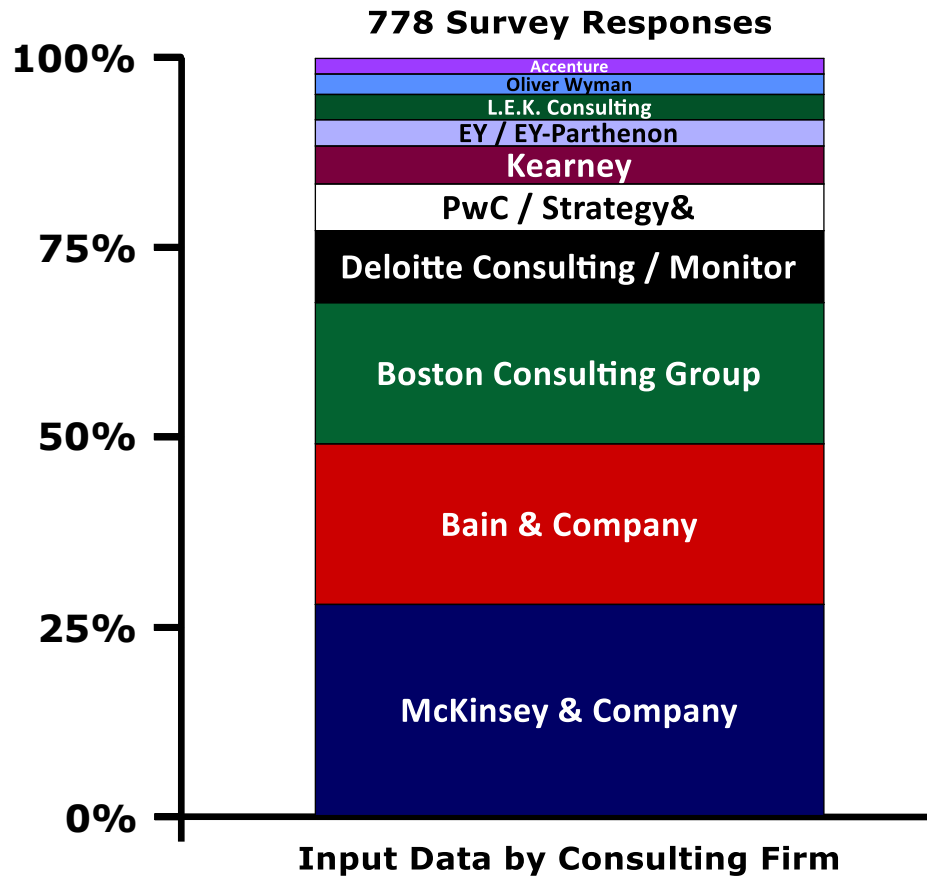
Key Facts on the Compensation Data Used for this Study



- ◆ All compensation data points for this study were collected via a voluntary and anonymous survey conducted between August 31 and December 31, 2019. The survey tool, SoGoSurvey, restricts Charles Aris from seeing any identifying markers about anyone who completes the survey. It is also important to note that this voluntary and anonymous survey methodology ensures that all compensation data points gathered in this report abide strictly by the pay equity laws of each state, territory and municipality associated with the United States.
- ◆ 1,845 individuals – 1,011 of whom are former consultants – completed our survey. Of the remaining 834 respondents, 794 are current consultants and 40 have never worked in consulting. For the purposes of this study, only data from former consultants was used. **If you are also interested in our 2020 Strategy Consultant Compensation Study, which focuses on compensation for *current* consultants and was released in January of this year, please click [HERE](#).**
- ◆ We eliminated 104 of the 1,011 responses from former consultants, leaving us with 907 total responses available for this report. Responses were eliminated for a myriad of reasons, the most common of which was an incomplete or vague response. Of the available 907 remaining data points, we were able to use 778, as 129 were spread too thin across undergraduate, MBA or other graduate degree graduation dates, and therefore would not be statistically significant.
- ◆ It should be noted that compensation data points are voluntarily and anonymously self-reported by respondents and are not verified through any other means. However, given the anonymity provided to respondents, we feel confident that the data are accurate.



