



AESC Insights

2010 Mid-Year

Executive Search Industry Outlook

The 2010 Mid-Year Executive Search Industry Global Outlook Report, by the Association of Executive Search and Leadership Consultants (AESC), reveals China, India and Brazil expected to experience greatest shortage of talent



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

2010 Mid-Year AESC Member Outlook Report

The mid-year executive search industry outlook is positive according to the majority of search consultants surveyed, with confidence rising 11% from the start of 2010. The May 2010 Association of Executive Search Consultants (AESC) survey totaled 217 responses from executive search consultants worldwide, including 52% from EMEA, 29% from the Americas and 15% from Asia Pacific.

SEARCH CONSULTANTS CONFIDENT OF GROWING EXECUTIVE DEMAND

Mid-Year Search Industry Outlook Reveals China, India and Brazil Expected to See Greatest Shortage of Talent

The findings reveal that 67% of search consultants expect to see revenue growth in the second half of the year, while 27% predict revenues will stay the same. In total 94% are confident that they will see no decrease in demand for the remainder of the year.

Nearly half the respondents plan to hire more consultants in the second half of the year, while 43% plan to maintain the same number of consultants.

China, India and Brazil are expected to see the greatest scarcity of talent in the latter half of 2010. Functions continuing to see the greatest talent shortage are Chief Executive, Chief Operating Officers and General Managers.

AESC President, Peter Felix, commented, "The latest results are indicative of an industry regaining strength following the downturn. Client organizations are beginning to think more strategically and are working with our member search firms to draw senior executive sourcing plans for the future. Once again there is talk of a talent shortage in certain industries and functions, even though unemployment levels remain high. This is encouraging for candidates and our executive search consultants report that candidates are increasingly willing to consider career moves (from 21% in 2009 to 45% in 2010) despite concerns about market instability and the state of the economy."

Healthcare/Life Sciences and Energy/Natural Resources are reported to be the strongest two sectors at the mid-year point and are expected to see the most growth in the second half of 2010, followed closely by the Industrial and Financial Services sectors.

EXECUTIVE SEARCH INDUSTRY OUTLOOK - JULY TO DECEMBER 2010 2

Positive outlook grows 11% at the mid-year point following steady improvements in confidence

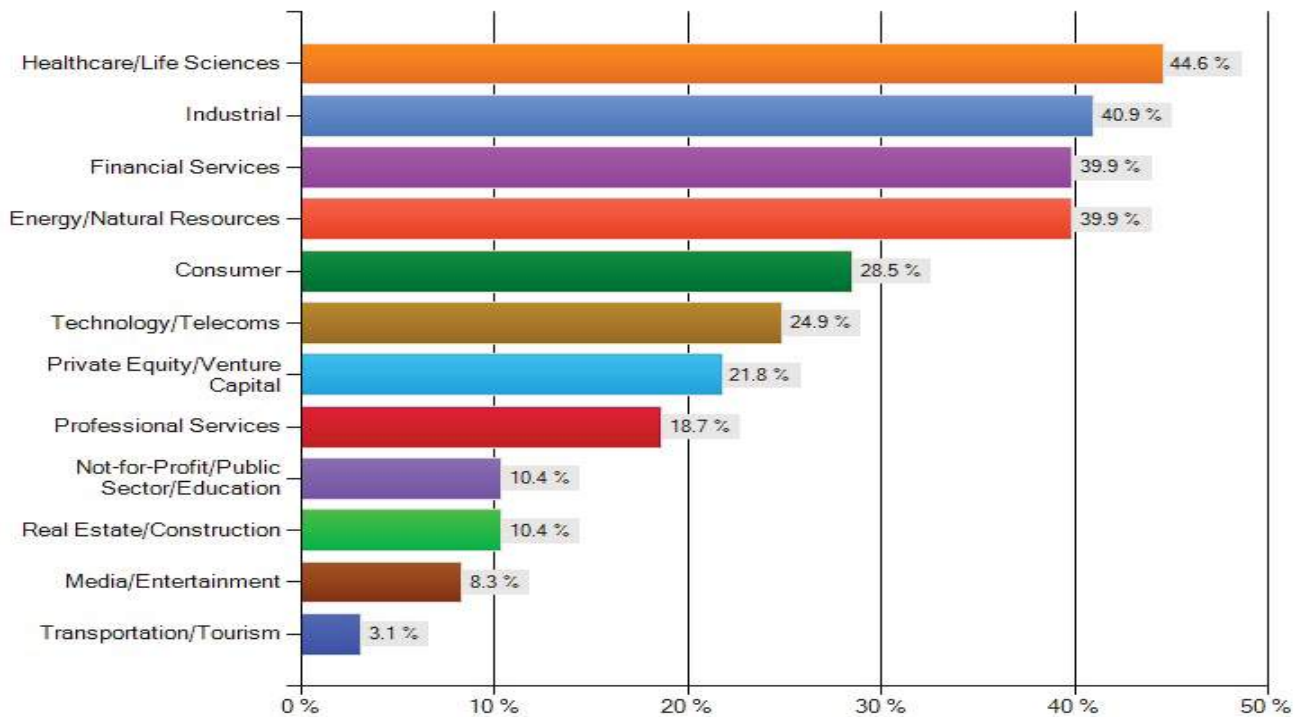
Executive search industry outlook: December 2008 - May 2010



