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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:

St. Jude Children's Research Hospital

Direct Relief

National Diversity Council



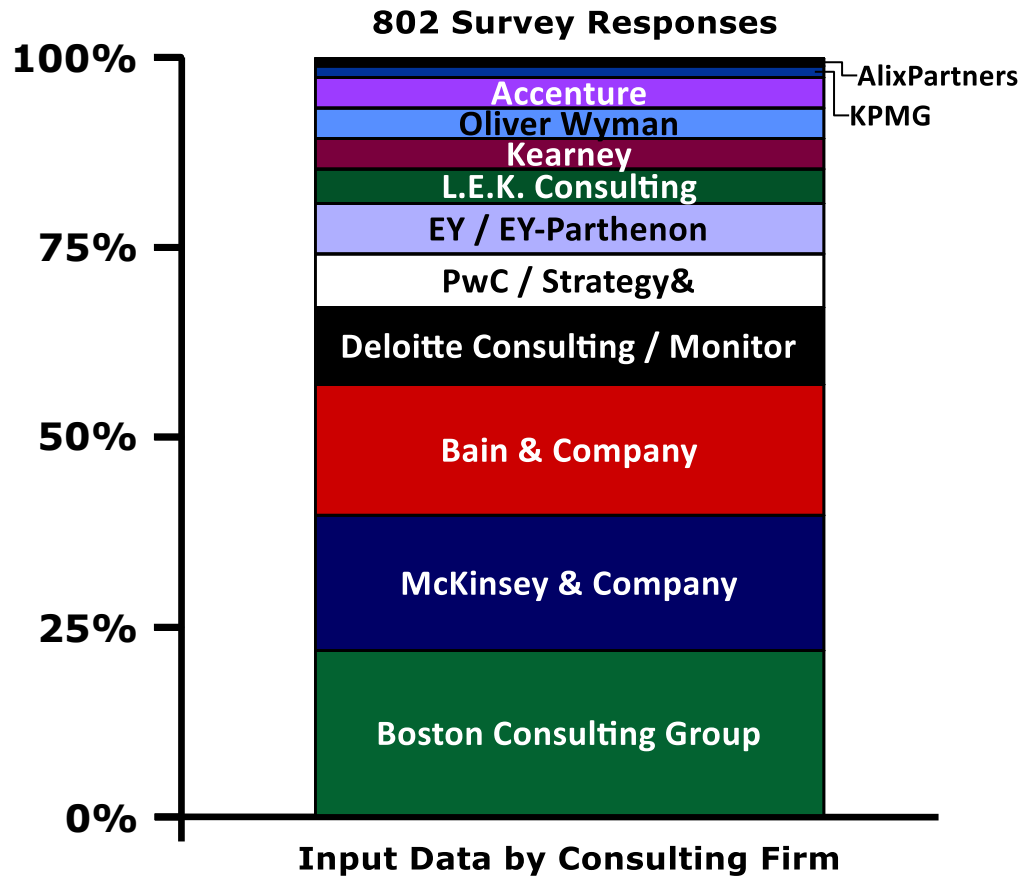
Key Facts on the Compensation Data Used for this Study



- ◆ 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.