Input Data by Former Consulting Firm



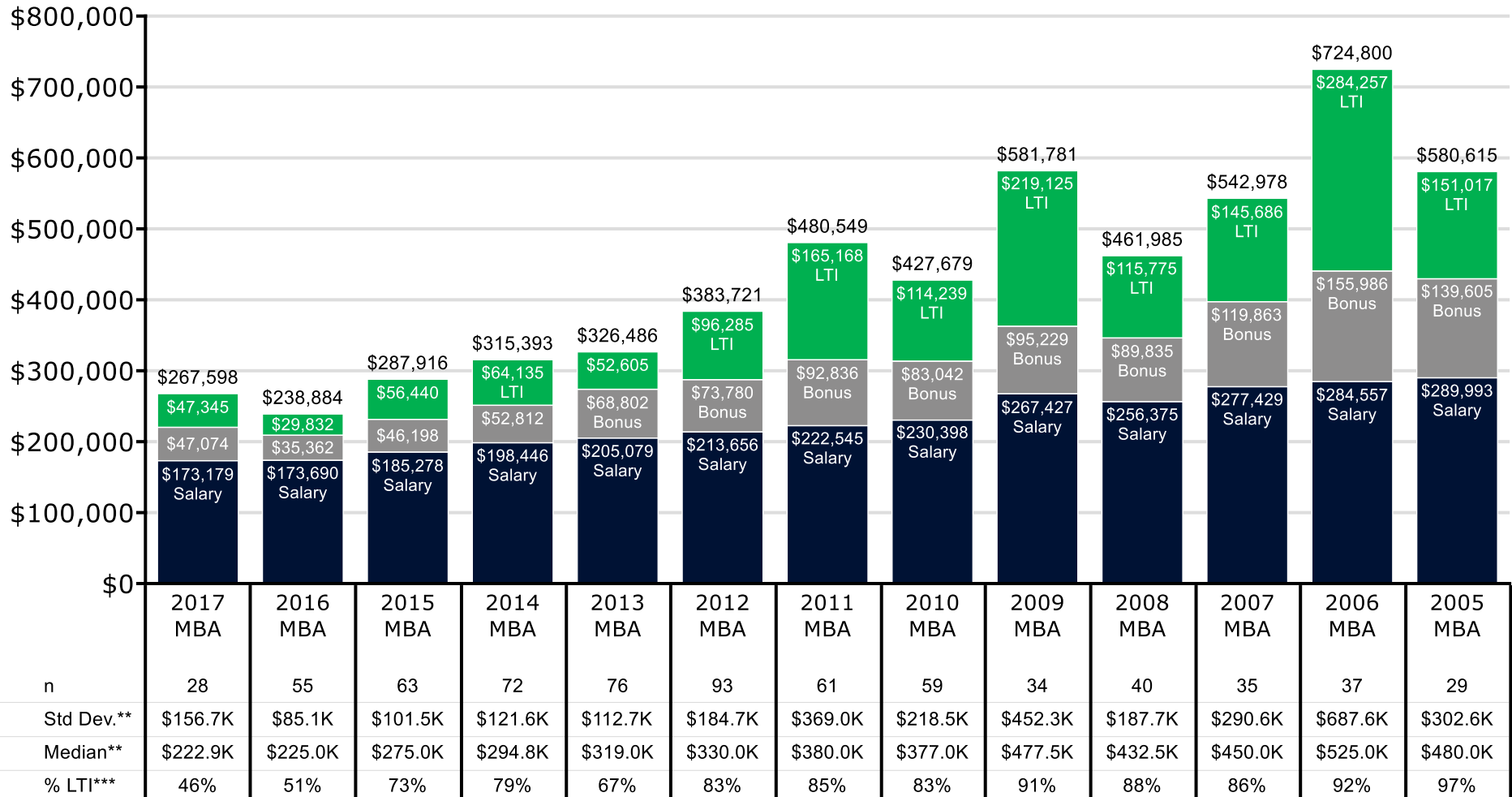
- ◆ Our 2020 Former Strategy Consulting Compensation Study is driven by **778** survey respondents who previously worked at one of ten consulting firms.
- ◆ 67.7% of the responses come from consultants that have previously worked at “The Big Three” firms: Bain & Company; The Boston Consulting Group; and McKinsey & Company.
- ◆ Of the 778 total responses, 682 come from former post-MBA consultants and 96 come from former pre-MBA consultants.



Average Compensation* by MBA Graduation Year



This slide aggregates all former consultant compensation data by **MBA** graduation year. With the exception of the 2016 MBA class, year-over-year compensation grows steadily for the first six years, and then become less predictable.



*Compensation is the combination of base salary, target annual bonus and annual long-term incentive (LTI).

**Compensation does NOT include retirement contribution, sign-on, car allowance or other such cash equivalents.

***Standard Deviation and Median numbers are calculated for base + bonus + LTI, i.e. the number at the top of each column.

