



AESC Insights

2011 Mid-Year

Executive Search Industry Outlook

The 2011 Mid-Year Executive Search Industry Global Outlook Report, by the Association of Executive Search and Leadership Consultants (AESC), forecasts high demand to continue in emerging markets and Energy/Natural Resources.



2011 AESC Member Mid-Year Outlook Report

The Association of Executive Search Consultants (AESC) Member Mid-Year Outlook Survey of June 2011 totaled 196 responses from AESC executive search consultants worldwide, including 51% from EMEA, 30% from the Americas and 13% from Asia Pacific.

OPTIMISTIC MID-YEAR OUTLOOK FOR EXECUTIVE SEARCH

High Demand Expected to Continue in Emerging Markets and Energy/Natural Resources

Executive search professionals gave a 66% positive prediction for their industry in the second half of the year with the greatest optimism coming from consultants in Asia Pacific and the Americas, according to the Association of Executive Search Consultants' (AESC) latest Outlook Report.

Executive search consultants predict that China, Brazil and India will see the greatest shortage of executive talent in the second half of 2011, while the Energy/Natural Resources sector is set for the biggest growth in senior hiring.

AESC President, Peter Felix, commented, "I am delighted to see that confidence within the executive search industry remains at a high level on a worldwide basis, in spite of continuing economic uncertainty in many countries. It is no surprise to see the emerging markets of Brazil, India and China showing the greatest talent shortage but it is most encouraging to see a sustained resurgence of demand in the United States and other Asia Pacific markets. Europe remains the softest of regions but nevertheless has significant strengths in Germany and the UK."

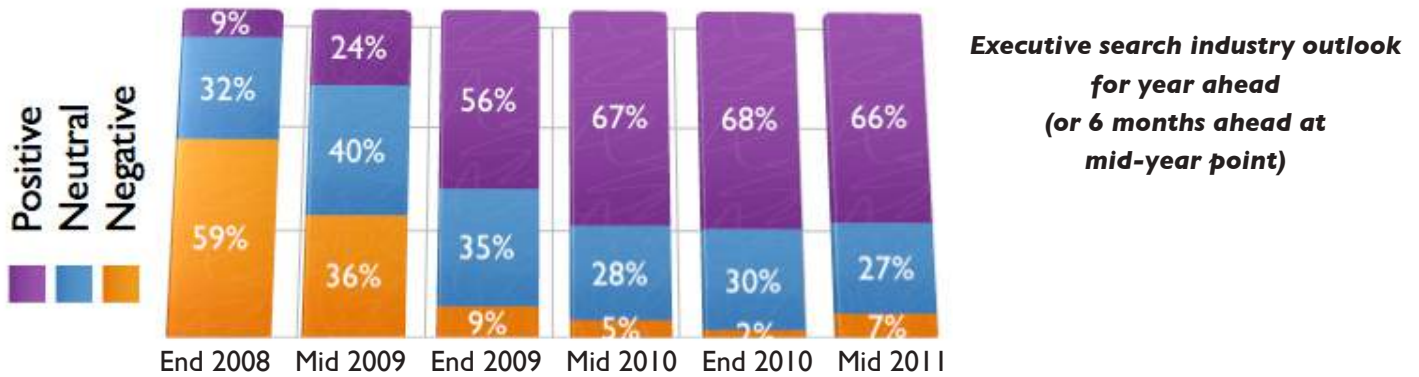
The General Management/CEO/COO function is expected to see the greatest shortage of talent worldwide in the second half of 2011, followed by Business Development and then Engineering. In order to keep up with the demand, over half the search firms surveyed plan to hire more consultants and researchers from July to December 2011.

Felix continued, "All this points to the re-emergence of executive talent scarcity and the critical need for organizations to find top quality leaders in the new dynamics of world markets. The executive search profession looks forward to strong demand for its services in helping clients to plan and execute their talent management strategies for the future."

Executive Search Industry Outlook

Global average - Executive search consultants surveyed held a 66% positive and 27% neutral executive search industry outlook for the second half of 2011 (pictured below).

Regional variance - The regional outlook showed greater positivity in Asia Pacific (78%) and the Americas (72%), whereas consultants in EMEA were 61% positive.

