

## Park Square, EY and WilmerHale Release 16th Annual Tech and Life Sciences Compensation and Entrepreneurship Study

OCTOBER 29, 2015

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 3.3 percent year-over-year, while comparable executives at private technology firms experienced an average increase of 3.5 percent.

The CompStudy, now in its 16th year, also revealed compensation levels and trends for specific functional roles. In terms of target bonuses, non-founder CEOs at private technology companies surveyed saw increased bonus targets between 2014 and 2015, with the average jumping from \$133,000 to \$141,000. Technology CEOs saw their base salaries grow by an average of 5.4 percent, up to \$253,000 in 2015. CEOs at private life sciences firms surveyed experienced a smaller increase in bonus targets and a 1.3 percent increase in base salaries, bringing their average bonus and base up to \$134,000 and \$315,000, respectively. While these averages cut across a wide swath of company types and stages, more granular reports can be generated by registering at [www.compstudy.com](http://www.compstudy.com).

On prior-year bonus attainment, technology non-founder CEOs again fared slightly better than their life sciences counterparts. Technology CEOs received, on average, 68.4 percent of their at-plan cash bonus. Life sciences non-founder CEOs received 63.1 percent of their comparable target.

CompStudy is produced by Park Square Executive Search in collaboration with Professor Noam Wasserman of the Harvard Business School and is sponsored by EY and WilmerHale. The 2015 CompStudy survey includes data collected on close to 5,000 executives. Over the survey's history, data has been compiled on nearly 40,000 executives.

"Over the past year, we have seen an increase in target cash compensation of 3.3 percent among senior leadership teams at private life sciences companies. Most noteworthy were the compensation increases for CEOs and CBOs. CEOs saw only a 1.8 percent increase, which is below the industry average this year, while CBOs saw a 10.6 percent increase, which is significantly above the average increase. The overall growth we are seeing builds 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 Bruce Rychlik, Managing Partner, 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 executives in these sectors have seen an average increase of 3.5 percent in their total compensation is a testament to the fact that companies are rewarding talent for driving scalability," said Martha Cook, EY's Americas People Advisory Services IPO & Southeast Practice Leader.

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 insight that the CompStudy offers has proven incredibly valuable for boards as they are consistently working to remain competitive in the marketplace," said Kim Wethly, Chair of WilmerHale's [Tax Practice](#). "We work with Park Square and EY annually to make this data available at a key point in the year, when boards are not only beginning to make decisions about this year's bonuses, but also considering next year's budget requirements."

Study results are available at <http://www.compstudy.com/> and will be explained in detail on Thursday, October 29, 2015, 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.