



CHARLES
ARIS™
50th Anniversary

2019 Strategy Consulting Compensation Study

January 25, 2019

Thank you

- ◆ Charles Aris is proud to present its ninth annual Strategy Consulting Compensation Study, and a huge thank you is in order. Historically, we were able to gather the data required for this study simply by asking consultants about their current compensation over the course of thousands of career conversations we have each year. However ...
- ◆ Given recent [pay equity legislation](#) in portions of the United States and associated territories, we drastically changed our approach to gathering compensation data in 2018. Though pay equity laws currently only exist in a handful of 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; so we launched our first-ever compensation survey. We send heartfelt thanks to the 1,489 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.



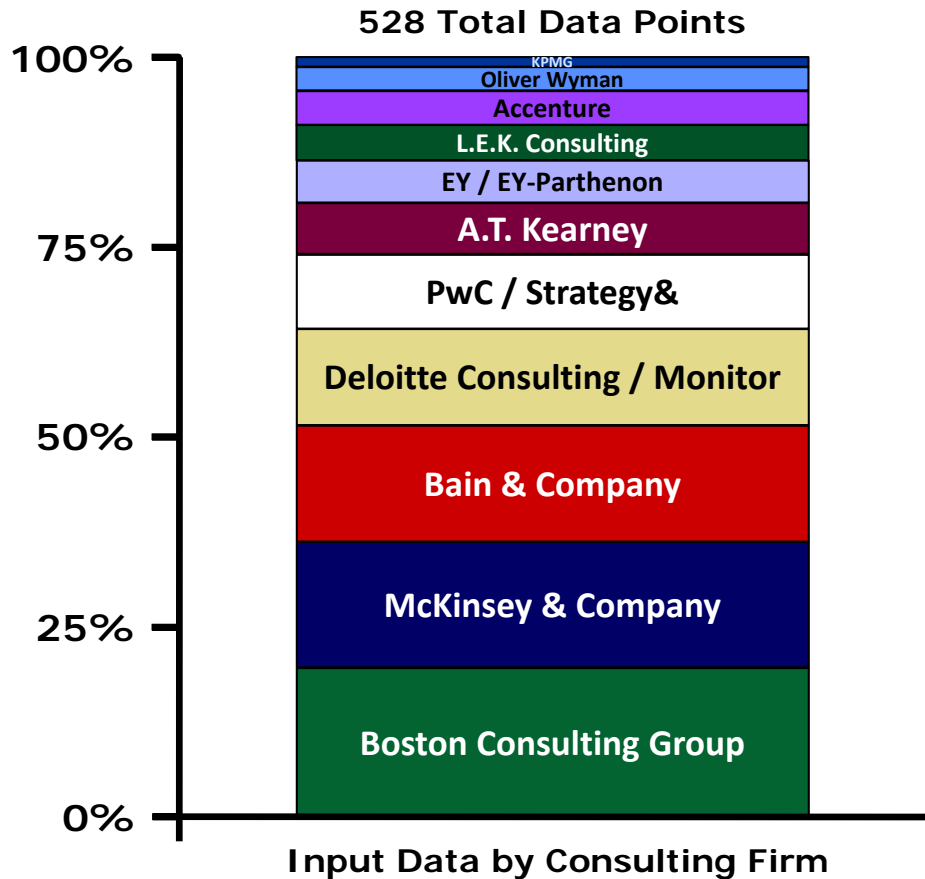
Key Facts on the Compensation Data Used for this Study



- ◆ All compensation data points for this study were collected via a voluntary and anonymous survey between August 31 and December 31, 2018. 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.
- ◆ 1,489 individuals – 689 of whom are current consultants – completed our survey. Of the remaining 800 respondents, 753 are former consultants, and 47 have never worked in consulting. For the purposes of this study, only data from current consultants was used. **Note that on March 29, 2019 we will publish a second compensation study that focuses solely on former consultants.**
- ◆ We eliminated 161 of the 689 responses from current consultants, leaving us with 528 total responses for this report. Responses were eliminated for a myriad of reasons, the most common of which was an incomplete or vague response.
- ◆ Compensation data points are voluntarily and anonymously self-reported by respondents and are not verified through any other means. That being said, we are extremely confident that the data points are accurate, given the consistency in responses we received across consultants and firms.



