

# *Technology compensation survey*

## 2012 Results

*The results of the second  
annual Technology  
compensation survey  
conducted by PwC and  
Brightlights*

**Brightlights**

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# *Foreword*

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So what's the biggest challenge CEOs are currently facing? According to the CEOs interviewed for PwC's *2012 Report on emerging technology companies*, managing talent topped the list of major business challenges. In addition, the report found that compensation was said to be the number one reason for voluntary turnover. In an industry, where it's widely known that the current talent pool lacks the skills, knowledge or experience needed by today's technology companies, it's imperative that these companies do a better job finding and keeping the right people with the right skills.

To provide you with better information to make your compensation decisions, we are very please to share with you the results of PwC's and Brightlights second annual *Technology compensation survey* which includes the responses from over 75 technology companies in the GTA and Kitchener-Waterloo area. This report is intended to share with you relevant, up-to-date and geographic-specific salary information to use as a benchmark for employee salary reviews as well as for new employee offers.

Please enjoy the 2012 edition of the report. We hope you find the results useful and relevant.



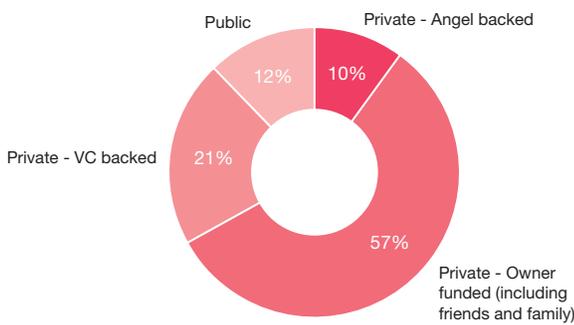
**Eugene Bomba**  
Senior Manager  
Emerging Company Services  
PwC



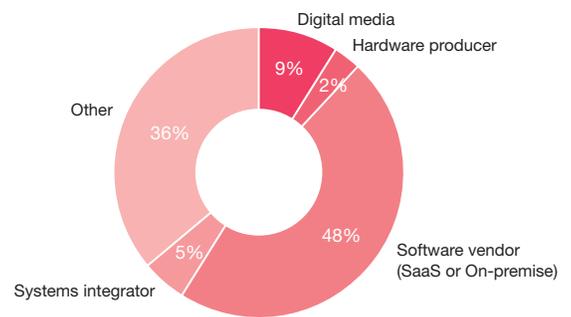
**Mike Fox**  
Managing Director  
Brightlights Inc.

# Profile

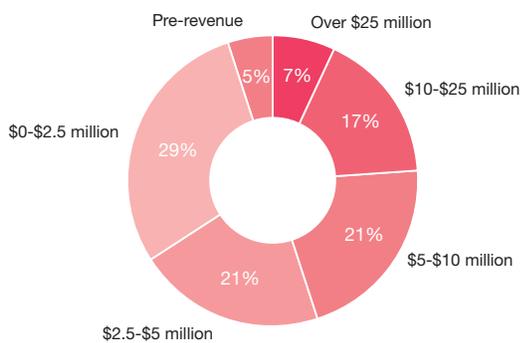
**Figure 1:** What is the primary source of funding for your organization?



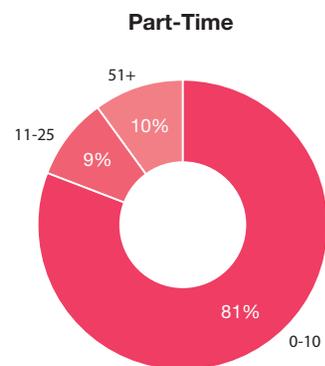
**Figure 3:** What is your company's primary area of business?



