



# 2016 COMPENSATION & BENEFITS SURVEY

*Privately-held Technology & Life Science Companies in the  
Southeast, Mid-Atlantic and South Atlantic*

## Executive Summary

Prepared by:



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## Disclaimer

This survey has been compiled by Hutchison PLLC in partnership with Percept Research solely for use by their clients and other approved parties. This report should not be used for any purpose other than as one factor of many in determining appropriate levels of compensation for certain employee positions.

## Confidentiality

Hutchison PLLC recognizes the importance of confidentiality regarding compensation data. As a result, Hutchison PLLC retained third party research firm, Percept Research, to conduct the survey to protect the confidentiality of survey responses. Further, only the aggregate results of these surveys have been disclosed.

## Distribution

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## Objectives

One of the key issues for emerging growth technology and life science companies is attracting and retaining top-level executives. While a number of compensation surveys are undertaken each year, this survey is intended to specifically address the unique Southeast and Mid-Atlantic markets for privately-held technology and life science companies.

## Participant Profile

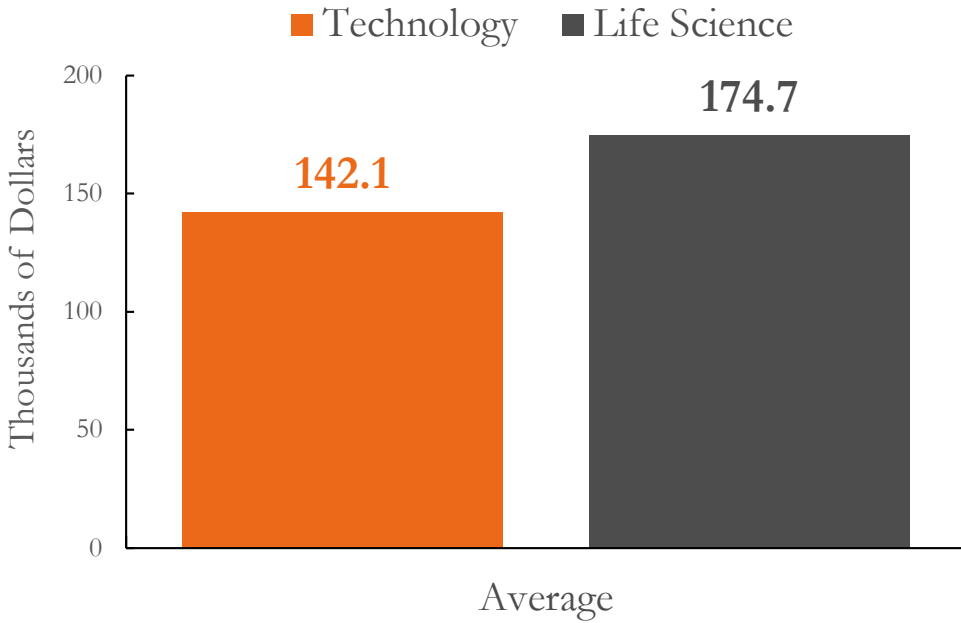
The 2016 compensation survey questionnaire was completed by individuals from 42 unique organizations. These privately-held, emerging growth companies, based in the Southeast, Mid-Atlantic or South Atlantic (1) have received equity financing from an institutional investor, (2) have raised at least \$500,000 from angel investors, (3) offer equity compensation to the workforce and have at least \$500,000 in annual revenue or 5 or more full-time employees.

Hutchison PLLC requested information regarding cash and equity compensation data for the following 13 executive positions:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Chief Technology Officer/Chief Information Officer
- Chief Scientific Officer
- Chief Medical Officer
- Vice President of Engineering
- Vice President of Business Development
- Vice President of Sales
- Vice President of Marketing
- Vice President of Human Resources/Chief People Officer
- Controller
- General Counsel

In this Executive Summary, we share some of the highlights from our 2016 Compensation & Benefits Survey. The detailed report is only available to those companies that completed the full survey. If you are interested in participating in our survey in 2019, please contact our Director of Marketing & Business Development, Jodi Coverly, at [jcoverly@hutchlaw.com](mailto:jcoverly@hutchlaw.com).

