



2010 Strategy Compensation Study
January 28, 2011



Charles Aris, Inc. Strategy Practice

Charles Aris, Inc. is a boutique executive search firm that was founded in 1969. The Strategy & Business Development division at Charles Aris is led by Chad Oakley, a former Bain & Company consultant and Wharton MBA. Since its inception in 2003 the Strategy & Business Development division has placed over one hundred Candidates, at multiple levels, including Vice President, Director, Manager and Analyst.

The division's client base is primarily the Corporate Strategy teams of industry leading Fortune 500 companies and the investment teams of leading Private Equity firms. The Candidates that we place typically work for top tier strategy consulting firms and possess Undergraduate and Masters degrees from the world's leading educational institutions.

For more information about the Charles Aris Strategy & Business Development practice please visit <http://www.charlesaris.com/strategy> or contact any of our team members below:

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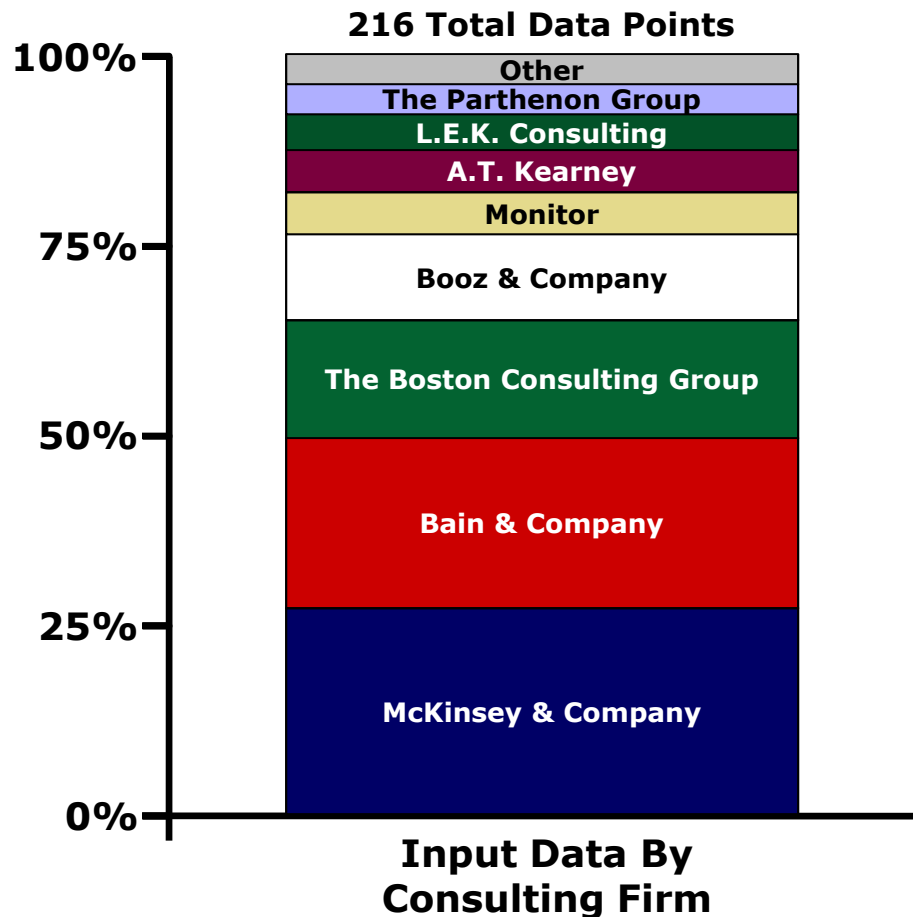
Executive Summary

Charles Aris, Inc. is pleased to present the 2010 Strategy Compensation Study. Key facts and learnings about the study are as follows:

