



AESC Insights

2010

Executive Search Industry Outlook

The 2010 Executive Search Industry Global Outlook Report, by the Association of Executive Search and Leadership Consultants (AESC), shows most growth expected in Healthcare/Life Sciences and Energy/Natural Resources for year ahead.



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

2010 AESC Member Outlook Report

Ninety-one per cent of executive search consultants hold a neutral to positive outlook for the executive search business in 2010, showing renewed confidence as the senior recruitment industry gains momentum following the downturn. The 2010 Association of Executive Search Consultants (AESC) Member Outlook Survey of December 2009 totaled 268 responses from AESC executive search consultants worldwide, including 46% from Europe, 32% from the Americas, and 18% from Asia Pacific.

OPTIMISM HIGH: EXECUTIVE SEARCH ACTIVITY TO INCREASE IN 2010

Latest Search Industry Outlook Shows Most Growth in Healthcare/Life Sciences and Energy/Natural Resources

With 77% expecting revenues to increase in 2010 and over half reporting plans to hire more consultants this year, the latest results show a vast improvement in optimism since December 2008.

Commenting on the findings, AESC President Peter Felix stated: "These outlook results for 2010 indicate very strongly that the executive search business, and thus the senior executive hiring market, has turned a corner. It is indicative of a new spring in the step of top management of organizations and a realization that with a new environment decisions about the quality of executive teams are of paramount importance.

"I am very pleased to know that our member firms, representing the highest quality in the worldwide executive search profession, are again able to view their market place with a degree of optimism."

Executive search consultants worldwide predict that the Healthcare/Life Sciences and Energy/Natural Resources industries will see the most growth in 2010. When considering where the greatest demand for talent will appear regionally, China was ranked as most in need, followed by India.

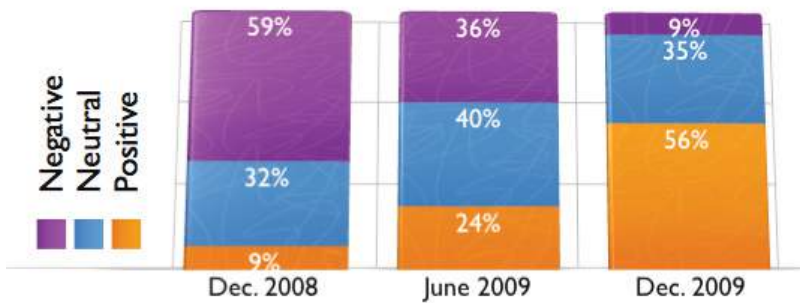
Candidates are thought to be twice as likely to consider a career move in 2010 than they were in 2009, though concerns about market instability and the state of the economy will be key factors hindering executive mobility in the current environment.

"There is a discernible change in the attitude of senior executives as they compare and evaluate opportunities within their existing workplace against new opportunities elsewhere. It is often in turbulent times that unusual career openings occur for talented executives and those willing to consider a move can be highly rewarded." Commented Mr. Felix.

New confidence as 91% of executive search consultants hold a neutral to positive outlook for the executive search business in 2010

- Vast year-on-year improvement witnessed in December 2009
- Industry experiences a tipping point following economic downturn

