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SALARY GUIDE FOR PROFESSIONAL SERVICES

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SALARY GUIDE FOR PROFESSIONAL SERVICES

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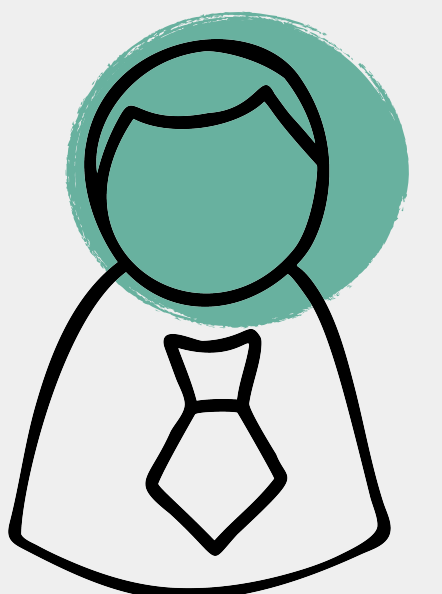
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SALARY GUIDE FOR PROFESSIONAL SERVICES



Introduction

Attracting and retaining top talent is essential for driving growth and delivering exceptional client outcomes. Central to this effort is crafting competitive compensation packages that not only attract the best and brightest but also incentivise peak performance and boost employee satisfaction. As PS leaders, understanding the intricacies of salary structures and market trends is key to maintaining a thriving team. Businesses often struggle to determine the appropriate salary to set for a given position, given the various factors including market trends, industry standards, and the specific skills and experience required for the role.



what are the 2025 **PS WORKING TRENDS?**



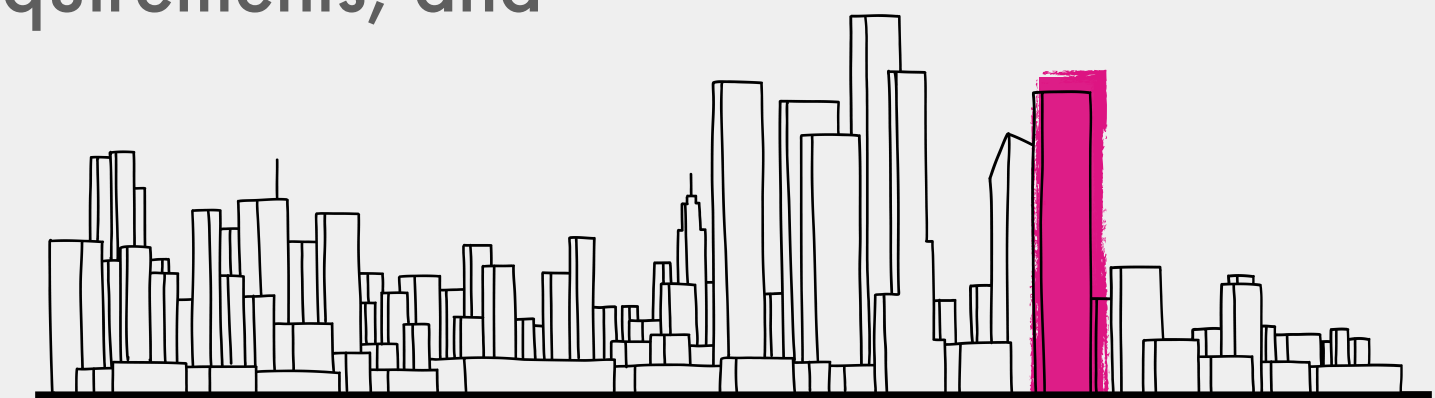
HIRE FOR Remote, hybrid or in-office working?



The COVID-19 has prompted companies to reconsider their hiring strategies, particularly in terms of remote, hybrid, and in-office working models. Hiring for remote positions allows organizations to access a diverse talent pool without geographical limitations, bringing in unique perspectives and skills that can drive innovation. This flexibility not only attracts top talent but also supports work-life balance, increasing employee satisfaction and retention.

On the other hand, hybrid working models offer a blend of remote and in-office work, providing employees with the best of both worlds. This approach fosters collaboration and camaraderie through regular in-person interactions while still offering the flexibility of remote work. It supports team cohesion and culture-building, essential for long-term success.

