



CHARLES
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2021 Strategy Consulting Compensation Study

January 29, 2021

Thank you

- ◆ Charles Aris is proud to present our **11th Annual Strategy Consulting Compensation Study**, and we extend our heartfelt thanks to the 2,280 of you who took the time to complete our voluntary and anonymous compensation survey which made this study possible. We're grateful to have such strong support from the strategy community.
- ◆ This year, we pledged to donate \$10 to one of three nonprofits for every completed survey, up to \$10,000. We are thrilled to announce that you helped us meet that goal and make an impact on the following three charities:



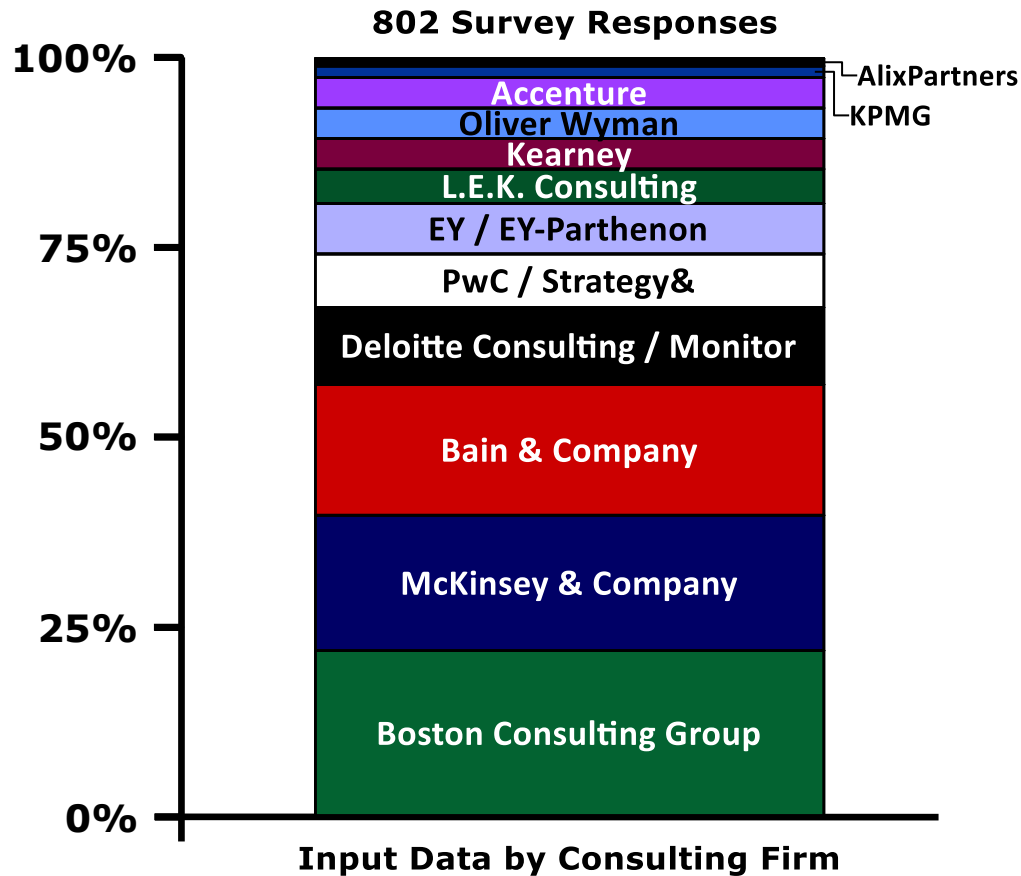
Key Facts on the Compensation Data Used for this Study



- ◆ All compensation data points for this study were collected via a voluntary and anonymous survey between August 30 and December 31, 2020. 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.
- ◆ 2,280 individuals – 1,052 of whom are current consultants – completed our survey. Of the remaining 1,228 respondents, 1,192 are former consultants, and 36 have never worked in consulting. For the purposes of this study, only data from current consultants was used. **On March 26, 2021 we will publish a second compensation study that focuses solely on former consultants.**
- ◆ We eliminated 250 of the 1,052 responses from current consultants, leaving us with 802 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.