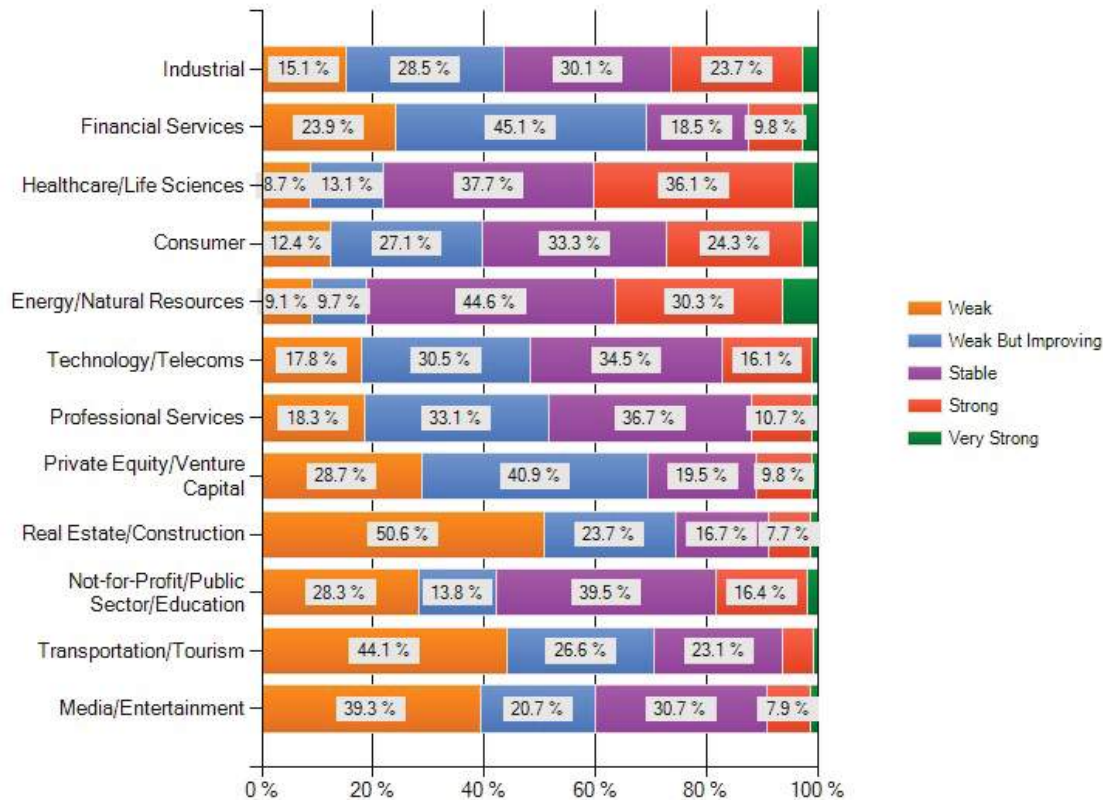
Executive search industry outlook: December 2008 / June 2009 / and December 2009



Overall, some of the major industries are currently rated as stable to strong/very strong

- The exception is seen in Financial Services, which is primarily rated as weak but improving
- Energy/Natural Resources receives the strongest industry rating with 81% reporting executive searches to be stable to strong/very strong during December 2009
- Healthcare/Life Sciences also shows strength with a 78% stable to strong/very strong vote

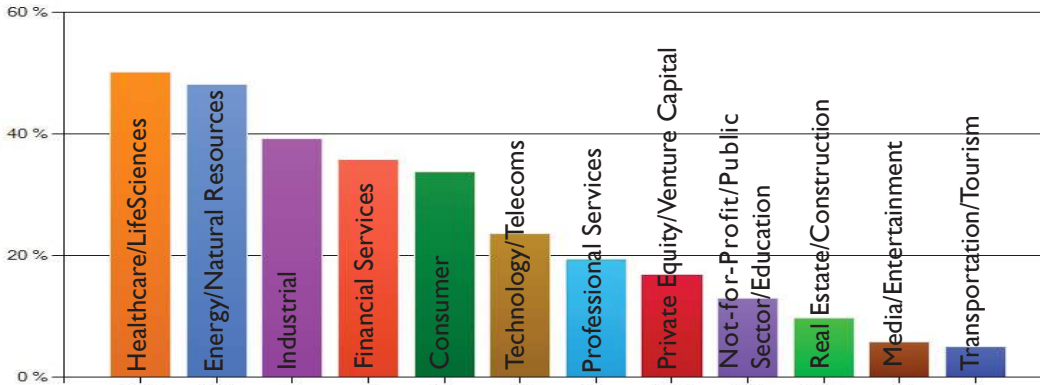
Current sector strength



Healthcare/Life Sciences and Energy/Natural Resources to see the most growth in 2010

