

A close-up photograph of a man in a dark pinstriped suit, white shirt, and blue striped tie. He is holding a mobile phone to his ear with his left hand, which has a brown leather watch. His right hand is on a laptop keyboard. The background is dark and out of focus.

# Management Consultancy 2006 Salary Benchmarking Report

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## **Management Consultants enjoy double-digit pay rises (%) and annual bonus payments (%) as UK market faces talent crunch**

Firms doing business in the UK consulting market have reacted to the talent shortages now gripping the sector, according to our annual survey of over 1,000 management consultants. Respondents were predominantly from the full-service global consulting brands such as Accenture, Capgemini, Deloitte and PA Consulting – but also included consultants from both niche firms and top-tier strategy consultancies such as A.T.Kearney, BCG and McKinsey.

**Overall UK consultants enjoyed pay rises of 8.8% and year-end bonus payments equivalent to 14.6% of salary** (for reference, this compares with pay rises of 7.1% and bonus payments of 10.0% in the US market). However, pay rises were spread across the three-quarters of employees that firms are most concerned to retain – with a quarter of consultants receiving no pay rise whatsoever.

With regards to bonus payments, there is a clear trend that the more senior you are the more likely you are to have received a bonus and the more significant that bonus payment is likely to have been. At the junior consultant and senior consultant level, 45% of staff received no bonus payment this year – and those that did earned a payment equating to around 12% of salary.

By contrast, at the more senior levels of Principal and Partner only around a fifth of respondents received no bonus payment – and the four-fifths that did receive a bonus averaged 27% of salary.

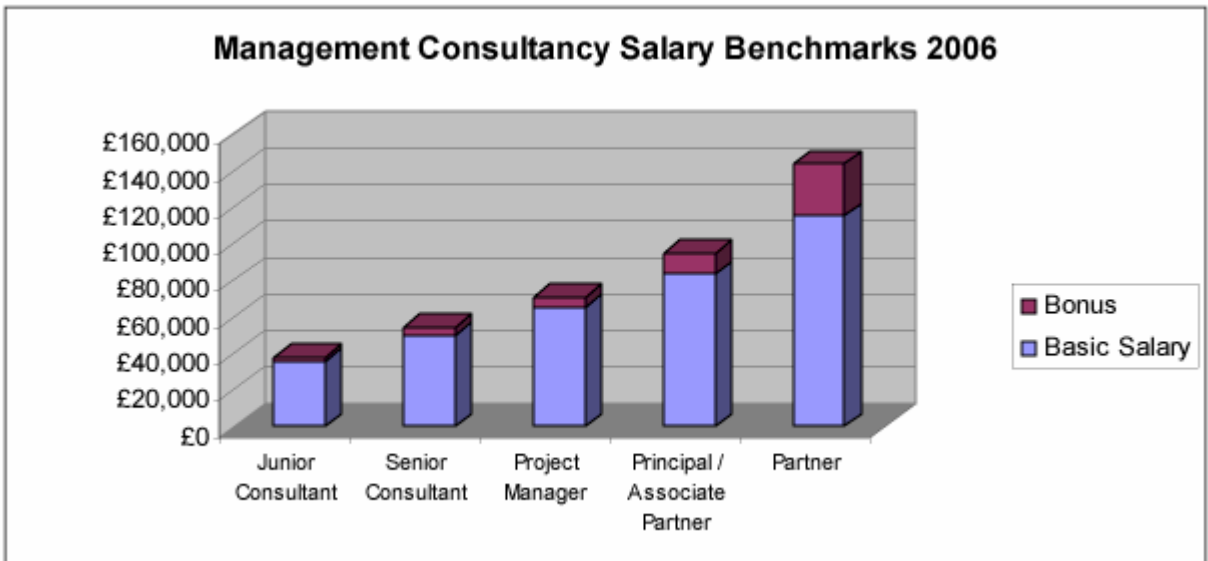
Looking at the big picture, firms seem to have adopted a strategy of awarding the most sizeable % pay rises to junior staff whilst bonus payments have been skewed towards senior employees.