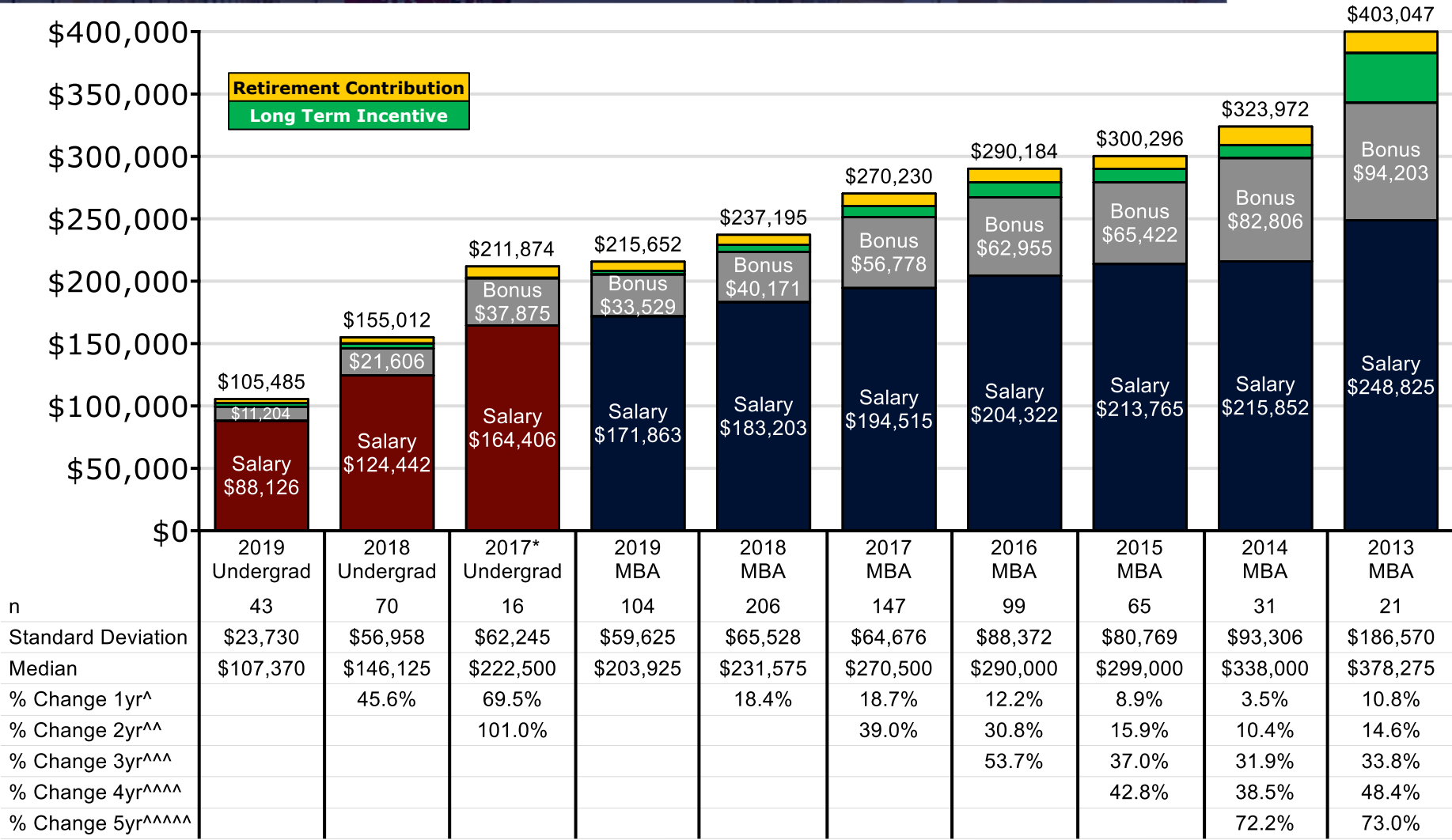
Input Data by Consulting Firm



- ◆ Our 2020 Strategy Consulting Compensation Study is driven by **802** survey responses from consultants across 12 consulting firms.
- ◆ 57.4% of the responses come from consultants at “The Big Three” firms: Boston Consulting Group, Bain & Company, and McKinsey & Company.
- ◆ Of the 802 total responses, 673 come from post-MBA consultants and 129 come from pre-MBA / undergraduate consultants.



Average Compensation by Graduation Year



*Of the 16 respondents for 2017 Undergrads, 14 were direct promotes, which leads to a compensation package roughly equal to a 2019 post-MBA position on average.

[^]% Change1Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2019 to 2020, for that graduation year.

^{^^}% Change2Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2018 to 2020, for that graduation year.

^{^^^}% Change3Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2017 to 2020, for that graduation year.