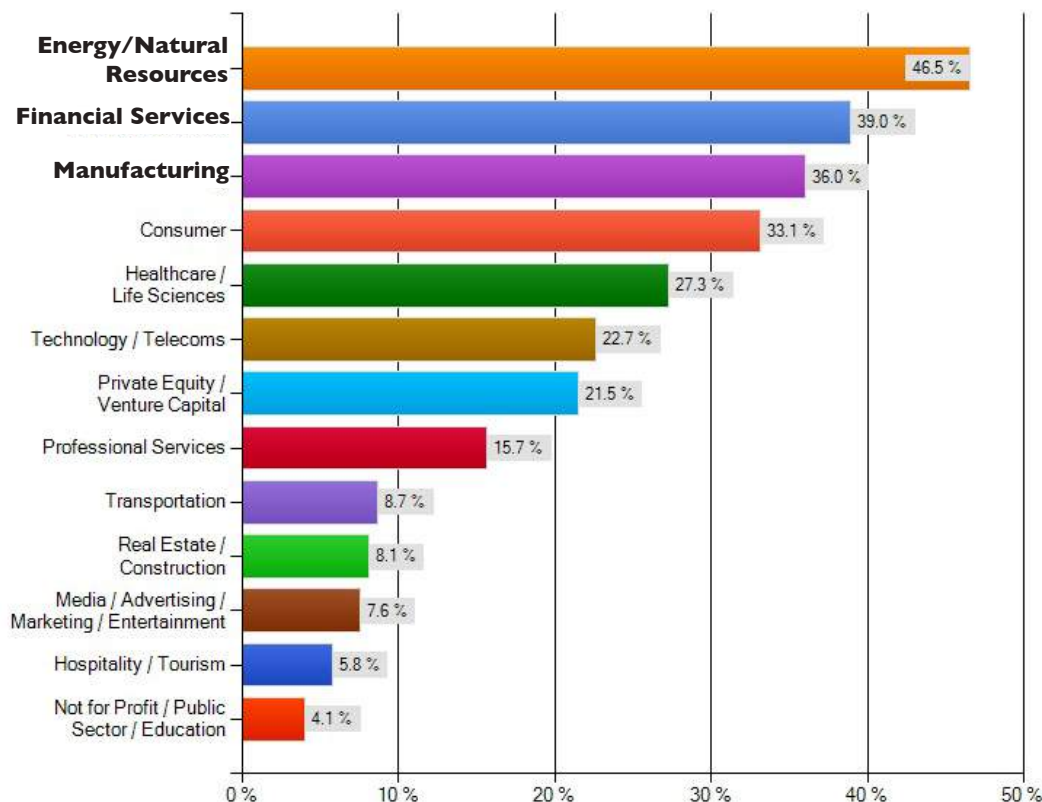


Predicted Sector Growth, July - December 2011

Global average - Energy/Natural Resources, Financial Services and Manufacturing are expected to see the most growth in the second half of 2011 (pictured below).

Regional variance - Consultants in the Americas rated Energy/Natural Resources and Financial Services as having equal growth potential in the second half of 2011, followed by Consumer and then Manufacturing. Respondents in Asia Pacific rated Consumer as the number one growth industry, followed by Energy/Natural Resources and then Financial Services and Manufacturing; rated equally.

Sectors expected to see the most growth from July to December 2011 *



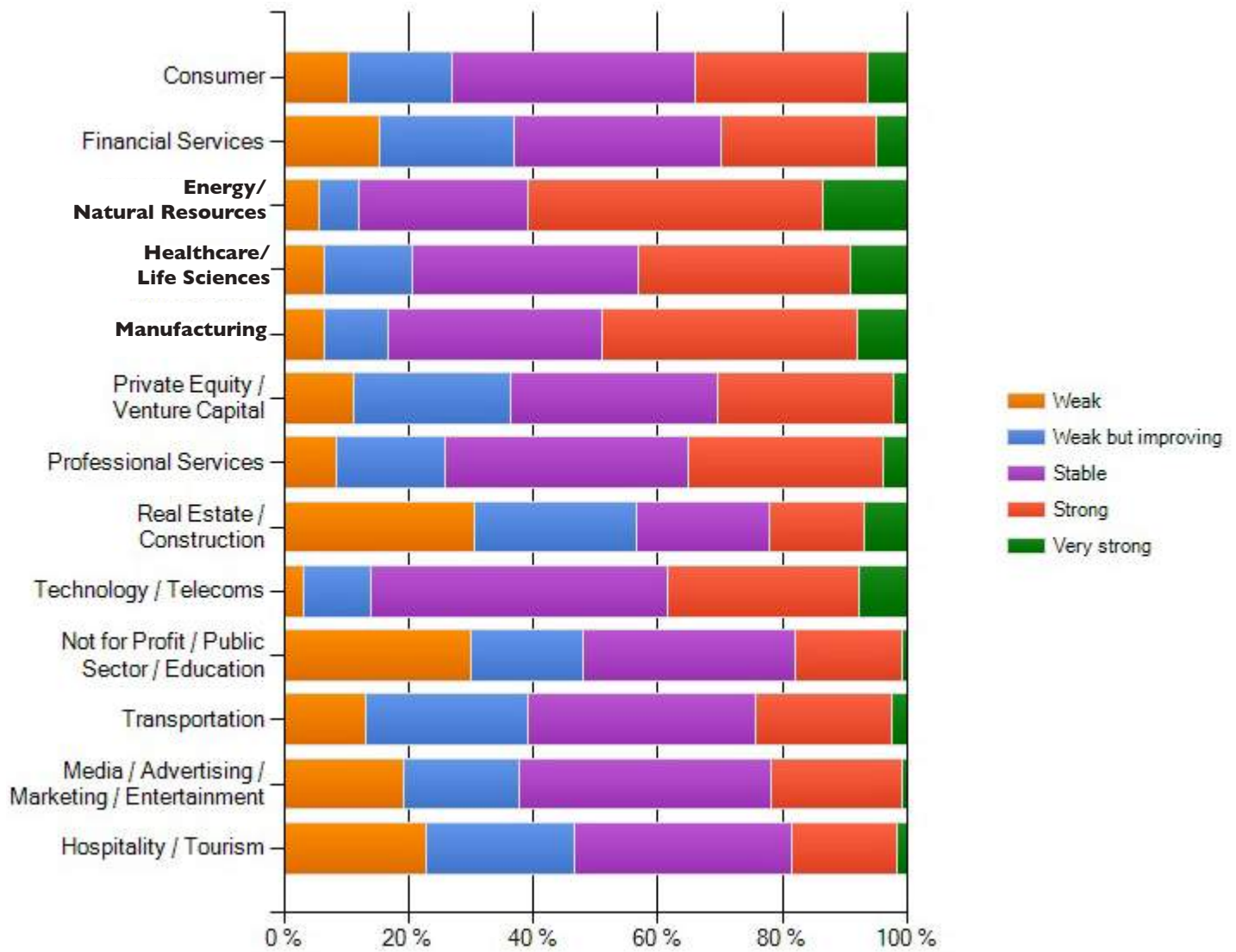
* Respondents asked to select top three choices