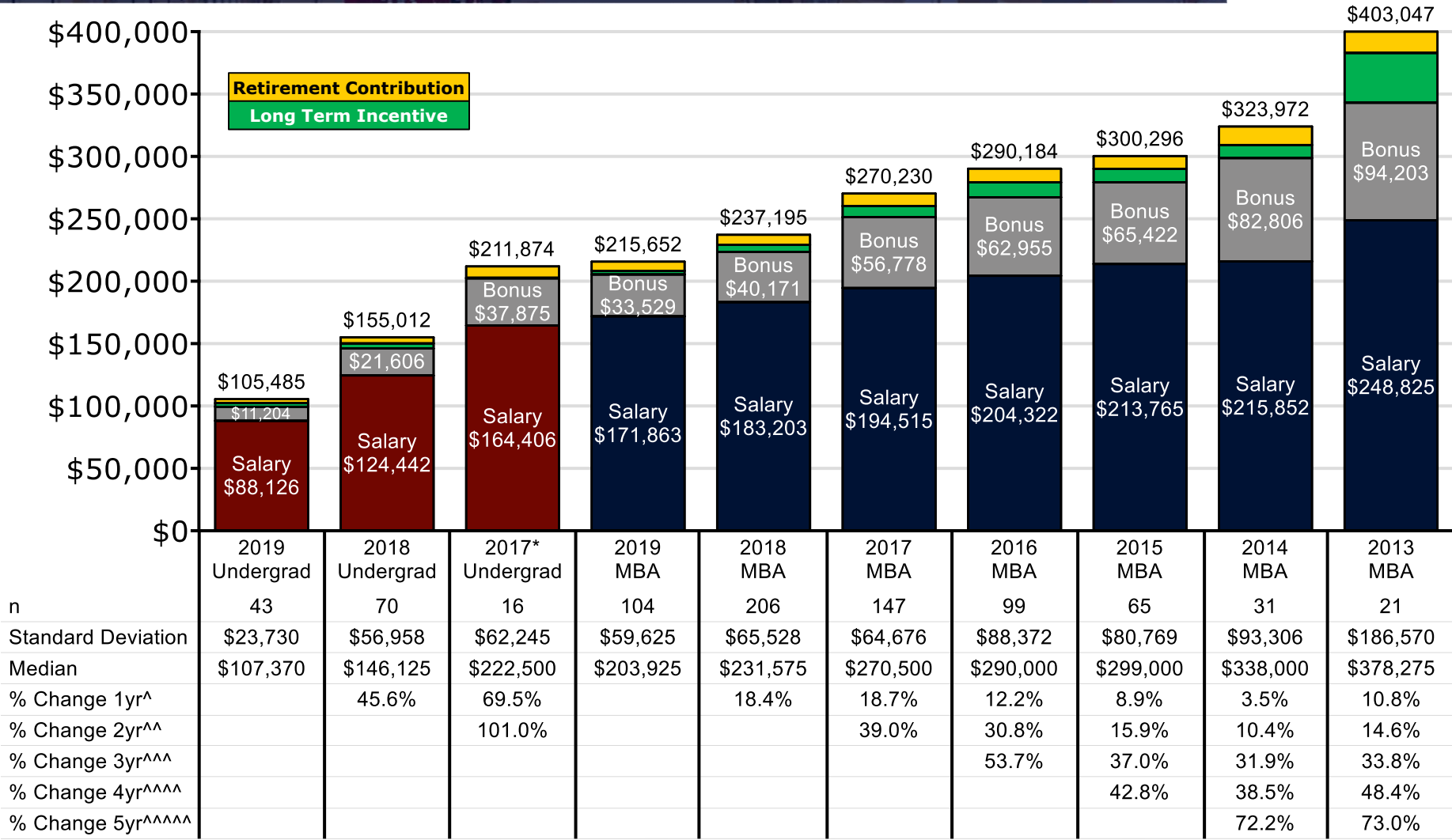
Input Data by Consulting Firm



- ◆ Our 2021 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.

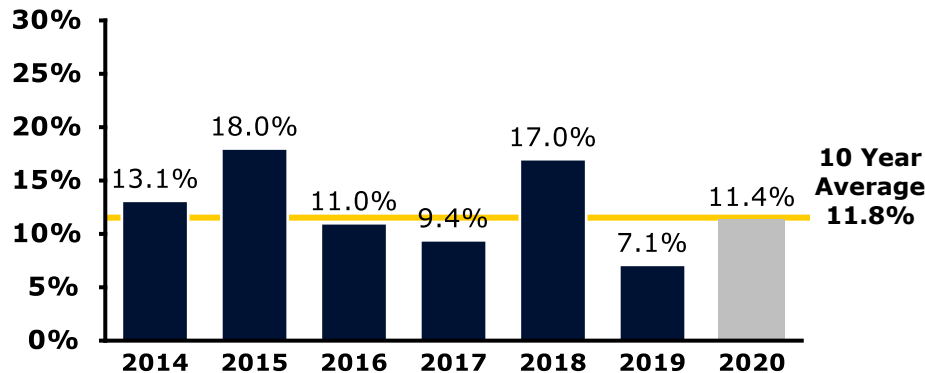
^{^^^^^}% Change5Yr equals the percentage change in annual compensation (base salary plus target annual bonus only), from 2015 to 2020, for that graduation year.