In-office hiring remains vital for roles requiring close-knit teamwork, hands-on tasks, or access to specific facilities. It enhances immediate communication and supervision, ensuring seamless operations in certain industries. Ultimately, the choice between remote, hybrid, and in-office hiring should align with organizational goals, job requirements, and employee preferences, creating a balanced and productive work environment.



REMOTE WORKING

The Stats

- **Employees now prefer remote work rather than in the office** - Remote working is here to stay, and is now the preferred way for people to work. A surprising 61% of people able to work outside the office are opting to work remotely.
- **Remote working may be making you more productive** - There are an endless number of distractions in the office. Remote working allows employees avoid much of this. 58% of executives report that remote employees achieve goals at a faster rate and even with fewer errors.

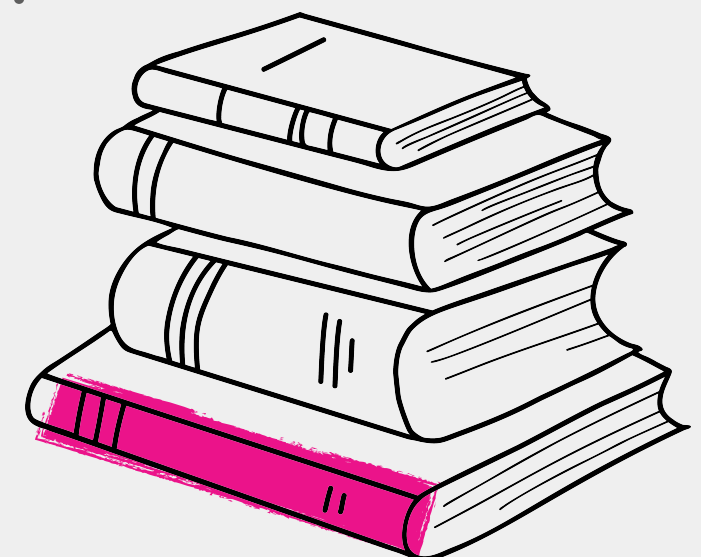


SALARIES BASED ON Skills

Skill-based salary structures focus on compensating employees based on their specific skills, expertise, and contributions rather than their geographic location. This approach can be particularly advantageous in several ways. Firstly, it ensures that top talent is attracted and retained, as employees feel valued for their unique capabilities. This is especially crucial for roles requiring specialized skills, where traditional regional salary benchmarks might fall short.

Moreover, a skill-based salary structure promotes a culture of continuous learning and development. Employees are motivated to acquire new skills and improve existing ones, knowing their efforts will be recognized and rewarded. This can lead to increased innovation and productivity within the organization.

Additionally, skill-based pay can enhance job satisfaction and reduce turnover rates. When employees see a direct correlation between their skills and their compensation, they are likely to feel more engaged and loyal to the company. This approach also aligns with the evolving nature of work, where remote and hybrid models are becoming the norm, making geographic-based pay less relevant.



SHOULD YOU UPSKILL?

“77% of business executives agree their organization should help their workers become more employable with relevant skills, but only 5% strongly agree they are investing enough in helping people learn new skills to keep up with the changing world of work.”

Deloitte, Insights Report (2022)