Current Sector Strength

Global average - Energy/Natural Resources (61%), Manufacturing (49%), and Healthcare/Life Sciences (43%) held the greatest worldwide sector strength in June 2011, showing the highest “Strong/Very strong” rating (pictured below).

Regional variance - The regional view saw variation in the Americas outlook where Real Estate/Construction was voted joint third strongest along with Healthcare/Life Sciences. In Asia Pacific the Consumer industry was placed as the second strongest sector for search activity in June 2011.

Sector strength at June 2011



Search Industry Revenue Projections

Global average - 65% of executive search consultants surveyed worldwide expect to see an increase in their annual revenues in the second half of 2011 over the first half of the year, while 28% predict that their revenues will stay the same (pictured below).

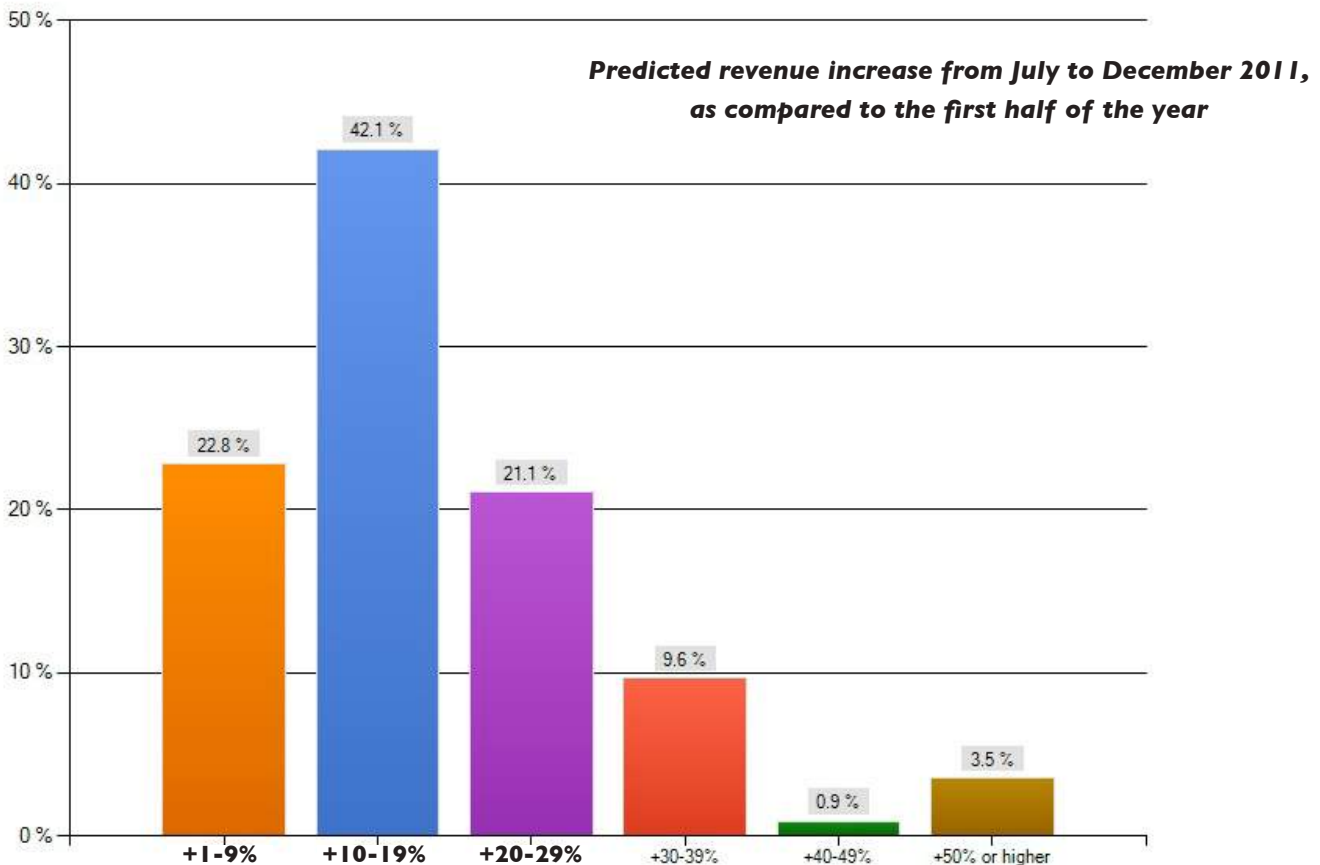
Regional variance - The regional breakdown showed that 72% of respondents in the Americas expect their revenues to increase in the second half of 2011, as do 68% of consultants in Asia Pacific. In EMEA the figure is lower with 61% predicting that their revenues will rise in the second half of the year.