SECTOR OUTLOOK - JULY TO DECEMBER 2010

Healthcare/Life Sciences, Industrial, Financial Services and Energy/Natural Resources to see the most growth in the second half of 2010

Sectors expected to see the most growth in the second half of 2010 *

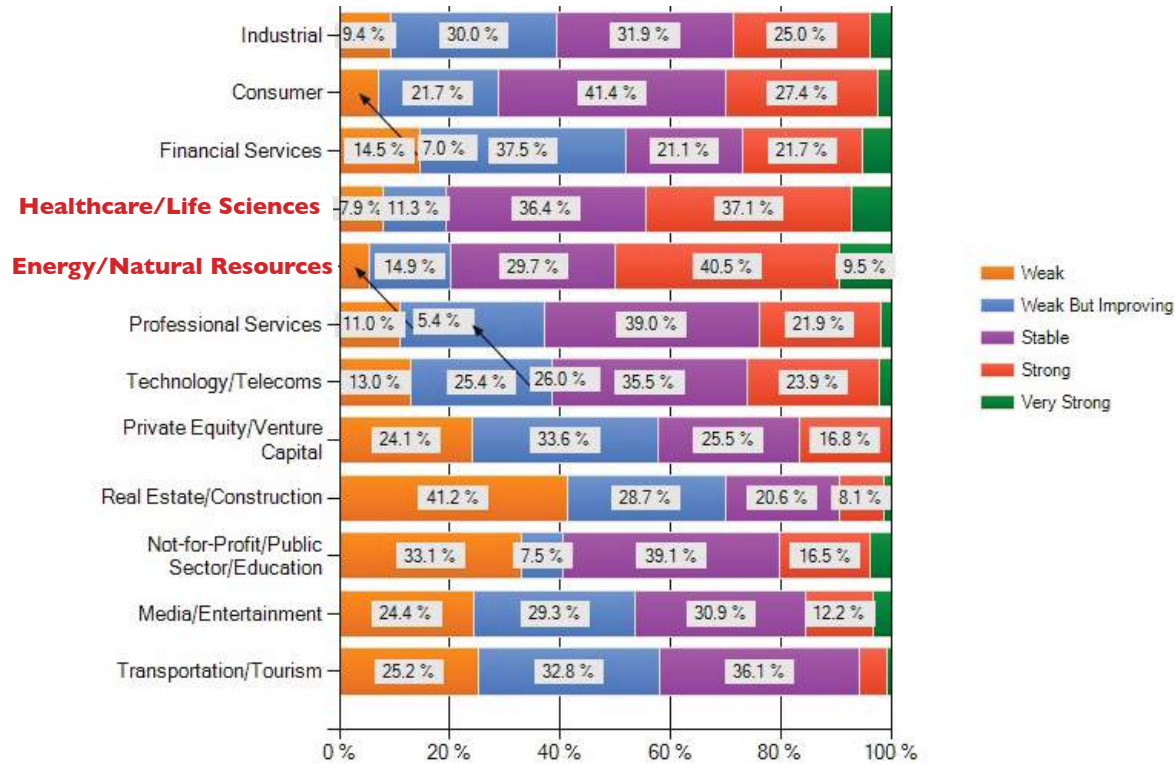


* Respondents asked to select top three choices

CURRENT SECTOR STRENGTH

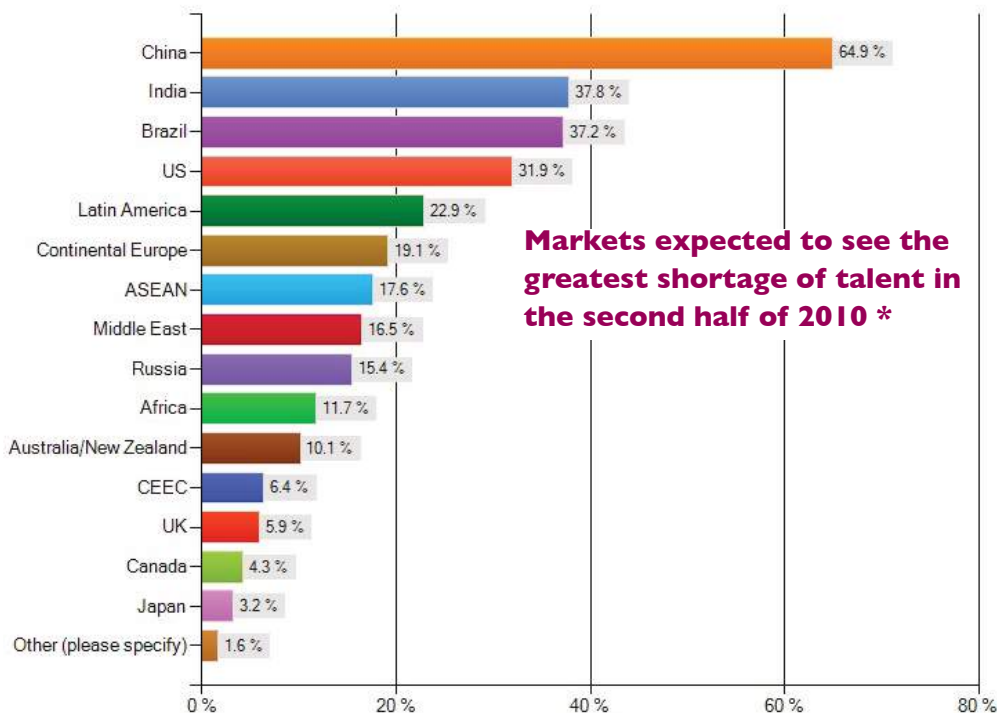
Healthcare/Life Sciences and Energy/Natural Resources strongest at mid-year point

Sector strength in May 2010



EXECUTIVE TALENT - JULY TO DECEMBER 2010

Majority of executive search consultants believe China, India and Brazil will see the greatest shortage of executive talent in July to December this year