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.

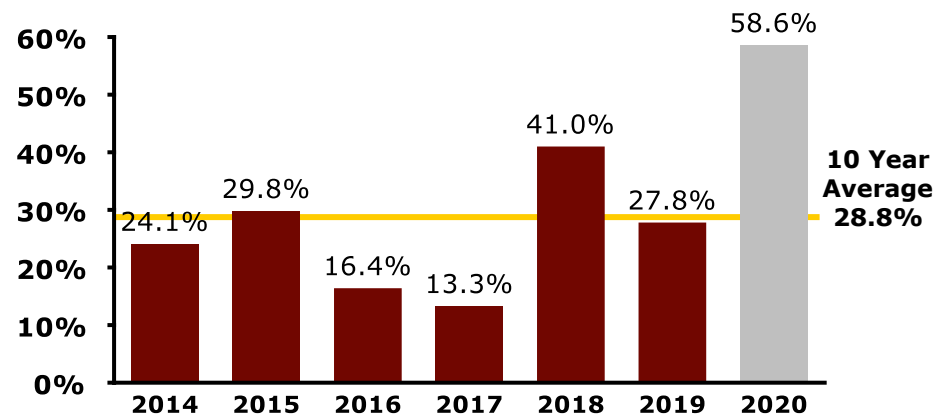
- ◆ Your eyes do not deceive you – yes, the average pre-MBA consultant received a whopping 58.6% raise from 2019 to 2020, which is more than double the ten-year average.

- ◆ **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?