# CFO BASE SALARY DETAIL



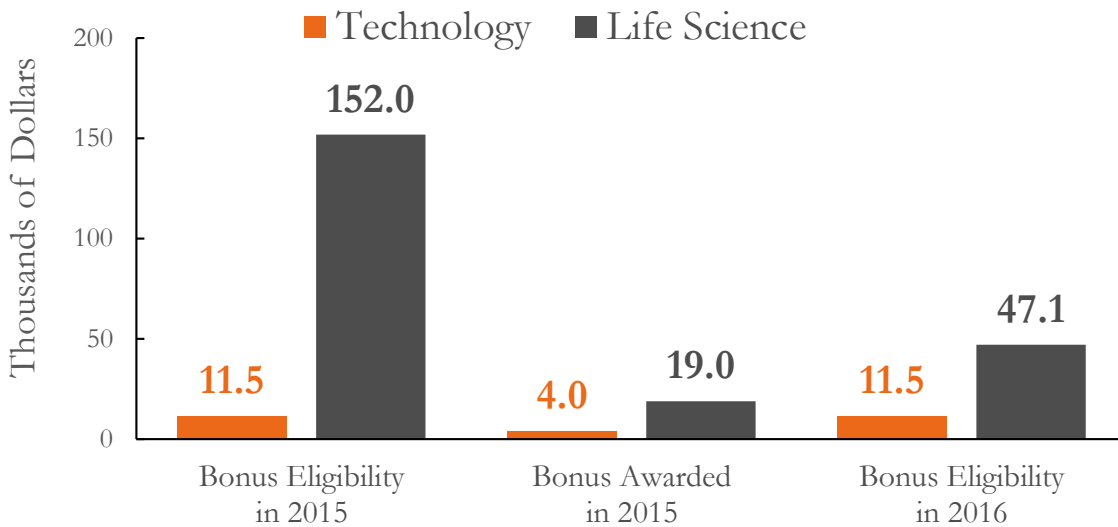
*In Thousands of Dollars*

**Technology**  
**Range: 60.0 – 200.0**  
**Median: 170.0**

**Life Science**  
**Range: 30.0 – 285.0**  
**Median: 162.8**

The CFO base salary for life sciences has a mean of \$174,700 and \$142,100 for the technology industry. The average salary is lower for executives who are also founders. 36% of CFOs are eligible for an annual bonus in 2016.

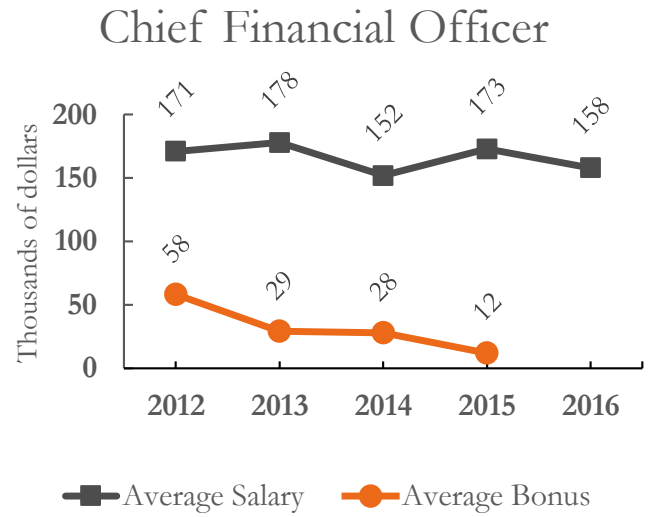
# CFO BONUS DETAIL



# YEAR-OVER-YEAR CFO CASH COMPENSATION COMPARISON

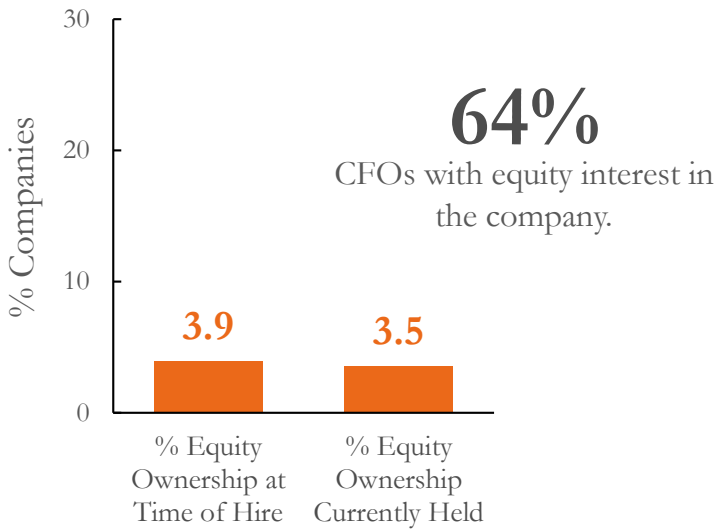
Average salary earned per year  
 Average yearly bonus

Note: 2016 bonus information was not available at the time the survey was completed.

