

Prism Executive Recruitment: Consultancy Salary Review 2019



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In Q1 2019 we undertook our annual salary review of the UK Management Consultancy market. This was compiled through the use of many relevant sources including our clients and candidates, other recruiters and additional information both private and published. As usual we have deliberately avoided large firm Partner and other equivalent very senior level roles as the great range in value and make-up of remuneration packages make simple summary figures meaningless.

The figures and comments have changed little in recent years. The market is “steady” rather than booming and there is limited evidence of salary inflation. Consulting firms’ own pressures from clients re charge out rates limit the scope for any significant uplifts to either existing or new staff and to the salaries and package a firm can afford. These in turn are influenced by the nature of the consulting being delivered, the competitive positioning, sector, etc.

Our experience is that candidate aspirations around a salary rise on moving jobs are generally realistic, with the primary drivers for a move being career progression, better experience, new challenges and work/life balance rather than more cash. It is however more often cited as a driver by those in the earlier stages of their careers.

There remains a confusingly wide range of salaries at any given grade with upper quartile packages still typically mainly to be found in the “Big 4” and a small cohort of top tier advisory and strategy firms.

Prism’s experience is that employers, both large and small, remain very cautious with respect to salary rises for existing employees and as a means of tempting new staff.

The table below summarises our findings:

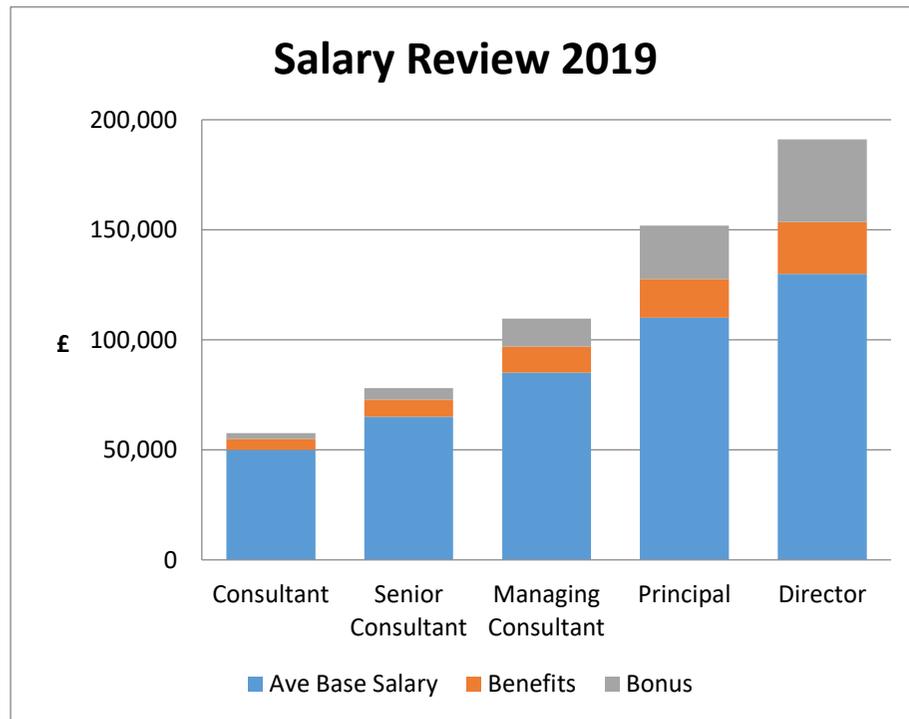
Grade	Base Range	Average
Consultant	£40,000-£60,000	£50,000
Senior Consultant	£50,000-£80,000	£65,000
Managing Consultant/Manager	£70,000-£110,000	£85,000
Principal Consultant/Senior Manager *	£85,000-£130,000	£110,000
Director	£110,000-£180,000	£130,000

These salary ranges relate to the base salary of consultants working in or around London (see later comment re regional variation). As mentioned the top end of the above ranges typically relate to employees of the major strategy consultancies or the highest performing consultants in “Big 4” firms.

There is considerable variation in the value and composition of the benefits package and variable pay component. The equivalent cash value of benefits is typically 10-20% of base salary with a tendency for more senior levels to be the more generous, including car allowances and greater pension contributions. Holidays are typically 25 days as the minimum but with some outliers below this.

Bonuses range from 0-5% at junior levels up to c40% (very occasionally more, sometimes “uncapped”) at the most senior grade. Bonuses are usually dependent on a mix of personal objectives and those of the firm and at more senior levels such 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 depending, of course, upon their location. Excepting this point there are few noticeable regional differences in remuneration.



**Of note in 2019 are examples of Big 4 Senior Managers with base salaries in excess of £140,000: these outliers have not been reflected above and may relate to firms attempting to keep staff by paying them Director level salaries when they are not able to promote them. Curiously there are also Big 4 staff on £85,000 or less who have the title Senior Manager but clearly neither the salary nor the sales involvement, again probably a retention strategy.*

Definitions of consulting levels:

Consultant:

At this level consultants will typically have 3-7 years post graduate 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. However they are overwhelmingly a chargeable delivery resource.

Managing Consultant/Manager:

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 with typically 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.

Principal Consultant/Senior Manager:

Consultants at this level will have typically a minimum of 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 or multiple projects and may have sales and business development targets. They might "own" relationships, although not the overall account. Utilisation targets may range from c50%-70%.

Director:

These are very experienced and successful consultants with at least 13 years' experience and often 20 years or more. These roles have all the attributes of a Principal Consultant and will also usually have formal sales or revenue targets, perhaps owning account relationships and with practice leadership responsibilities for a sector or service line – either "virtual" or direct staff management. Utilisation is typically 30%-60%.

In smaller firms these might be the most senior consulting employees apart from the owner(s) or the MD and could of course be termed "Partner". In mid-sized consultancies or the consulting arms of IT/outsourcing businesses they might report to the Board or Head of Consulting.

On occasion in larger firms these are not sales/revenue roles but grades for Subject Matter Experts, frequently with the explicit understanding that further promotion i.e. to Partner, is not possible

In the Big 4 and major advisory firms the Partner grades would be above this and Partners would own the larger accounts and have higher sales targets.



If you would like to discuss any of the above please contact Chris Sale, Managing Director, Prism Executive Recruitment on 01344 636 426 or csale@prismrec.co.uk

For more information on our services please visit prismrecruitment.co.uk