



## **AESC Insights**

**Q1 2013**

# **State of the Executive Search Industry**

First Quarter Stability in Senior Executive Recruiting:

Q1 2013 Report by Global Executive Search Association Shows Modest Quarterly Growth



## AESC State of the Executive Search Industry Report Quarter I, 2013

The AESC State of the Executive Search Industry Report is quarterly research carried out by the Association of Executive Search Consultants (AESC) since 2004 on trends in the global retained executive search and leadership consulting industry. Data for the report is collected from a consistent sample of AESC member search firms representing the activity of 1,430 executive search consultants in 46 countries worldwide. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$9.74 billion in 2012.

### **FIRST QUARTER STABILITY IN SENIOR EXECUTIVE RECRUITING**

#### *Q1 2013 Report by Global Executive Search Association Shows Modest Quarterly Growth*

The first quarter of 2013 saw a seven per cent quarter-on-quarter rise in the number of new executive searches started and a modest two per cent increase in worldwide search industry revenues.

North America held the greatest share of regional executive search activity in the first quarter this year with 48.8 per cent of the global market and was the only major region to see its number of new search mandates rise year-on-year, from Q1 2012 to Q1 2013.

The EMEA region saw a four per cent quarter-on-quarter increase in new searches started in Q1 2013, but a 14.1 per cent year-on-year decline (from Q1 2012 to Q1 2013). Asia Pacific and Central/South America saw a similar trend of quarterly increase - from Q4 2012 to Q1 2013 - yet yearly decline in the number of new searches started.

AESC President, Peter Felix, commented: "Compared with the last quarter of 2012 these industry statistics are more encouraging and suggest a stabilization of demand for executive search services and a slight up-tick in overall revenues worldwide. However, they also display clear confirmation of worldwide economic trends that we have seen developing over the past 12-18 months. Thus, as the American economy regains its stride so the shortage of executive talent becomes more pronounced and client organizations are turning to executive search for help in competing for this scarce resource."

Felix added: "The growth of market share for North America to almost 50 per cent of worldwide revenues for the search industry as a whole indicates that until the European and emerging markets regain their impetus, then the American economy will be the main driver of growth for executive search and indeed the world economy."

The first quarter industry outlook saw the Industrial sector hold the greatest market share of executive search activity, accounting for 25.9 per cent of global searches (despite declining 1.5 per cent from its Q1 2012 market share position). This was followed by leading market shares for Consumer (18.7%), Financial (17.6%), Technology (15.3%), and then Life Sciences/Healthcare (13.2%).

Most industries surveyed saw a small quarter-on-quarter increase in the number of new search mandates started in Q1 2013, yet the Technology sector (at 15.3% market share) appeared the most robust showing 5.5 per cent quarterly growth - from Q4 2012 to Q1 2013 - and 11.9 per cent yearly growth - the only sector to experience year-on-year growth.

