

## Prism Executive Recruitment Salary Review November 2011

Prism Executive Recruitment has conducted a salary review within the UK Management Consultancy market. This review has been achieved through the use of relevant sources within the market including our clients, other recruitment contacts, candidates and recent salary surveys.

From our research, there appears to be a dichotomy in salaries: there is still a requirement for those employers who are recruiting to offer competitive salaries in order to attract the best candidates, who are often averse to the risk of a move in the current market. However there is a rise in the supply of unemployed candidates, or freelance consultants, not always from the top drawer, who are prepared to take cuts in base salary and package to secure a role. Also typically employers have to HIRE staff at higher salaries than existing staff. The result is considerable variety in salaries and a widening gap between those in the upper quartile and the rest. This is confirmed by other recent surveys.

The table below illustrates our findings:

<b>Grade</b>	<b>Base Range</b>	<b>Modal Average</b>
Consultant	£40k - £60k	£50k
Senior Consultant	£55k - £75k	£65k
Managing Consultant	£70k - £95k	£80k
Principal Consultant/Senior Manager	£85k - £130k	£97k
Director	£100k - £180k	£125k

These salary ranges relate to the base salary of consultants working in or around London. Given that statistically most consultants in permanent employment are in major firms inevitably this has a major impact on the results. The top end of the above ranges typically relates to Strategy Consultants or the highest performing consultants in Big 4 firms (i.e. top 15%). There is considerable variation in the value and composition of the benefits package and variable pay component. The equivalent cash value of benefits was typically 12-20% (with 25 days holiday as the minimum) while bonuses ranged from 5% at junior levels to 40% or more at the most senior grade, sometimes "uncapped". Bonuses are usually dependent on a mix of personal objectives and those of the firm. At more senior levels personal objectives are frequently weighted towards sales. A 'wildcard' is travel expenses policy: if an employer is able to denote a given employee as 'home based' for the purpose of expenses then this can be worth a considerable amount to the employee.

### **Definitions of consulting levels:**

#### **Consultant:**

At this level consultants will typically have 3-7 years experience.

#### **Senior Consultant:**

With at least 5 years experience and perhaps up to 12 years, these are more experienced delivery consultants. They might have some involvement in sales/business development (i.e. contributing to bids/proposals) and have experience of managing small teams often perhaps as a workstream in a larger project but are overwhelmingly a chargeable delivery resource.

#### **Manager/Managing Consultant:**

At this level consultants will have 7-15 years experience, almost certainly including several years in consulting and would be able to manage small - medium sized consulting engagements perhaps of 2-5 consulting staff and a similar number of client staff. Their focus would be as a chargeable resource, with perhaps 60-75 % utilisation. They would have some business development responsibilities and could be involved in sales, particularly "sell on", but not carry a target.

#### **Senior Manager/Principal Consultant:**

At this level consultants will have 10+ years experience, with several years in consulting and would be able to operate independently at a senior level with clients including managing major engagements and may have sales and business development targets. They might "own" relationships, although not the overall account. Utilisation targets c50%-70%. Some Big 4 firms are very "top heavy" and are paying Senior Managers Director level salaries rather than promoting them.

#### **Director:**

These are very experienced and successful consultants with at least 15 years experience and more typically 20 years plus. All the attributes of a Senior Manager and will also have sales/revenue targets perhaps owning account relationships and practice leadership responsibilities - either "virtual" or direct staff management. In smaller firms these might be the most senior consultants apart from the owner(s) or MD. In the global firms the Partner grade would be above this and Partners would own the larger accounts and have higher sales targets.