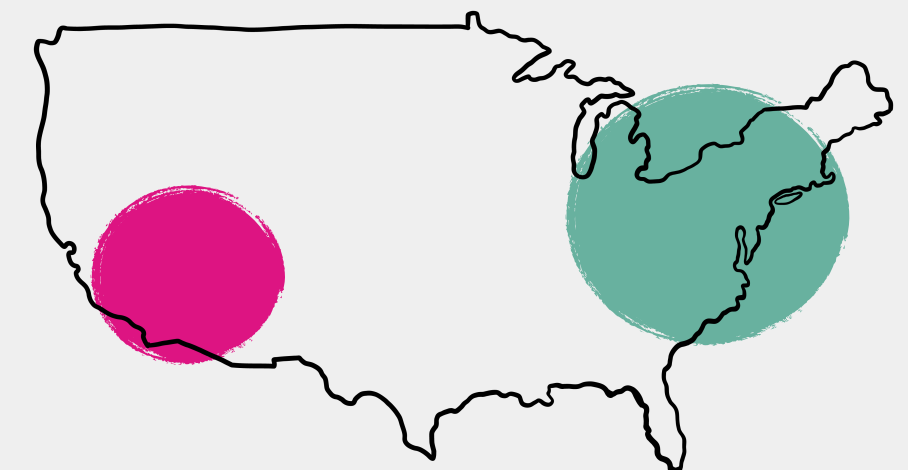
SALARIES BASED ON Regions



Regional salary structures focus on compensating employees based on the cost of living and market rates in their specific geographic location. This approach can be particularly advantageous in several ways. Firstly, it ensures cost efficiency for companies by aligning salaries with local economic conditions. This can help businesses manage their budgets more effectively, especially when operating in multiple regions with varying living costs.

Additionally, regional salary structures promote fairness and equity within the organization. Employees in high-cost areas receive compensation that reflects their living expenses, which can lead to higher job satisfaction and reduced financial stress. This approach also helps attract local talent who might otherwise seek employment in areas with more competitive pay scales.

Moreover, regional salary structures can simplify the compensation process for companies. By using established local benchmarks, organizations can streamline salary decisions and maintain consistency across different locations. This can be particularly useful for roles that do not require highly specialized skills, where regional market rates provide a clear guideline for fair compensation.



professional services salaries **IN THE US**

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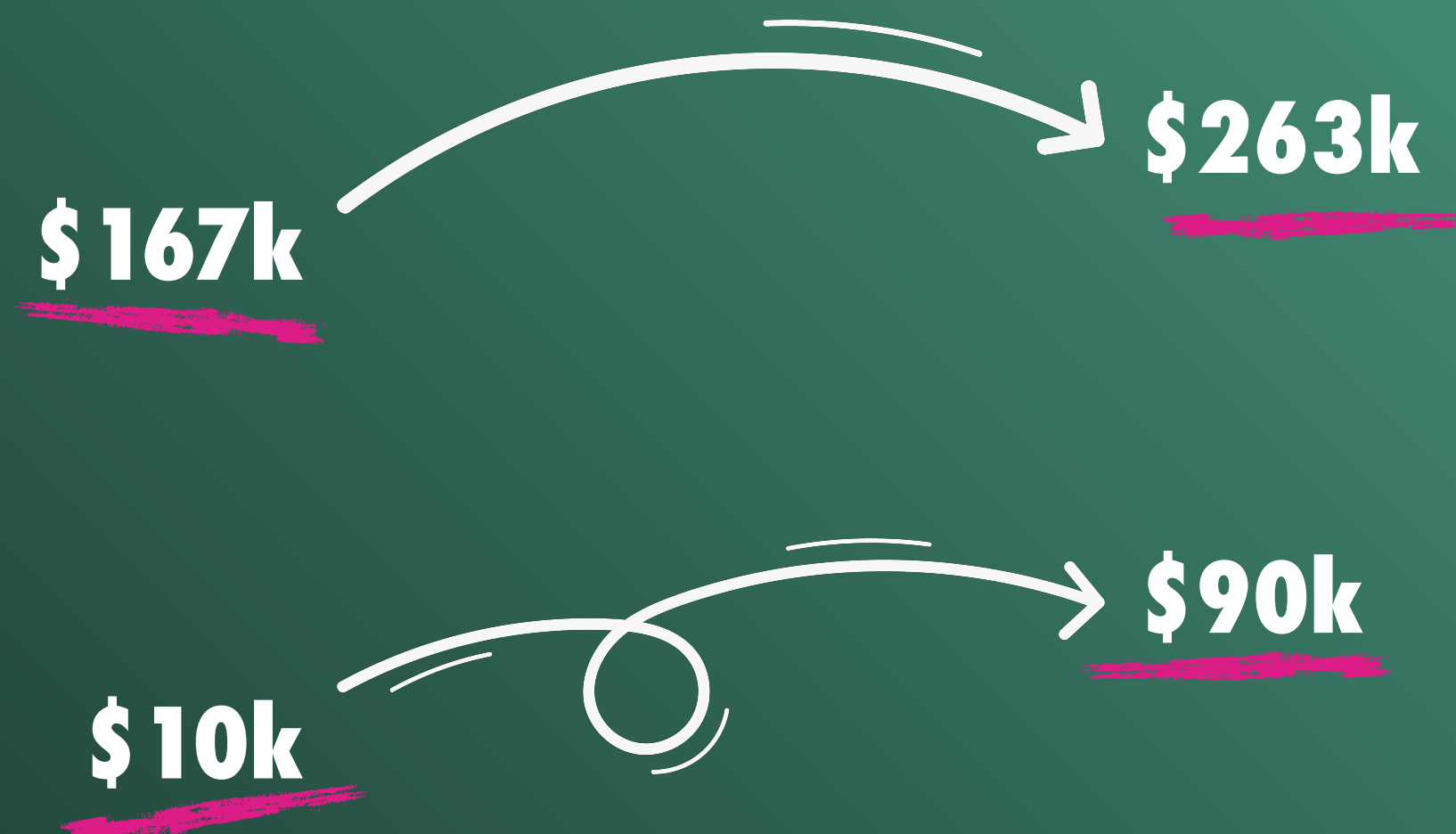
	Salary Low	Salary High	Bonus
Chief Customer Officer	\$167,000	\$263,000	\$10K - 90K
VP of Professional Services	\$161,000	\$245,000	\$9K - 54K
Director of Professional Services	\$156,000	\$220,000	\$4K - 34K
Senior Manager of Professional Services	\$102,000	\$198,000	Consistent Inclusion
Manager of Professional Services	\$69,000	\$173,000	Inconsistent Inclusion