**There is a significant variance in rewards within each rank – so how does your remuneration package compare?**

The remainder of this report will look at each rank of consultant in turn. For each level we will look at the spread of base salaries, the % of consultants who received bonus payments and the incidence of promotions – so that you can assess how your pay review outcome this year compares with those of your peers.

To whet your appetite, the following table & chart highlights some of the key figures and illustrates the trend of awarding the lion’s share of pay rises to more junior staff and the majority of the bonus pool to more senior staff.



<i>Level</i>	<i>Basic Salary</i>	<i>Pay rise (%)</i>	<i>Bonus amount (all respondents)</i>	<i>Bonus amount (those that received bonuses)</i>	<i>Bonus as % of basic salary (those that received bonuses)</i>
Junior Consultant	£35,951	10.3%	£2,047	£3,744	10.4%
Senior Consultant	£50,299	9.4%	£3,814	£7,000	13.9%
Project Manager	£65,491	9.6%	£5,300	£7,197	11.0%
Principal / Associate Partner	£83,161	6.7%	£11,311	£18,299	22.0%
Partner	£115,097	8.0%	£28,476	£36,469	31.7%



## Key data and stats: Junior Consultants / Consultants

**Junior Consultant / Consultant: defined as having 1-3 years' consulting experience**

This last year, 39% of staff at this level have been promoted whilst 55% of staff received a bonus payment

**Basic Salary** **£35,951**

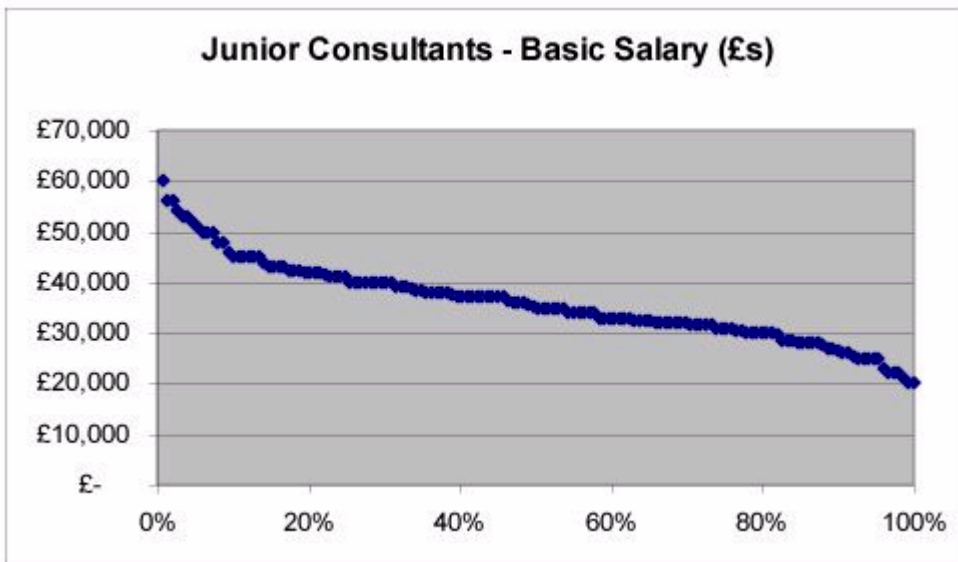
>>>> Top 20% within this rank £42,000 to £60,000  
>>>> Middle £30,000 to £42,000  
>>>> Bottom 20% within this rank £20,000 to £30,000

**Pay rise (%) achieved this last year** **10.3% of basic salary**

Average Bonus (all respondents) £2,047

Average Bonus (for those that received bonuses) £3,744

**Bonus as % of basic salary (for those that received bonuses)** **10.4% of basic salary**





## Key data and stats: Senior Consultants

**Senior Consultant:** *defined as having 3-5 years' consulting experience*

This last year, 35% of staff at this level have been promoted whilst 54% of staff received a bonus payment

