



**CHARLES**  
**ARIS**<sup>TM</sup>

Change Lives | Transform Businesses | Enrich Communities

# 2020 Strategy Consulting Compensation Study

January 31, 2020

## *Thank you*

- ◆ Charles Aris is proud to present our **10<sup>th</sup> 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** 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.



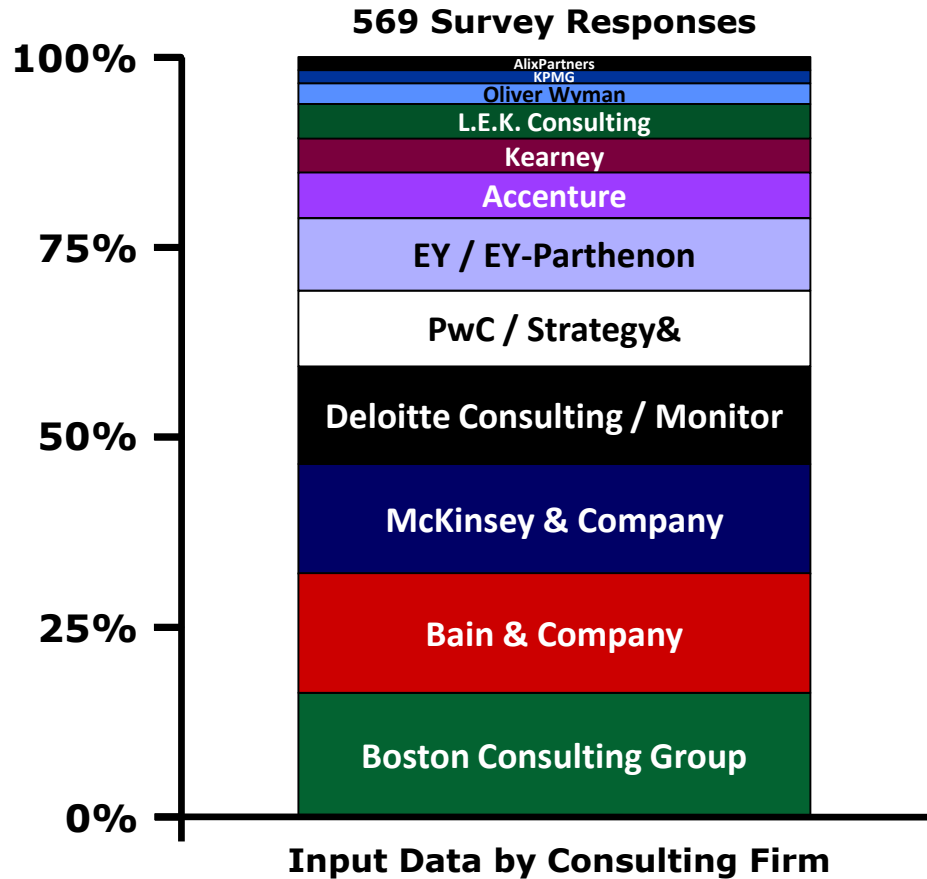
# Key Facts on the Compensation Data Used for this Study



- ◆ All compensation data points for this study were collected via a voluntary and anonymous survey between August 30 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 – 794 of whom are current consultants – completed our survey. Of the remaining 1,051 respondents, 1,011 are former consultants, and 40 have never worked in consulting. For the purposes of this study, only data from current consultants was used. **On March 27, 2020 we will publish a second compensation study that focuses solely on former consultants.**
- ◆ We eliminated 225 of the 794 responses from current consultants, leaving us with 569 total responses for this report. Responses were eliminated for a myriad of reasons, the most common of which were incomplete responses or the sample size for specific graduation years were too small to allow for meaningful analyses.
- ◆ Compensation data points are voluntarily and anonymously self-reported by respondents and are not verified through any other means. That said, we are confident that the data points are accurate, given the consistency in responses we received across consultants and firms.