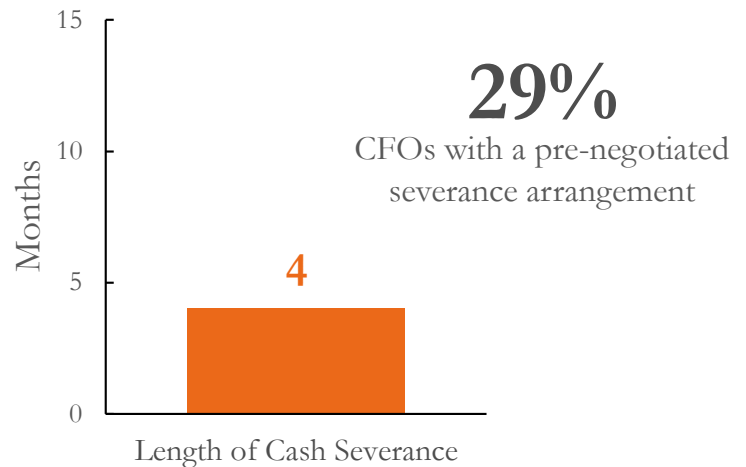


Total compensation for Chief Financial Officers has declined since 2012. The average total compensation in 2012 was \$229,000. The average total compensation was \$185,000 in 2015 which represents a decrease of 19% over four years. This is largely driven by the decline in bonus which has dropped from \$58,000 in 2012 to \$12,000 in 2015. CFOs are the least likely out of all surveyed executive positions to have equity interest in their company.

## CFO EQUITY OWNERSHIP



## CFO PRE-NEGOTIATED SEVERANCE



## BOARD OF DIRECTORS

**50%**\* Companies with independent board members

**76%**\* Companies with Board members that are reimbursed for travel expenses

Companies with the following Board committees:  
Audit: **21.1%**\*  
Compensation: **34.2%**\*  
Nominating & Corp. Governance: **5.3%**\*

\* Analysis includes only those reporting a Board of Directors.

Half of the companies surveyed have a Board of Directors. This is consistent for both technology and life sciences companies. Compensation committees are the most common Board committees established. Unless a company is publically traded, it is not required by law to establish committees. The majority of companies reimburse Advisory Board members and half of the companies surveyed award fully-diluted equity. A smaller percentage of survey participants (17%) award cash compensation to the Board of Directors.

## ADVISORY BOARD

**17%**\* Companies that award cash compensation to independent advisors for their annual service

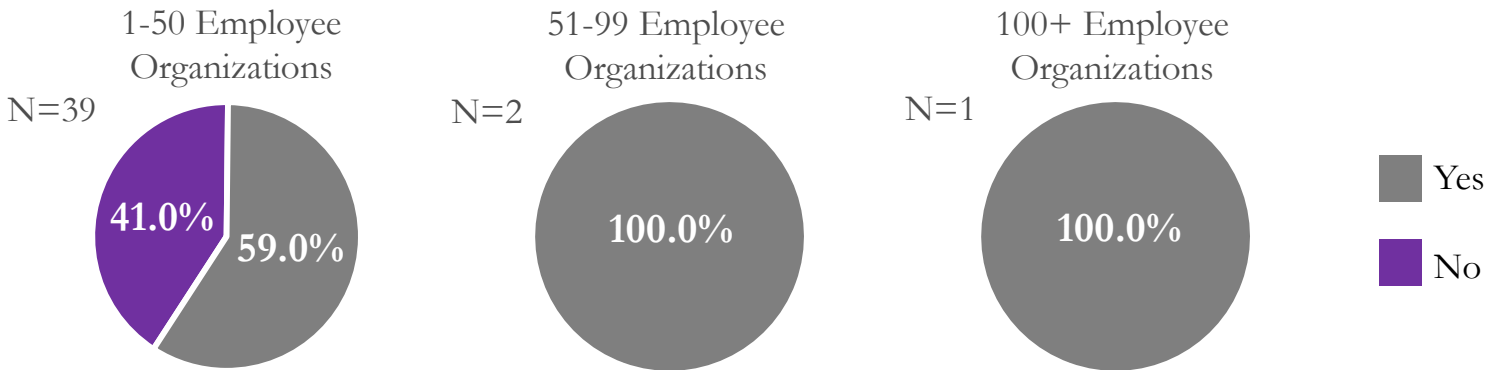
**50%**\* Companies that award fully-diluted equity to independent advisors for their annual service

**71%**\* Companies with Advisory Board members that are reimbursed for travel expenses

\* Analysis includes only those reporting an Advisory Board.