- Industrial and Financial Services also highly rated for 2010 sector growth

Sectors expected to see the most growth in 2010 *

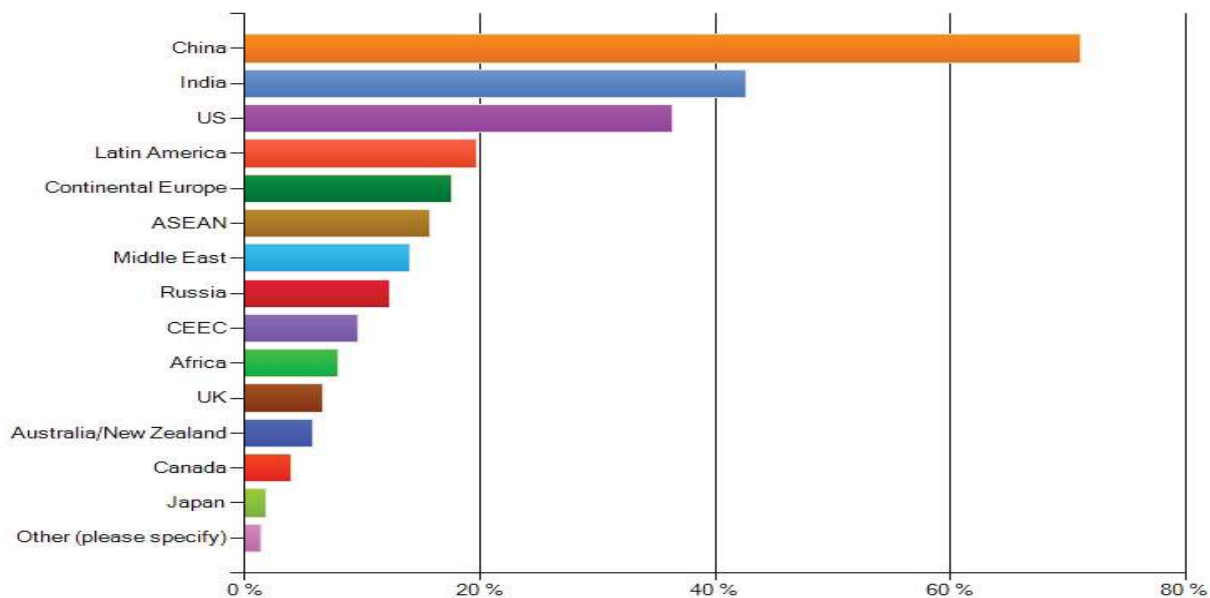


EXECUTIVE TALENT IN 2010

China to witness the greatest need for executive talent in 2010, exceeding the needs of other markets

- India to see the second largest demand for executive talent this year
- The executive search market in the United States and Latin America will also experience a significant demand for senior executives in 2010

Markets expected to see the greatest need for talent in 2010 *



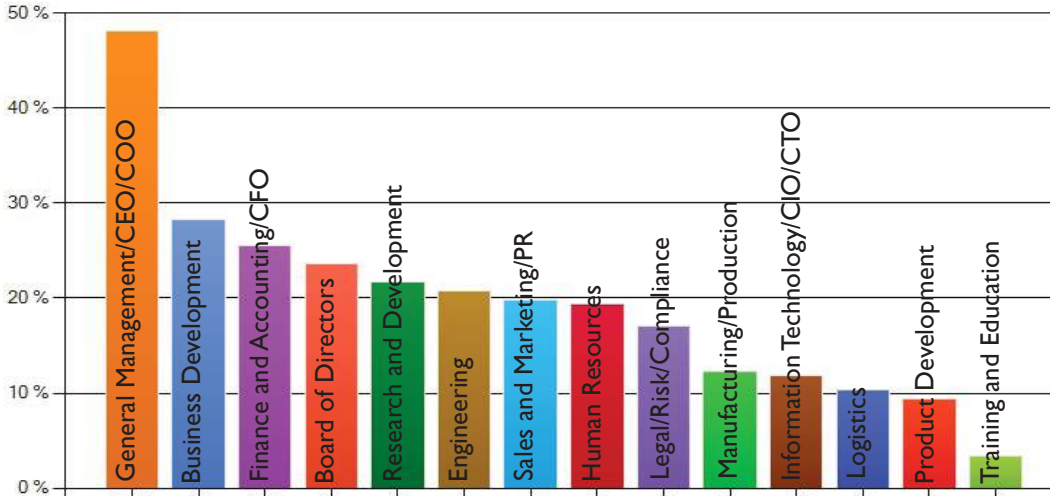
* Respondents were asked to select their top three choices for this question