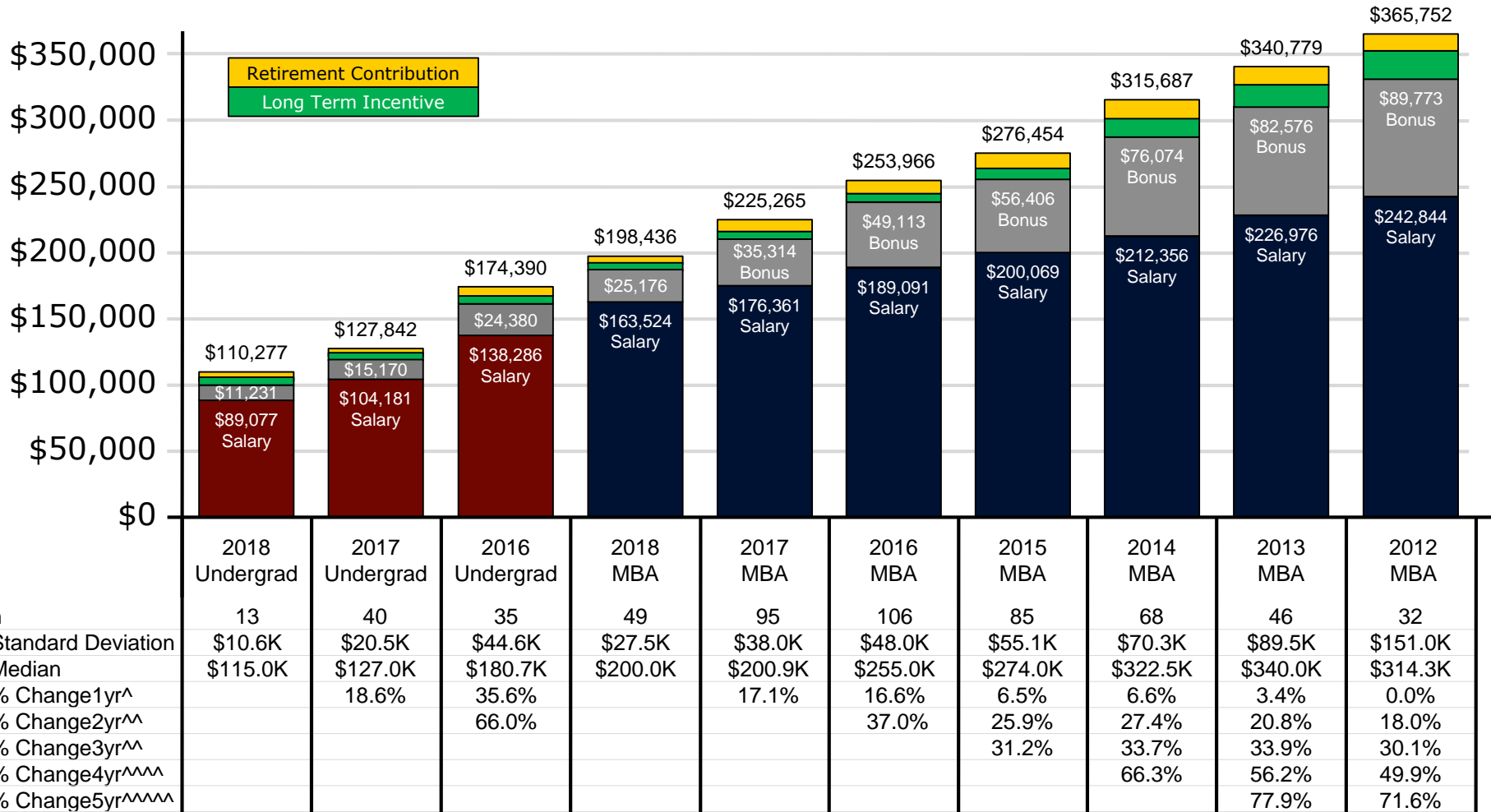
# Input Data by Consulting Firm



- ◆ Our 2020 Strategy Consulting Compensation Study is driven by **569** survey responses from consultants across 12 consulting firms.
- ◆ 46.2% of the responses come from consultants at “The Big Three” firms: Boston Consulting Group, Bain & Company, and McKinsey & Company.
- ◆ Of the 569 total responses, 481 come from post-MBA consultants and 88 come from pre-MBA / undergraduate consultants.



