

Marketing, IR Pros Nab Good-Paying Jobs

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Buyout firms are fortifying their marketing and investor relations teams, and those executives are landing pretty solid salaries.

One big reason for the hiring is simple: the competition for investor attention in a very crowded fundraising market, executive recruiters say. Firms also want to make sure that they keep their investors happy after the land them. Among the firms adding marketing and IR staff this year: Altius Associates Ltd Darby Overseas Investments, Levine Leichtman Capital Partners, and Pharos Capital Group, according to the Buyouts news archive.

And while salaries and bonuses for investor relations and marketing pros can vary substantially—larger firms, as a rule, pay better than smaller ones—they can also illustrate the importance of the job categories. Indeed, an investor relations chief at a U.S. buyout or growth equity firm may earn more in salary and bonus than does the CFO, according to the 2013 Holt-Thomson Reuters PE/VC Compensation Report, a joint effort of Thomson Reuters, publisher of Buyouts, and two compensation consultants—Holt Private Equity Consultants and MM&K. Both may also be entitled to a share of carried interest.

Based on a survey conducted in the spring and early summer of 2012, the report includes data gathered from 107 firms on more than 2,000 workers. It covers 20 different job positions, from analyst to managing general partner on the investment side, from receptionist to chief operating officer on the administrative side. The North American LBO/Growth Equity sample includes 37 firms, which have an average \$1.2 billion under management and a median of \$775 million.

For an investor relations director, the head of investor relations at a buyout or growth equity shop, the median firm in the sample paid \$301,700 in salary and bonus this year (with the bonus generally paid for 2011 performance), while a top quartile firm paid more than \$323,800. A lower-ranking investor relations manager at the median firm received \$187,100, while top quartile firms paid more than \$228,600.

In terms of duties, the IR chief typically takes the lead role for the firm in communications with both investors and press, communicating group's strategy, fund performance and other communications. The post may go to a senior partner in the business and may also incorporate the marketing function. The IR manager provides support and assistance to the IR chief, in communicating with fund investors.

A chief marketing officer, or head of marketing, earned a median \$240,000 in salary and bonus, and more than \$247,500 in the top quartile. A lower-ranking marketing manager earned \$146,000 in salary and bonus at the median and more than \$211,500 in the top quartile.

The study defines a marketing chief as the person responsible for fund-raising and other limited partner relations, including quarterly reports and regularly scheduled meetings. The marketing manager supports the marketing chief in fundraising and other limited partner relations, including quarterly reports and regularly scheduled meetings.

The report cautions that the sample size for these positions can be small, so some data may be out of line with the competitive marketplace.

With fundraising still picking up steam expect competition for top investor relations and marketing professionals to get more heated in the months ahead.

“There definitely has been a lot of activity,” said Solveigh Marcks, a managing director at the New York-based executive search firm The Denali Group. “The market is maturing,” Marcks added. “Institutional investors are conducting broader and more comprehensive due diligence,” which means buyout firms have to devote more resources to answering questions and providing information.

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