^{^^^^}% Change4Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2016 to 2020, for that graduation year.

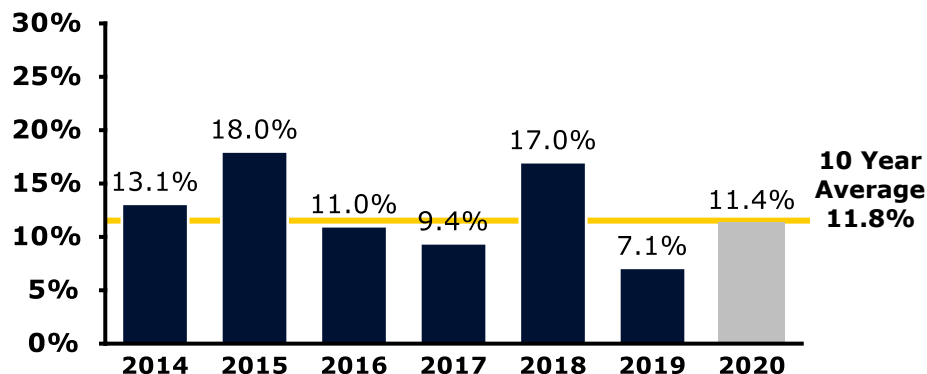
^{^^^^^}% Change5Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2015 to 2020, for that graduation year.



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 an 11.4% increase in compensation from 2019 to 2020, which is right in line with the ten-year average of 11.8%.

◆ **What's driving it?** Many people may be surprised to see a double digit raise during a pandemic year, but it's *very important* to remember that, for most firms, 2020 raises were provided at the beginning of 2020, *prior* to COVID. We suspect that any compensation implications of COVID will be seen during 2021.

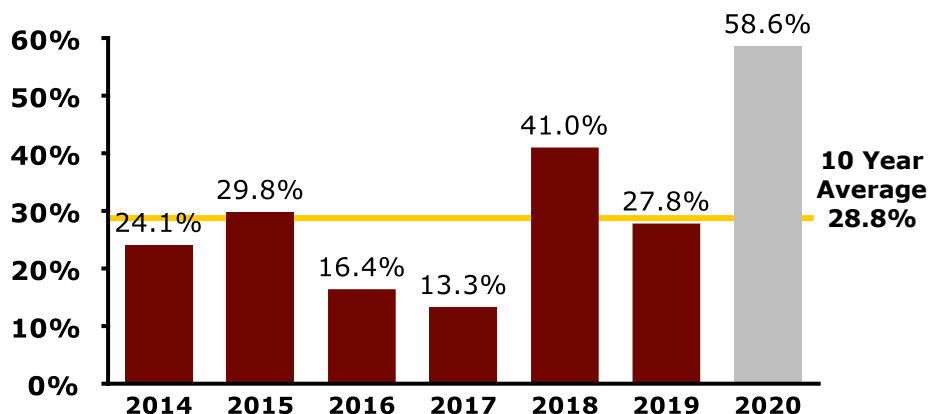
◆ Your eyes do not deceive you – yes, the average pre-MBA consultant received a whopping 58.6% raise from 2019 to 2020, which is more than double the ten-year average.