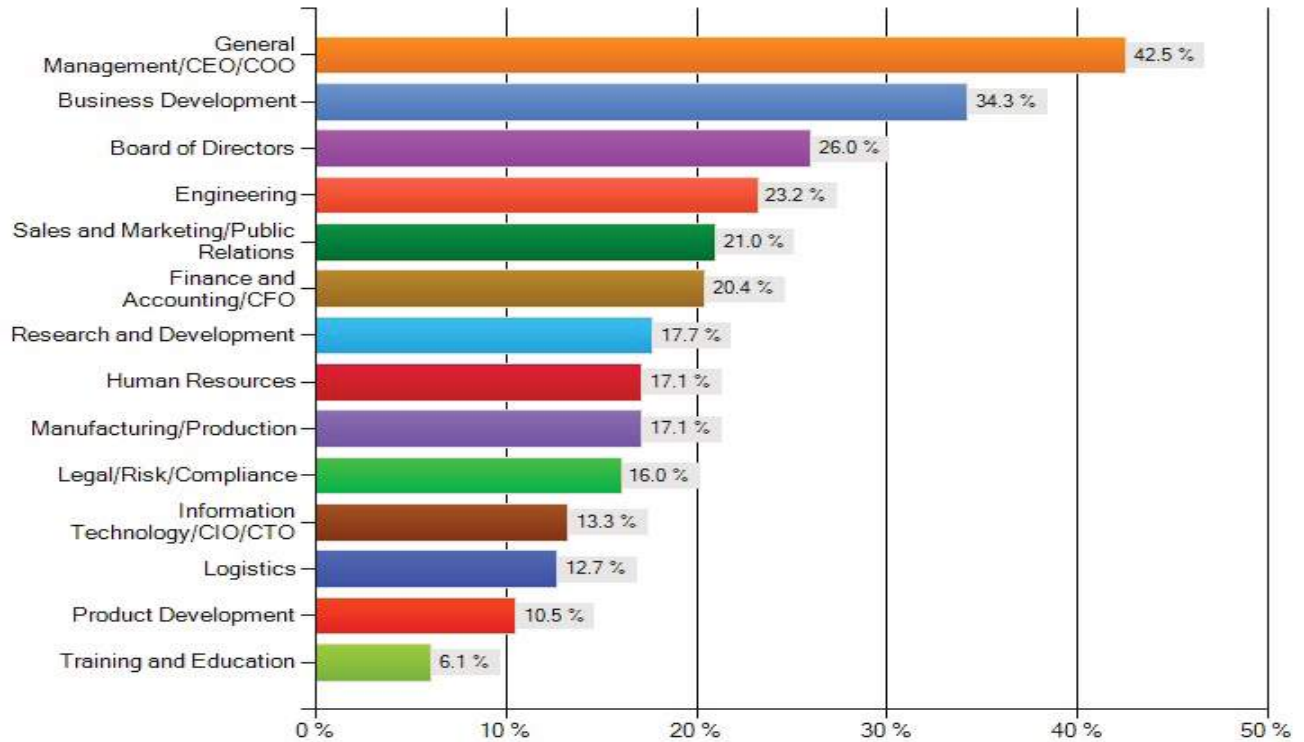
* Respondents asked to select top three choices

EXECUTIVE TALENT - continued...

General Management/CEO/COO functions to see the greatest scarcity of talent

- Business Development, Board of Directors and Engineering will also witness a talent shortage in late 2010, according to AESC member search consultants

Functions expected to see a scarcity of talent in the second half of 2010 *



SEARCH INDUSTRY REVENUE PROJECTIONS - JULY TO DECEMBER 2010

Search consultants confident that industry growth experienced in the first half of 2010 will continue at same level