**Figure 2:** What is, or will be, your company's (estimated) annual revenue for fiscal 2011 (CA\$)?

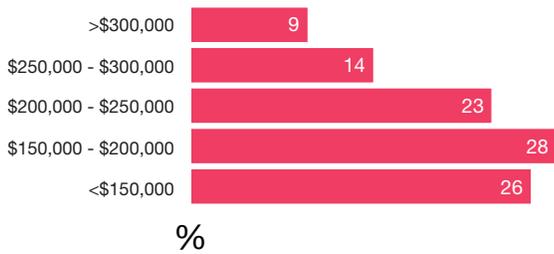


**Figure 4:** How many employees does your company employ?

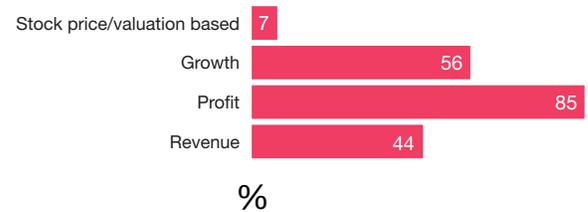


# CEO

**Figure 5:** What is the base salary of the CEO of your company?

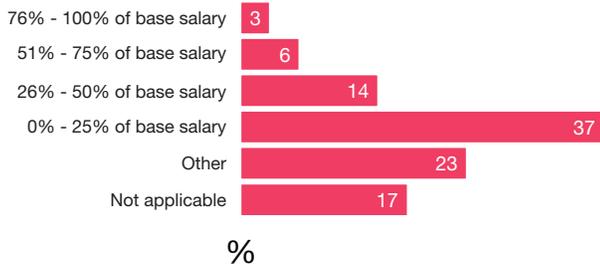


**Figure 7:** What are/ is the criteria on which the bonus is determined?

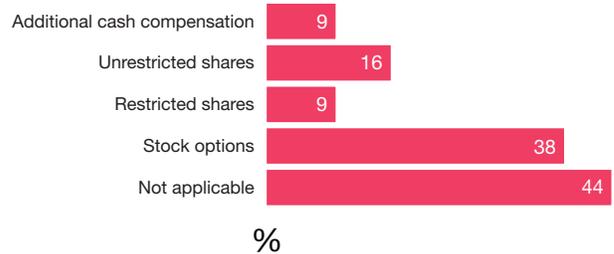


**Figure 6:** What is the bonus available to the CEO of your company?

83% of respondent indicated that some level of bonus was available to the CEO. The range was as follows:

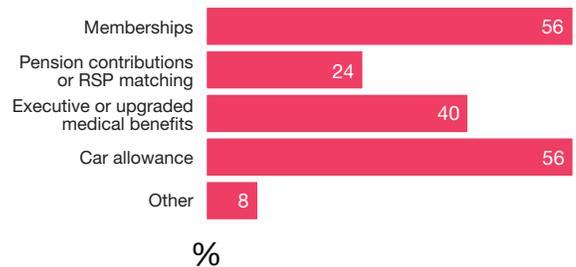


**Figure 8:** What type of equity compensation has been provided to your CEO?



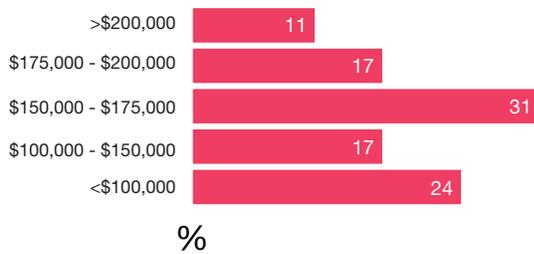
Respondents indicated that on average, 8% of ownership of the company is allocated to the CEO as potential equity compensation.