Anticipated Increase in Search Industry Revenues:

Global average - Of the 65% of consultants predicting an increase in their July to December revenues, most expect a rise of +10-19%, while 23% anticipate a +1-9% rise (pictured below).

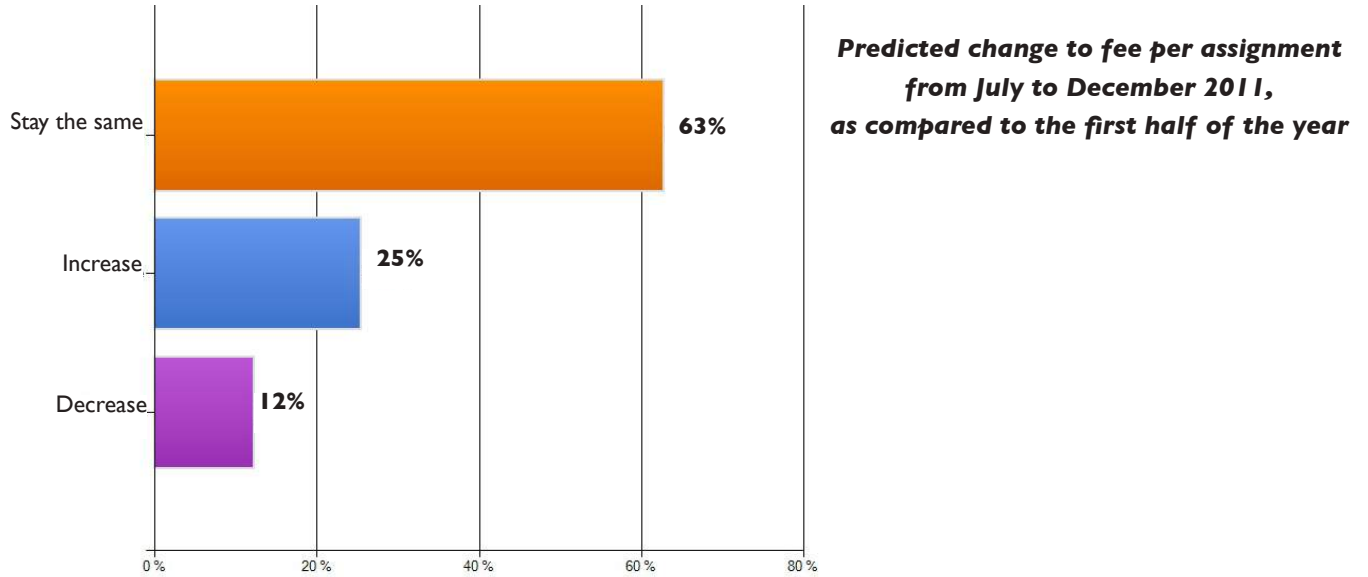
Regional variance - Respondents in Asia Pacific expect that after a 10-19% revenue increase, they are most likely to see revenues rise by 20-29%.