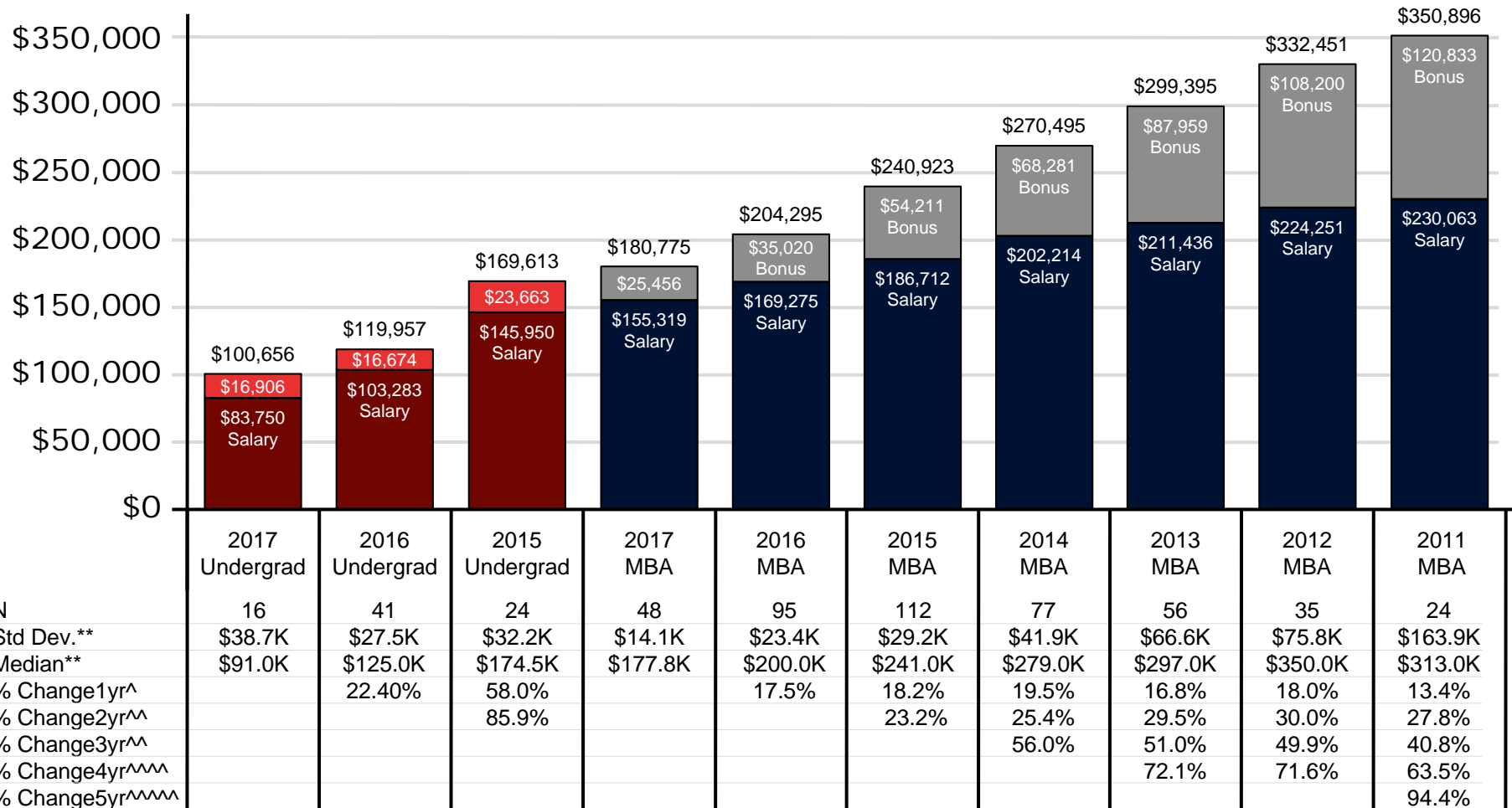
Input Data by Consulting Firm



- ◆ Our 2019 Strategy Consulting Compensation Study is driven by **528** survey responses from consultants across 11 consulting firms.
- ◆ 52.1% of the responses come from consultants at “The Big Three” firms: Boston Consulting Group; McKinsey & Company; and Bain & Company.
- ◆ Of the 528 total responses, 447 come from post-MBA consultants and 81 come from pre-MBA / undergraduate consultants.



Average Compensation* by Graduation Year



*Base salary plus target annual bonus only. Does not include retirement contribution, profit sharing, sign-on, car allowance or other such cash equivalents.

**Standard Deviation and Median numbers are calculated for base salary plus target annual bonus, i.e. the number at the top of each column.

^% Change1Yr equals the percentage change in total annual compensation (base salary plus target annual bonus only), from 2017 to 2018, for that graduation year.