◆ **What's driving it?** Direct promotes are the driving factor behind such an incredible increase in annual compensation. Five years ago, only top performers were offered a post-MBA position if they agreed to stay beyond their Analyst program. Today, it is no longer the exception for pre-MBAs to receive this promotion.

On the previous slide check out the "% Change 2yr" line for 2017 Undergrads: 101%! This means that over a two-year time period a pre-MBA's compensation has more than doubled! Wow!

Pre-MBA

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

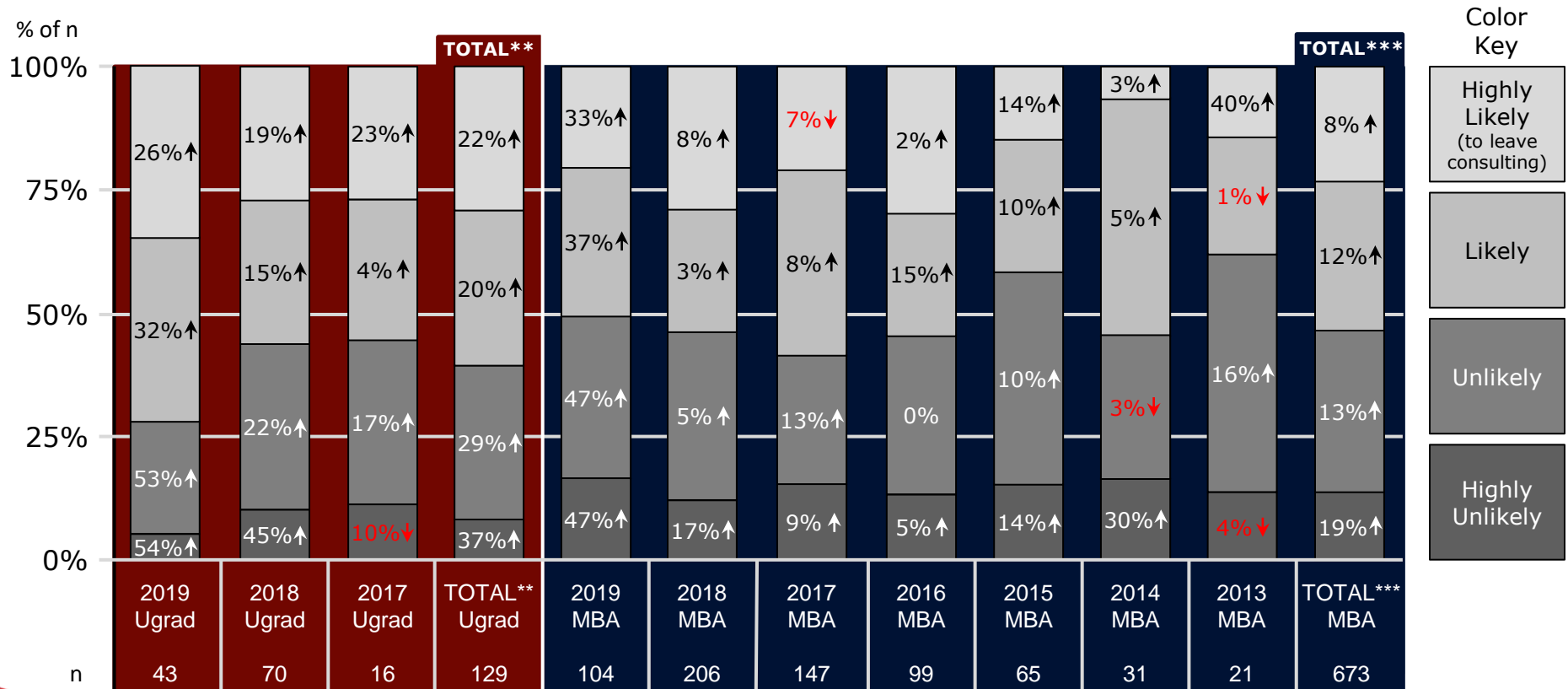


Likelihood to Leave Consulting vs. Compensation Expectations*



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).