EXECUTIVE TALENT IN 2010

General Management/CEO/COO functions to see the greatest scarcity of talent in 2010

- Business Development and Finance and Accounting/CFO functions also set to experience significant talent shortage

Functions expected to see a scarcity of talent during 2010 *

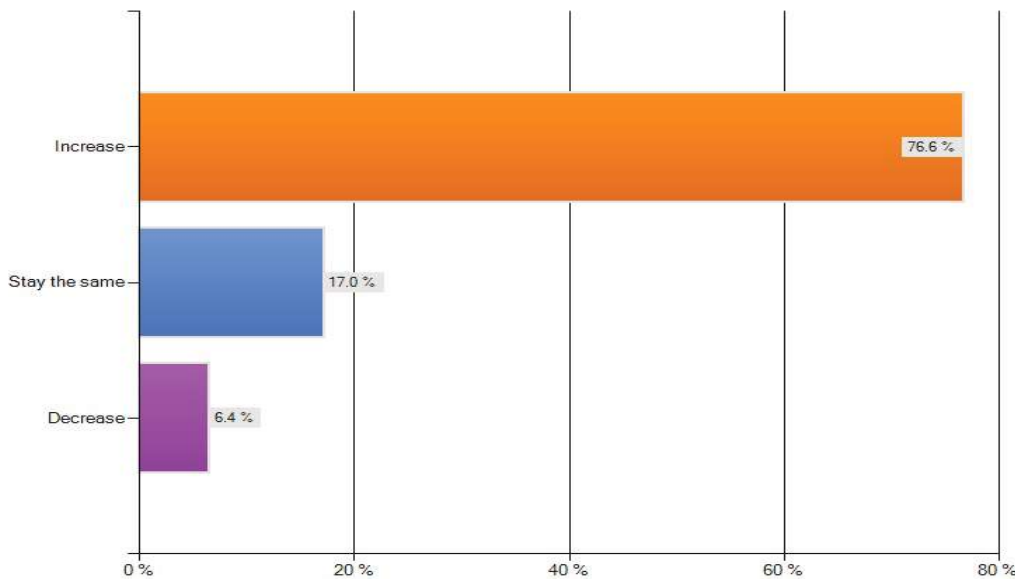


SEARCH INDUSTRY REVENUE PROJECTIONS FOR 2010

77% of executive search consultants expect annual revenues to increase in 2010

- 17% believe that revenues will stay the same in 2010, as compared to 2009
- Only 6% say revenues will decrease in 2010 over 2009