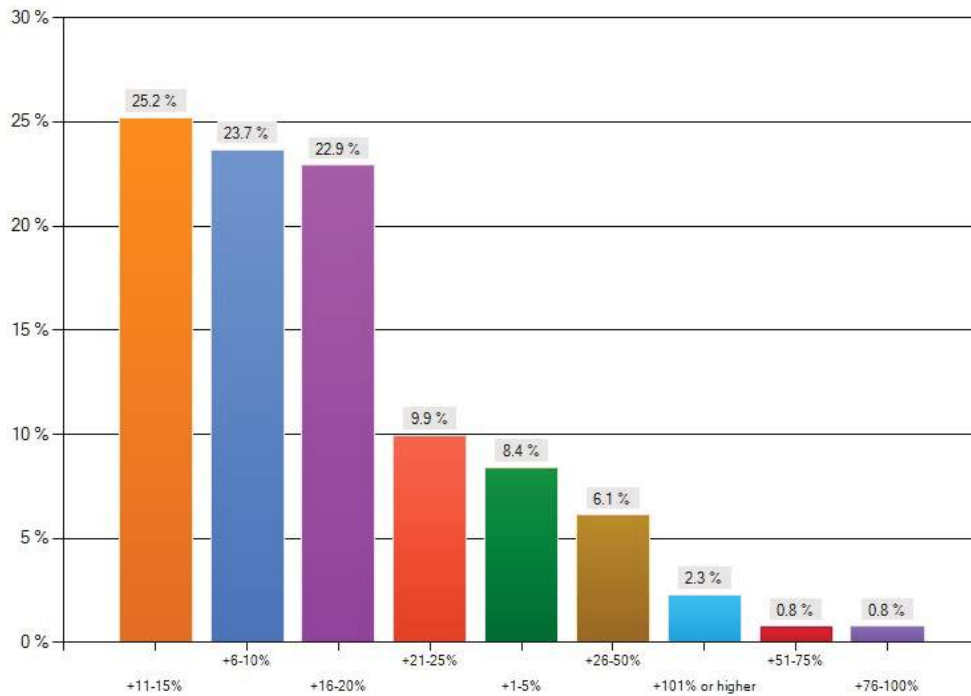
Predicted change to annual revenues in the second half of 2010, as compared to the first half of the year



* Respondents asked to select top three choices

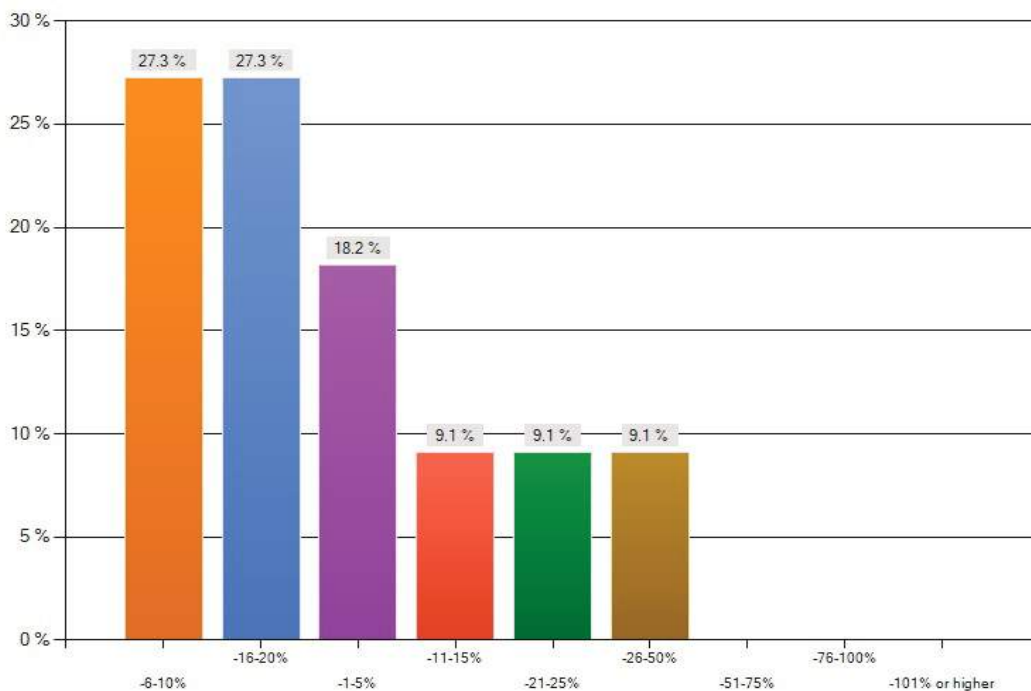
Of those predicting an INCREASE in revenues, most expect to see a rise of +11-15%

Predicted revenue INCREASE in the second half of 2010, as compared to the first half of the year