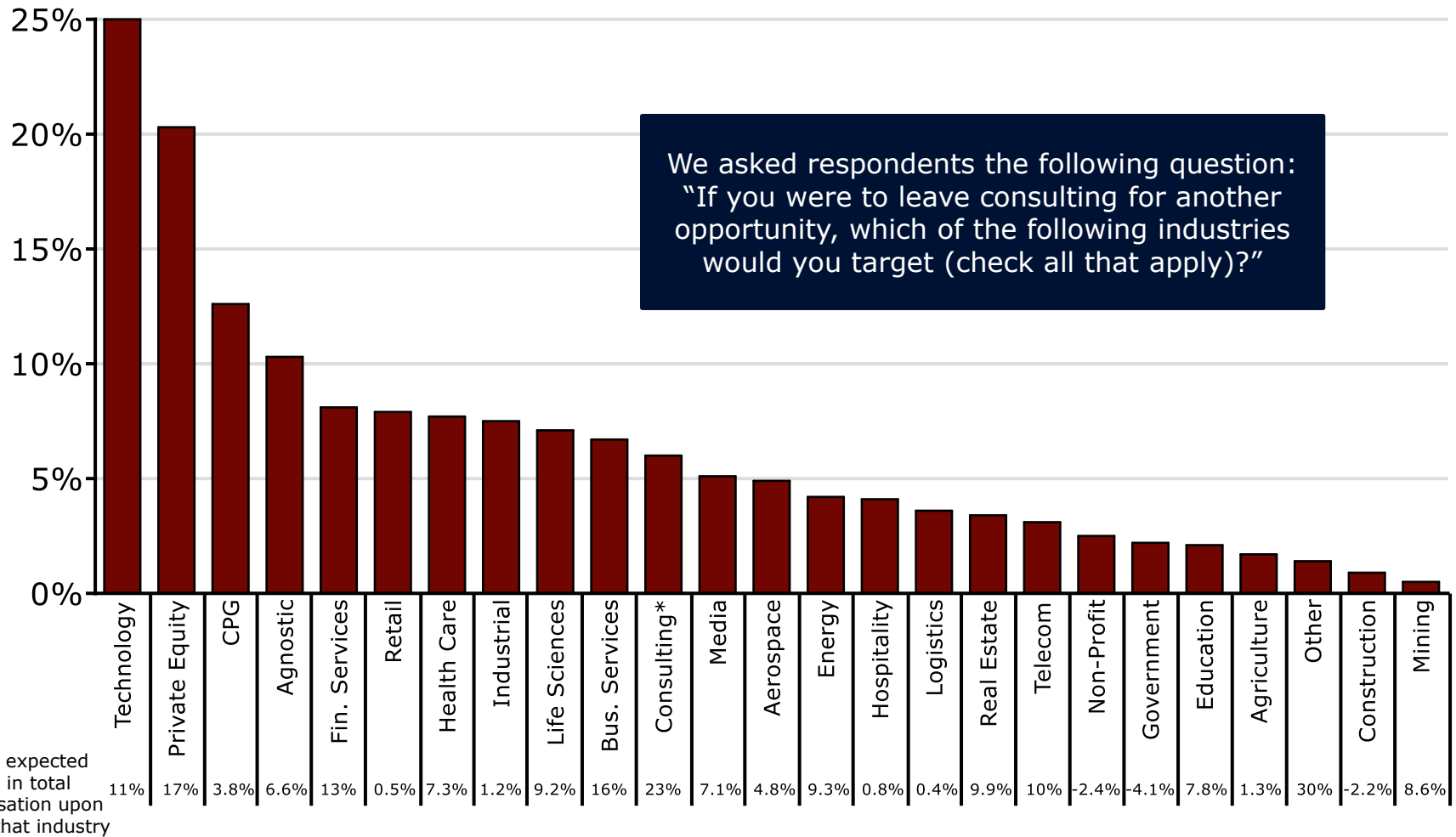
*Total Compensation includes base salary, target annual bonus, plus any annual long-term incentives such as stock options, restricted stock units, retirement contributions or long-term cash payouts