# Average Compensation by Graduation Year



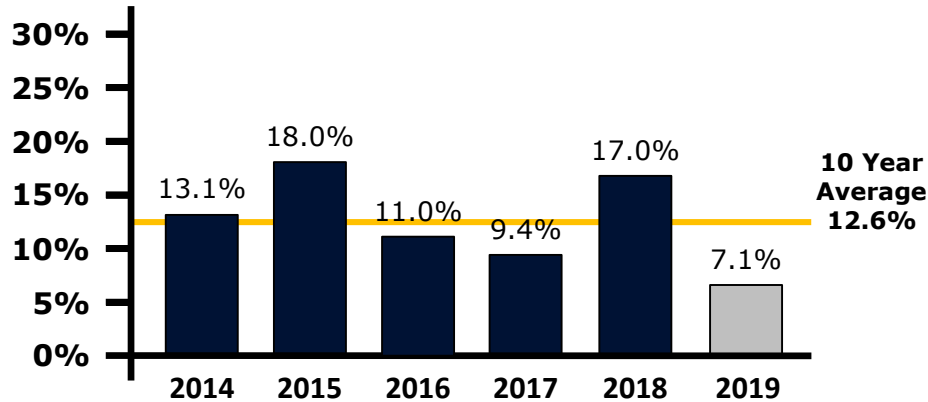
^% Change1Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2018 to 2019, for that graduation year.  
 ^^% Change2Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2017 to 2019, for that graduation year.  
 ^^% Change3Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2016 to 2019, for that graduation year.  
 ^^% Change4Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2015 to 2019, for that graduation year.  
 ^^% Change5Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2014 to 2019, for that graduation year.



# Average Increase in Annual Compensation

## Post-MBA

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



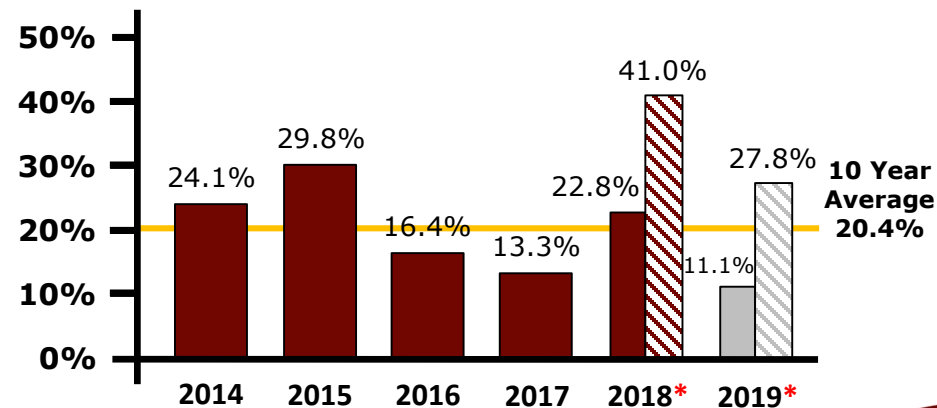
◆ On average, post-MBA strategy consultants experienced a 7.1% increase in compensation from 2018 to 2019, which is the lowest annual increase we've seen in the ten years we've been producing this study.

◆ **What's driving it?** 2018 was a "double raise" year for several top-tier firms (i.e. firms issued mid-year raises in 2018 on top of standard raises at year end). While a 7.1% increase is lower than previous years, it's higher than the average merit increase of 3% typically seen in corporate America.