# First Quarter 2013 State of the Executive Search Industry Report

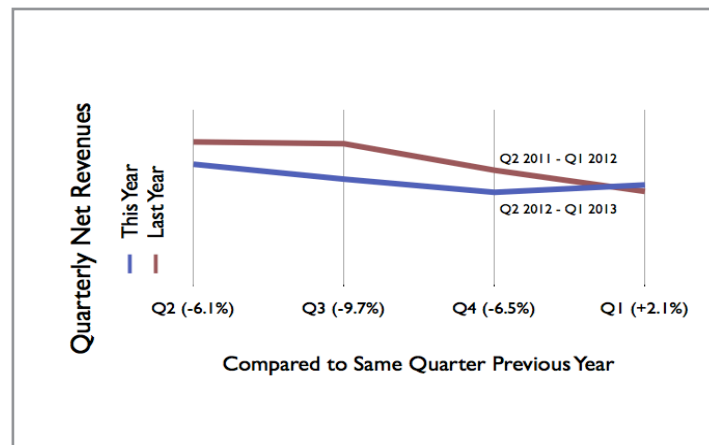
## FINANCIAL TRENDS - Q1 2013

### Average Net Revenues

**Year-on-year trend:** Q1 2012 to Q1 2013 +2.1% (pictured below)

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 +2.3%

Trend in Quarterly Average Net Revenues,  
as Compared to Previous Year

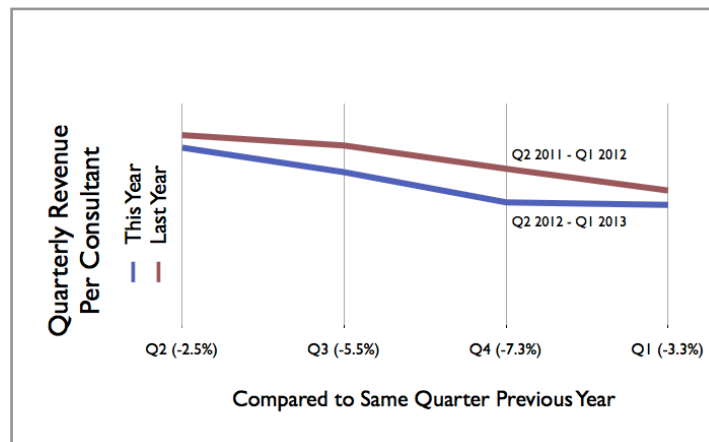


### Average Revenue Per Consultant

**Year-on-year trend:** Q1 2012 to Q1 2013 -3.3% (pictured below)

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 -0.6%

Trend in Quarterly Average Revenue Per  
Consultant, as Compared to Previous Year



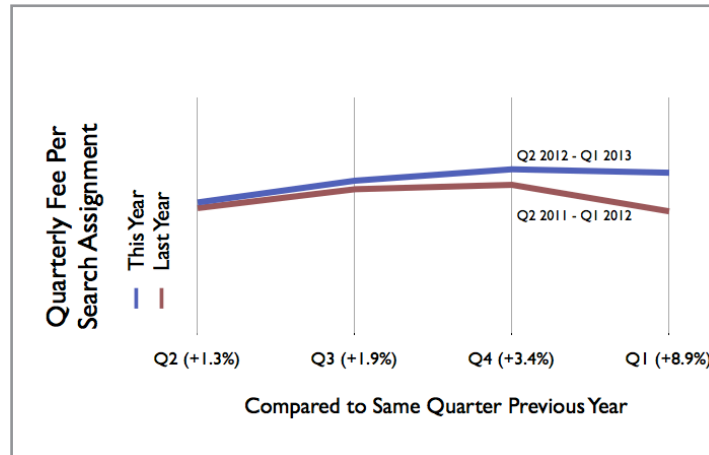
## FINANCIAL TRENDS - Q1 2013 *continued...*

### Average Fee Per Search Assignment

**Year-on-year trend:** Q1 2012 to Q1 2013 +8.9% (*pictured below*)

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 -0.7%

*Trend in Quarterly Average Fee Per Search Assignment, as Compared to Previous Year*

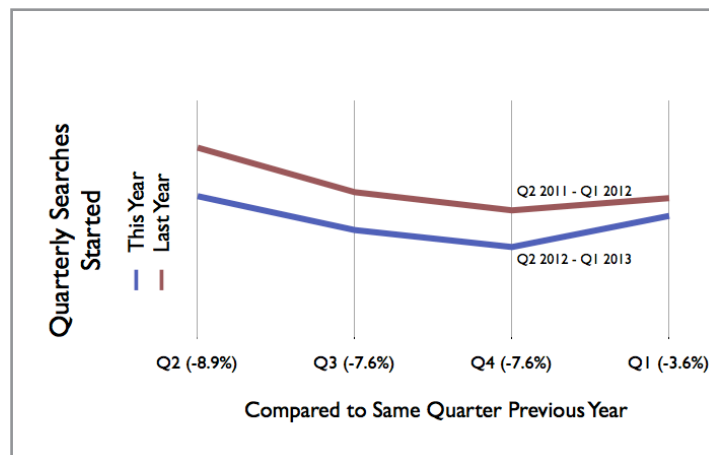


### Average Number of Searches Started

**Year-on-year trend:** Q1 2012 to Q1 2013 -3.6% (*pictured below*)

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 +7%

*Trend in Quarterly Average Number of Searches Started, as Compared to Previous Year*



