

J. Robert Scott and WilmerHale Release 12th Annual Compensation and Entrepreneurship Study

2011-12-09

Salaries Up and Bonuses Down for C-Suite Executives at Private Technology Companies

According to an executive compensation study of private businesses released today, non-founder C-suite executives at technology companies saw their salaries increase by 3.7 percent year-over-year, while comparable executives at private life sciences firms experienced an average base salary increase of 1.6 percent, the lowest increase on the life sciences side in the study's 12-year history.

In terms of target bonuses, non-founder CEOs at private technology companies surveyed experienced a decrease of four percent in 2011, targeting an average of \$119,000, down from \$124,000 in 2010. On average, nine out of 11 executive positions at private technology companies surveyed saw a 5.2 percent decrease in target bonuses. CEOs at private life sciences firms surveyed experienced an 11 percent increase in target bonuses, receiving an average at-plan goal of \$304,000, up from \$295,000 in 2010. Across all 14 executive positions surveyed at private life sciences firms, target bonuses decreased by 3.2 percent.

The 12th annual Compensation and Entrepreneurship Study, conducted by J. Robert Scott and WilmerHale in collaboration with Professor Noam Wasserman at Harvard Business School, also revealed that the average base salary for non-founder CEOs at 575 emerging, private technology firms surveyed was \$242,000, compared to \$233,000 in 2010. Among the 225 emerging, private life sciences firms surveyed, non-founder CEOs attained an average base salary of \$304,000, up 3.1 percent from 2010.

"While the general economic environment has been sluggish over the past year, the healthy four percent average salary increase for C-suite executives at private technology companies indicates that competition for executive talent in this sector continues to heat up," said Aaron Lapat, Managing Director, J. Robert Scott.

"While the market for top biotech talent remains highly competitive, an increasingly uncertain path to liquidity has forced most private companies to be even more judicious with their cash compensation in an effort to preserve capital," said Erik Lundh, Managing Director, J. Robert Scott.

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.

“The findings of the study will be extremely helpful for boards as they prepare to award executive bonuses for 2011 and set compensation for 2012,” said [Kimberly Wethly](#), Partner, WilmerHale.

Study results are available at www.compstudy.com and will be explained in detail during two separate life sciences- and technology-related webcasts on December 13, starting at 12 p.m. and 2 p.m., respectively. The webcasts, led by Managing Directors Aaron Lapat and Erik Lundh of J. Robert Scott, and WilmerHale Partners [Michael Bain](#), [Lia Der Marderosian](#) and [Kimberly Wethly](#), 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 for the webcasts.](#)

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. Nearly 85 percent of the surveyed companies have fewer than 75 employees.

J. Robert Scott

J. Robert Scott is a boutique, global retainer-based executive search firm, specializing in recruiting senior level executives for a wide array of companies in the financial services, technology, life science/health care and higher education/not-for-profit fields. With headquarters in Boston, the firm has offices in Hong Kong, London, San Francisco, Shanghai and Singapore. Additional information about the firm can be found at www.j-robert-scott.com.

Contributors



Kimberly B. Wethly

PARTNER

Chair, Tax Practice

✉ kim.wethly@wilmerhale.com

☎ +1 617 526 6481



Mick Bain

PARTNER

Chair, Transactional Department

✉ michael.bain@wilmerhale.com

☎ +1 617 526 6158