- ◆ **\*NOTE:** In 2018, Charles Aris began including changes in Direct Promote compensation to reflect the growing propensity for top consulting firms to promote undergraduates to post-MBA positions.
- ◆ On average, pre-MBA / undergraduate consultants experienced an 11.1% increase in compensation from 2018 to 2019, which is the lowest annual increase we've seen in the ten years we've been producing this study. When including Direct Promote data, the rate changes to 27.8%, which is a noticeable decrease when compared to the 41.0% in 2018.
- ◆ **What's driving it?** As stated above, 2018 was a "double raise" year which clearly affected consultant compensation at all levels in 2019.

## Pre-MBA

How much did the average pre-MBA / undergraduate consultant's compensation increase compared to the previous year?

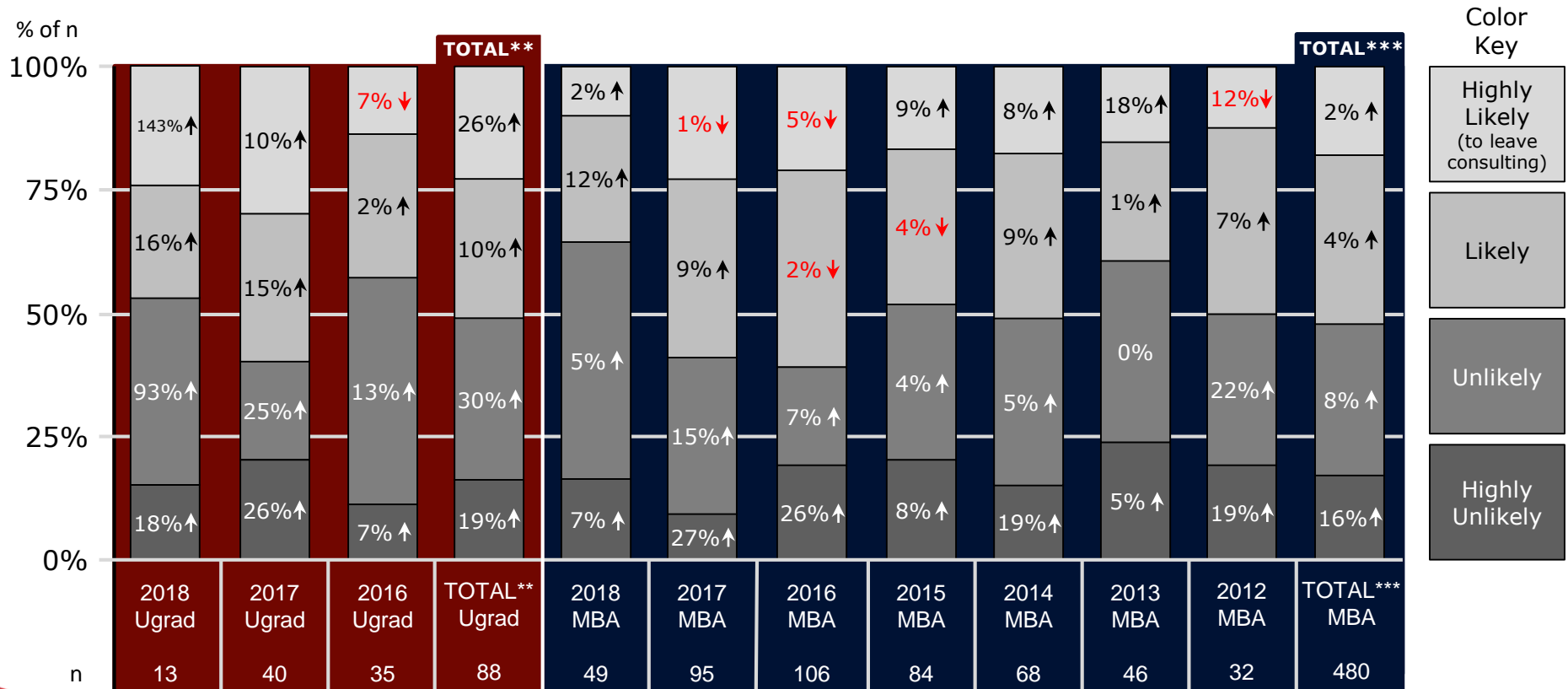


# Likelihood to Leave Consulting vs. Compensation Expectations\*



## 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 first-year total compensation\* expected by each respondent group (which is the percentage listed in each bar segment).



\*Total Compensation includes base salary, target annual bonus, plus any annual long-term incentives such as stock options, restricted stock units, retirement contributions or long-term cash payouts

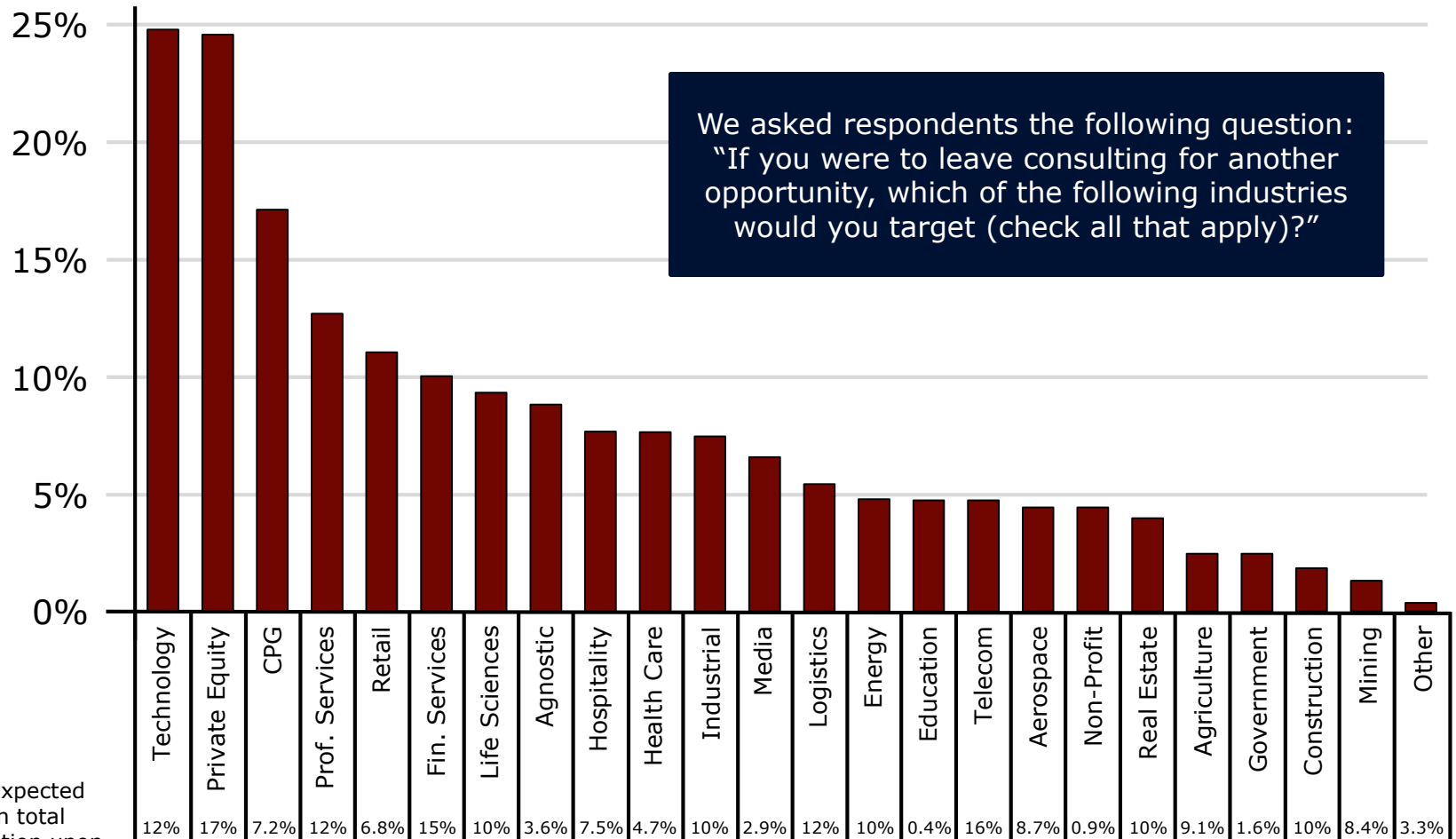
\*\*Weighted average of 2016-2018 undergrad data