Search Industry Fee Projections, July - December 2011

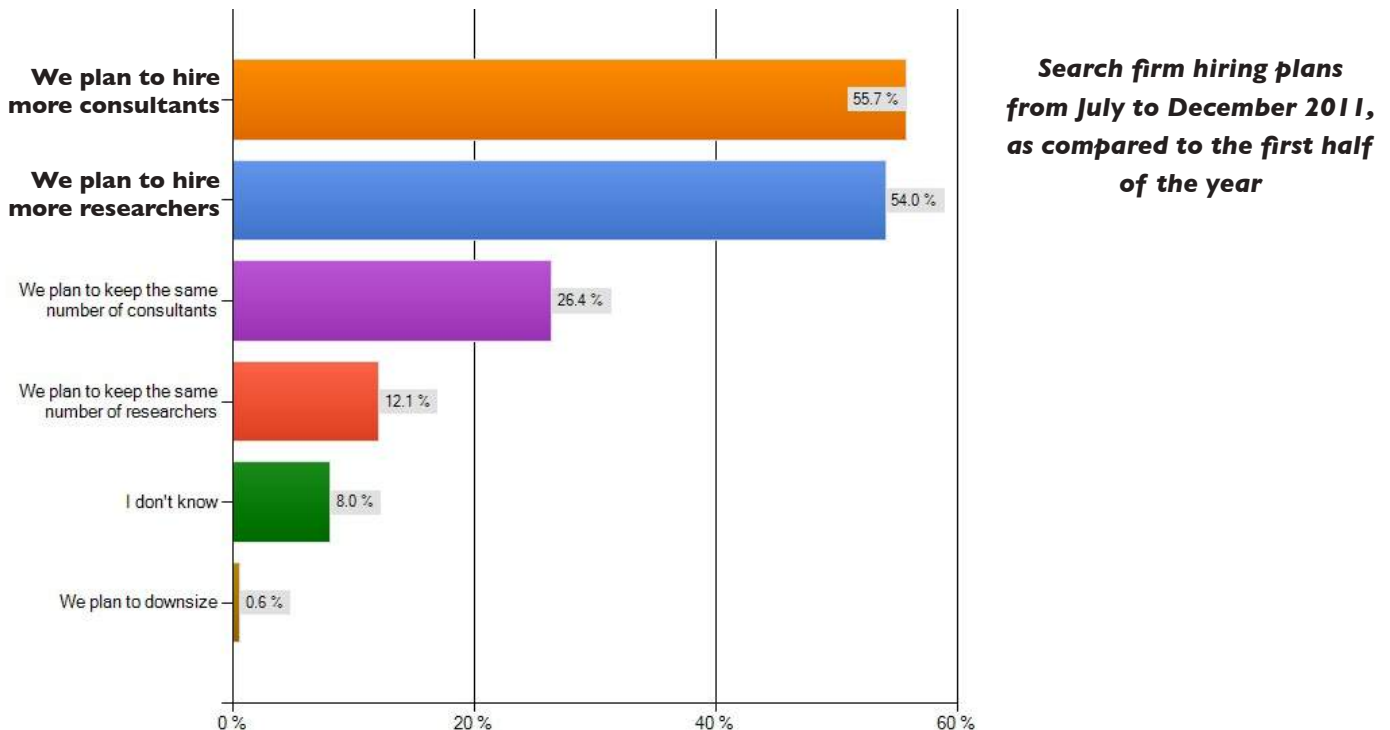
Global average - 63% of executive search consultants surveyed expect their fee per assignment to stay the same in the second half of 2011, while 25% expect it to increase over the first half of the year (pictured below).

Regional variance - EMEA: Stay the same 69%, Increase 17% | Americas: Stay the same 50%, Increase 40% | Asia Pacific: Stay the same 73%, Increase 23%.



Search Industry Hiring Plans, July - December 2011

Global average - 56% of executive search firms surveyed plan to hire more consultants in the second half of 2011 (pictured below), while 54% plan to hire more researchers - rising 10% from the early 2011 researcher hiring prediction.