Predicted change to annual revenues in 2010, as compared to 2009



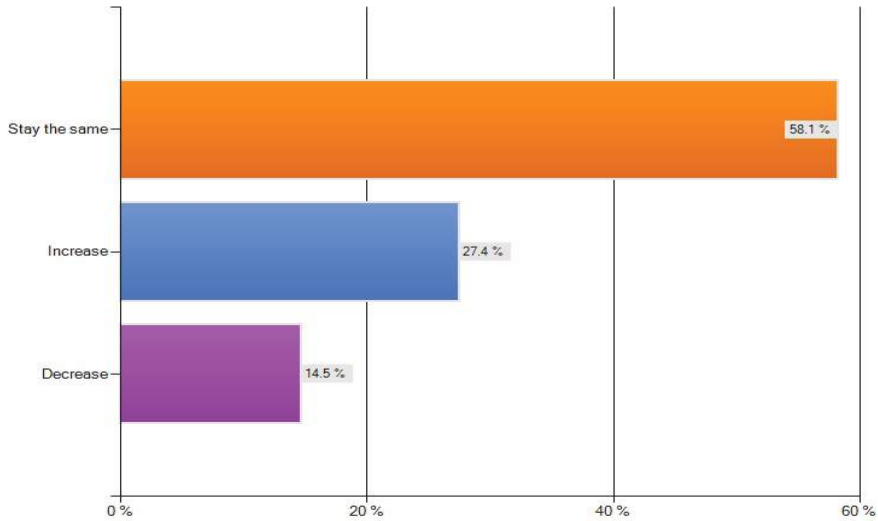
* Respondents were asked to select their top three choices for this question

SEARCH INDUSTRY FEE PROJECTIONS FOR 2010

27% of search consultants expect their fee per assignment to increase in 2010, over 2009

- 58% predict fee per assignment will stay the same in 2010, with only 15% anticipating a decline

Predicted change to fee per assignment in 2010, as compared to 2009

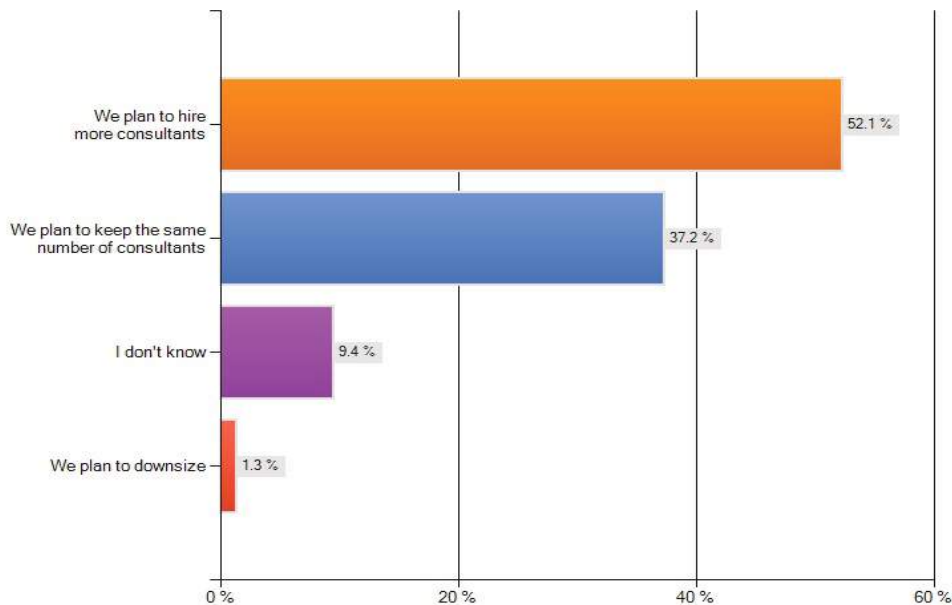


SEARCH INDUSTRY HIRING PLANS FOR 2010

Over 50% plan to hire more consultants in 2010 than in 2009

- 37% plan to maintain the same number of consultants in 2010
- Only 1% plan to downsize