^^% Change2Yr equals the percentage change in total annual compensation (base salary plus target annual bonus only), from 2016 to 2018, for that graduation year.

^^^% Change3Yr equals the percentage change in total annual compensation (base salary plus target annual bonus only), from 2015 to 2018, for that graduation year.

^^^^% Change4Yr equals the percentage change in total annual compensation (base salary plus target annual bonus only), from 2014 to 2018, for that graduation year.

^^^^^% Change5Yr equals the percentage change in total annual compensation (base salary plus target annual bonus only), from 2013 to 2018, for that graduation year.

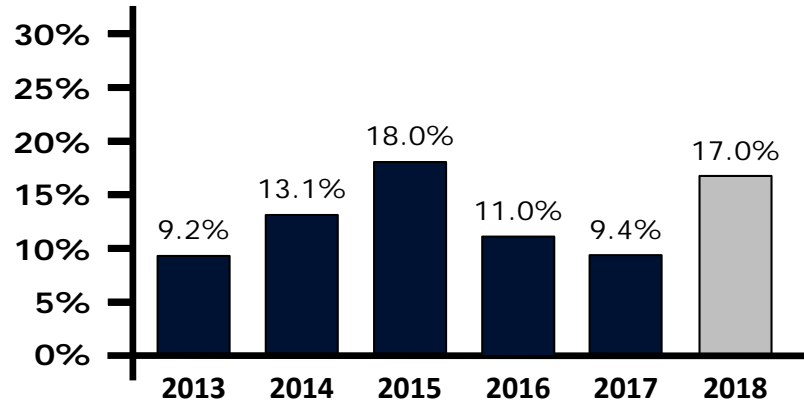


Average Increase in Annual Compensation



Post-MBA

How much did the average post-MBA consultant's compensation increase in 2018 compared to previous years?