Of those predicting a DECREASE in revenues, most expect to see a drop of -6-10% OR -16-20% (equal votes)

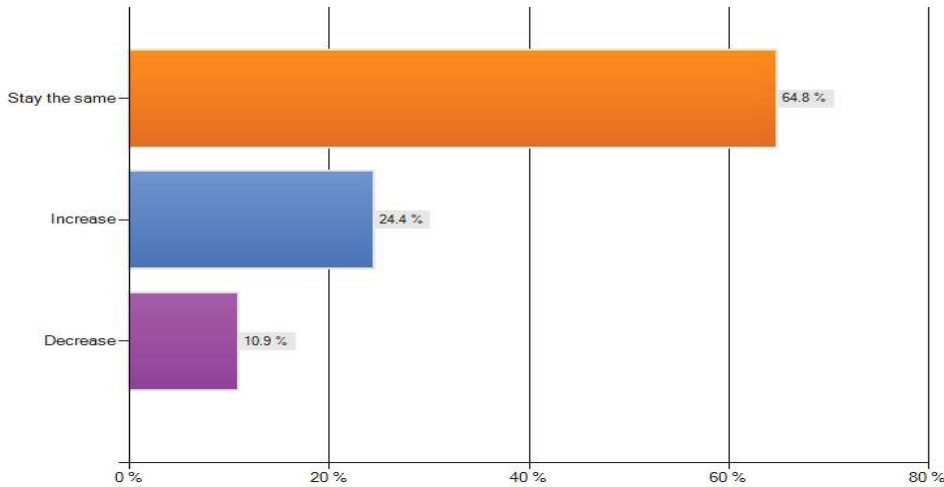
Predicted revenue DECREASE in the second half of 2010, as compared to the first half of the year



65% of executive search consultants expect their fee per assignment to stay the same in the second half of 2010

- 24% Predict their fee per assignment will rise in July to December 2010, over the first half of the year
- Only 11% anticipate a decrease in fee per assignment

Predicted change to fee per assignment in the second half of 2010, as compared to the first half of the year