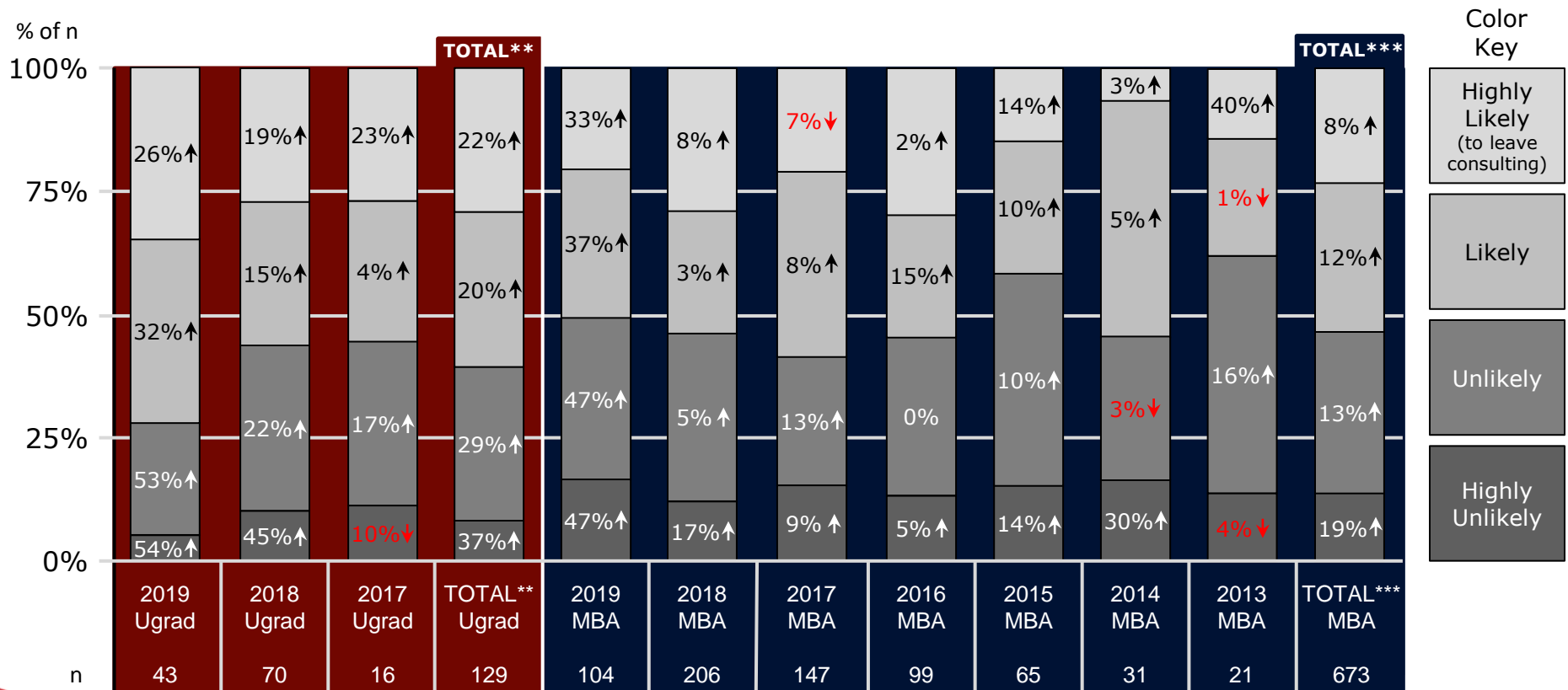


Likelihood to Leave Consulting vs. Compensation Expectations*



This chart summarizes two key data points:

- 1) The likeliness 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).



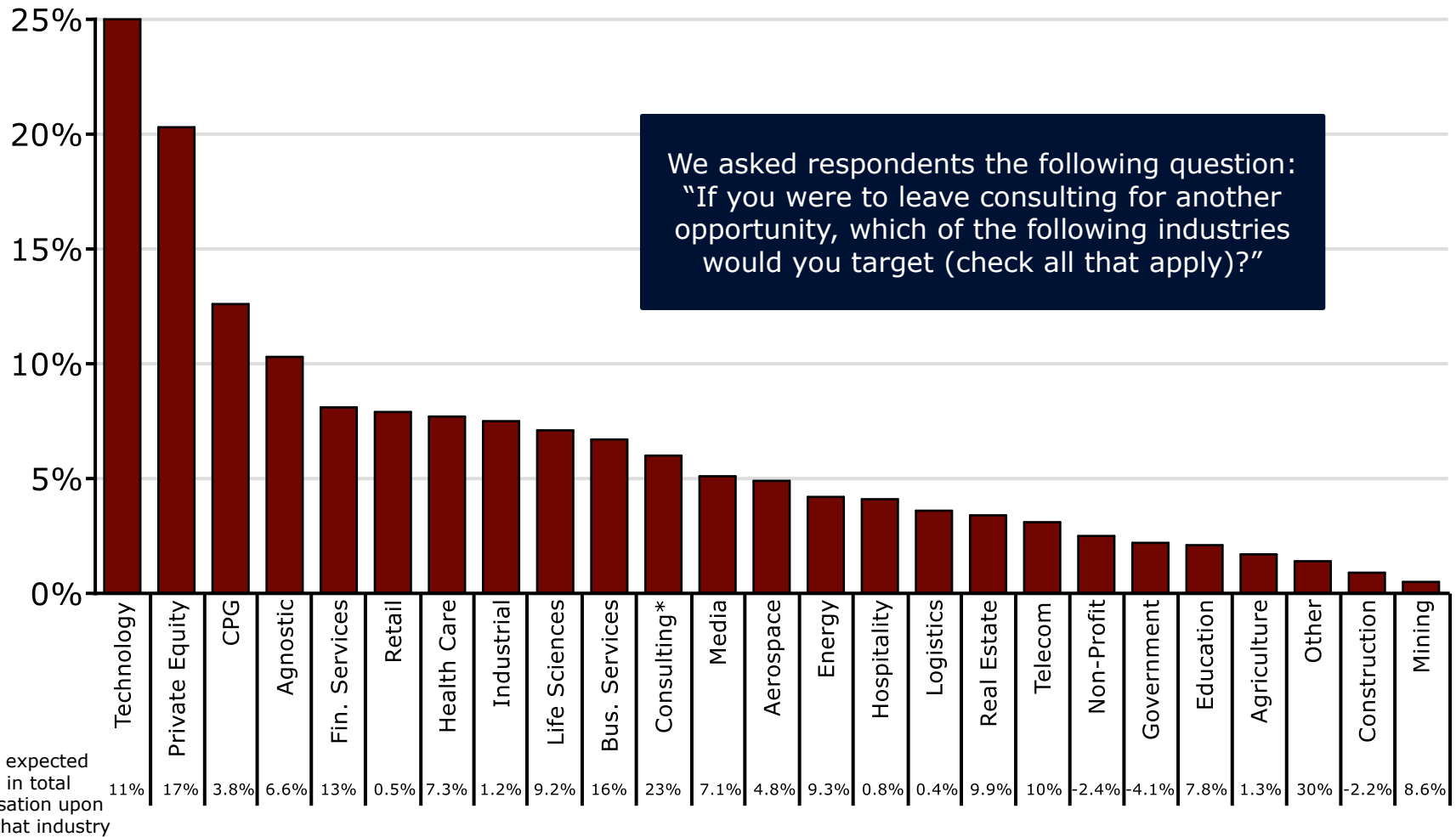
*Total Compensation includes base salary, target annual bonus, plus any annual long-term incentives such as stock options, restricted stock units, retirement contributions or long-term cash payouts