CHIEF CUSTOMER OFFICER

Base Salary: \$215K (Median)

Bonus: \$50K (Median)



RESPONSIBILITIES:

- Drive cross-functional focus on customer outcomes, value, and experiences
- Design a seamless customer journey built on customer value across all functions to increase time-to-value and revenue
- Create proactive, repeatable processes and playbooks to drive consistently strong customer experiences

Salary Difference by Location

EAST

New York  20%

Jacksonville  0.7%

WEST

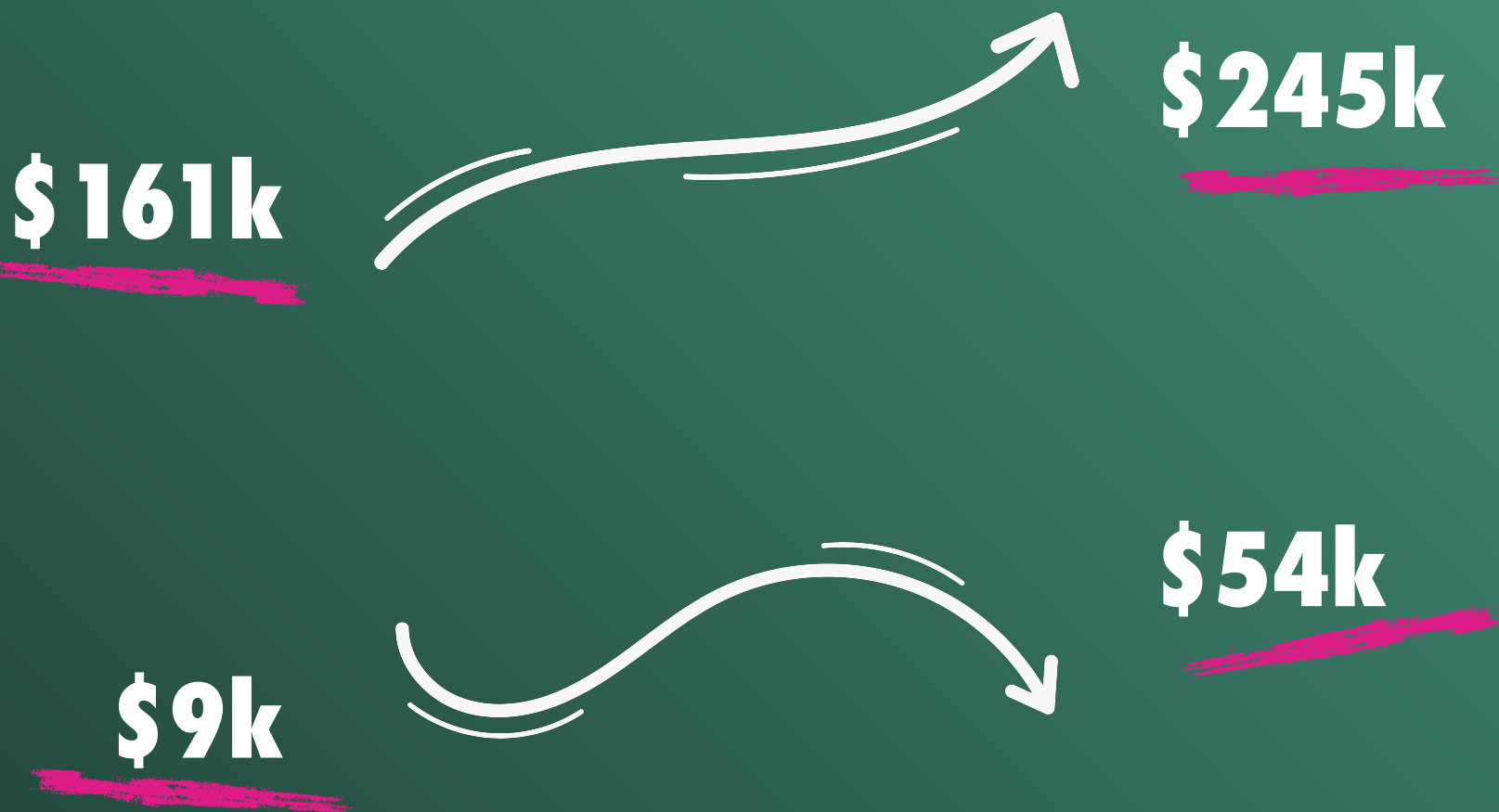
San Diego  8%