**Basic Salary** **£50,299**

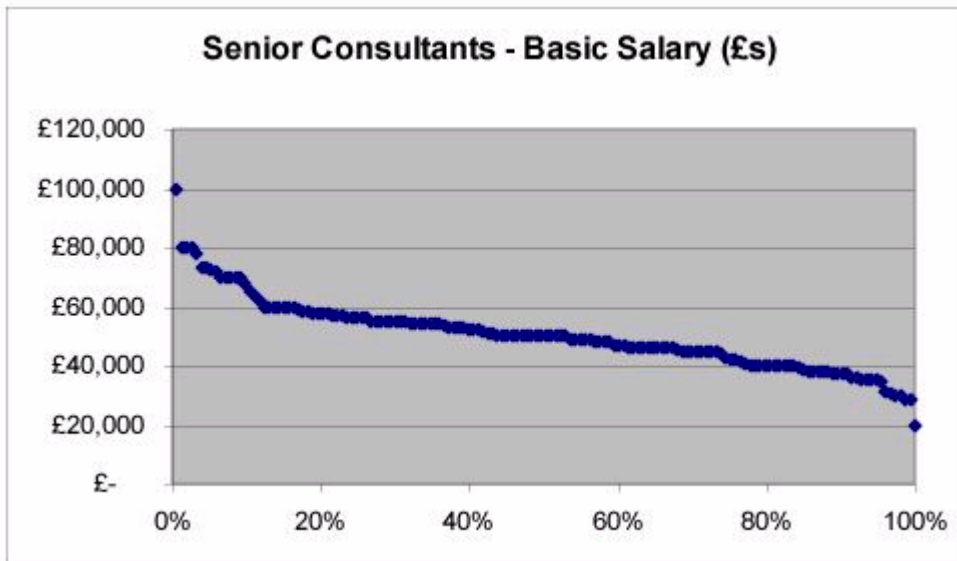
>>>> Top 20% within this rank                   £57,500 to £100,000  
>>>> Middle   £40,000 to £57,500  
>>>> Bottom 20% within this rank           £20,000 to £40,000

**Pay rise (%) achieved this last year** **9.4% of basic salary**

Average Bonus (all respondents)           £3,814

Average Bonus (for those that received bonuses)           £7,000

**Bonus as % of basic salary (for those that received bonuses)** **13.9% of basic salary**





## Key data and stats: Project Managers

**Project Manager:** *defined as having 5-9 years' consulting experience*

This last year, 33% of staff at this level have been promoted whilst 74% of staff received a bonus payment

**Basic Salary** **£65,491**

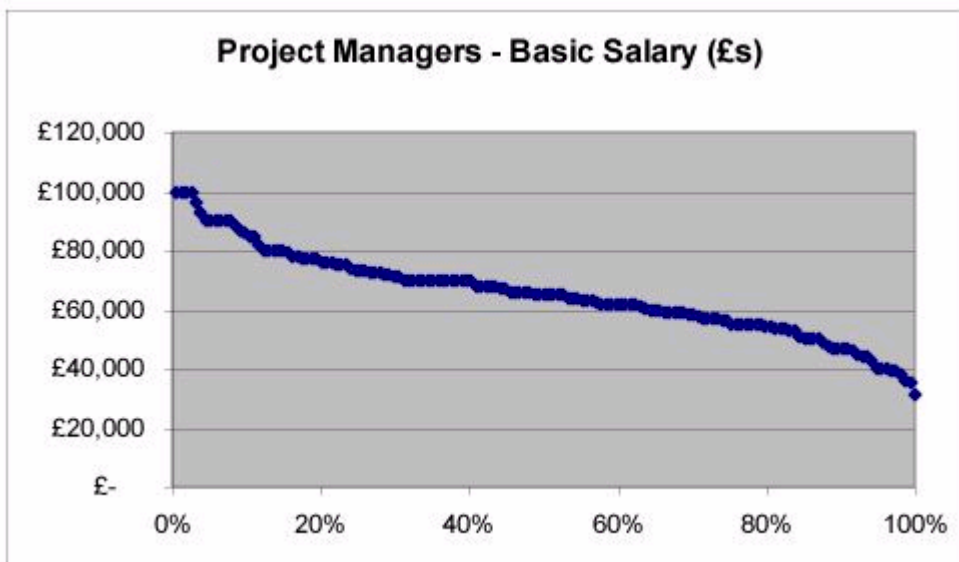
>>>> Top 20% within this rank                    £76,000 to £100,000  
>>>> Middle    £54,000 to £76,000  
>>>> Bottom 20% within this rank            £31,000 to £54,000