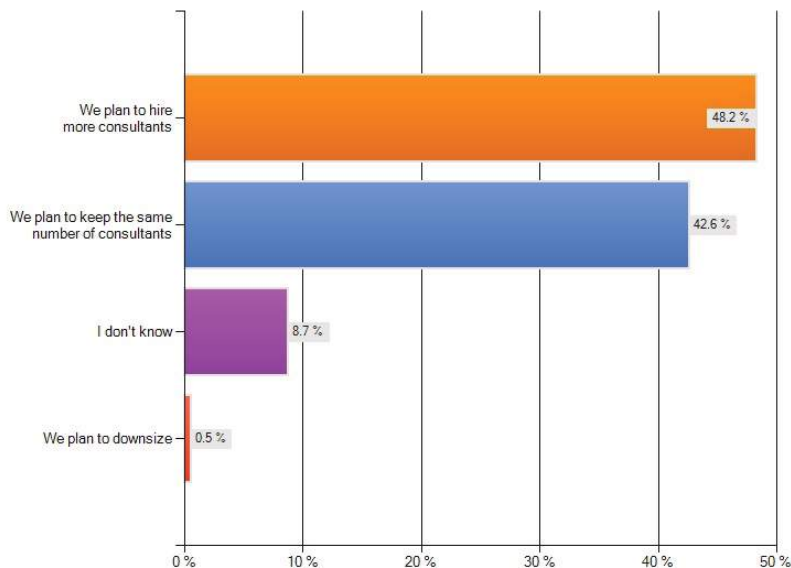


SEARCH INDUSTRY HIRING PLANS - JULY TO DECEMBER 2010

Search industry continues rebuilding consultant strength

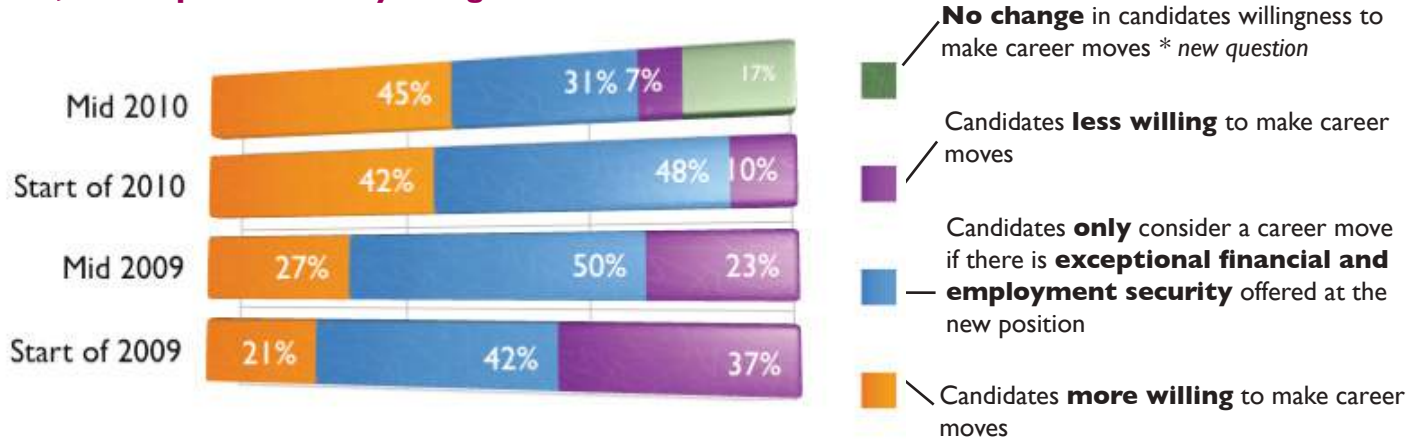
- 48% Plan to hire more consultants and 43% plan to keep the same number of consultants in the second half of 2010, as compared to the first half of the year