San Francisco  29%

VP OF PROFESSIONAL SERVICES

Base Salary: \$203K (Median)

Bonus: \$50K (Median)



RESPONSIBILITIES:

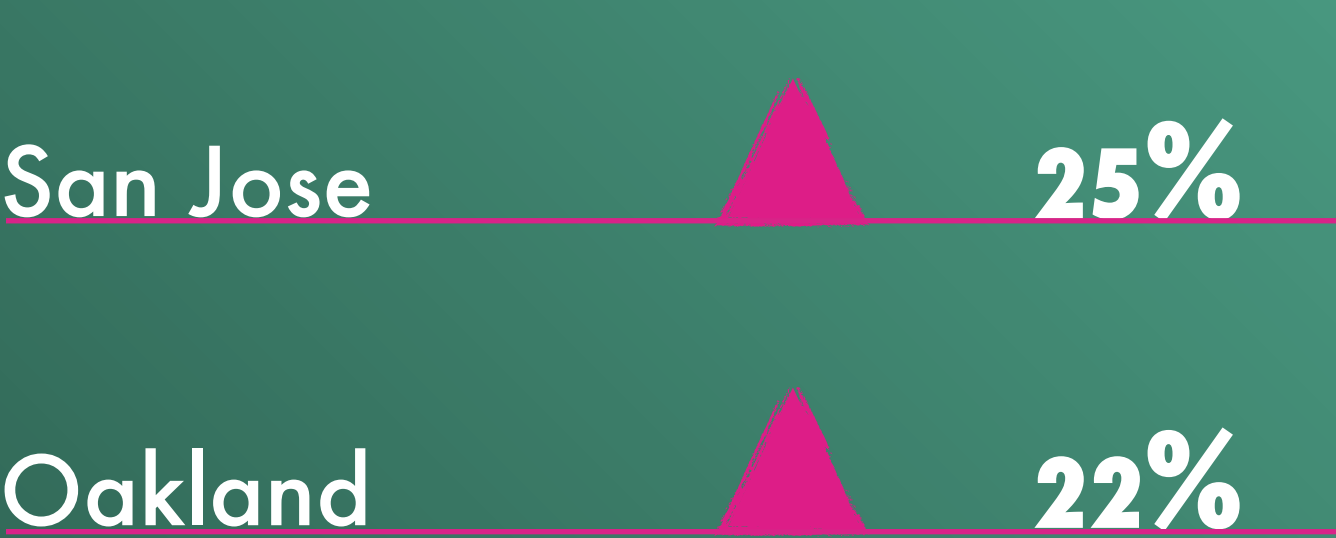
- Develop and execute strategy aligning Professional Services goals with company goals and objectives
- Ensure high-quality delivery of implementation, consulting, and training services
- Drive revenue growth through effective service delivery and customer success initiatives
- Collaborate with Sales, Product, and other teams to align efforts and strategies