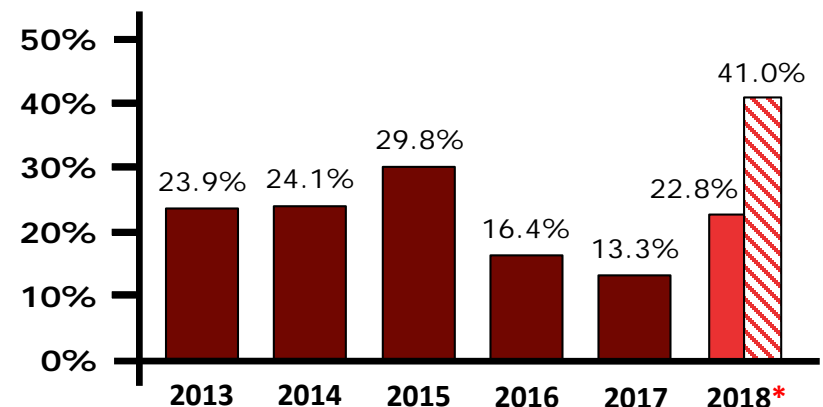


- ◆ Post-MBA strategy consultants experienced a 17.0% average increase in compensation from 2017 to 2018, a number that is on the higher end of previous averages.
- ◆ **What's driving it?** Continued demand for consulting services furthered the supply-demand imbalance, prompting several leading firms to issue midyear raises in 2018 on top of standard raises at year end (essentially making 2018 a "double raise" year for those firms).

- ◆ ***NOTE:** Historically, Charles Aris has not included "Direct Promote" compensation in the Pre-MBA data set. However, given the growing propensity for top consulting firms to promote undergraduates to post-MBA positions in recent years, we decided to include Direct Promote compensation changes in this year's report – hence a significant increase of 41.0%.
- ◆ After reviewing the survey responses, we considered 19 of the 81 Pre-MBA responses (23%) to be from Direct Promote consultants.
- ◆ If we were to eliminate the 19 Direct Promote responses (as in years past), Pre-MBA consultants would have experienced an average increase of 22.8% – much more in line with previous years.

Pre-MBA

How much did the average Pre-MBA / Undergraduate consultant's compensation increase in 2018 compared to previous years?

