

**Client Name**

**CEO Market Analysis**

**Month Year**

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**Note: All items in yellow need to be customized.**

**Background**

Total Reward Solutions was engaged to review the Chief Executive Officer role (CEO) for Client Name. The project objectives were to review and validate current market pay for the CEO, balance the internal equity of the role with the external market equity, and to provide a pay range that is aligned to market.

The specific deliverables included confirmation of compensation philosophy to include market pricing guidelines, market compensation information on the CEO position to include base and total cash, establish a pay range to reflect the current market, analyze current pay for the CEO to the market pay information, make pay recommendations for any needed pay adjustments, and provide a final presentation to include findings and recommendations.

**Compensation Philosophy**

Compensation philosophy was determined to pay at the 50th percentile of total cash compensation for qualified and experienced talent. Total revenue used was $30M. Current employee count is approximately 97 employees.

**Methodology**

Two surveys were utilized to determine the market value of the CEO role.

*1. Economic Research Institute (ERI) is a database that contains a compilation of more than 6,600 jobs and is updated on a quarterly basis. The data is available by SIC code, revenue size or budget size, and location.*

*2. CompAnalyst is a database that contains a compilation of more than 10,000 jobs. The data is available by industry, employee size, revenue, and location.*

Scopes used for data included:

1. *CompAnalyst – Mfg/Durable Goods/Chemical Manufacturing; 50-100 Employees; National*
2. *CompAnalyst – Mfg/Durable Goods/Chemical Manufacturing; $10-$50M Revenues; National*
3. *ERI - SIC 2841; NAICS 325611; usSEC 2840; Soap and Other Detergent Manufacturing; National*

Data was pulled for the 25th, 50th, and 75th percentiles for both base pay and total cash. Total cash represents annual base pay and any annual bonus/incentive pay.

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**Confidentiality/Disclaimer**

This is a confidential document.  The findings of our study should not be used for any other purpose or distributed to any third parties without the express written consent of Total Reward Solutions, LLC.  Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but Client Name without the previous written consent of Total Reward Solutions, LLC.

**Findings**

The current base pay for the CEO position is between the 50th and 75th percentile of market. The current total cash compensation for the CEO position is at about the 50th percentile of market.

Total base and bonus increase recommendations are $11,000. The base increase recommendation is $4,000 and the bonus increase recommendation is $7,000. These increases will place the CEO at 102% of the 50th percentile of total cash compensation. The smaller base pay increase is due to the CEO already being at 115% of market for the 50th percentile of base. The recommended target bonus is a small increase and not as large as the 50th percentile of market incentive. The bonus increase will place the CEO bonus at 72% of market for the 50th percentile of incentive. Future increases should include additional changes to the bonus target while slowly increasing the base pay.

It is strongly recommended that a market study be completed every two to three years on the CEO role so that adjustments can be made to maintain the 50th percentile total cash compensation philosophy. A review that is completed less frequently can result in rather large increases in market data and often leaves compensation behind market.

And finally, a formal bonus program with metrics and measurements is recommended for the CEO with this large of a bonus target. The analysis for the CEO can be found on the page that follows.



**Chief Executive Officer**

The CEO’s total cash compensation currently falls right at the 50th percentile of the market. The CEO’s base compensation currently falls between the 50th and 75th percentile of the market. Both a base pay increase and bonus increase are recommended. The yellow below indicates how the CEO compares to market for total cash, the green indicates how the CEO compares to market for bonus, and the gold represents how the CEO compares to market for base.





**About Total Reward Solutions**

Since 2005, we have been serving clients by designing competitive compensation and total reward programs so that they can attract, retain, and motivate their talent. We are a WBE certified company.

Cassandra Faurote is a respected compensation expert and employee rewards consultant who designs effective and competitive compensation and total reward programs for corporate clients. Author of the book [***Compensation Sense 101: Common Sense Answers to Your Questions about Employee Compensation and Total Rewards***](https://www.amazon.com/Compensation-Sense-101-Questions-Employee/dp/1732663505/ref=sr_1_1?ie=UTF8&qid=1541012183&sr=8-1&keywords=compensation+sense+101), Faurote has more than 25 years of experience in Human Resources and compensation, both as an internal and external consultant. She is the founder, owner and CEO of Total Reward Solutions, a private firm which has provided consulting services to organizations in more than 30 industries.

Faurote earned a bachelor’s degree in Business Management; and holds the designations of CCP (Certified Compensation Professional), SPHR (Senior Professional in Human Resources), and SHRM-SCP (SHRM Senior Certified Professional). She has authored articles in *World at Work* publications, *Inside Indiana Perspectives*, *Louisville Business Journal*, *HR Professionals Magazine,* and *Kentucky SHRM*. She is also a sought-after conference speaker and presenter on compensation and total reward topics. Faurote serves as the Board Chair for the Greater Lawrence Chamber of Commerce. She is an alumnus of the *Goldman Sachs 10,000 Small Businesses* entrepreneurship training program, an elite invitation-only group of small business owners.



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