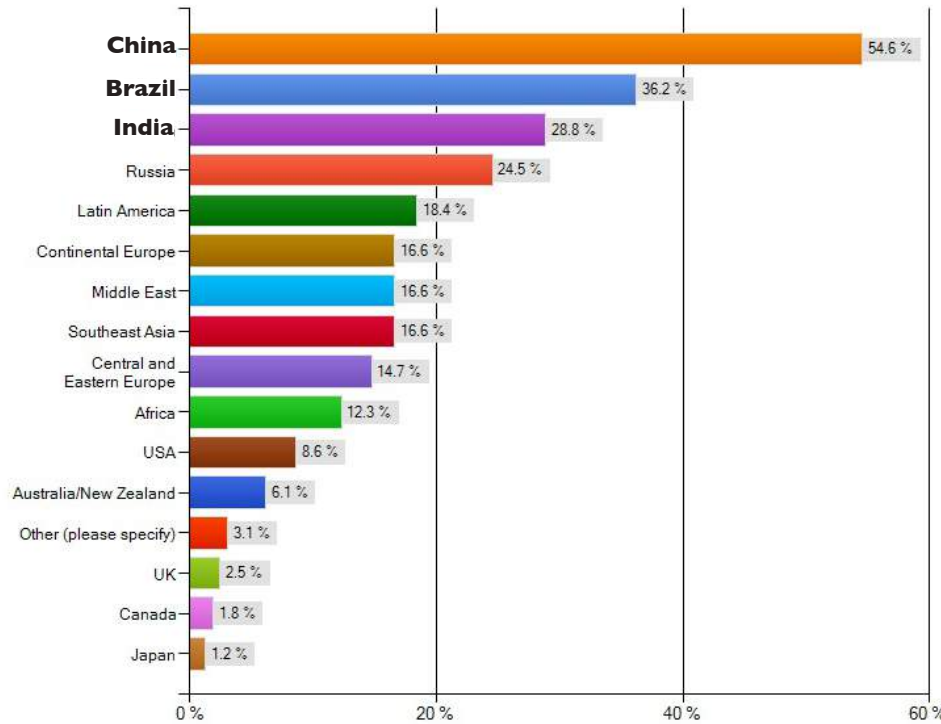


Executive Talent Shortage, July - December 2011

Markets:

Global average - Executive search consultants believe that China, Brazil and India will see the greatest shortage of executive talent from July to December 2011 (pictured below).

Regional variance - Consultants in EMEA expect Russia to see the third greatest shortage of talent. The Americas consultants placed Brazil in first place, ahead of China. Respondents in Asia Pacific placed China far ahead of other markets (76%), followed by India (38%) and then Southeast Asia (33%).

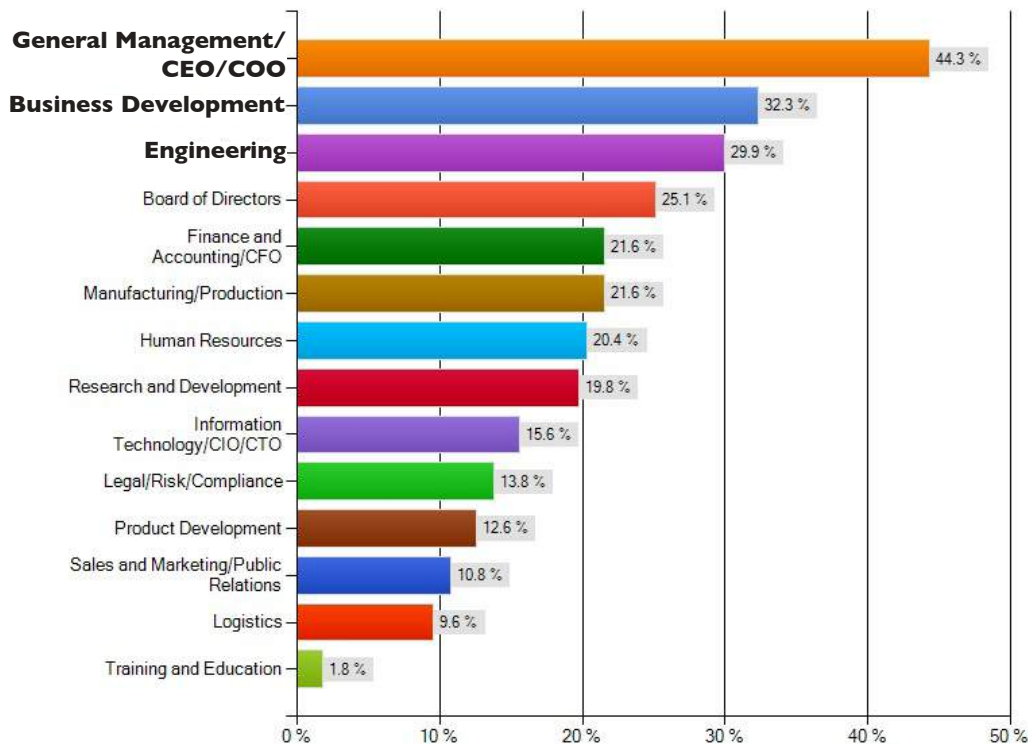


Markets expected to see the greatest shortage of talent from July to December 2011 *

Functions:

Global average - The General Management/CEO/COO function is expected to see the greatest shortage of talent worldwide in the second half of 2011, followed by Business Development and then Engineering (pictured below).

