
Park Square, EY and WilmerHale Release 15th Annual Tech and Life Sciences Compensation and Entrepreneurship Study

OCTOBER 7, 2014

According to an executive compensation study (CompStudy) of private businesses released today, non-founder C-suite executives at life sciences and healthcare companies saw their cash compensation increase by 4.2 percent year-over-year, while comparable executives at private technology firms experienced an average increase of 3 percent.

The CompStudy, now in its 15th year, also revealed compensation levels and trends for specific functional roles. In terms of target bonuses, non-founder CEOs at private technology companies that were surveyed saw flat bonus targets between 2013 and 2014, with the average holding at just more than \$130,000. Technology CEOs saw their base salaries grow by an average of 2.9 percent to \$249,000 in 2014. CEOs at private life sciences firms that were surveyed also experienced no change in bonuses and a 4.1 percent increase in base salaries, bringing their average bonus and base to \$107,000 and \$299,000, respectively. While these averages cut across a wide swatch of company types and stages, more granular reports can be generated by registering at www.compstudy.com.

On prior-year bonus attainment, life sciences non-founder CEOs fared equally as well as their technology counterparts. Life sciences CEOs received, on average, 61.3 percent of their at-plan cash bonus. Technology non-founder CEOs received 60.2 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 the law firm WilmerHale. The 2014 CompStudy survey includes nearly 800 private companies and data on more than 4,000 executives.

"Over the past year, we have seen an increase in target cash compensation of more than 4 percent among CXOs at private life sciences companies. This growth continues to build on the compensation recovery that started in 2012, 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 of Park Square Executive Search.

“The technology and healthcare sectors have had a record year with companies expanding their capabilities and innovating for explosive growth. The fact that employees in these sectors have seen an average increase of 3 to 3.5 percent in their total compensation is a testament to the fact that companies are rewarding for talent that is able to drive scalability,” said Bryan Pearce, global leader of EY Entrepreneur Of The Year™ and Venture Capital.

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 CompStudy data that we work with Park Square and EY to make available annually has proven to be a valuable tool for boards as they begin making decisions about this year’s bonuses and looking ahead to next year’s budgeting needs,” said [Kimberly Wethly](#), chair of WilmerHale’s [Tax Group](#). “Having this window into the marketplace helps boards to ensure that they remain competitive.”

Study results are available at www.compstudy.com and will be explained in detail on Wednesday, October 8, 2014, 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

Nearly 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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