- Almost no downsizing planned for July to December 2010

Search firm hiring plans for the second half of 2010



Executive search consultants report that candidates are increasingly willing to consider career moves, from 21% in 2009 to 45% in 2010

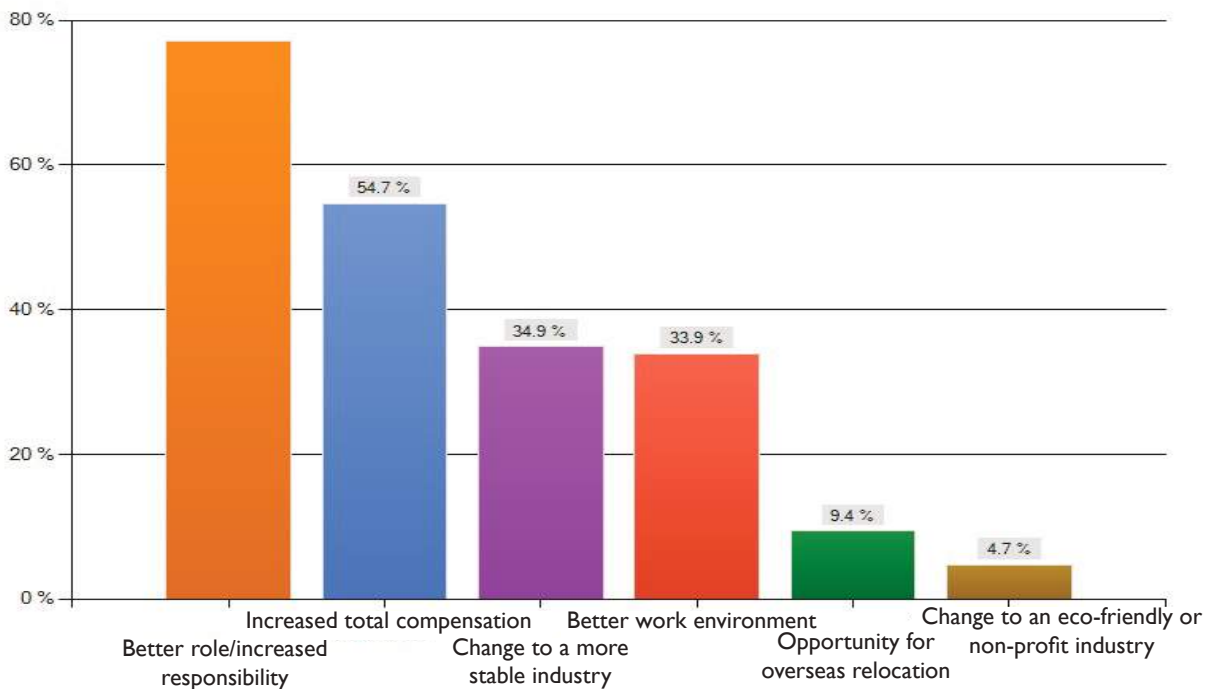
How willing are senior executives to make a career move now, as compared to one year ago?