Regional variance - Respondents in the Americas placed Engineering in second place, and then Finance and Accounting/CFO in third. Asia Pacific varied most from global results, with Human Resources in second place and then Research and Development in third.



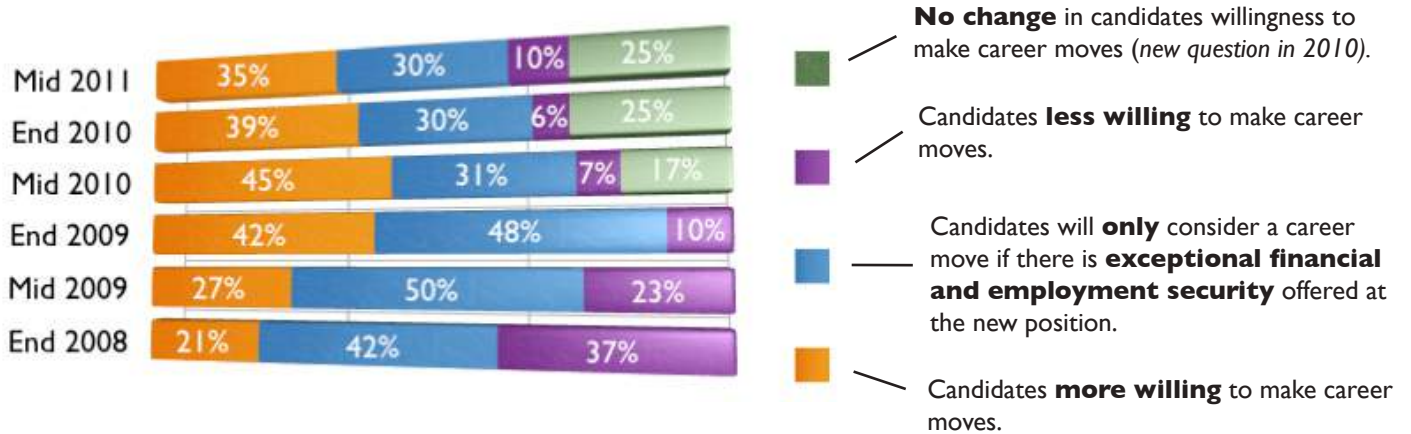
Functions expected to see the greatest shortage of talent from July to December 2011 *

* Respondents asked to select top three choices

Willingness to Make Career Change:

Global average - 35% of search consultants believe that candidates will be more willing to make career moves in the second half of 2011, as compared to the first half of the year (pictured below).

Predicted willingness of candidates to make career moves in year ahead (or 6 months ahead at mid-year point)

