

Consultancy Salary Review 2023



Prism

Executive Recruitment

Prism Executive Recruitment: Consultancy Salary Review 2023

In Q1 2023 we undertook our annual review of UK Management Consultancy salaries. This was compiled using a variety of sources including our clients, candidates and other recruiters, as well as additional information both private and published.

Our experience is that in 2022 and into 2023 candidate aspirations around a salary AND grade rise on moving jobs have been bullish, especially at junior and mid-tier levels. A pay/grade increase is much more often mentioned as a key requirement in the next role than in the past.

However the primary reasons for a move remain career progression, better experience, new challenges, better culture/values and work/life balance. More recently also driven by necessity: redundancy, lack of interim work and worries about job security.

There have also been notable candidate shortages: in 2022 there was no sign of a “Great Resignation” but there was a significant increase in demand so many job seekers had multiple options. As we enter Q2 2023 that demand has dropped significantly.

As a result there have been significant pressures on management consultancy firms. Perhaps unsurprisingly this has resulted in grade inflation rather than salary rises. Typically, consultants are being promoted quicker and sooner and so the amount of relevant experience required to get to a specific level is markedly less, especially at less senior grades. This is reflected in our revised grading descriptions which have therefore changed more than the salary figures.

Prism’s experience is that employers, both large and small, have been notably cautious with respect to salary rises. However, some firms have been forced to reconsider their salary ranges because of increase attrition and the need to attract candidates with skills in short supply.

There remains a confusingly wide range of salaries at any given grade with top packages typically mainly to be found in the “Big 4” and other brand name advisory and strategy firms.

This summarises our findings (see definitions below):

Grade	Base Salary 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	£90,000-£140,000	£110,000
Director	£120,000-£180,000	£150,000

(We don’t include large firm Partner and other equivalent Executive grades)

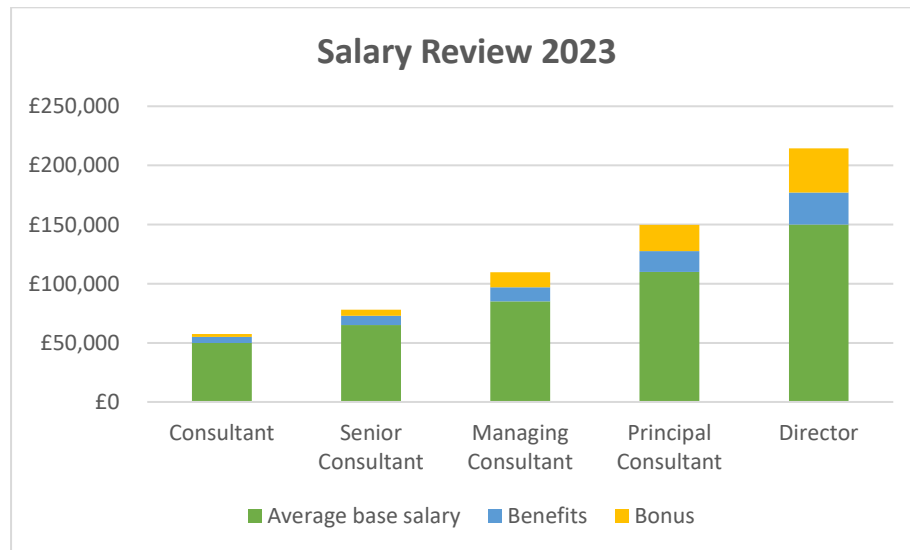
These relate to the base salary of consultants working in or around London (see later comment re regional variation). The upper c10-15% of these ranges typically relate to the very top end of the experience banding, or employees of the major strategy consultancies, or the highest performing staff in “Big 4” firms.

There is considerable variation in the value and composition of the benefits package and variable pay (bonus) component: these have not been much changed by the inflationary pressures. The equivalent cash value of benefits is typically 10-20% of base salary at Consultant and Manager grades while more senior levels (Senior Manager, Director) tend to be more generous, including car allowances and greater pension contributions. Smaller firms’ benefits however can often be quite meagre. Holidays are typically 25 days as the minimum, up to a maximum of 30 days, but with some outliers below this.

We have seen little change in bonus awards which range from 0-10% at junior levels up to c. 40% at the most senior grade (occasionally more, sometimes “uncapped”). Bonuses are usually dependent on a mix of personal objectives and those of the firm. At more senior levels such personal objectives are frequently weighted towards sales. In 2022 some firms announced one off small “cost of living” bonuses.

A ‘wildcard’ is the travel expenses policy: if an employer can 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. Apart from this there are few noticeable regional differences in remuneration.

Since 2020 there has been a dramatic shift in employees’ expectations regarding Working from Home and an expectation of reduced mobility in consulting. However this has not had any negative effect on salaries so far.



Equity or share options feature across levels and all sizes of firm. However their value is typically greatest at the most senior levels and is often a reward or incentive for strong sales and revenue generation.

We have seen small numbers of major firms’ Senior Managers with base salaries of more than £140,000: these outliers have not been reflected above and appear to relate to firms attempting to keep staff by paying them Director level salaries when they are not able to promote them. Conversely there are also some staff on £85,000 or less, even in large firms, who have the title Senior Manager but clearly neither the salary nor the sales involvement. This is probably linked to the grade inflation mentioned.

Definitions of consulting levels:

Consultant:

At this level management consultants will typically have 2-5 years of experience (below this may be one, or two, postgraduate grades).

Senior Consultant:

With at least 3 years’ post degree experience and perhaps up to 7 years, these are more experienced delivery consultants. They may have experience of leading small teams, often perhaps as a workstream in a larger project. They could have some exposure to business development (i.e. contributing to bids/proposals) however they are overwhelmingly a chargeable delivery resource with high utilisation.

Managing Consultant/Manager:

At this level consultants will have at least 5 years’ total experience, almost certainly including several years in consulting. They will manage small to medium-sized consulting engagements with typically 2-5 consulting staff and possibly also a similar number of client staff. Their focus is as a chargeable resource, with perhaps 70-85% utilisation. They may 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 typically have a minimum of 9 years' experience, usually with several years in consulting. They 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 probably not the overall account. Utilisation targets may range from c. 50%-75% but on occasion higher, with reduced sales/revenue expectations.

Director:

These are very experienced and successful management consultants with at least 13 years' experience, and often more than 20. These roles have all the attributes of a Principal Consultant and will almost always 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 be termed "Partner". In mid-sized consultancies or the consulting arms of IT/outsourcing businesses they might report to the consulting leadership team or the 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 unlikely.

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



NB: we have not attempted to cover all variations of role terminology. For example a Manager can be a Managing Consultant, or Principal Consultant. While the grade above that, of Senior Manager, can ALSO be called Managing Consultant or Principal Consultant!

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

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