Salary Difference by Location

EAST



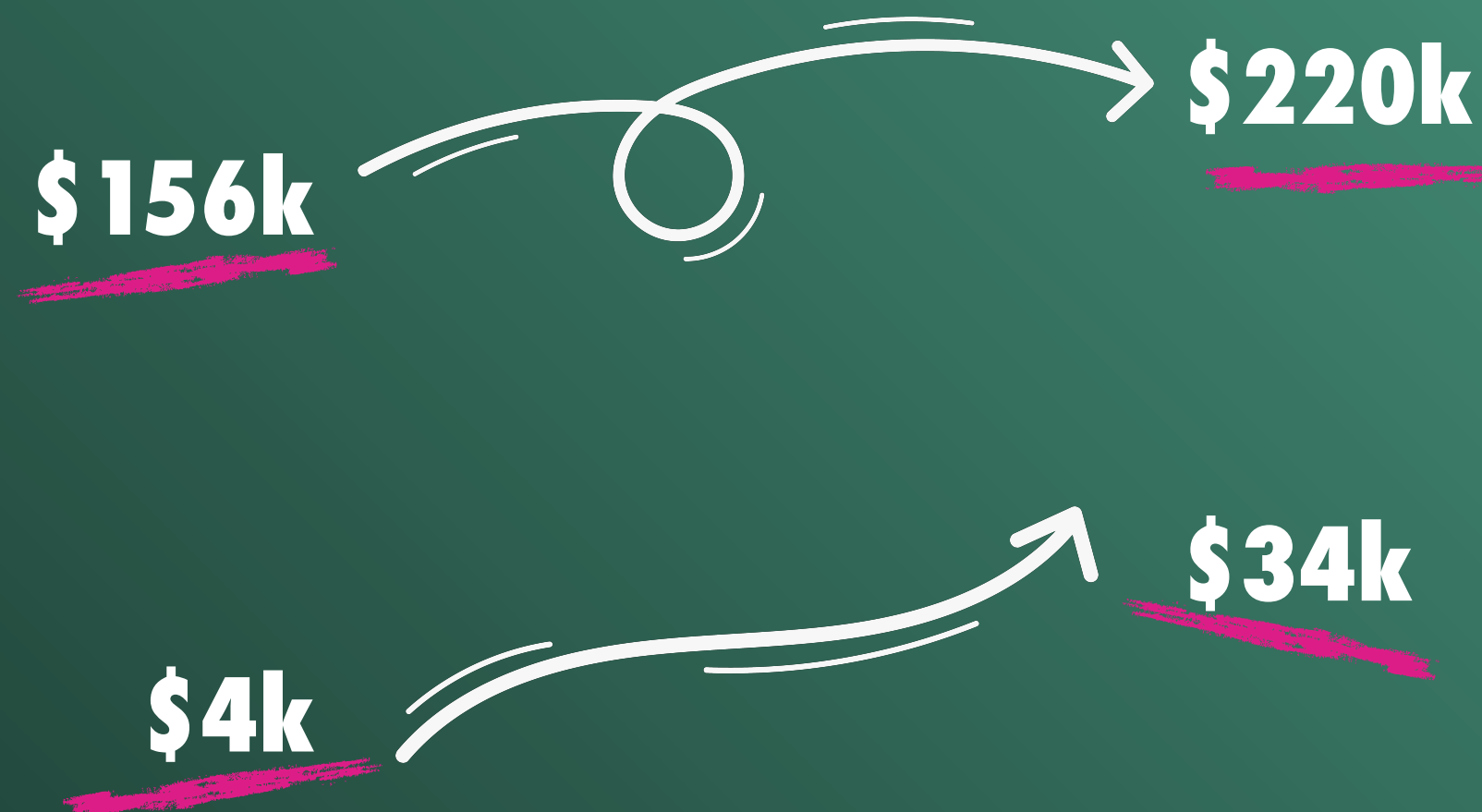
WEST



DIRECTOR PROFESSIONAL SERVICES

Base Salary: \$188K (Median)