**Pay rise (%) achieved this last year** **9.6% of basic salary**

Average Bonus (all respondents)            £5,300

Average Bonus (for those that received  
bonuses)    £7,197

**Bonus as % of basic salary (for those that  
received bonuses)** **11.0% of basic salary**





## Key data and stats: Principals / Associate Partners

**Principal / Associate Partner: defined as having 9-12 years' consulting experience**

This last year, 18% of staff at this level have been promoted whilst 62% of staff received a bonus payment

**Basic Salary £83,161**

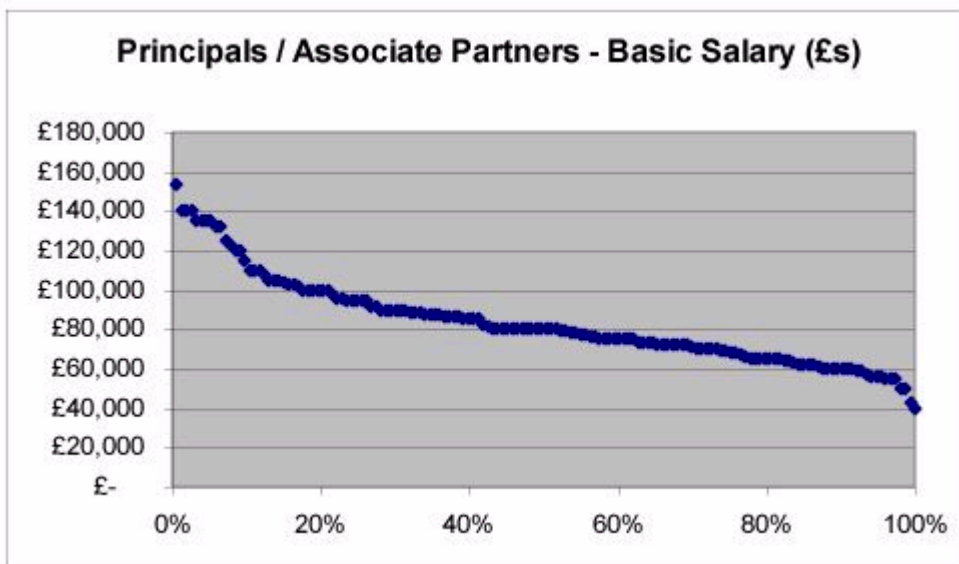
>>>> Top 20% within this rank £100,000 to £154,000  
>>>> Middle £65,000 to £100,000  
>>>> Bottom 20% within this rank £40,000 to £65,000

**Pay rise (%) achieved this last year 6.7% of basic salary**

Average Bonus (all respondents) £11,311

Average Bonus (for those that received bonuses) £18,299

**Bonus as % of basic salary (for those that received bonuses) 22.0% of basic salary**





## Key data and stats: Partners

**Partner:** *no definition required!*

This last year, 18% of staff at this level have been promoted whilst 78% of staff received a bonus payment