**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

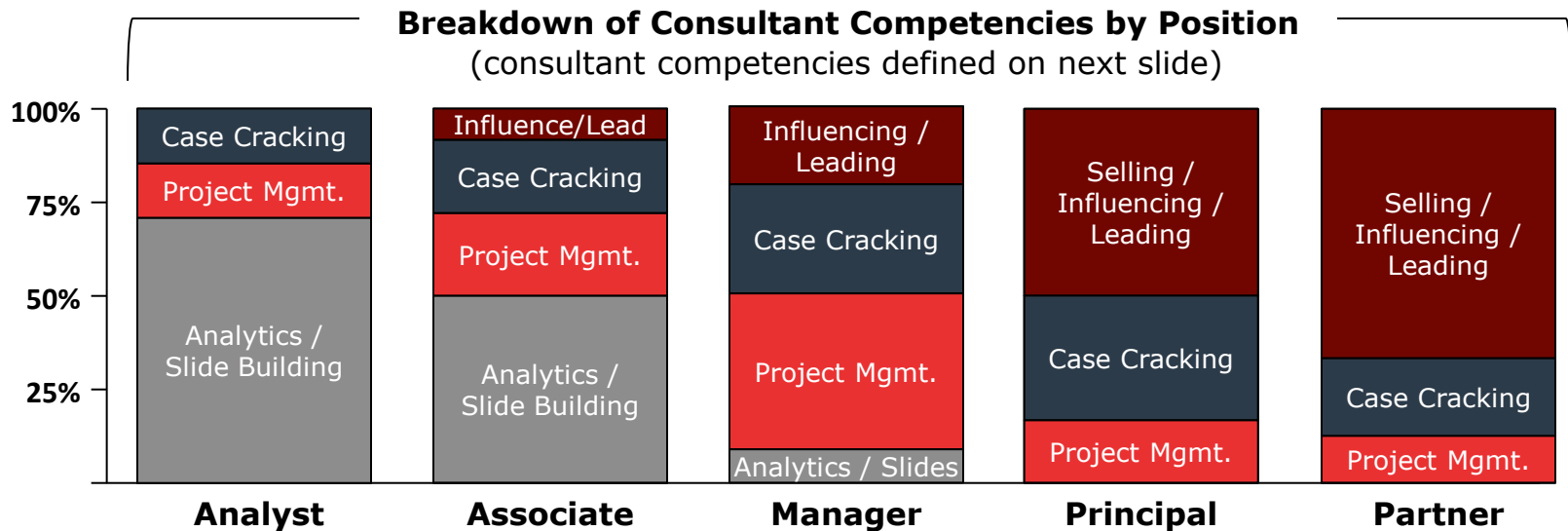


Strategy Consultant Competencies



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