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## 14th Annual Tech and Life Sciences Compensation and Entrepreneurship Study Released

2013-10-15

According to an executive compensation study of private businesses released today, non-founder C-suite executives at life sciences and healthcare companies saw their cash compensation increase by three percent year-over-year, while comparable executives at private technology firms experienced an average increase of 1.6 percent.

The CompStudy, now in its 14th year, also revealed compensation levels and trends about specific functional roles. In terms of target bonuses, non-founder CEOs at private technology companies surveyed saw 4.4 percent lower target bonuses in 2013 than in 2012, with the average dropping to \$131,000. The 1.6 percent increase in average CEO pay was attributable to the bump in their base salaries from \$250,000 in 2012 to \$259,000 in 2013. CEOs at private life sciences firms surveyed experienced a 2.5 percent increase in target bonuses and a one percent increase in base salaries, bringing their average bonus and base up to \$124,000 and \$306,000, respectively.

On prior-year bonus attainment, life sciences non-founder CEOs also fared better than their technology counterparts. Life sciences CEOs received, on average, 71.9 percent of their at-plan cash bonus. Technology non-founder CEOs received 60.1 percent of their comparable target.

The CompStudy is produced by Park Square Executive Search in collaboration with Professor Noam Wasserman of the Harvard Business School, and is sponsored by Ernst & Young, LLP and WilmerHale. The 2013 CompStudy survey includes over 800 private companies and includes data on more than 4,000 executives.

"Over the past year, we have seen an increase in target cash compensation of approximately three percent among CXOs at private life sciences companies. This growth continues to build on the compensation recovery that started last year, after we saw the lowest growth in CompStudy history during the recent economic downturn. This year, M&A activity is up, the IPO window is open, good companies are still getting funded, and the war for talent appears to be alive and well," said Erik Lundh, Managing Partner, Park Square Executive Search.

"Acquiring strong talent is a critical factor in the successful expansion of a high-growth company,"

said Bryan Pearce, Americas Director, Entrepreneur Of The Year® and Venture Capital Advisory Group for EY. "The competition for talent that is capable of scaling a company continues to place an upward pressure on compensation."

The study is the most comprehensive survey of executive compensation among privately-held, emerging technology and life sciences companies and the first to make this information readily available. The results are used as an authoritative guide by venture capital firms and their portfolio companies to make critical decisions regarding attracting, rewarding and retaining key talent.

"As we head into the end of 2013, boards will be making decisions about 2013 annual bonuses, as well as establishing 2014 budgets for compensation and equity. The CompStudy data would be a powerful guide in that decision making process, ensuring boards that their compensation levels remain competitive as the market for talent heats up," said Kimberly Wethly, Partner, WilmerHale.

Study results are available at [www.compstudy.com](http://www.compstudy.com) and will be explained in detail today during two separate technology- and life sciences-focused webcasts. The webcasts, led by senior practitioners at Park Square, EY and WilmerHale, will discuss how life sciences and technology companies have reacted to the state of the economy and what the future might hold for these VC-backed companies. [Click here to register.](#)

## Methodology

More than 800 privately-held, emerging technology and life sciences companies throughout the United States took part in the survey, which delved into the compensation, bonus and equity packages of top executive positions, including Chief Executive Officer, President/Chief Operating Officer and Chief Financial Officer. The data was analyzed in aggregate with detailed views by position looking at: industry vertical, product stage, revenue, headcount, geography, founder status and financing stage. More than 85 percent of the surveyed companies have fewer than 75 employees.

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