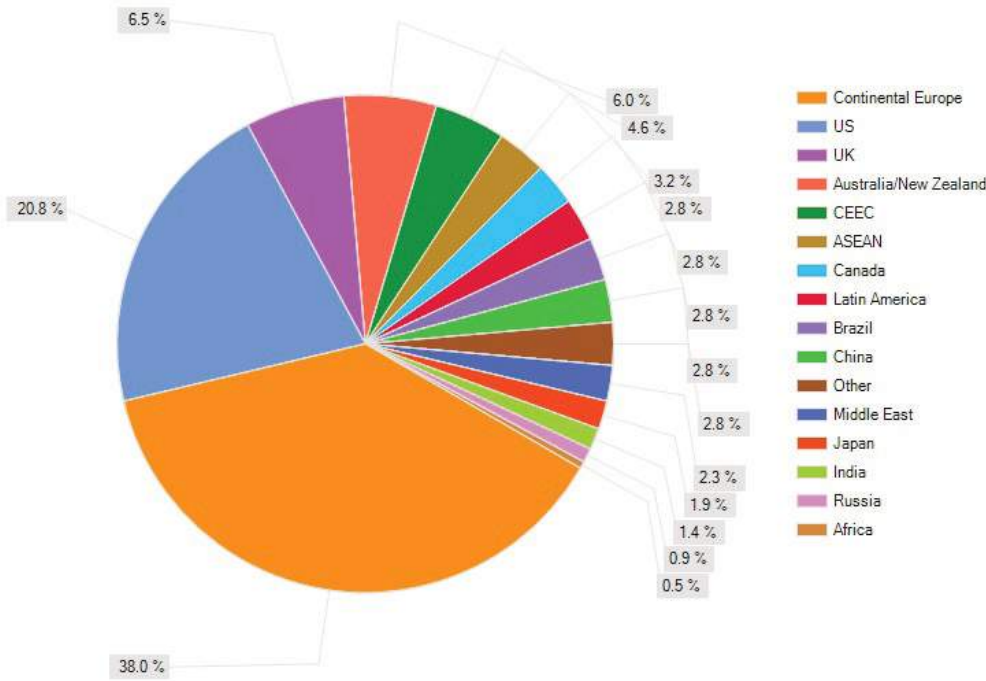
77% Believe that a better role and increased responsibility will most encourage senior executive career change in the second half of 2010

- 55% Believe that increased total compensation is vital to executive mobility
- The opportunity for overseas relocation and change to an eco-friendly or non-profit industry least enticing

Benefits to most entice senior executive mobility in the second half of 2010 *



* Respondents asked to select top three choices



The AESC thanks Affinity for supporting the Mid-Year AESC Member Outlook Survey

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About The Association of Executive Search Consultants

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search industry. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves as an advocate for the interests of its member firms. For more information, or to download the AESC Code of Ethics and Professional Practice Guidelines, please visit www.aesc.org.

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