- ◆ During the course of 2010 Charles Aris recruiters spoke with 3,263 strategy candidates. Over 99% of these individuals were actively employed with industry leading consulting firms, corporations and private equity firms. As you might imagine detailed discussions around compensation happen only on an as needed basis (once a candidate expresses interest in an opportunity and moves forward in the qualifying process). For the purposes of this study we have distilled only those compensation data points from candidates that were actively employed by consulting firms. **The total number of data points for this study equals 216.**
- ◆ 2010 was a banner year for consulting. Many top firms experienced their best year ever in terms of total revenues. As such, retaining talent became a top priority for consulting firms, and thus consultant compensation was very strong.
- ◆ Many firms provided mid-year raises in 2010. This was done in an effort to offset the lack of year-end raises in 2009 (and in some cases the lack of year-end bonuses in 2009 as well). It's important to keep in mind that almost all firms provided end of year raises in 2010 as well, which were largely expected to fall between 10-15%. Note that 2010 year-end raises will not be reflected in this study.
- ◆ 2010 end of year bonuses were expected to exceed established targets.
- ◆ Compensation data points are self-reported by consultants, and are NOT verified through any other means. While this implies that consultants have the opportunity to be less than honest about their compensation, we feel extremely confident that the data is accurate given the consistency in responses we received across firms.



Input Data by Consulting Firm



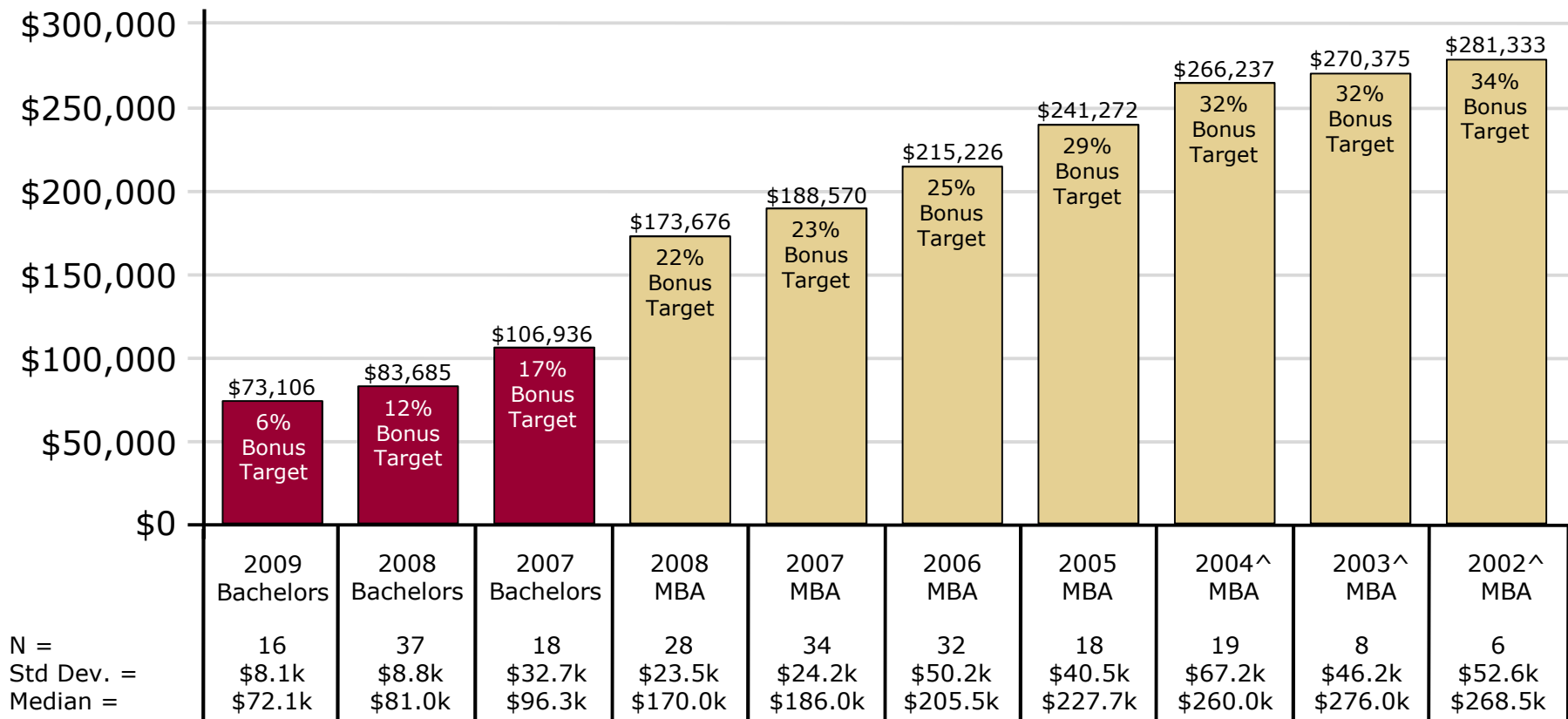
- ◆ Our 2010 Compensation Study is driven by 216 data points from consultants across fifteen firms.
- ◆ 65% of the data points come from “The Big Three” firms: McKinsey & Company, Bain & Company and The Boston Consulting Group.
- ◆ Of the 216 total data points, 145 come from post-MBA consultants and 71 come from pre-MBA/Undergraduate consultants.
- ◆ We eliminated a small percentage of outlier data points that would have adversely skewed the data.
- ◆ We also excluded Partner compensation data points from this study. During the course of 2010 we spoke with many Partners with MBA graduation dates in the range of our study, but their higher compensation dramatically skewed the data to a point where it would no longer be useful to our clients.



