

Sales, Marketing Salaries Hold Firm in '07

Article published on Mar 13, 2008

By **Paul O'Dowd**

Sales directors at average-sized asset management firms made \$425,000 last year on average, a number that eclipses similar positions on the marketing side by almost \$50,000. Senior sales professionals made an average salary of almost \$200,000, according to a new survey.

The survey, which looked at 100 asset management firms, was conducted jointly by **Advent Software** and the **Advent Users Group**. The size of the firms surveyed ranged from \$100 million in assets under management to \$25 billion with the average firm having \$2.6 billion in managed assets. The survey covered both institutional and retail managers.

(Article continues after chart)

Total Cash Compensation

In Thousands

	Head/Director of Marketing	Head/Director of Sales	Senior Sales Professional	Sales Professional
25th Percentile	\$554	\$651	\$229	\$168
Median	\$200	\$300	\$155	\$101
75th Percentile	\$77	\$269	\$126	\$81
Average	\$378	\$425	\$197	\$165

Advent

According to **Craig Randall**, a Managing Director at executive recruiting firm **DHR International**, the size of the firm really doesn't matter when it comes to salaries of marketing and sales directors. He notes that, in general, brand recognition plays a big role, meaning larger firms may make more sales because of the familiarity, but that doesn't necessarily translate into higher salaries.

At lesser known firms with fewer assets under management, it's harder to make sales because institutional investors and consultants don't have the past track record with the business. Having a previous relationship, like many of the larger money managers have, gives many larger firms the edge due to the familiarity. Thus sales directors at smaller managers must work harder to create sales. Because of this extra work and lower overhead costs, salaries can be higher at smaller firms. Salaries seem to be rising across the board, especially in these two positions, says Randall. Of the searches he is conducting now, which include research slots and portfolio manager positions, sales, distribution and marketing searches are leading the interest. "The people who are gathering the assets and retaining clients are the ones who are being rewarded," he says.

It is of utmost importance, says Randall, that firms continue to bring in talent because those that are losing assets now could be belly up in the near future. "If you are not flat or growing in this market you can die," he says. Even if firms are unable to attract top talent, middle-level professionals are a commodity. Firms have to concentrate on bringing in assets right now, he says, adding recruiting is a big part of that. In demand right now are sales professionals with a great book of contacts or those who are capable of building a book of clients from the ground up.

Other C-level salaries at asset management firms include CEOs making an average \$856,000, CIOs bringing in \$696,000, COOs making \$293,000 and CCOs totaling \$165,000.

(Article continues after chart)

Total Cash Compensation

In Thousands

	Head/Director of Client Services	Senior Client Management	Services/Relationship Client Management	Service/Relationship
25th Percentile	\$335	\$135		\$97
Median	\$193	\$105		\$68
75th Percentile	\$130	\$69		\$47
Average	\$256	\$122		\$78

Advent

Alvin Spector, a partner at Chicago-based executive recruiter **Lantern Partners**, agrees the salaries sound accurate, but believes compensation across the board is rising for people who can step up to the table and perform. "Right now there are more openings than qualified people to satisfy the needs," he says. He notes that positions across the board, including analysts, are seeing rising packages.

For CEO salaries, 32% of overall compensation is from base salary, 11% is from bonus or commission and 57% is from ownership distribution. For CIOs, 32% of overall compensation comes from base salary, 22% comes from bonus and 47% is from ownership distribution. As for senior portfolio managers, who have an average salary of \$411,000, 48% of overall compensation comes from base salary, 20% comes from bonus and the remainder comes from ownership distribution.

For the 2007 bonus season, people that had similar performance to the previous year or did better, received increased bonuses, says Spector. For those who did not perform as well, they received a bonus package that was generally less. He notes that firms are well aware, however, that it is a "fierce environment" right now and they must pay their performing members well in order to retain them.

"It is hard for asset management companies to not pay their people because it is easy to lose them," says Spector. "The right message has been sent," he notes, adding people who performed were compensated for it.