## Average Number of Searches Started by Industry

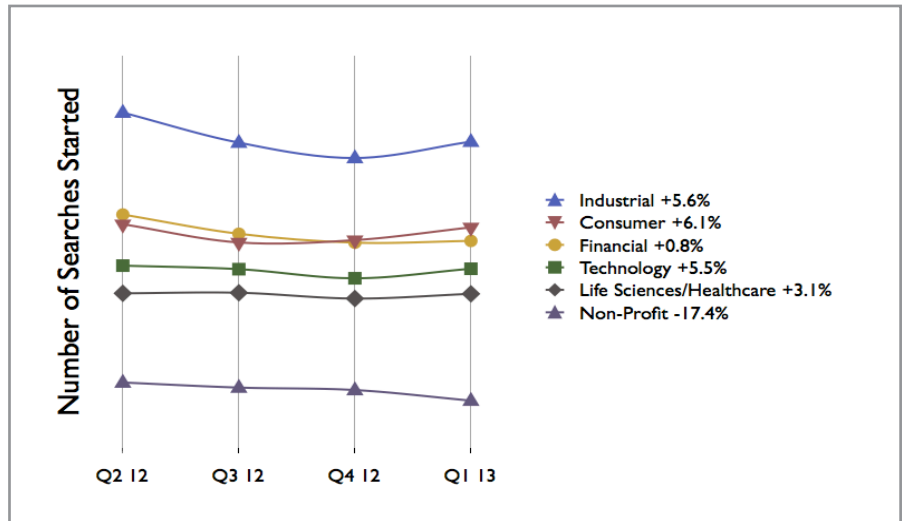
**Year-on-year trend:** Q1 2012 to Q1 2013

- Increasing: Technology +11.9%
- Decreasing: Industrial -8.7%, Consumer -4.8%, Life Sciences/Healthcare -4.7%, Financial -0.8%  
(Non-Profit -28.6% ~ from a smaller survey sample)

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 (pictured below)

- Increasing: Consumer +6.1%, Industrial +5.6%, Technology +5.5%, Life Sciences/Healthcare +3.1%, Financial +0.8%
- Decreasing: (Non-Profit -17.4% ~ from a smaller survey sample)