Average Compensation by Graduation Year

Average Total Compensation* for Strategy Consultants by Graduation Year

- The number at the top of each column = total annual compensation*
- The % listed within each column = the portion of total compensation represented by annual bonus



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

^Pre-Partner data points only, i.e. we excluded compensation data points from anyone at Partner level or equivalent as it skewed the data significantly



2010 Sample Industry Offers

Below you will find a subset of 2010 accepted corporate and private equity** offers for Charles Aris, Inc. candidates from Tier 1 Strategy Firms.

	Consulting Firm	Consulting Title †	Education	Consulting \$\$ (Base + Bonus%)	Industry Offer* (Base + Bonus%)	Industry Title
Pre MBA	Big 3	Associate	B.S. 2003	\$138,000 + 12%	\$115,000 + 13%	Manager
	Big 3	Analyst	B.A. 2007	\$85,000 + 24%	\$90,000 + 18%	Sr. Analyst
	Big 3	Analyst	B.A. 2007	\$88,000 + 57%	\$85,000 + 35%	Sr. Analyst
	Top 10	Analyst	B.A. 2008	\$66,000 + no bonus	\$80,000 + 25%	Sr. Analyst
	Big 3	Analyst	B.A. 2008	\$70,000 + 14%	\$110,000 + 75%	Associate (PE**)
Post MBA	Big 3	Manager	MBA 2006	\$131,000 + 15%	\$135,000 + 23%	Sr. Manager
	Big 3	Manager	MBA 2007	\$136,000 + 35%	\$140,000 + 35%	Director
	Big 3	Manager	MBA 2007	\$145,500 + 31%	\$150,000 + 25%	Director
	Big 3	Manager	MBA 2007	\$148,000 + 50%	\$160,000 + 35%	Director
	Big 3	Manager	MBA 2007	\$153,000 + 50%	\$160,000 + 35%	Director
	Big 3	Manager	MBA 2007	\$155,400 + 30%	\$165,000 + 16%	Director
	Big 3	Associate	MBA 2008	\$121,000 + 39%	\$141,000 + 35%^	Director
	Top 10	Manager	MBA 2007	\$165,000 + 23%	\$160,000 + 20%	Director
	Big 3	Manager	B.S. 1998	\$161,500 + 25%	\$168,000 + 35%^	Director
	Big 3	Manager	MBA 2007	\$148,000 + 34%	\$160,000 + 35%	Director
Ex-Big 3	Sr. Manager	MBA 1998	\$188,000 + 59%	\$300,000 + 20%	VP	