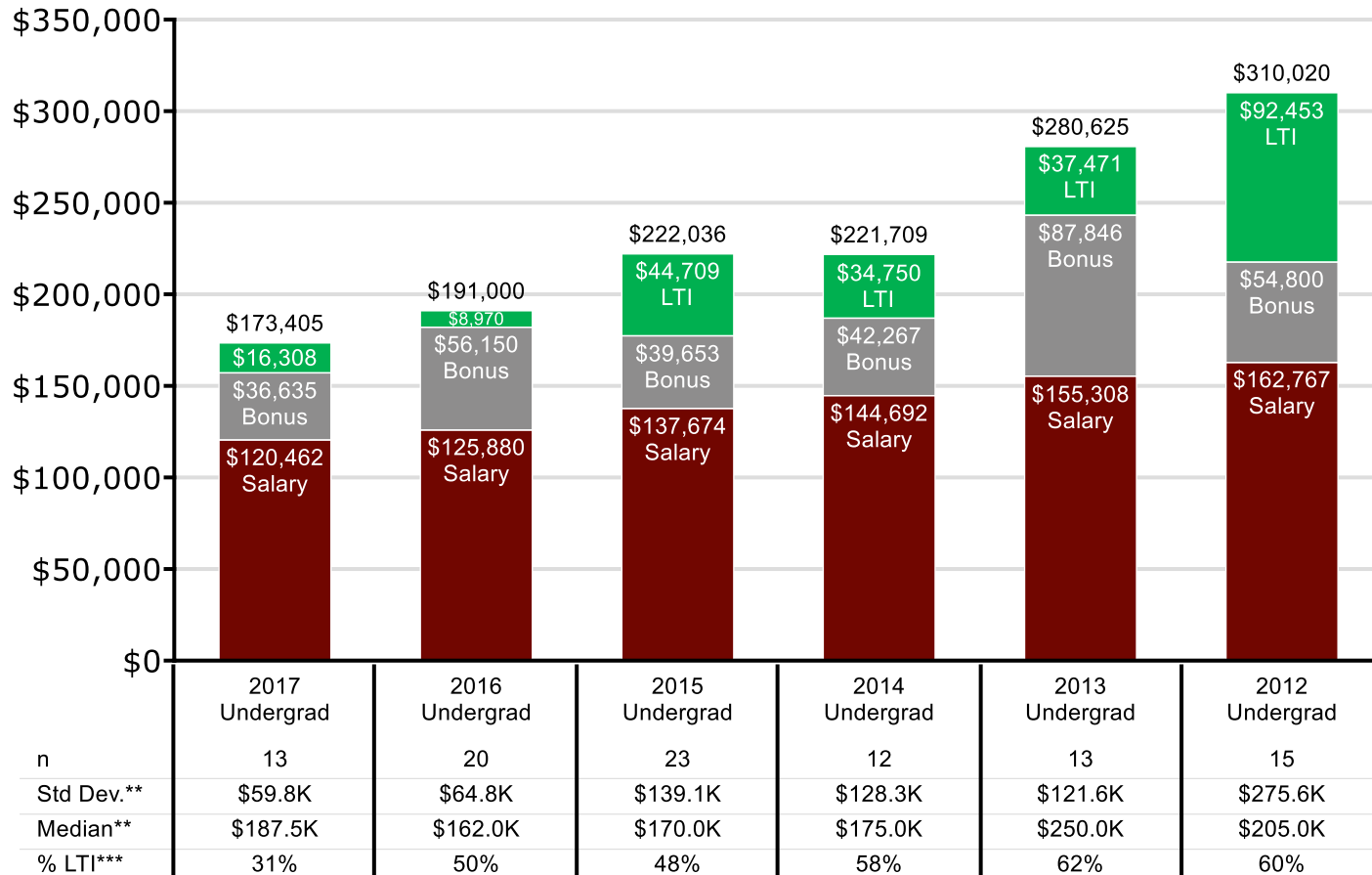
****% LTI equals the percentage of respondents who participate in some form of a long-term incentive program (i.e. stock options, restricted stock units, profit sharing, carry in a fund, deferred cash (but NOT including a 401K match), etc.).



Average Compensation* by Undergrad Graduation Year



This slide aggregates all former consultant compensation data by **Pre-MBA / Undergraduate** graduation year (i.e. the highest education for these respondents is an undergraduate degree).



*Compensation is the combination of base salary, target annual bonus and annual long-term incentive (LTI).

**Compensation does NOT include retirement contribution, sign-on, car allowance or other such cash equivalents.

***Standard Deviation and Median numbers are calculated for base + bonus + LTI, i.e. the number at the top of each column.

****% LTI equals the percentage of respondents who participate in some form of a long-term incentive program (i.e. stock options, restricted stock units, profit sharing, carry in a fund, deferred cash (but NOT including a 401K match), etc.).