**Basic Salary** **£115,097**

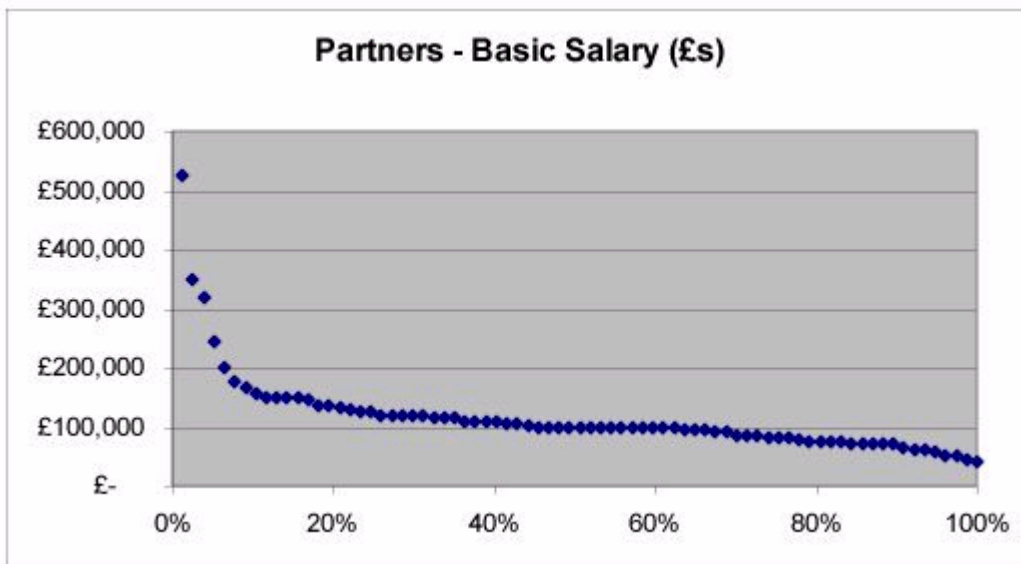
>>>> Top 20% within this rank                    £134,000 to £526,000  
>>>> Middle    £75,000 to £134,000  
>>>> Bottom 20% within this rank                £40,000 to £75,000

**Pay rise (%) achieved this last year** **8.0% of basic salary**

Average Bonus (all respondents)                £28,476

Average Bonus (for those that received  
bonuses)    £36,469























**Bonus as % of basic salary (for those that  
received bonuses)** **31.7% of basic salary**





## Appendix 1: Consultant Demographics

The management consultants polled for this survey represent a broad spectrum of the consulting profession. Consultants were asked the type of assignments they typically worked on and then their industry specialism (if any). The results of these responses are presented below:

Business Analysis	110	 (10.61%)
Business Transformation	228	 (21.99%)
Change Management	109	 (10.51%)
Data Analytics	6	 (0.58%)
HR Consulting	33	 (3.18%)
IT Consulting / Technology	150	 (14.46%)
Outsourcing	35	 (3.38%)
Project / Programme Management	170	 (16.39%)
Solutions Architecture	20	 (1.93%)
Strategy	164	 (15.81%)
Technical Architecture	12	 (1.16%)
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N/A - I am a generalist and work across industries	373	 (35.97%)
Automotive / Aerospace	18	 (1.74%)
Distribution / Logistics	20	 (1.93%)
Energy & Utilities	78	 (7.52%)
Financial Services (Retail Financial Services focus)	105	 (10.13%)
Financial Services (Investment Banking/Capital Markets focus)	82	 (7.91%)
Healthcare & Pharma	44	 (4.24%)
Public Sector	167	 (16.10%)
Retail / Consumer Goods	39	 (3.76%)
Telecoms, Media & Entertainment	100	 (9.64%)
Transportation	11	 (1.06%)



## Appendix 2: Other Resources, Services & Contact Details

We hope you have found this Salary benchmarking report illuminating. Other resources that may be of interest to you are our annual management consultancy Recruitment Channel Survey.



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