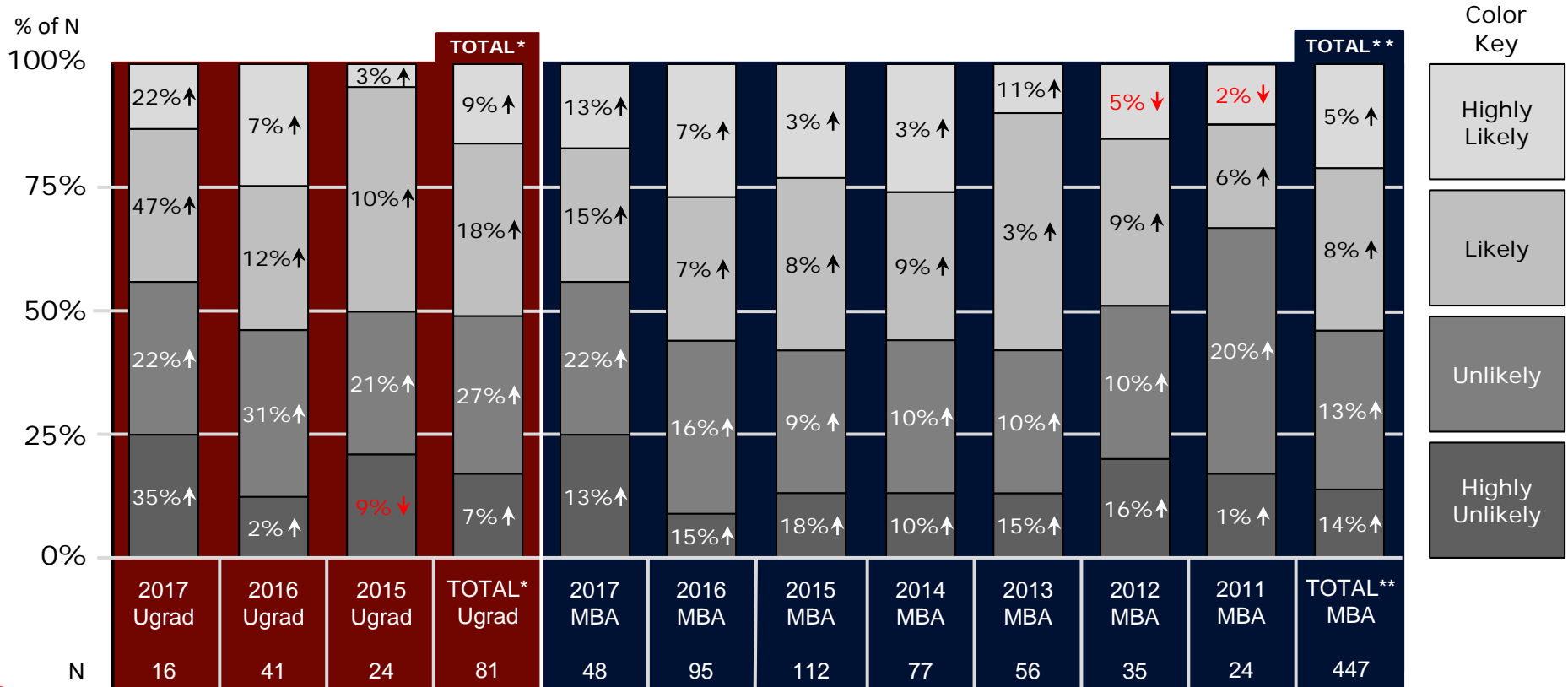


Likelihood to Leave Consulting vs. Base Salary Expectations



This chart summarizes two key data points:

- 1) The likelihood of respondents to leave consulting in the next six months, by consulting class (the color of the bars)
- 2) The average percentage change in base salary expected by each respondent group (which is the percentage listed in each bar segment).



*Weighted average of 2015-2017 undergrad data
 **Weighted average of 2011-2017 MBA data



2018 Sample Industry Offers



A subset of 2018 offers accepted by Charles Aris candidates from Tier 1 Strategy Firms:

Education	Consulting Firm	Accepted Offer*				Offer Title	Company Description
		Base	Bonus	Sign-On	Equity		
MBA 2006	x-Top 9	\$325K	40%	\$50K	\$1.4M**	SVP	Corporation
MBA 2008	x-Top 9	\$267K	50%	\$50K	2.2M**	VP	Corporation
MBA 2012	Big 3	\$375K	40%		\$150k	VP	Corporation
MBA 2012	x-Big 3	\$250K	20%		\$125K	VP	PE Firm
MBA 2013	Big 3	\$225K	30%		\$50K	Senior Director	Corporation
MBA 2014	Top 9	\$200K	25%		\$40K	Director	Corporation
MBA 2014	x-Big 3	\$225K	25%	\$35K	\$50K	Senior Director	Corporation
MBA 2014	Top 9	\$185K	25%	\$30K	\$40K	Director	Corporation
MBA 2015	Big 3	\$235K	68%	\$35K		VP	Asset Management
MBA 2015	Top 9	\$182K	30%			Director	Corporation
MBA 2015	Big 3	\$185K	20%		\$80K	Director	Corporation
MBA 2016	Big 3	\$160K	30%			Director	Corporation
MBA 2016	Big 3	\$175K	20%			Senior Manager	Corporation
B.S. 2016	Top 9	\$145K	10%	\$12K		Director	Corporation
B.S. 2016	Big 3	\$100K	100%			Associate	PE Firm
B.S. 2016	Big 3	\$100K	80%			Associate	PE Firm
B.S. 2017	Big 3	\$115K	100%			Associate	PE Firm