\*\*\*Weighted average of 2012-2018 MBA data



# Industry Preferences Upon Leaving Consulting

% of Candidates That Selected Each Industry\*



We asked respondents the following question:  
 "If you were to leave consulting for another opportunity, which of the following industries would you target (check all that apply)?"

Average expected increase in total compensation upon joining that industry

\* The average respondent checked 3.56 industries.





# 2019 Sample Industry Offers



A subset of 2019 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 1998	x-Big 3	\$475K	50%	\$250K	\$450K	Operating Director	PE Firm
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 2011	Big 3	\$250K	40%	\$80K	\$280K	Vice President	Corporation
MBA 2013	x-Top 9	\$240K	35%	\$25K		Senior Director	Corporation
MBA 2013	Big 3	\$250K	25%	\$75K	\$200K	Vice President	Corporation
MBA 2014	Big 3	\$225K	100%	\$25K	\$660K	Vice President	PE Firm
MBA 2015	Top 9	\$200K	25%		\$50K	Director	Corporation
MBA 2016	Big 3	\$190K	30%			Senior Director	Corporation
MBA 2016	Top 9	\$175K	30%		\$200K	Vice President	Corporation
MBA 2016	Big 3	\$300K	50%	\$25K		Vice President	Asset Management
MBA 2017	Big 3	\$200K	30%		\$200K	Vice President	PE Firm
MBA 2017	Big 3	\$185K	20%	\$50K	\$25K	Director	Corporation
B.S. 2017	Big 3	\$155K	65%			Associate	PE Firm
B.S. 2017	Top 9	\$110K	80%			Associate	PE Firm
B.S. 2017	Top 9	\$150K	20%	\$25K		Associate	Asset Management
B.S. 2018	Big 3	\$125K	110%			Associate	PE Firm