**Weighted average of 2017-2019 undergrad data

***Weighted average of 2013-2019 MBA data



Industry Preferences Upon Leaving Consulting



NOTE: The average respondent checked 2.96 industries.

* Respondent plans to join a different consulting firm than the one they are employed by today.



2020 Sample Industry Offers



A subset of 2020 offers accepted by Charles Aris candidates from Tier 1 Strategy Firms:

| Education | Consulting Firm | Accepted Offer* | | | | Offer Title | Company Description |
|-----------|-----------------|-----------------|-------|---------|----------|------------------------|---------------------|
| | | Base | Bonus | Sign-On | LTI | | |
| MBA 1998 | x-Tier 1 | \$400K | 50% | | *** | Chief Strategy Officer | Corporation |
| MBA 2005 | x-Big 3 | \$300K | 100% | | Carry | Director | Private Equity |
| MBA 2006 | x-Big 3 | \$300K | 40% | | \$200K | Vice President | PE Portfolio |
| MBA 2008 | x-Big 3 | \$325K | 30% | \$400K | \$170K | Vice President | Corporation |
| MBA 2013 | Big 3 | \$240K | 25% | \$10K | \$50K | Senior Director | Corporation |
| MBA 2014 | Big 3 | \$250K | 130% | \$60K | Carry | Vice President | Private Equity |
| MBA 2014 | Big 3 | \$290K | 40% | \$125K | \$60K | Vice President | Corporation |
| MBA 2015 | Tier 1 | \$210K | 25% | \$90K | \$40K | Director | Corporation |
| MBA 2015 | x-Big 3 | \$250K | 20% | \$250K | \$30K | Senior Director | Corporation |
| MBA 2017 | Big 3 | \$205K | 25% | \$20K | \$195K | Director | Corporation |
| MBA 2017 | Big 3 | \$180K | 55% | | | Senior Director | PE Portfolio |
| MBA 2017 | Big 3 | \$200K | 75% | | | Associate Director | Asset Management |
| MBA 2018 | Tier 1 | \$165K | 15% | \$15K | \$65K | Senior Manager | Corporation |
| B.S. 2016 | Tier 1 | \$135K | 20% | | \$275K** | Director | PE Portfolio |
| B.S. 2017 | Tier 1 | \$135K | 75% | | | Associate | Private Equity |
| B.S. 2017 | Tier 1 | \$125K | 15% | \$10K | \$10K | Senior Analyst | Corporation |
| B.S. 2018 | Big 3 | \$125K | 110% | | | Associate | Private Equity |

*Base = Base Salary. Bonus = Annual Target Bonus. Sign-On = Sign-On Bonus. LTI = Annual Long-Term Incentive.