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

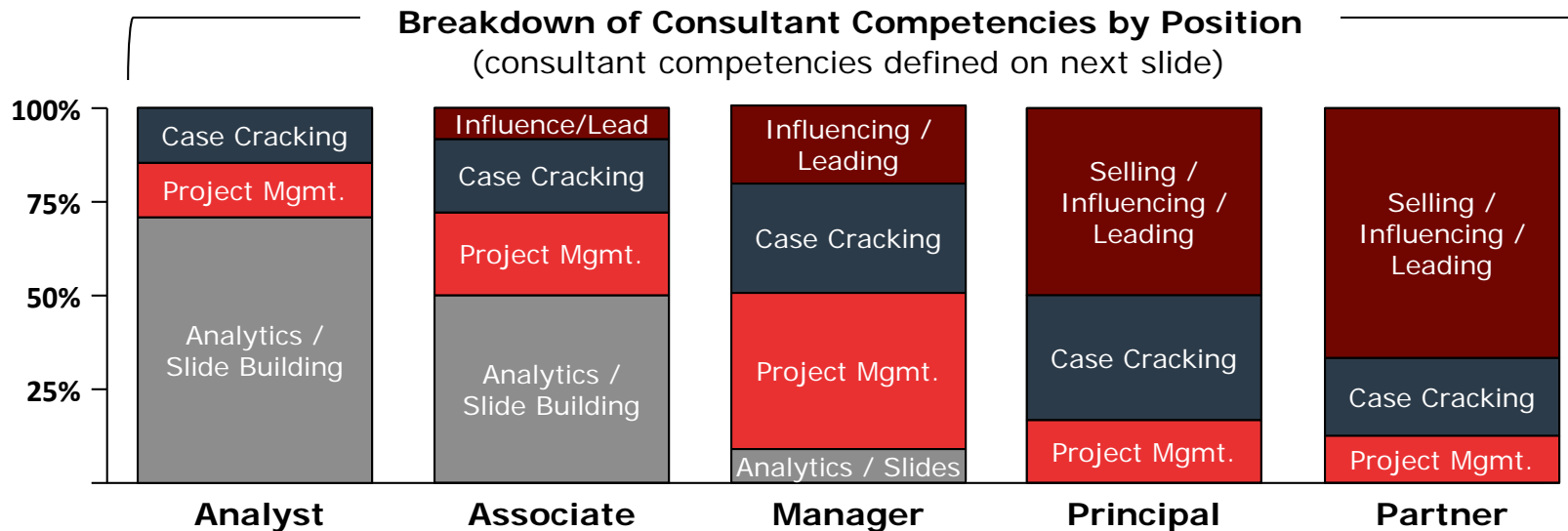


Strategy Consultant Competencies



The matrix below defines the expected competencies for consultants at each level for the **2019** recruiting year:

Title at Consulting Firm*	Analyst	Associate	Manager	Principal	Partner
Years of Experience	1-3 years Pre-MBA	1-2 years Post-MBA	3-4 years Post-MBA	5-7 years Post-MBA	8+ years Post-MBA
Graduation Year	2016-2018 undergraduate degree	2017-2018 MBA	2015-2016 MBA	2012-2014 MBA	2011 and earlier MBA



*Titles differ significantly by firm. These are meant to serve as generic titles which work across all firms.



Consultant Competency Definitions

Senior-Level
Competencies

**Selling /
Influencing /
Leading**

- ◆ Generate revenue by selling consulting services.
- ◆ Establish vision, frame key issues and set high-level strategy.
- ◆ Influence key executives and stakeholders to support significant change.

Case Cracking

- ◆ Understand the problem at a more granular level and establish a hypothesis-driven approach through which a solution can be derived.
- ◆ Effectively solve the problem.
- ◆ Write the storyline.

**Project
Management**

- ◆ Understand strategic direction as set by the hypothesis-driven approach, set milestones, scope analysis, assign resources, manage execution and report findings.
- ◆ Serve as quality control lead.

**Analytics /
Slide Building**

- ◆ Conduct quantitative analyses in a defect-free manner. Possess mastery of Microsoft Excel and other analytical tools.
- ◆ Leverage Microsoft PowerPoint to create impactful, concise and defect-free slide loops.