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

Post  
MBA

Pre  
MBA

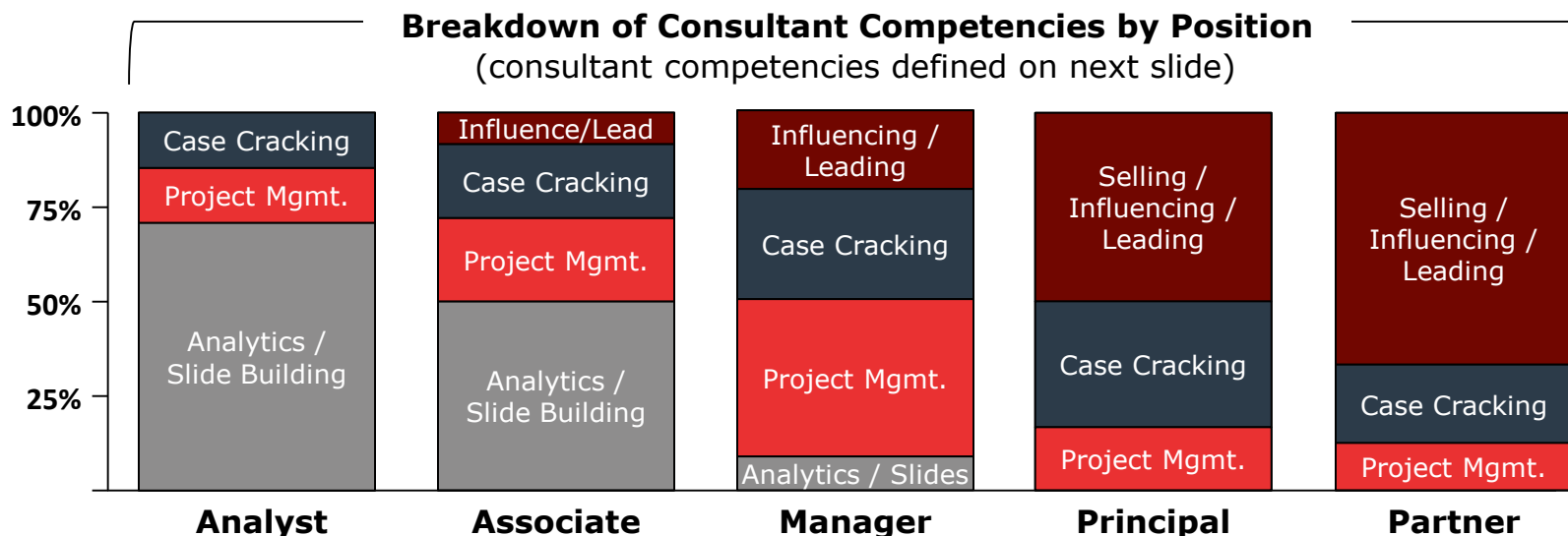


# Strategy Consultant Competencies



The matrix below defines the expected competencies for consultants at each level for the **2020** 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
Typical Graduation Year	2017-2019 undergraduate degree	2018-2019 MBA	2016-2017 MBA	2013-2015 MBA	2012 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 analyses, 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 and other presentation tools to create impactful, concise and defect-free slide loops.

Junior-Level  
Competencies



# 2019 Offer Ranges by MBA Year



2019 **corporate** offer ranges\* – at the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles – for each **MBA** graduation year:

2017 MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Manager	Sr Manager	Director
<b>Base Salary</b>	\$160,000	\$175,000	\$190,000
<b>Annual Bonus</b>	15%	20%	25%
<b>Annual Equity</b>	\$0	\$0	\$20,000
<b>Total</b>	\$184,000	\$210,000	\$257,500

2014 MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Director	Sr Director	VP
<b>Base Salary</b>	\$195,000	\$210,000	\$230,000
<b>Annual Bonus</b>	25%	30%	35%
<b>Annual Equity</b>	\$30,000	\$45,000	\$60,000
<b>Total</b>	\$273,750	\$318,000	\$370,500

2016 MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Sr Manager	Director	Director
<b>Base Salary</b>	\$175,000	\$185,000	\$195,000
<b>Annual Bonus</b>	20%	25%	30%
<b>Annual Equity</b>	\$0	\$20,000	\$40,000
<b>Total</b>	\$210,000	\$251,250	\$293,500

2013 MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Sr Director	Sr Director	VP
<b>Base Salary</b>	\$210,000	\$225,000	\$240,000
<b>Annual Bonus</b>	30%	35%	40%
<b>Annual Equity</b>	\$40,000	\$60,000	\$80,000
<b>Total</b>	\$313,000	\$363,750	\$416,000

2015 MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Director	Director	Sr Director
<b>Base Salary</b>	\$185,000	\$200,000	\$215,000
<b>Annual Bonus</b>	20%	25%	30%
<b>Annual Equity</b>	\$20,000	\$35,000	\$50,000
<b>Total</b>	\$242,000	\$285,000	\$329,500

2012 MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Sr Director	VP	VP
<b>Base Salary</b>	\$230,000	\$240,000	\$250,000
<b>Annual Bonus</b>	30%	40%	50%
<b>Annual Equity</b>	\$75,000	\$100,000	\$125,000
<b>Total</b>	\$374,000	\$436,000	\$500,000

\*Source: Charles Aris Inc. anecdotal data based on more than 3,000 conversations with consultants and witnessing more than 100 offers during the 2019 calendar year.