Bonus: \$50K (Median)



RESPONSIBILITIES:

- Oversee daily operations of the Professional Services team to ensure efficiency
- Manage project timelines, budgets, and resources for successful project completions
- Ensure compliance with industry standards and best practices in service delivery
- Monitor key performance indicators to drive continuous improvement initiatives

Salary Difference by Location

EAST

New York 21%

Virginia 8%

WEST

Washington 15%

San Francisco 22%

SR MANAGER PROFESSIONAL SERVICES

Base Salary: \$154K (Median)

\$102k  **\$198k**

Bonus: Consistent inclusion without a specified amount, typically based around performance metrics and NPS scores.

RESPONSIBILITIES:

- Oversee daily operations of the Professional Services team to ensure efficiency
- Manage project timelines, budgets, and resources for successful project completions
- Ensure compliance with industry standards and best practices in service delivery
- Monitor key performance indicators to drive continuous improvement initiatives

Salary Difference by Location

EAST

New York  **25%**

Miami  **4%**

WEST

Denver  **7%**

San Francisco  **27%**

PROFESSIONAL SERVICES MANAGER

Base Salary: \$121K (Median)



Bonus: Inconsistent inclusion; rare mentions of "variable compensation"

RESPONSIBILITIES:

- Oversee and nurture client relationships, ensuring that services delivered meet or exceed client expectations, fostering long-term partnerships.
- Ensure project are completed on time, within scope, and within budget while maintaining high-quality standards.
- Continuously evaluate and refine service delivery processes to enhance efficiency & effectiveness

Salary Difference by Location

EAST/WEST

New York  43%

Texas  40%

REMOTE

Onsite  24%

Remote  18%

WHY ARE THERE SALARY DISCREPANCIES?

The rationale behind the variation in salaries across different regions is multifaceted. Higher living costs, including housing, transportation, and healthcare, necessitate higher wages to maintain a reasonable standard of living. Additionally, the demand for specialized skills and expertise in industries prevalent in certain cities or states can drive up salaries as companies vie for qualified candidates.

While the base pay range for professional services may be consistent nationwide, employers must be aware of regional differences in cost of living and market competitiveness. Adjusting salary offerings accordingly ensures that companies can attract and retain top talent in professional services.

East vs. West

Base salaries in the US are generally higher on the West Coast, particularly in California, compared to the East Coast. This disparity is mainly due to California's higher cost of living, especially in cities like San Francisco and Los Angeles. Additionally, California hosts a significant number of high-paying industries, including tech and entertainment, which drive up average salaries. The competitive job market and higher living expenses necessitate greater compensation to attract and retain talent.



INCENTIVES IN PS

Bonuses and incentives help to engage and inspire employees beyond their regular wage. There are various types of incentives that can be utilised to reward employees. Monetary incentives are both a popular and effective method of encouraging better performances. These bonuses are commonly tied to targets and quotas being met. We've outlined here some of these targets commonly set for different staff profiles in PS.

LEADERSHIP

LEADERSHIP TARGETS:

- Services Gross Margin
- CSAT Scores: Implementation & Services Delivery
- Annual Recurring Revenue
- Net & Gross Revenue Retention

MANAGEMENT

MANAGEMENT TARGETS:

- Billable Utilization
- Productive Utilisation
- % of Projects Delivered on Time
- Delivery Times of Projects
- Time-to-Value

INDIVIDUAL CONTRIBUTOR

INDIVIDUAL CONTRIBUTOR TARGETS:

- Utilization
- Project Efficiency
- Individual CSAT Score
- Org Development
- Department NPS Score