** = One Time LTI Grant. ***LTI not defined at time of offer.

Post
MBA

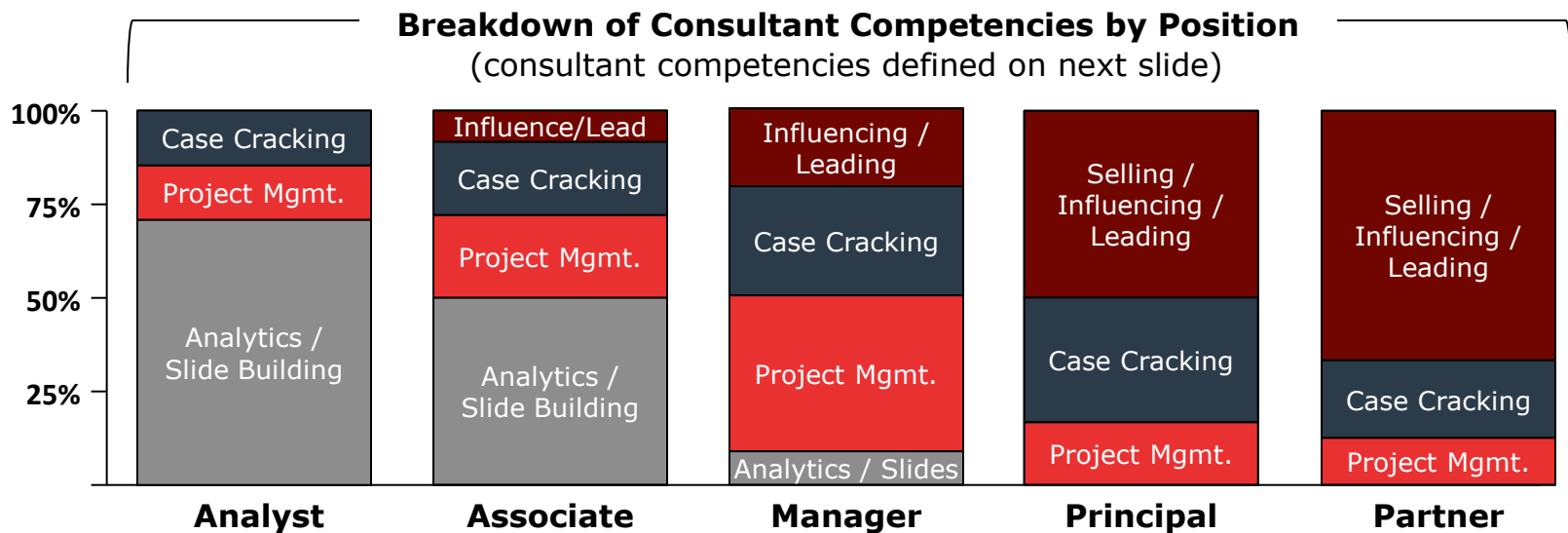
Pre
MBA



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 | 2018-2020 undergraduate degree | 2019-2020 MBA | 2017-2018 MBA | 2014-2016 MBA | 2013 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



2020 Offer Ranges by MBA Year



2020 **corporate** offer ranges* – at the 25th, 50th and 75th percentiles – for each **MBA** graduation year:

| 2018 MBA | 25 th | 50 th | 75 th |
|----------------------|------------------|------------------|------------------|
| Title | Manager | Sr Manager | Director |
| Base Salary | \$165,000 | \$175,000 | \$190,000 |
| Annual Bonus | 15% | 20% | 25% |
| Annual Equity | \$0 | \$0 | \$20,000 |
| Total | \$189,750 | \$210,000 | \$257,500 |

| 2015 MBA | 25 th | 50 th | 75 th |
|----------------------|------------------|------------------|------------------|
| Title | Director | Sr Director | VP |
| Base Salary | \$195,000 | \$210,000 | \$230,000 |
| Annual Bonus | 25% | 30% | 35% |
| Annual Equity | \$30,000 | \$45,000 | \$60,000 |
| Total | \$273,750 | \$318,000 | \$370,500 |

| 2017 MBA | 25 th | 50 th | 75 th |
|----------------------|------------------|------------------|------------------|
| Title | Sr Manager | Director | Director |
| Base Salary | \$175,000 | \$185,000 | \$195,000 |
| Annual Bonus | 20% | 25% | 30% |
| Annual Equity | \$0 | \$20,000 | \$40,000 |
| Total | \$210,000 | \$251,250 | \$293,500 |