**Figure 9:** What other benefits does the CEO receive?

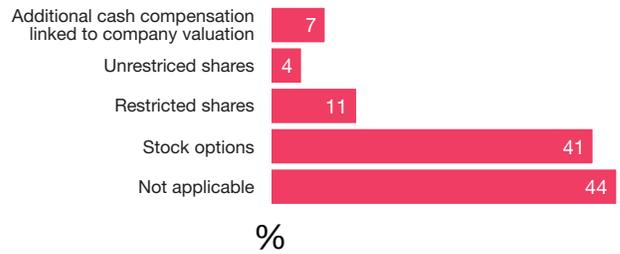


# CFO

**Figure 10:** What is the base salary of the CFO of your company?

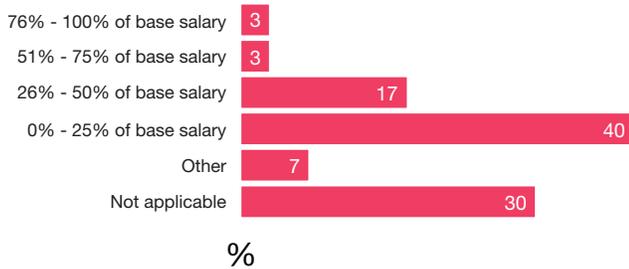


**Figure 12:** What type of equity compensation has been provided to your CFO?



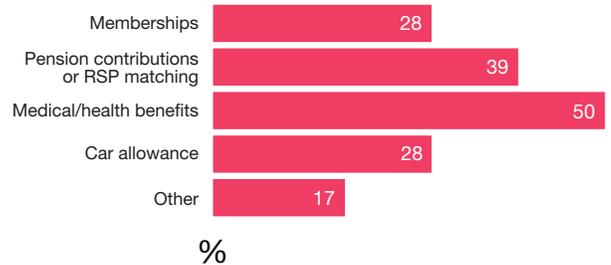
**Figure 11:** What is the bonus available to the CFO of your company?

70% of respondents indicated that some level of bonus was available to the CFO. The range was as follows:



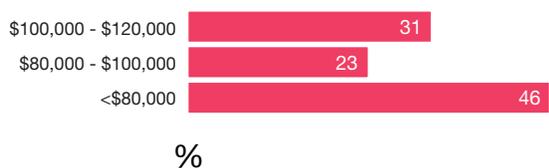
Respondents indicated that on average, 5% ownership of the company is allocated to the CFO as potential equity compensation.

**Figure 13:** What other benefits does the CFO receive?

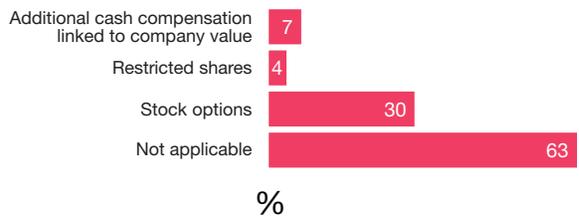


# Controller

**Figure 14:** What is the base salary of the Controller of your company?

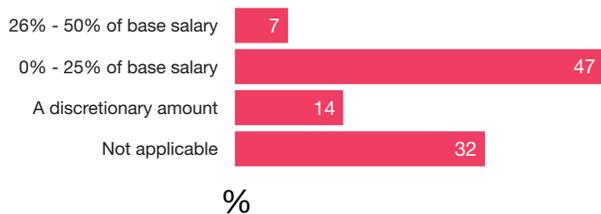


**Figure 16:** What type of equity compensation has been provided to your Controller?



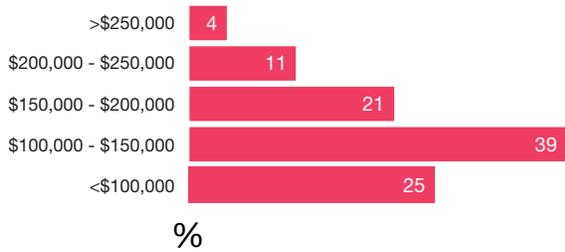
**Figure 15:** What is the bonus available to the Controller of your company?