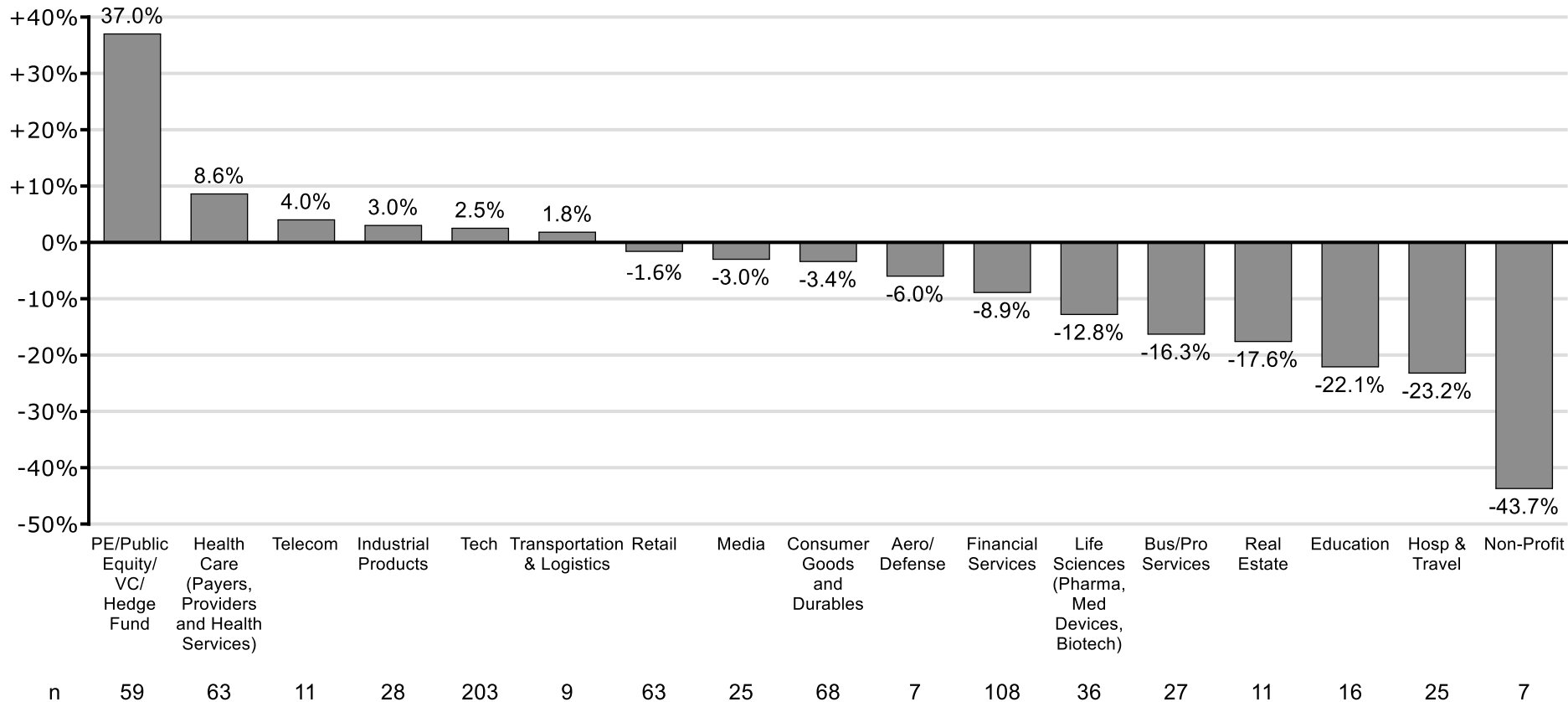


Compensation* by Industry



The average compensation of all former consultants, normalized for graduation year, is represented by zero percent in the chart below. Each bar represents how respondents working in that **industry** are paid relative to all other respondents.

EXAMPLE: Respondents that designated themselves as working in Education earned an average of 22.1% less than their peers that designated as working in other industries, regardless of graduation year. Not surprisingly, candidates from PE, Public Equity, VC or Hedge Funds earn the most relative to their peers, and candidates from Non-Profit earn the least.



*Compensation is the combination of base salary, target annual bonus and annual long-term incentive (LTI).
 *Compensation does NOT include retirement contribution, sign-on, car allowance or other such cash equivalents.
 NOTE: Industries with less than seven data points were not included in this chart.