Trend in Average Number of Searches Started Quarterly, by Industry

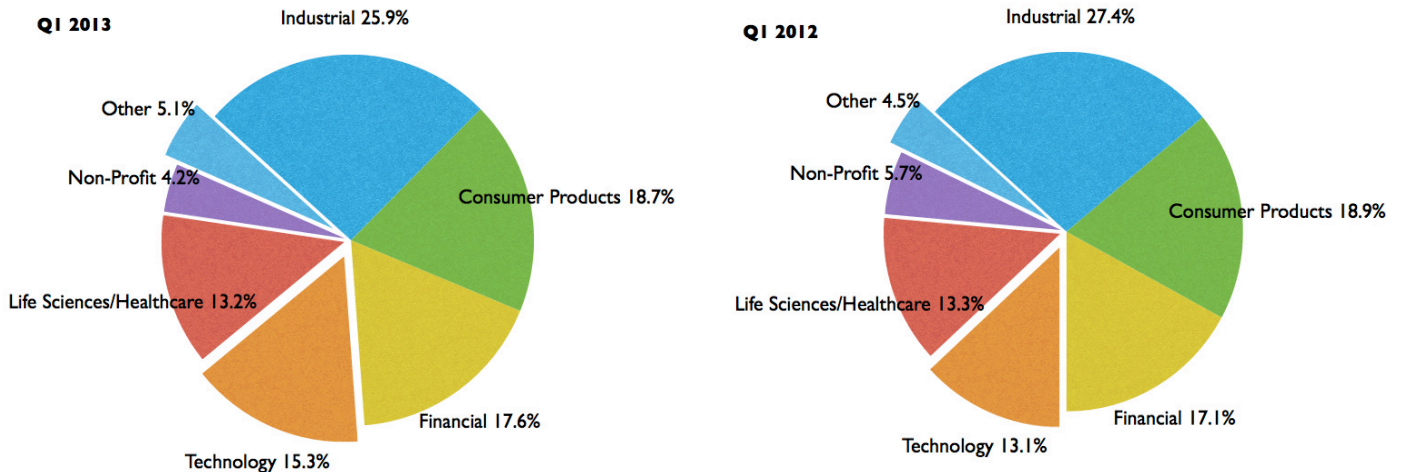


## Market Breakdown by Industry

**Year-on-year trend:** Q1 2012 to Q1 2013 (pictured below)

- Increasing: Technology +2.2%, Financial +0.5%
- Decreasing: Industrial -1.5%, Non-Profit -1.5%, Consumer Products -0.2%, Life Sciences/Healthcare -0.1%

Searches Started Quarterly by Industry, as Percentage of Total



## Average Number of Searches Started by Region

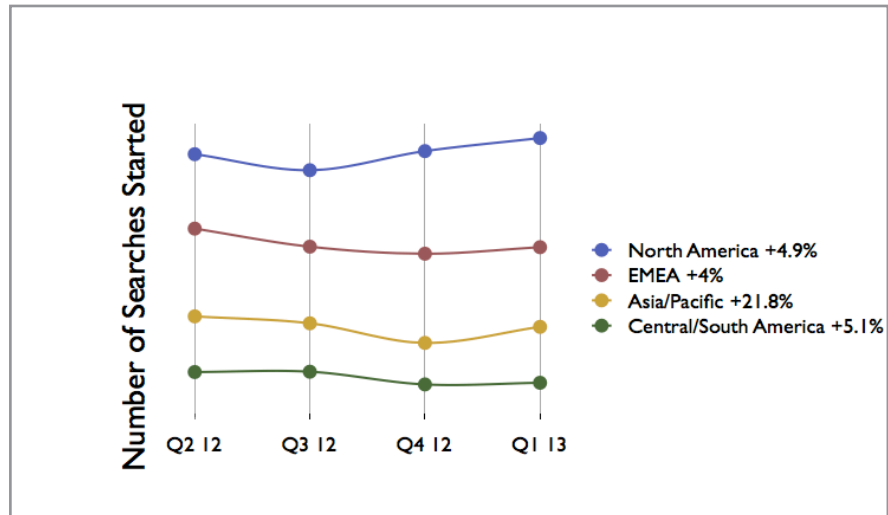
**Year-on-year trend:** Q1 2012 to Q1 2013

- Increasing: North America +10.6%
- Decreasing: Central/South America -23%, EMEA -14.1%, Asia/Pacific -10.3%

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 (pictured below)

- Increasing: Asia/Pacific +21.8%, Central/South America +5.1%, North America +4.9%, EMEA +4%

Trend in Average Number of Searches Started Quarterly, by Region

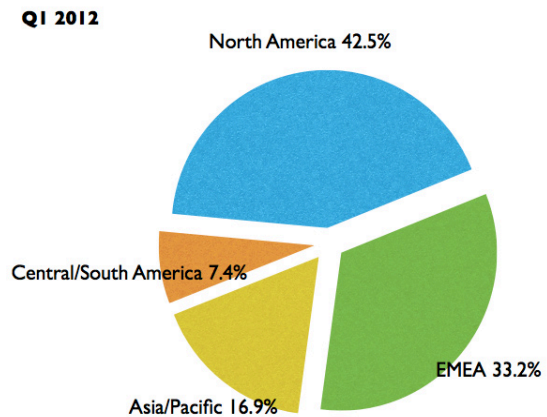
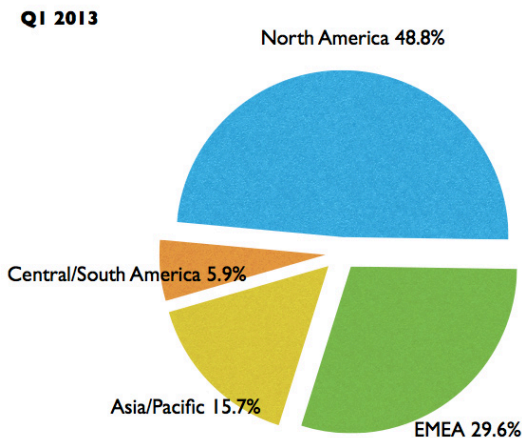