68% of respondents indicated that some level of bonus was available to the CFO. The range was as follows:

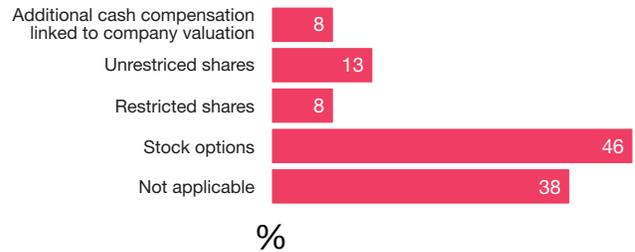


# CTO

**Figure 17:** What is the base salary of the CTO of your company?

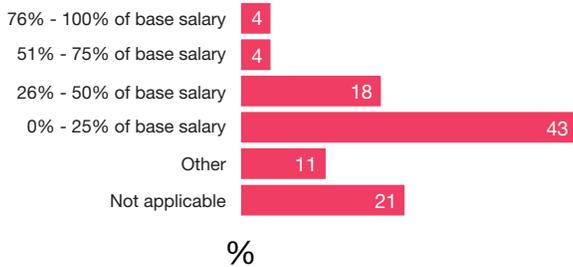


**Figure 19:** What type of equity compensation has been provided to your CTO?



**Figure 18:** What is the bonus available to the CTO of your company?

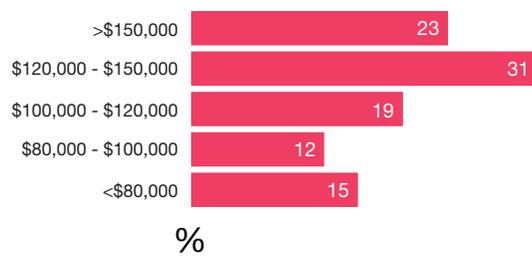
79% of respondents indicated that some level of bonus was available to the CTO. The range was as follows:



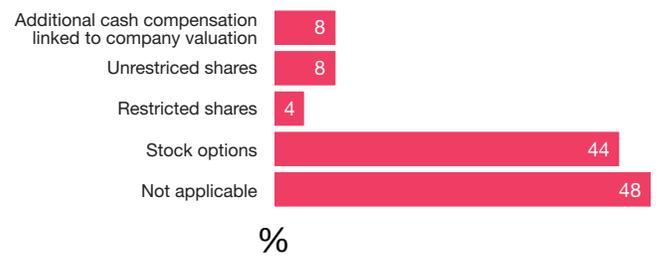
Respondents indicated on average, 3.2% ownership of the company is allocated to the CTO as potential equity compensation.

# VP of Marketing

**Figure 20:** What is the base salary of the VP of Marketing of your company?

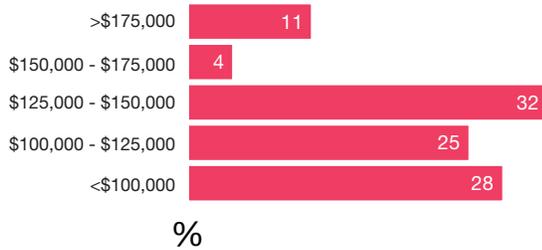


**Figure 21:** What type of equity compensation has been provided to your VP of Marketing?

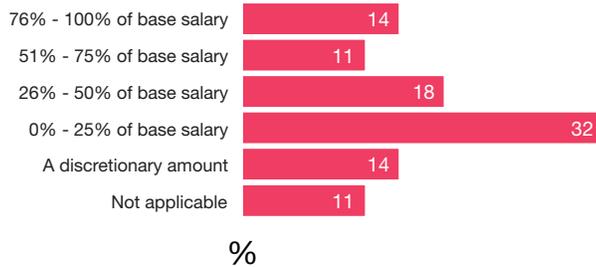


# VP of Sales

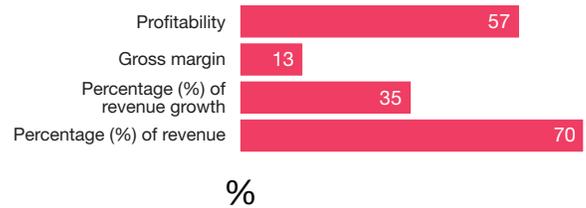
**Figure 22:** What is the base salary of the VP Sales of your company?