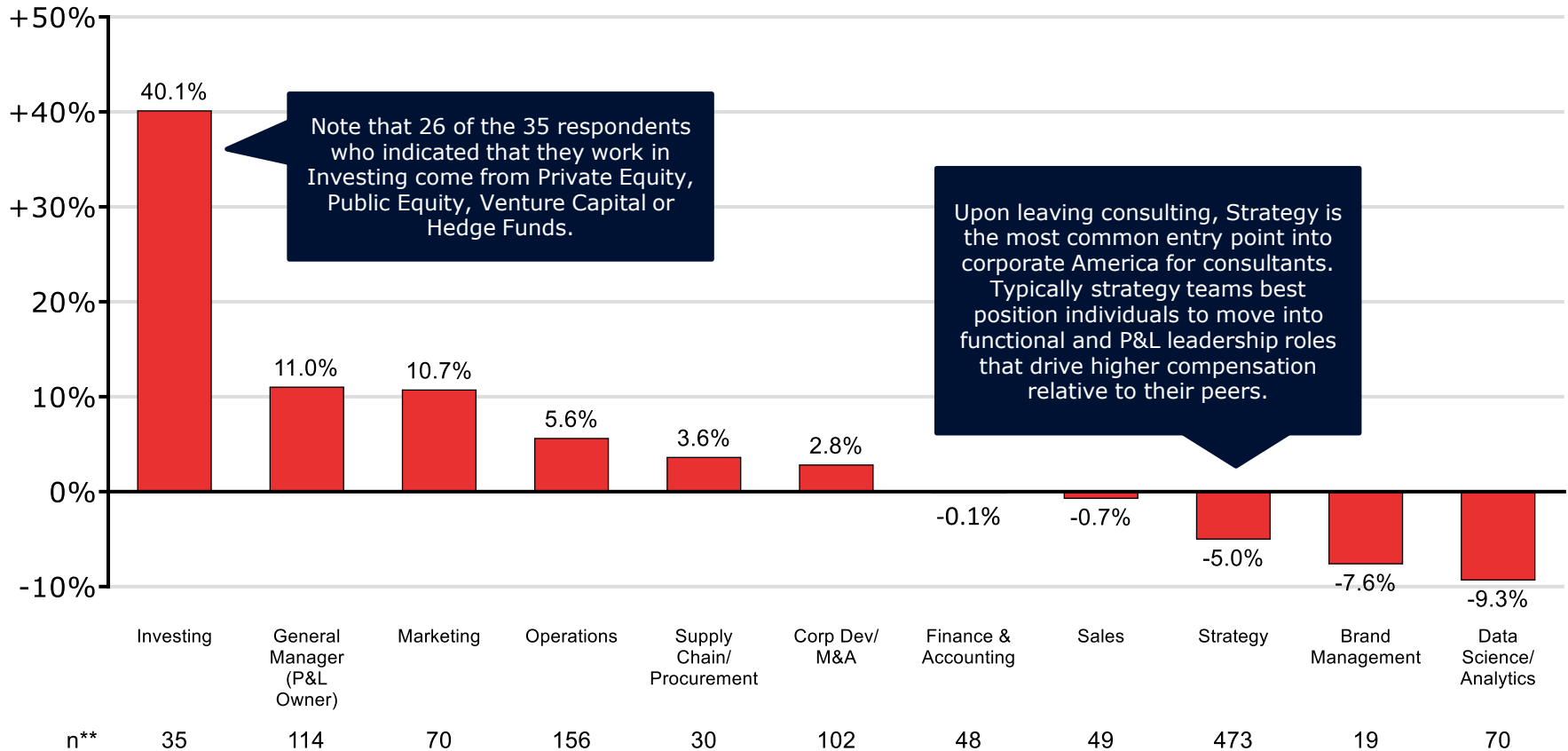


Compensation* by Function



The average compensation of all former consultants, normalized for graduation year, is represented by zero percent in the chart below. Each bar represents how respondents working in that **function** are paid relative to all other respondents.

EXAMPLE: Respondents that designated themselves as working in Brand Management earned an average of 7.6% less than their peers that designated as working in other functions, regardless of graduation year.



*Compensation is the combination of base salary, target annual bonus and annual long-term incentive (LTI).

*Compensation does NOT include retirement contribution, sign-on, car allowance or other such cash equivalents.

**Respondents were allowed to select more than one function. The average respondent selected 1.6 functions.

NOTE: Functions with less than fifteen data points were not included in this chart.