LEADERSHIP TARGETS



METRIC	WHAT IT MEANS	HOW TO INFLUENCE IT
Services Gross Margin	The amount of revenue generated by PS	Reduce costs by optimizing operational efficiency: Adopt PSA
CSAT Scores: Implementation & Services Delivery	Customer satisfaction ratings for implementing and delivering services	Enhance service quality, streamline processes, and prioritize customer feedback
Annual Recurring Revenue (ARR)	Yearly income from ongoing subscriptions or contracted services	Increase customer retention rates, upsell to existing customers
Net Revenue Retention (NRR)	Measures total revenue minus revenue churn	Improve customer satisfaction to increase retention
Gross Revenue Retention (GRR)	Percentage of revenue retained, excluding upsells	Improve service quality, address churn, and increase renewals

MANAGEMENT TARGETS



METRIC	WHAT IT MEANS	HOW TO INFLUENCE IT
Billable Utilization	Percentage of time spent on billable work (revenue generating)	Optimize schedules, prioritize tasks, and reduce non-billable activities
Productive Utilization	Number of billable hours as well as time spent that drives customer value	Use better time-tracking software, and establish utilization rate benchmarks
Percentage of Projects Delivered on Time	Proportion of projects delivered within the agreed timeframe	Improve resource allocation, monitor progress, and productize services
Delivery Time of Projects	Time taken to complete and deliver projects	Automate manual processes to speed up project delivery
Time-to-Value	Time it takes from when customers purchase a service, to when they first derive value	Create a customer onboarding playbook your team can follow for every new customer

INDIVIDUAL CONTRIBUTOR TARGETS



METRIC	WHAT IT MEANS	HOW TO INFLUENCE IT
Utilization	Amount of time an IC spends on billable work	Prioritize tasks, minimize non-billable activities, and collaborate effectively
Project Efficiency	How much money is saved on a fixed fee project	Optimize resource allocation, minimize waste, and control costs
Individual CSAT Score	Personal customer satisfaction rating for the service provided by ICs	Enhance output quality and communication, and address concerns promptly
Org Development	Subjective scores based on goals set with managers	Align with goals, seek feedback, demonstrate growth, and exceed expectations
Department NPS Score	Measure of customer satisfaction and loyalty within departments	Deliver outstanding service, build rapport, and respond effectively to feedback

OUR TIPS

For setting a salary in PS

GATHER DATA

Begin by collecting salary data from reputable sources such as industry surveys, government reports, and salary benchmarking websites. Ensure the data is specific to the professional services sector and covers a wide range of job roles and experience levels.

SEGMENT BY ROLE

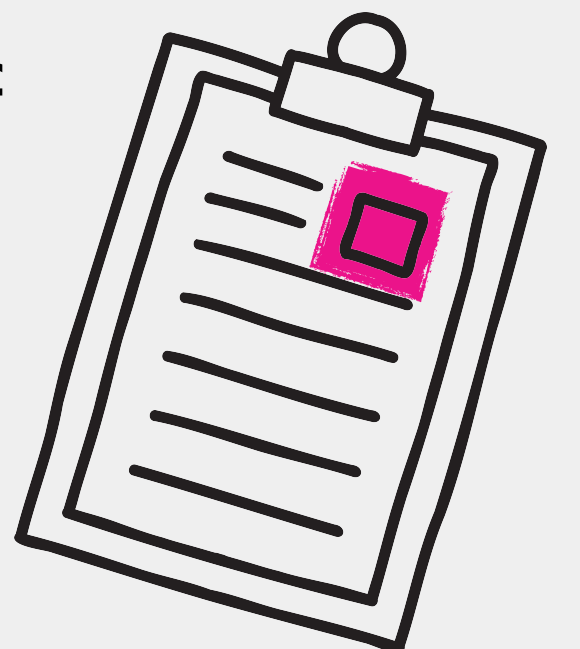
Professional services encompass a wide range of roles, from consultants and analysts to project managers and executives. Segment the salary data according to job titles and experience levels to provide targeted insights for employers.

PROVIDE SALARY RANGES

Instead of providing fixed salary figures, offer salary ranges for each job role based on factors like experience, education, and geographic location. This allows for flexibility in negotiations and accommodates variations in individual circumstances.

ACCOUNT FOR LOCATION

Recognize that salary expectations can vary significantly depending on the location. Incorporate regional data into your salary guide to account for differences in cost of living and market competitiveness across cities and states.





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