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



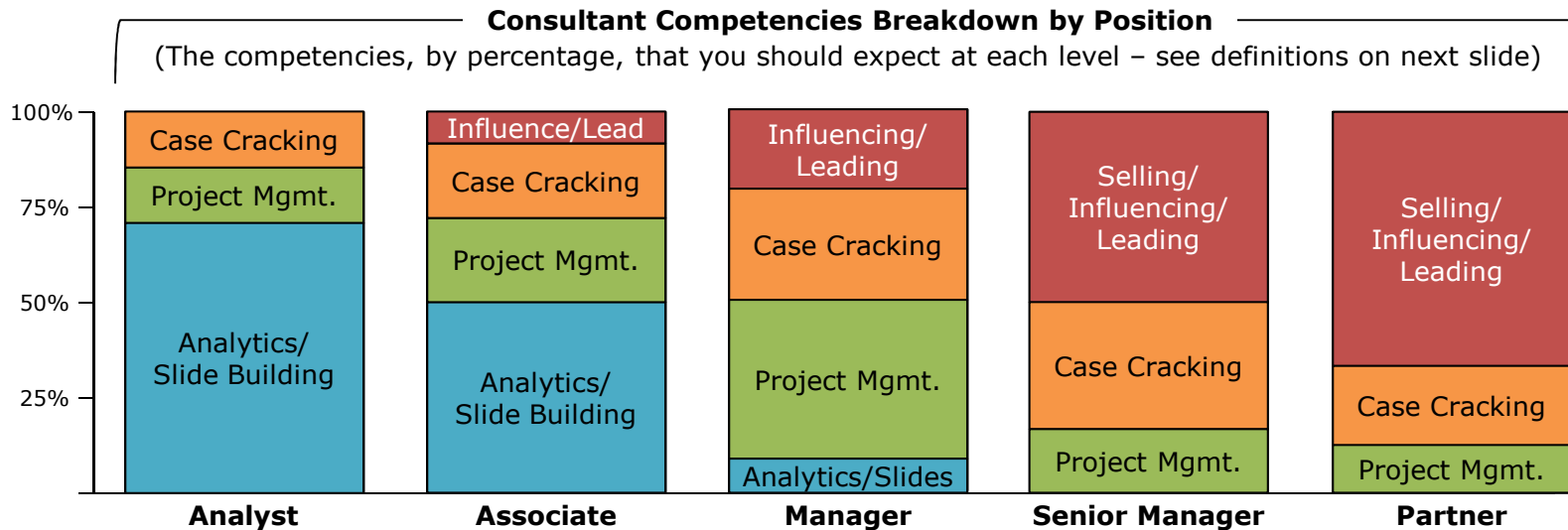
^European location
†See titling structure on slide 7



Consultant Competencies

The matrix below defines the expected competencies for consultants at each level.

Title at Consulting Firm*	Analyst	Associate	Manager	Senior Manager	Partner
Years of Experience	1-3 yrs Pre-MBA	1-2 yrs Post-MBA	2-4 yrs Post-MBA	4-6 yrs Post-MBA	6+ yrs Post-MBA
Current Education	2007-2009 undergraduate degree	2008-2009 MBA	2006-2007 MBA	2003-2005 MBA	2002 and earlier MBA
Current Compensation Range	\$70k - \$135k Base Salary	\$120 - \$140k Base Salary	\$140 - \$165k Base Salary	\$165 - \$225k Base Salary	\$225+ Base Salary



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



Consultant Competency Definitions

**Senior
Level
Competencies**

Influencing/ Leading

- ◆ 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.

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.
- ◆ Leverage Microsoft PowerPoint to create impactful, concise, and defect free slide loops.

**Junior
Level
Competencies**