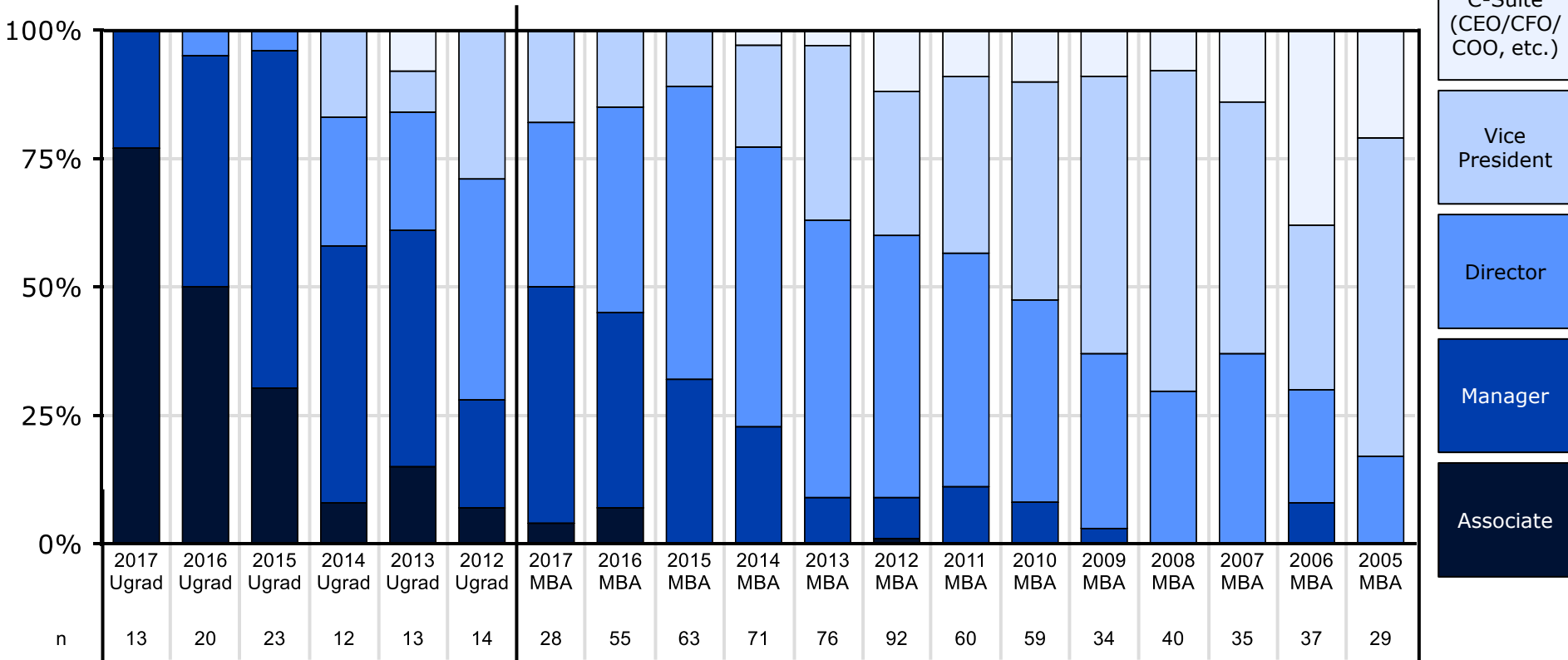


Title* by Graduation Year



This slide summarizes the breakdown of titles by graduation year. It's worth noting that titles vary company to company. Industry, size of company, company ownership, etc. will affect any given title at any given company.

Color Key*



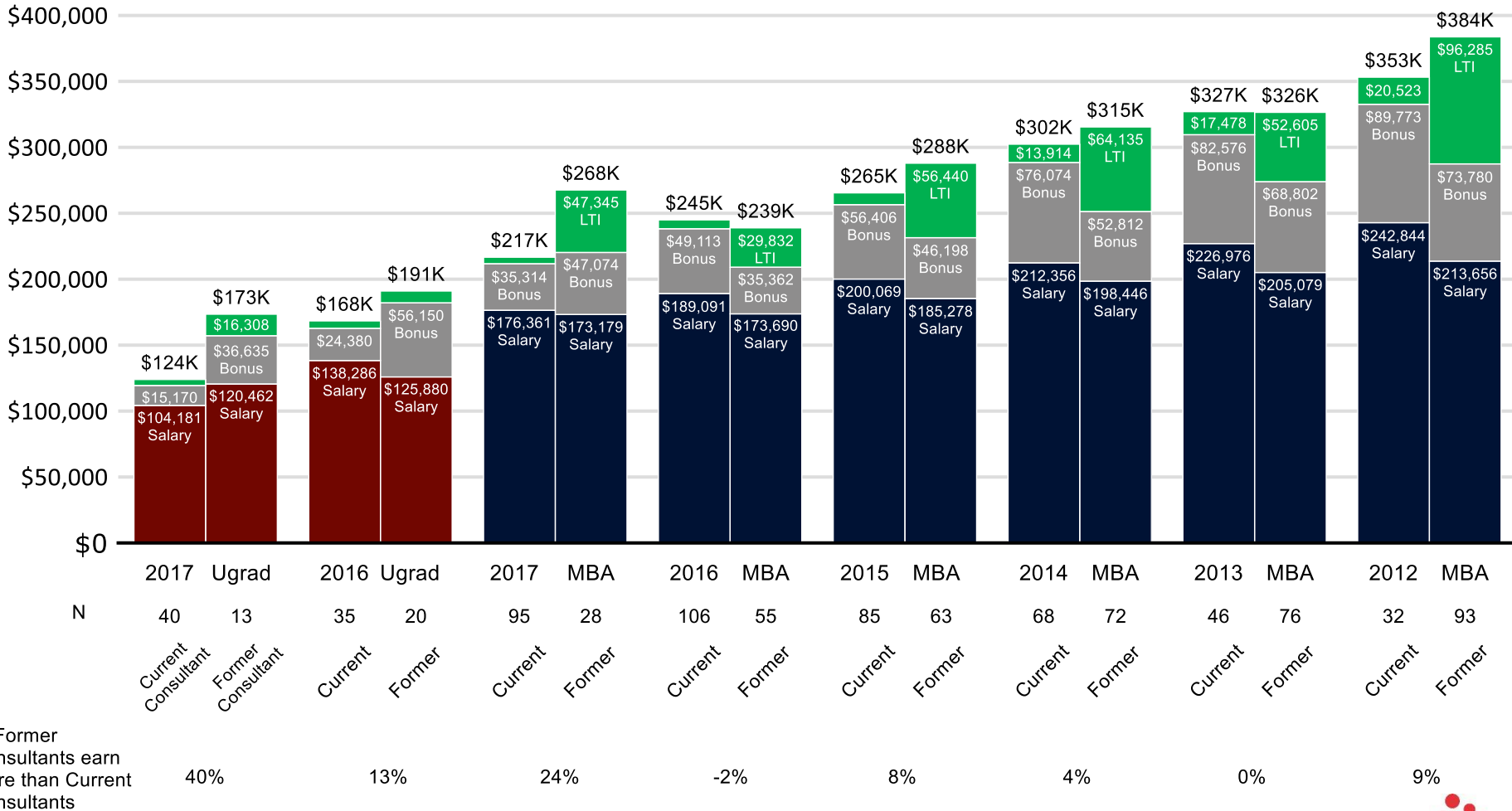
*Titles were selected via drop-down box versus open field. This data was self-reported by respondents and are not verified through any other means.