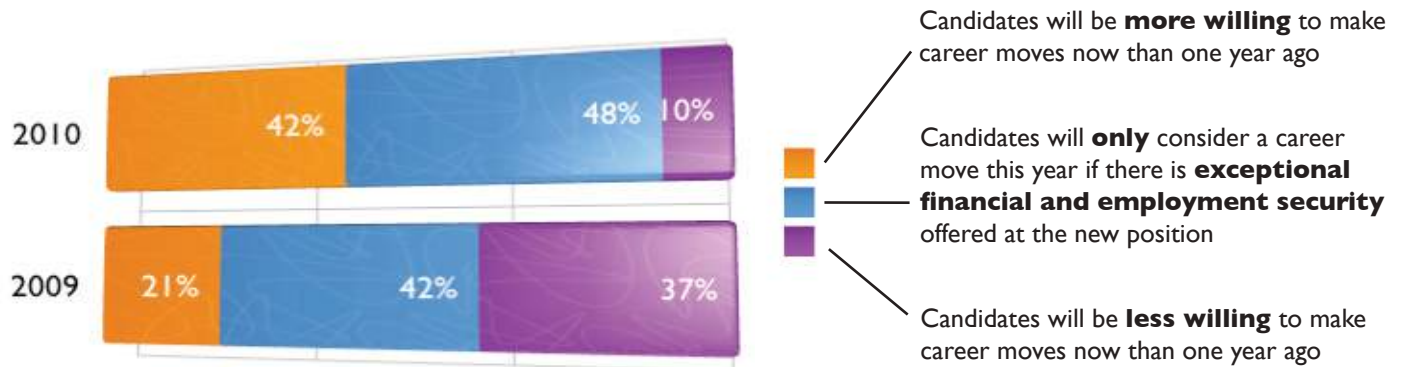
Search firm hiring plans for 2010



Candidates are twice as likely to consider a career move in 2010 than they were in 2009

- Confidence grows in senior executive mobility as economy improves

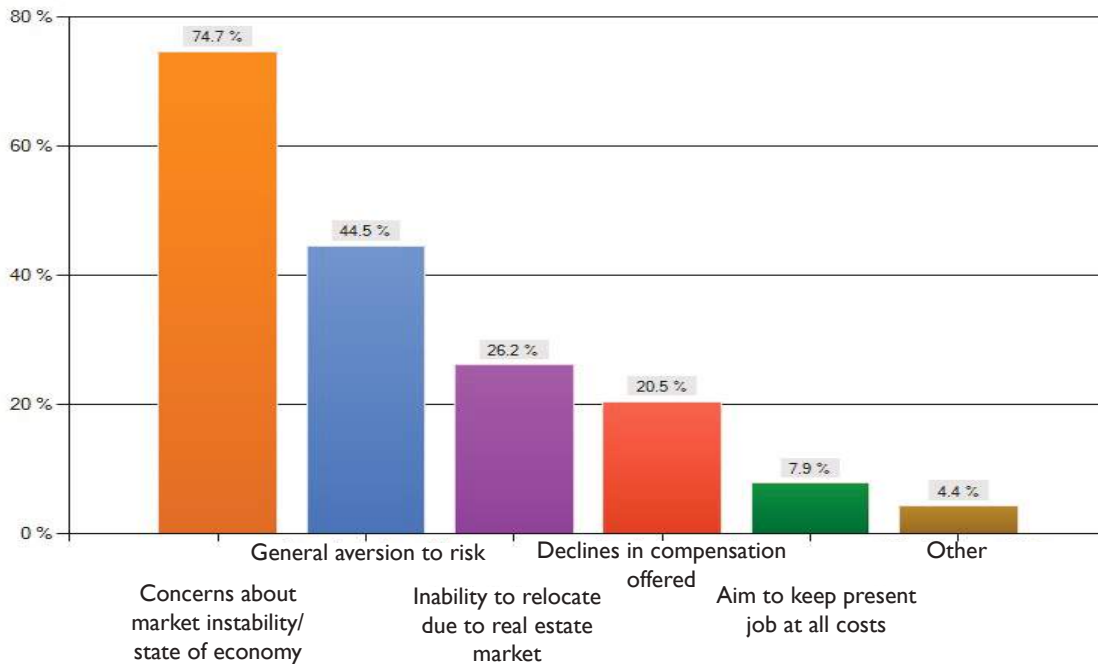
How willing are senior executives to make a career change?