# 2019 Offer Ranges by Undergraduate Year



2019 **corporate** offer ranges\* – at the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles – for each **Pre-MBA / Undergraduate** graduation year:

2017 Pre-MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Sr. Analyst	Associate	Manager
<b>Base Salary</b>	\$105,000	\$120,000	\$130,000
<b>Annual Bonus</b>	10%	15%	20%
<b>Annual Equity</b>	\$0	\$0	\$0
<b>Total</b>	\$115,500	\$138,000	\$156,000

2016 Pre-MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Sr Analyst	Associate	Manager
<b>Base Salary</b>	\$110,000	\$125,000	\$150,000
<b>Annual Bonus</b>	10%	15%	20%
<b>Annual Equity</b>	\$0	\$0	\$0
<b>Total</b>	\$121,000	\$143,750	\$180,000

2015 Pre-MBA	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
<b>Title</b>	Manager	Sr. Manager	Director
<b>Base Salary</b>	\$125,000	\$140,000	\$160,000
<b>Annual Bonus</b>	15%	20%	20%
<b>Annual Equity</b>	\$0	\$0	\$15,000
<b>Total</b>	\$143,750	\$168,000	\$207,000

\*Source: Charles Aris Inc. anecdotal data based on more than 3,000 conversations with consultants and witnessing more than 100 offers during the 2019 calendar year.



- ◆ 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](http://CharlesAris.com).



# Our Strategy & Corporate Development Leadership Team



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To learn more, contact any of our team members or visit [CharlesAris.com](http://CharlesAris.com).



# Recently Completed Searches by Practice Area



## STRATEGY & CORPORATE DEVELOPMENT

Title	Salary + Bonus*
SVP, Corporate Development	\$722,500
Operating Director, Portfolio Ops	\$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, Integration	\$412,000
Chief of Staff to CEO	\$378,000
Vice President, Strategy	\$350,000
Vice President, M&A	\$337,000
Senior Director, Corporate Strategy	\$297,000
Private Equity Associate	\$265,000
Director, Transformation	\$247,000
Portfolio Operations Associate	\$235,000
Senior Manager, Business Operations	\$206,250

## ENGINEERING & OPERATIONS

Title	Salary + Bonus*
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 Director	\$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
COO – Industrial Products	\$260,000
Senior Director, R&D	\$256,500
Senior Director Product Innovation	\$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
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 – Mfg	\$208,000

## SALES & MARKETING

Title	Salary + Bonus*
EVP / Chief 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
Vice President, Sales and Marketing	\$280,000
Regional Account Sales Manager	\$250,000
VP, Inside Sales & Customer Experience	\$245,000
VP Sales Operations – Textiles	\$245,000
Director, Sales & Marketing	\$225,000
Sr. Product Manager – Chemicals	\$222,000
Director, Global Product Stewardship	\$215,000
Territory Vice President	\$208,000

\*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 – Agri.	\$412,500
CEO – Building Systems	\$390,000
CEO – Building Materials	\$375,000
CEO – Injection Molding	\$375,000

## MISCELLANEOUS

Title	Salary + Bonus*
General Counsel	\$525,000
Head of Performance Acceleration	\$472,500
Chief Information Office – BPO	\$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
Human Resources Site Director	\$218,750
Director of Corporate Council	\$218,500
Director of Human Resources	\$212,500
CEO Succession Associate	\$210,000

\*Does not include equity or other forms of compensation