Current vs. Former Consultant Compensation*



This slide compares the average annual compensation* that current consultants earn relative to former consultants. At the 2016 MBA level and all earlier graduation years, current consultants earn more cash than former consultants. However, former consultants often earn equal to or more when long-term incentives such as equity are included.



*Compensation is the combination of base salary, target annual bonus and annual long-term incentive (LTI).
 *Compensation does NOT include retirement contribution, sign-on, car allowance or other such cash equivalents.



2019 Former Consultant Sample Industry Offers



A subset of 2019 offers accepted by Charles Aris candidates who were former Tier 1 consultants:

Education	Consulting Firm	Accepted Offer				Offer Title	Company Description
		Base	Bonus	Sign-On	Equity		
MBA 1998	x-Big 3	\$475K	50%	\$250K	\$450K	Operating Director	PE Firm
MBA 1999	x-Top 9	\$425K	70%	\$350K	\$10MM*	Senior Vice President	PE Portfolio Company
MBA 2003	x-Big 3	\$300K	50%		\$1.6MM*	Senior Vice President	PE Portfolio Company
MBA 2007	x-Top 9	\$300K	45%	\$265K*	\$225K	Vice President	Corporation
MBA 2009	x-Top 9	\$255K	35%	\$50K	\$80K	Senior Director	Corporation
MBA 2010	x-Big 3	\$250K	60%		\$300K*	Vice President	Corporation
MBA 2011	x-Big 3	\$215K	33%	\$90K	\$50K	Senior Director	Corporation
MBA 2011	x-Top 9	\$190K	25%	\$20K	\$75K	Senior Director	Corporation
MBA 2011	x-Top 9	\$195K	25%	\$10K	\$75K	Senior Director	Corporation
MBA 2013	x-Big 3	\$200K	30%	\$10K	\$200K	Vice President	PE Portfolio Company
MBA 2013	x-Top 9	\$240K	35%	\$25K		Senior Director	Corporation

Base = Base Salary. Bonus = Annual Target Bonus. Sign-On = Sign-On Bonus. Equity = Annual Equity. *One-Time Equity Grant



- ◆ **Charles Aris Inc.** is an international executive search firm founded in 1969. Our Strategy & Corporate Development practice is led by CEO Chad Oakley, a former Bain & Company consultant with an MBA degree from Wharton.
- ◆ Since its inception in 2003, our Strategy & Corporate Development practice has successfully completed more than **750 searches**, at multiple levels, including Chief Strategy Officer, Vice President, Director, Manager and Analyst.
- ◆ The Charles Aris client base falls into three primary categories: the Strategy & Corporate Development teams of industry-leading corporations; the investment and portfolio management teams of leading private equity and asset management firms; and professional services firms including consultancies and the like.
- ◆ The candidates whom we place typically work or have worked for top-tier strategy consulting firms and possess undergraduate and graduate degrees from the world's leading academic institutions.
- ◆ For more information, please contact any of our team members as shown on the next page or visit CharlesAris.com.



Our Strategy & Corporate Development Leadership Team



Chad Oakley
Chief Executive Officer
Industrials | Diversified
336-378-1818 x9101

chad.oakley@charlesaris.com



Caroline Wilson
Vice President
PE | Asset Management
336-378-1818 x9120

caroline.wilson@charlesaris.com



Steven Stewart
Vice President
Technology, Media & Telecom
336-378-1818 x9114

steven.stewart@charlesaris.com



Jill Jitima
Vice President
Consumer | Retail
336-378-1818 x9115

jillian.jitima@charlesaris.com



Jody Karavanic Bischoff
Senior Practice Leader
Healthcare | Life Sciences
336-378-1818 x9104

jody.bischoff@charlesaris.com



Ashlee Wagner
Senior Practice Leader
Financial Services
336-378-1818 x9142

ashlee.wagner@charlesaris.com



T.J. Deal
Practice Leader
Tech, Media & Telecom | Industrials
336-378-1818 x9154

tj.deal@charlesaris.com

To learn more, contact any of our team members or visit CharlesAris.com.