| 2014 MBA | 25 th | 50 th | 75 th |
|----------------------|------------------|------------------|------------------|
| Title | Sr Director | Sr Director | VP |
| Base Salary | \$210,000 | \$225,000 | \$240,000 |
| Annual Bonus | 30% | 35% | 40% |
| Annual Equity | \$40,000 | \$60,000 | \$80,000 |
| Total | \$313,000 | \$363,750 | \$416,000 |

| 2016 MBA | 25 th | 50 th | 75 th |
|----------------------|------------------|------------------|------------------|
| Title | Director | Director | Sr Director |
| Base Salary | \$185,000 | \$200,000 | \$215,000 |
| Annual Bonus | 20% | 25% | 30% |
| Annual Equity | \$20,000 | \$35,000 | \$50,000 |
| Total | \$242,000 | \$285,000 | \$329,500 |

| 2013 MBA | 25 th | 50 th | 75 th |
|----------------------|------------------|------------------|------------------|
| Title | Sr Director | VP | VP |
| Base Salary | \$230,000 | \$240,000 | \$250,000 |
| Annual Bonus | 30% | 40% | 50% |
| Annual Equity | \$75,000 | \$100,000 | \$125,000 |
| Total | \$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 2020 calendar year.



2020 Offer Ranges by Undergraduate Year



2020 **corporate** offer ranges* – at the 25th, 50th and 75th percentiles – for each **Pre-MBA / Undergraduate** graduation year:

| 2018 Pre-MBA | 25 th | 50 th | 75 th |
|---------------|------------------|------------------|------------------|
| Title | Sr. Analyst | Associate | Manager |
| Base Salary | \$110,000 | \$120,000 | \$130,000 |
| Annual Bonus | 10% | 15% | 20% |
| Annual Equity | \$0 | \$0 | \$0 |
| Total | \$121,000 | \$138,000 | \$156,000 |

| 2017 Pre-MBA | 25 th | 50 th | 75 th |
|---------------|------------------|------------------|------------------|
| Title | Associate | Manager | Sr. Manager |
| Base Salary | \$115,000 | \$125,000 | \$140,000 |
| Annual Bonus | 10% | 15% | 20% |
| Annual Equity | \$0 | \$0 | \$0 |
| Total | \$126,500 | \$143,750 | \$168,000 |

| 2016 Pre-MBA | 25 th | 50 th | 75 th |
|---------------|------------------|------------------|------------------|
| Title | Sr. Manager | Sr. Manager | Director |
| Base Salary | \$125,000 | \$140,000 | \$160,000 |
| Annual Bonus | 15% | 20% | 20% |
| Annual Equity | \$0 | \$0 | \$15,000 |
| Total | \$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 2020 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 **875 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 or investment banks 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



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 |
| Portfolio Operations Associate | \$235,000 |
| Senior Manager, Business Operations | \$206,250 |
| Senior Manager, Corporate Strategy | \$204,000 |

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 |
| CEO – Oil & Energy | \$310,500 |
| General Manager – Consumer Goods | \$299,000 |
| General Manager – Industrials | \$253,125 |

Recently completed searches



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 |
| VP, Admin. Finance – Manufacturing | \$174,000 |
| Director, Finance – Consumer Services | \$170,500 |
| Assistant Controller – SaaS Provider | \$140,000 |

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 |
| Director, Global Product Stewardship | \$215,000 |
| Territory Vice President | \$208,000 |
| Director, Inside Sales – Textiles | \$202,500 |

Recently completed searches



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 |
| Director of Quality – MedDev | \$240,000 |
| Director, Plant Operations | \$218,750 |
| COO - Healthcare | \$210,000 |

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 |
| Global Distribution Manager | \$187,500 |
| Vice President, Construction | \$179,400 |
| Senior Designer | \$155,250 |