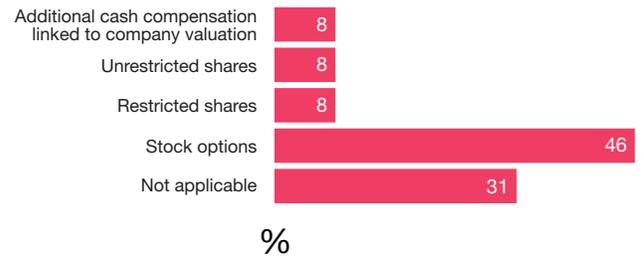
**Figure 23:** What is the total additional compensation (bonus, commission, etc.) available to the VP Sales of your company?



**Figure 24:** What is the additional compensation based on?



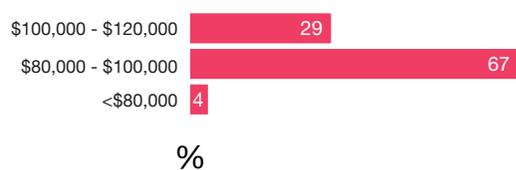
**Figure 25:** What type of equity compensation has been provided to your VP Sales?



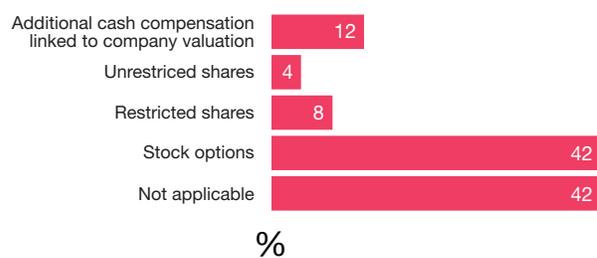
Respondents indicated that on average, 72% of ownership of the company is allocated to the VP of Sales as potential equity compensation.

# Senior Developer

**Figure 26:** What is the base salary of a Senior Developer in your company?

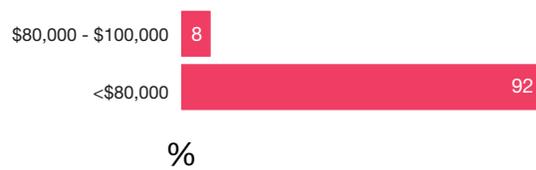


**Figure 27:** What type of equity compensation has been provided to your Senior Developers?

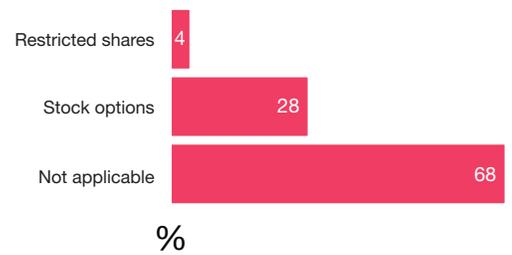


# Junior Developer

**Figure 28:** What is the base salary of a Junior Developer in your company?

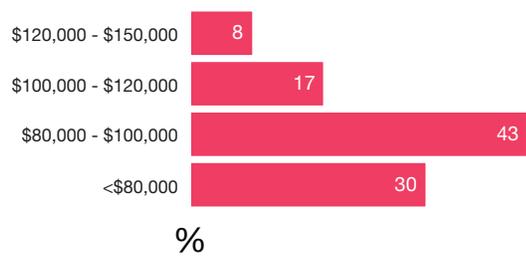


**Figure 29:** What type of equity compensation has been provided to your Junior Developers?

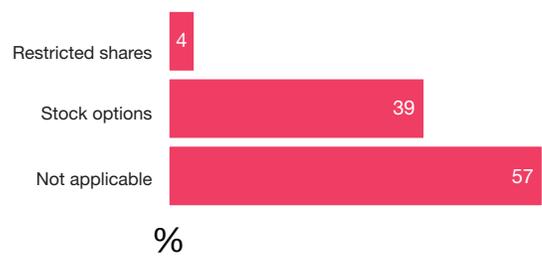


# Product Manager

**Figure 30:** What is the base salary of a Product Manager in your company?



**Figure 31:** What type of equity compensation has been provided to your Product Managers?



## Other Positions

**Figure 32:** Compensation for other positions

	<b>Base Compensation</b>	<b>On-Target Earnings</b>
<b>Outbound Telesales</b>	39,000	74,000
<b>Inside Salesperson</b>	51,000	66,000
<b>Account Manager (Outside Sales)</b>	85,000	131,000
<b>Sales Engineer</b>	72,000	85,000
<b>Sales Manager</b>	95,000	164,000
<b>Business Development (Alliance Manager)</b>	118,000	136,000