Concerns about market instability and the state of the economy are key factors hindering executive mobility in the current environment

- A general aversion to risk is also a key reason behind executive immobility

Elements hindering executives from making a career change in the current environment *

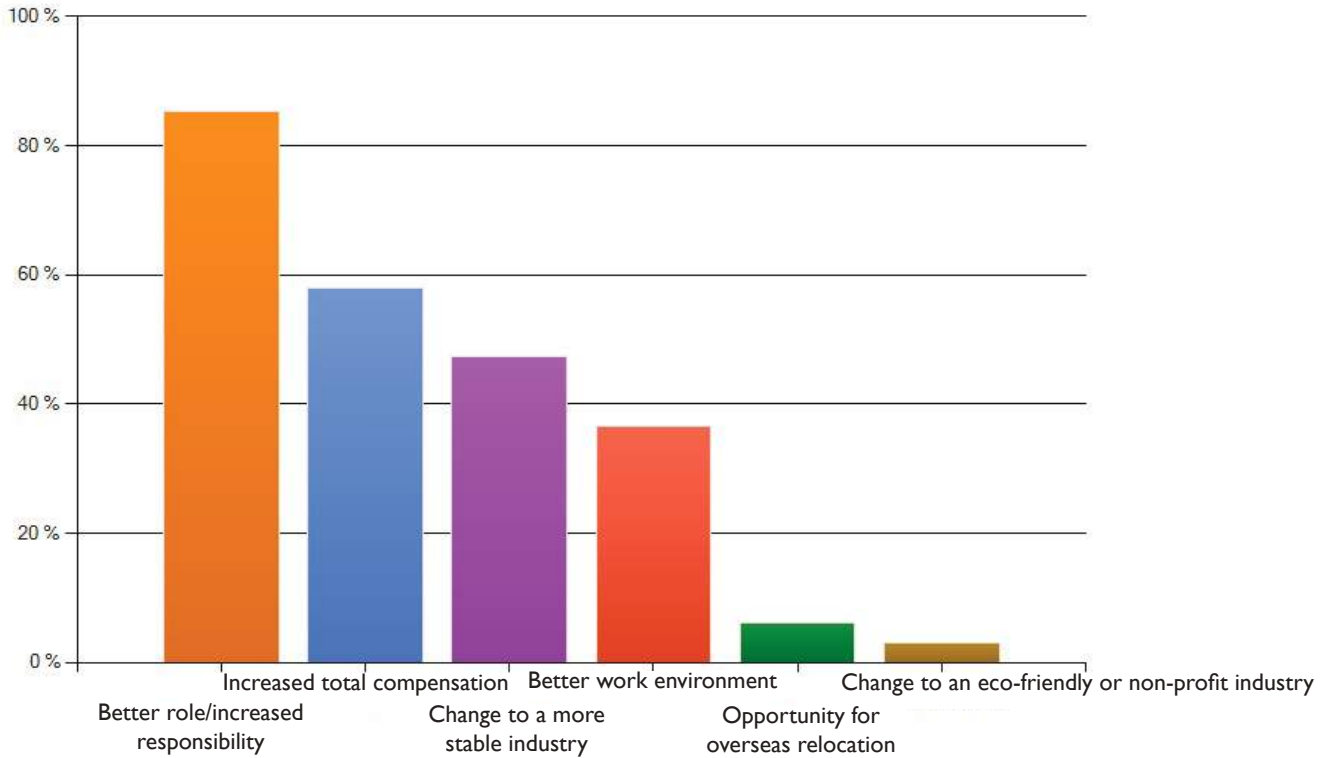


* Respondents were asked to select their top three choices for this question

A better role and increased responsibility will most encourage senior executive career change in 2010