Junior-Level
Competencies



2018 Offer Ranges by MBA Year



2018 *corporate* offer ranges* – at the 25th, 50th and 75th percentiles – for each *MBA* graduation year:

2016 MBA	25 th	50 th	75 th
Title	Manager	Sr Manager	Director
Base Salary	\$150,000	\$165,000	\$180,000
Annual Bonus	15%	20%	25%
Annual Equity	\$0	\$0	\$20,000
Total	\$172,500	\$198,000	\$245,000

2013 MBA	25 th	50 th	75 th
Title	Director	Sr Director	VP
Base Salary	\$190,000	\$205,000	\$225,000
Annual Bonus	25%	30%	35%
Annual Equity	\$30,000	\$45,000	\$60,000
Total	\$267,500	\$311,500	\$363,750

2015 MBA	25 th	50 th	75 th
Title	Sr Manager	Director	Director
Base Salary	\$160,000	\$175,000	\$190,000
Annual Bonus	20%	25%	30%
Annual Equity	\$0	\$20,000	\$40,000
Total	\$192,000	\$238,750	\$287,000

2012 MBA	25 th	50 th	75 th
Title	Sr Director	Sr Director	VP
Base Salary	\$210,000	\$220,000	\$230,000
Annual Bonus	30%	35%	40%
Annual Equity	\$35,000	\$55,000	\$75,000
Total	\$308,000	\$352,000	\$397,000

2014 MBA	25 th	50 th	75 th
Title	Director	Director	Sr Director
Base Salary	\$170,000	\$185,000	\$200,000
Annual Bonus	20%	25%	30%
Annual Equity	\$20,000	\$35,000	\$50,000
Total	\$224,000	\$266,250	\$310,000

2011 MBA	25 th	50 th	75 th
Title	Sr Director	VP	VP
Base Salary	\$220,000	\$230,000	\$240,000
Annual Bonus	35%	45%	55%
Annual Equity	\$50,000	\$75,000	\$100,000
Total	\$347,000	\$408,500	\$472,000

*Source: Charles Aris Inc. anecdotal data based on more than 3,000 conversations with consultants and witnessing more than 100 offers during the 2018 calendar year.



2018 Offer Ranges by Undergraduate Year



2018 *corporate* offer ranges* – at the 25th, 50th and 75th percentiles – for each *Pre-MBA / Undergraduate* graduation year:

2016 Pre-MBA	25 th	50 th	75 th
Title	Analyst	Sr Analyst	Manager
Base Salary	\$100,000	\$110,000	\$120,000
Annual Bonus	10%	15%	20%
Annual Equity	\$0	\$0	\$0
Total	\$110,000	\$126,500	\$144,000

2015 Pre-MBA	25 th	50 th	75 th
Title	Sr Analyst	Associate	Manager
Base Salary	\$105,000	\$120,000	\$135,000
Annual Bonus	10%	15%	20%
Annual Equity	\$0	\$0	\$0
Total	\$115,500	\$138,000	\$162,000

2014 Pre-MBA	25 th	50 th	75 th
Title	Associate	Manager	Sr Manager
Base Salary	\$115,000	\$130,000	\$145,000
Annual Bonus	15%	20%	20%
Annual Equity	\$0	\$0	\$15,000
Total	\$132,250	\$156,000	\$174,000

*Source: Charles Aris Inc. anecdotal data based on more than 3,000 conversations with consultants and witnessing more than 100 offers during the 2018 calendar year.



- ◆ Charles Aris Inc. is an international executive search firm founded in 1969. Its Strategy & Corporate Development practice is led by CEO Chad Oakley, a former Bain & Company consultant with a Wharton MBA degree.
- ◆ Since its inception in 2003, our Strategy & Corporate Development practice has placed more than **650** candidates, 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.