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# *Epilogue*

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# An effective interview can provide the answers

Turnover rates in technology companies average 10% according to a survey by Nabscott Corporation. So people leave companies all the time. But why did they leave your company?

Compensation is the number one reason for voluntary turnover, as reported in both PwC's *2012 Report on emerging Canadian software companies* and in Salary.com's survey of 8,000 respondents. That's why PwC and Brightlights conducted this compensation survey—to provide benchmarking information that's current and local for your organization.

## **The 10 reasons why people leave their jobs**

1. Inadequate compensation 57.2%
2. Inadequate opportunities for career advancement 37.3%
3. Insufficient recognition or appreciation 34.2%
4. Boredom 20.1%
5. Inadequate benefits 16.9%
6. Inadequate opportunities for professional development 15.3%
7. Insufficient job security 11.8%
8. Undesirable impact on health or stress level 10.5%
9. Poor relations with management 10%
10. Undesirable commute 9%

Source: Salary.com

Losing great people can be catastrophic for your business. So, the big question, with all the variables involved, is where to start fixing the problem. The answers can be found in an effective exit interview.

No executive I've ever spoken with thinks of him or herself as a poor leader and most people don't see themselves as having a lousy company or having a challenging place to work. Yet few employers actually make a concerted effort to learn from the feedback of great employees that have left.

That's why an exit interview can be a great way to gain insight, firsthand from people you wanted to keep but left anyways. It can help uncover the gap (perceived or actual) between leadership, employees and their jobs. By gaining objective and validated information from your employee, you'll be able to gain invaluable insight into what drives engagement and how you can improve it.

Here are some suggestions on effective exit interview strategies to get the critical information you need.

### **Give it time**

Emotions are raw after a resignation. The former employee is concerned that somehow you or your firm might derail their new job opportunity. This is in addition to worrying about any legal issues that would negatively impact them seeking new work.

### **Get an outsider to have the discussion**

More often than not, when the HR representative does the exit interview, the exiting employee's reaction is to simply clam up. From the employee's standpoint nothing positive can come from them opening up to this individual.

Call on an executive who the employee was friendly with, or perhaps a mentor you know he/she respected. Or perhaps use a third party recruiter you trust.

This is someone who can frame the conversation in terms of broader knowledge of the market but can also explain, with clarity, the benefits to the interviewee.

***Admit that you/the company could have done better***

Empathy goes a long way towards taking the edge off the employee's response and in opening them up to answer truthfully. Let them know why you're following up. Share feedback on how much they meant to the company and highlight the great things they've done. Explain to them how their comments will help you/the company learn and move forward in a positive direction. Here are some conversation starters:

1. What were the main reasons you decided to leave?
2. With hindsight, what could we have done differently to keep you here?
3. How long had you been thinking about leaving?
4. What was the catalyst that triggered you to leave?
5. If you were in my shoes, what three changes would you make to this company?

***Let them know they're still valued***

Be clear to the former employee that you're thankful for what they've done for the company and wish them well. You'll gain a lot of future "elegant currency" from the employee and you might learn a thing or two as well.

***Be positive. Don't take criticisms personally***

Remember that they're actually helping you by sharing what could be valuable information. There may be things you do not agree with but don't be defensive.

If you carry out these exit interviews consistently, you'll gain a much clearer picture of what motivates your staff, what you can do to retain the employees you want and what you can do to improve your company for all of your people.

# *For more information*

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