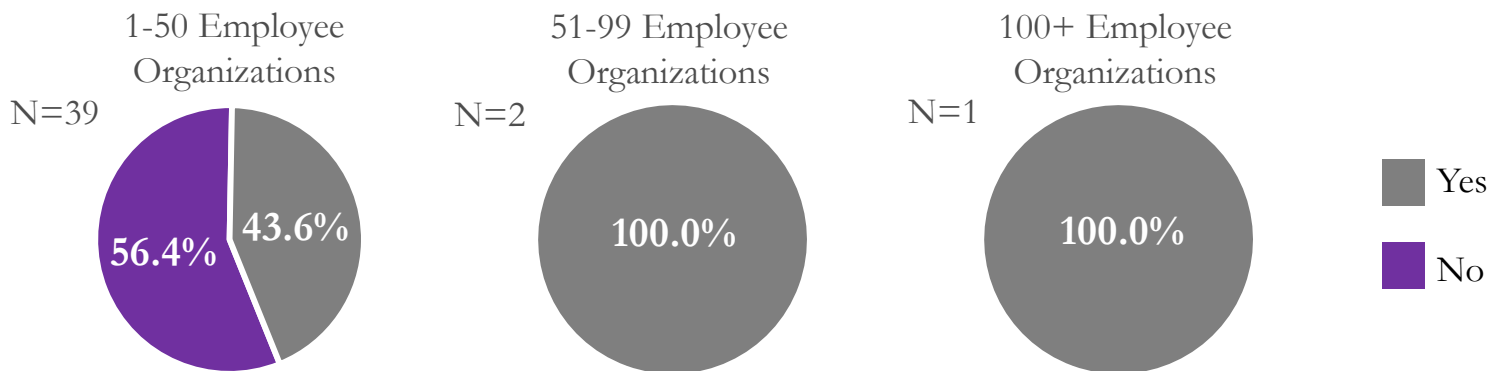
# MEDICAL/HEALTH INSURANCE

## Companies Offering Medical/Health Insurance



# GROUP DENTAL INSURANCE

## Companies Offering Group Dental Insurance



# ABOUT HUTCHISON PLLC

*Best Lawyers® 2016 – Chambers USA 2016 “Leading Firm”*

Hutchison PLLC, founded in 1996, represents many of the premier technology, life science and healthcare services companies in the Southeast and Mid-Atlantic.

## Practice Areas

- Corporate
- Venture Capital & Private Equity
- Options & Equity Compensation
- Employment Law, Benefits & Compensation
- Equity & Debt Financings
- Intellectual Property Protection
- Licensing & Corporate Partnering
- Mergers & Acquisitions
- Government Funded Research & Development
- Securities
- Real Estate
- Tax

## About Our Employment Law & Benefits Practice

Hutchison PLLC provides business and legal counsel to our clients on a wide variety of workplace matters including structuring executive employment agreements and equity-based compensation, resolving contentious employment disputes, negotiating severance packages and providing advice and counsel on personnel matters, performance issues and terminations, FMLA/ADA/FLSA/Title VII compliance, workplace discrimination, wage and hour laws, Section 409A and ERISA compliance of qualified retirement and health plans.

We design handbooks, policies and agreements and provide strategic advice to help our clients avoid employment related claims. We deal with the difficult situations so you don't have to.

### BY THE NUMBERS

**154**

Number of M&A deals closed from 2003-2015

**#1**

Rank in the South for 2015 VC deals

**\$100K -  
\$400+M**

Range of 2015 transaction values



## Want to participate in our next Compensation and Benefits Survey?

We plan to field the next Compensation and Benefits Survey in 2019. Please contact Jodi Coverly, Director of Marketing & Business Development ([jcoverly@hutchlaw.com](mailto:jcoverly@hutchlaw.com)) if you would like to participate or would like to refer others to participate. Increased participation will help us improve the accuracy and value of this study to privately-held technology and life science companies in the Southeast and Mid-Atlantic markets. **This executive summary represents only a small portion of the detailed report. Only those companies that complete the survey receive the detailed report.**

### Questions / Contact

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