Recently Completed Searches by Practice Area



Strategy & Corporate Development

Title	Salary + Bonus*
SVP, Corporate Development	\$722,500
Operating Director, Portfolio Operations	\$712,500
Chief Corporate Development Officer	\$700,000
Head of Strategic Projects	\$550,000
Private Equity Vice President	\$485,000
Chief Strategy Officer	\$481,000
Vice President, Strategy	\$450,000
Vice President, Integration	\$412,000
Vice President, International Strategy	\$385,000
Chief of Staff to CEO	\$378,000
Vice President, Strategy	\$350,000
Vice President, M&A	\$337,000
Vice President, Corporate Development	\$312,000
Senior Director, Corporate Strategy	\$297,000
Vice President & Chief of Staff	\$294,000
Private Equity Associate	\$265,000
Director, Transformation	\$247,000

Engineering & Operations

Title	Salary + Bonus*
Chief Supply Chain Officer – Industrials	\$1,025,000
COO – Home Furnishings	\$450,000
Senior Vice President – Supply Chain	\$450,000
COO – Consumer Electronics	\$427,500
EVP – Sourcing, Supply Chain & Distrib.	\$420,000
Integrated Supply Chain Dir. – Chemicals	\$350,000
VP / GM IIOT Solutions	\$325,000
VP Manufacturing – Industrial Products	\$297,000
VP Quality & Operational Excellence	\$285,000
COO – Industrial Products	\$273,325
Head of Eng. / Product Dev. – MedDev	\$273,000
Senior Engineering Manager	\$264,500
Operations Manager	\$260,000
Chief Operating Officer	\$260,000
Senior Director, R&D	\$256,500
Sr. Director Product Innovation	\$240,000
Corporate VP, Engineering, R&D, Innov.	\$240,000

*Does not include equity or other forms of compensation



Recently Completed Searches by Practice Area



Finance & Accounting

Title	Salary + Bonus*
CFO – Contract Manufacturing	\$700,000
CFO – Consumer Product Distribution	\$487,500
CFO – Online Education	\$450,000
CFO – Financial Products	\$450,000
CFO – Building Automation	\$420,000
CFO – Consumer Products	\$324,000
VP Commercial Controller	\$322,000
CFO – Manufacturing	\$317,250
VP; Controller – Software	\$315,000
CFO – Manufacturing	\$292,500
Sr. Director, Finance – Food Products	\$280,000
CFO – Managed IT Services	\$262,300
CFO – Manufacturing	\$253,496
Director, Finance – Building Products	\$234,000
Vice President, Finance – Manufacturing	\$208,000
Director, Finance – Medical Devices	\$195,500
VP, Finance – Marketing Services	\$189,600

Sales & Marketing

Title	Salary + Bonus*
EVP / Chief Strategy & Marketing Officer	\$824,000
SVP, Global Sales – Textiles	\$750,000
Chief Product Officer	\$468,000
Vice President, Sales	\$400,000
VP, Marketing	\$378,000
Chief Marketing Officer	\$362,000
EVP, Sales & Marketing	\$317,300
Chief Marketing Officer	\$295,000
Vice President, Sales	\$281,250
Vice President, Sales / Marketing	\$280,000
Chief Marketing Officer	\$275,000
Regional Account Sales Manager	\$250,000
VP, Inside Sales & Customer Experience	\$245,000
VP Sales Operations – Textiles	\$245,000
Director, Sales & Marketing	\$225,000
Territory Vice President	\$224,000
Sr. Product Manager – Chemicals	\$222,000

*Does not include equity or other forms of compensation



Recently Completed Searches by Practice Area



Executive Leadership

Title	Salary + Bonus*
CEO – Hospitality	\$1,000,000
CEO – Home Furnishings	\$900,000
CEO – Industrial Manufacturer	\$800,000
CEO – Steel Manufacturer	\$800,000
SVP, Feed Division	\$735,000
CEO – Food Manufacturing	\$600,000
CEO – Retail	\$525,000
President, Education Solutions	\$465,000
Divisional President – Textiles	\$455,000
President, Health Care Services	\$450,000
CEO – Food & Beverage	\$412,500
President / Managing Director – Ag.	\$412,500
CEO – Building Systems	\$390,000
CEO – Building Materials	\$375,000
CEO – Injection Molding	\$375,000
General Mgr. – Consumer Electronics	\$350,000
General Manager	\$315,000

Miscellaneous

Title	Salary + Bonus*
General Counsel	\$525,000
Head of Performance Acceleration	\$472,500
Chief Information Office	\$406,000
Vice President, Customer Analytics	\$368,450
Vice President of Pricing – Industrials	\$367,500
VP, Human Resources – Aviation	\$316,250
Director, Procurement – Chemicals	\$286,000
SVP, Risk Management	\$280,000
IT Expert Manager	\$276,000
Director, Communication Improvement	\$258,000
Mgr. Data Science – Industrial Products	\$222,000
HR Site Manager / Director	\$218,750
Director of Corporate Council	\$218,500
Director of Human Resources	\$212,500
CEO Succession Associate	\$210,000
Director, Direct-to-Consumer – BPO	\$201,500
VP, Clinic Operations	\$190,000

*Does not include equity or other forms of compensation