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Recently Completed Searches by Practice Area



STRATEGY & CORPORATE DEVELOPMENT

Title	Salary + Bonus*
SVP, Head of Strategy & M&A	\$528,000
Chief Strategy Officer	\$481,000
Vice President, Integration	\$412,000
Vice President, International Strategy	\$385,000
Chief of Staff to CEO	\$378,685
Vice President, Strategy	\$350,000
Vice President, M&A	\$337,000
Vice President, Corporate Development	\$312,000
Vice President & Chief of Staff	\$294,000
Director, Strategy	\$250,000
Director, Strategic Analytics	\$227,500
Private Equity Associate	\$224,000
Director, Strategy & Corporate Dev.	\$221,000
Portfolio Operations Associate	\$215,000
Director, Transformation	\$214,500

ENGINEERING & MANUFACTURING OPERATIONS

Title	Salary + Bonus*
Senior Engineering Manager	\$264,500
Operations Manager	\$260,000
Chief Operating Officer	\$260,000
Senior Director, R&D	\$256,500
Corporate VP, Engineering, R&D, Innov.	\$240,000
Director, Plant Operations	\$218,750
Operations Manager	\$216,000
Director, Project Engineering	\$210,000
Lead Temp Engineer	\$201,250
Vice President, Engineering	\$190,000
Director, Innovation	\$180,000
Plant Manager	\$168,750
Maintenance Supervisor	\$152,100
Senior Scientist	\$140,000
Reliability Leader	\$130,000

*Does not include equity or other forms of compensation



Recently Completed Searches by Practice Area



FINANCE & ACCOUNTING

Title	Salary + Bonus*
CFO – Consumer Goods	\$500,000
CFO – Real Estate / Construction	\$357,500
CFO – Insurance	\$300,000
CFO – Automotive Products	\$273,000
Director of Solar Finance	\$270,000
CFO – Apparel & Fashion	\$259,000
CFO – Pet Food Manufacturer	\$252,000
Director, Financial Planning & Analysis	\$247,000
CFO, Injection Molding	\$240,500
CFO – Industrial Products	\$206,250
CFO – Industrial Products	\$187,200
CFO – Industrial Automation	\$175,000
Finance Manager	\$156,000
Planning & Perf. Analytics Manager	\$147,600
Director, Global FP&A	\$140,000

SALES & MARKETING

Title	Salary + Bonus*
Chief Product Officer	\$468,000
Chief Marketing Officer	\$362,500
EVP, Sales & Marketing	\$317,300
Vice President, Sales	\$281,250
Vice President, Sales / Marketing	\$280,000
Territory Vice President	\$224,000
Director, Global Product Stewardship	\$215,000
Territory Vice President	\$208,000
Vice President, Business Development	\$200,000
Vice President, Sales	\$180,000
Category Manager	\$175,000
Director, Marketing	\$174,000
Vice President, Sales	\$150,000
Product Manager	\$143,850
Product Manager	\$142,500

*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
SVP, Feed Division	\$735,000
CEO – Food Manufacturing	\$600,000
CEO – Retail	\$525,000
President, Education Solutions	\$465,000
President, Health Care Services	\$450,000
CEO – Building Materials	\$375,000
CEO – Injection Molding	\$375,000
General Mgr – Consumer Electronics	\$350,000
CEO – Oil & Energy	\$310,500
General Manager – Consumer Goods	\$299,000
President – Process & Controls	\$294,000
EVP / GM – Consumer Electronics	\$240,000
CEO – Education	\$237,500
CEO – Investment Management	\$231,250

MISCELLANEOUS

Title	Salary + Bonus*
Head of Performance Acceleration	\$472,500
Vice President, Customer Analytics	\$368,450
SVP, Risk Management	\$280,000
IT Expert Manager	\$276,000
Director, Communication Improvement	\$258,000
HR Site Manager / Director	\$218,750
Director of Human Resources	\$212,500
VP, Clinic Operations	\$190,000
Global Distribution Manager	\$187,500
Vice President, Construction	\$179,400
Senior Designer	\$155,250
Investment Engineer	\$155,000
Vice President of People	\$154,000
VP, CIO	\$150,000
Technology Innovation Leader	\$140,000

*Does not include equity or other forms of compensation