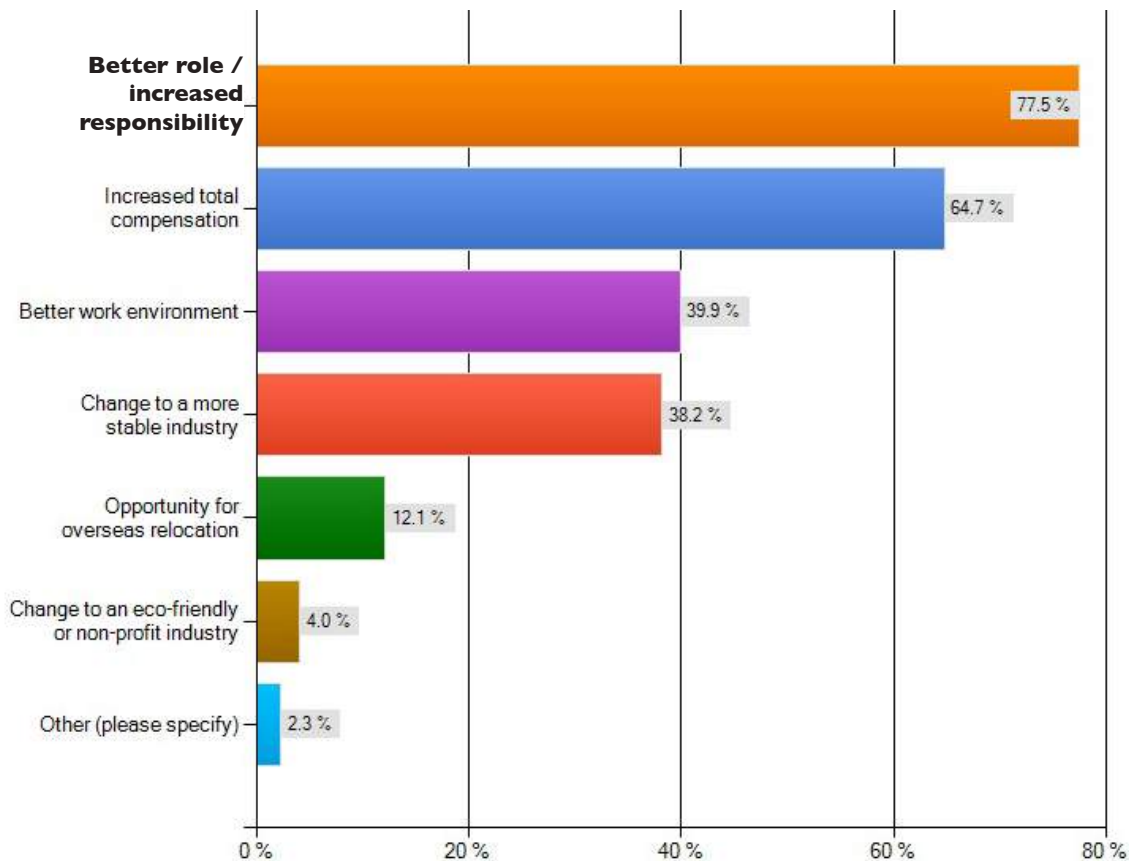


Motivation for Career Change, July - December 2011:

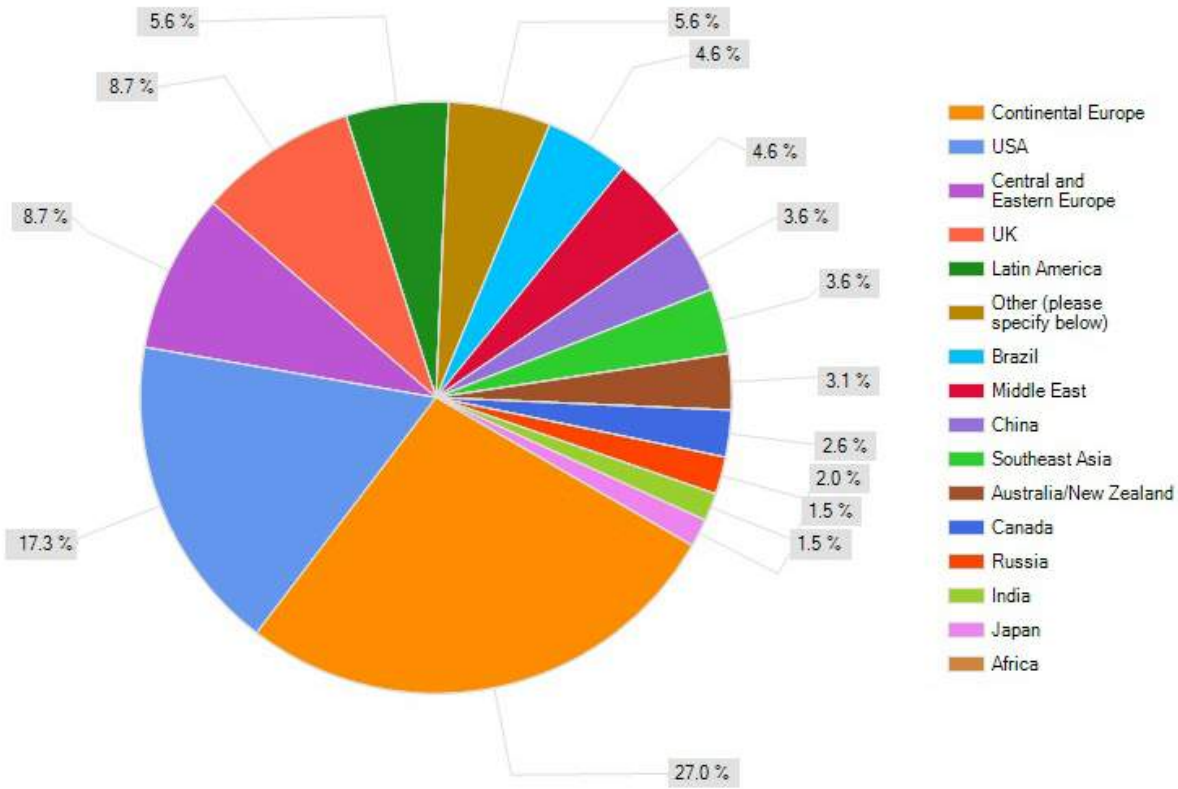
Global average - 78% of respondents believe that a better role and increased responsibility will most encourage senior executive career change in the second half of 2011 (pictured below).

Regional variance - Consultants in Asia Pacific rated an increase in total compensation as the number one incentive to encourage executive career change from July to December 2011.

Benefits to most entice senior executive mobility from July to December 2011 *



* Respondents asked to select top three choices



With thanks to The Cluen Corporation for supporting the 2011 AESC Member Mid-Year 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.

The AESC offers www.bluesteps.com, a career management service for senior executives, and www.executivesearchconnect.com, a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC membership directory.