- Increased total compensation voted as the second most important benefit to stimulate executive mobility this year
- A change to a more stable industry will also be a determining factor for senior executives
- Moving to an eco-friendly or non-profit industry were rated as least important

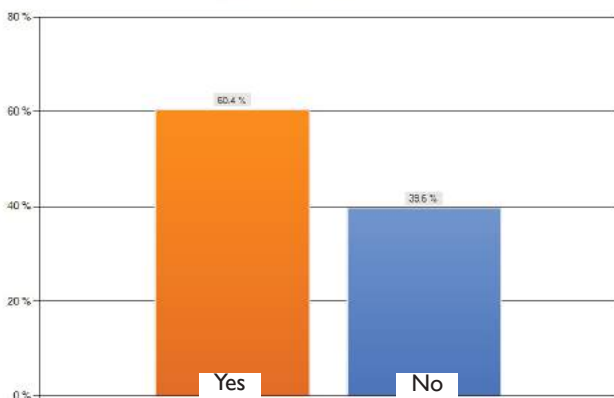
Benefits to stimulate executive mobility in 2010 *



60% of search consultants report that clients are sympathetic to out of work candidates

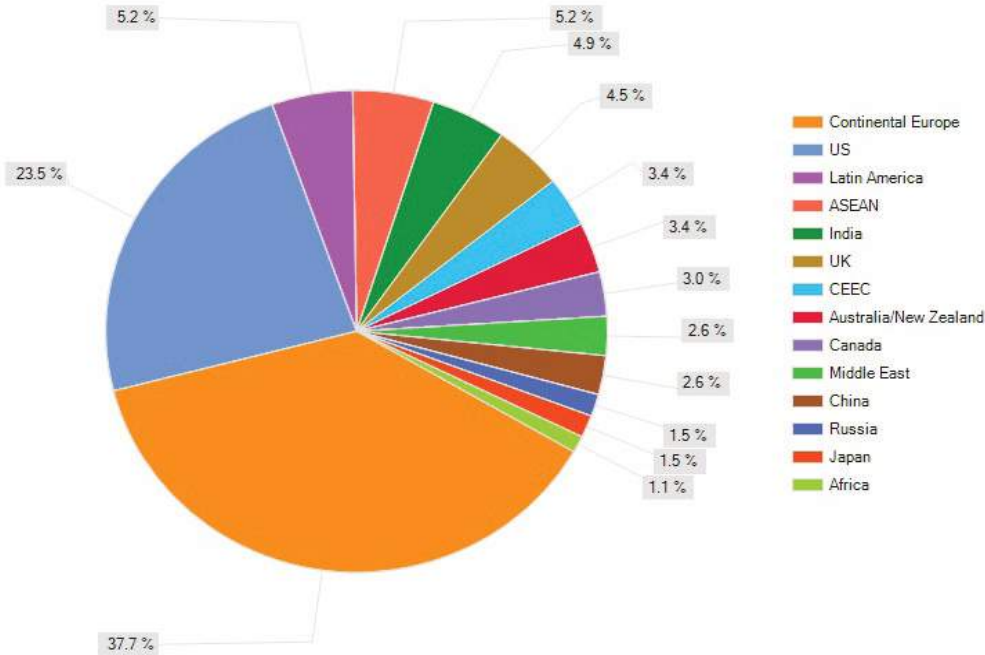
- 40% still feel that clients are unsympathetic, despite the economic environment
- December 2009 results show no change since mid-2009 to how clients view out of work candidates

Are clients sympathetic to out of work candidates?



* Respondents were asked to select their top three choices for this question

Survey respondents by region



The AESC thanks The Cluen Corporation for supporting the 2010 AESC Member Outlook Survey

The Cluen Corporation has been working with AESC members for more than eighteen years. Our proven Encore Recruiting Software manages your entire search process and enhances your ability to collaborate effectively. Cluen's team of experts is dedicated to providing the best solution by understanding your company's standards, processes and goals. To learn more visit: www.cluen.com



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.