## Market Share by Region

**Year-on-year trend:** Q1 2012 to Q1 2013 (pictured below)

- Increasing: North America +6.3%
- Decreasing: EMEA -3.6%, Central/South America -1.5%, Asia/Pacific -1.2%

Searches Started Quarterly by Region, as Percentage of Total



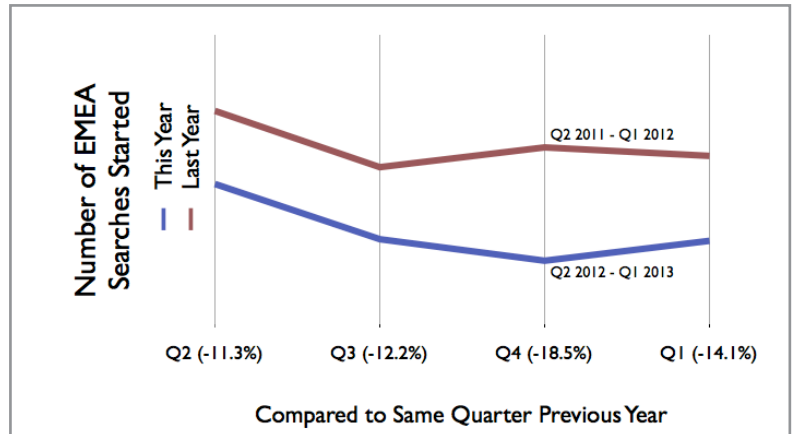


## Average Number of Searches Started in EMEA

**Year-on-year trend:** Q1 2012 to Q1 2013 -14.1% (pictured below)

**Quarter-on-quarter trend:** Q4 2012 to Q1 2013 +4%

Trend in Quarterly Average Number of Searches Started in EMEA, as Compared to Previous Year



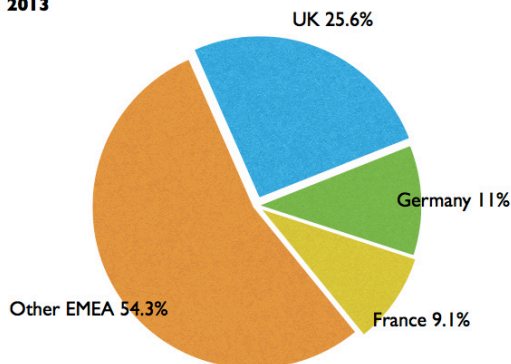
## Market Share by EMEA Sub-Regions \*

**Year-on-year trend:** Q1 2012 to Q1 2013 (pictured below)

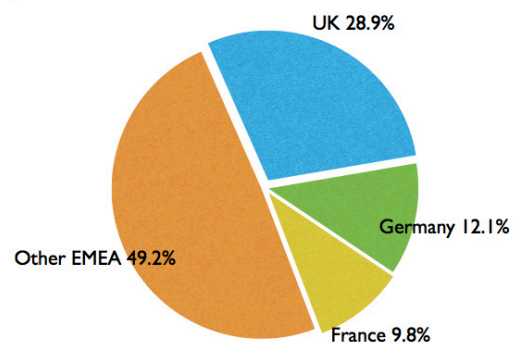
- Increasing: Other EMEA +5.1%
- Decreasing: UK -3.3%, Germany -1.1%, France -0.7%

Searches Started Quarterly by EMEA Sub-Regions, as Percentage of Total EMEA

Q1 2013



Q1 2012



\* Data for this question represents 715 executive search consultants in 46 countries, whereas data for all other questions represents 1,430 consultants in 46 countries.

### About The Association of Executive Search Consultants

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search and leadership consulting industry. The AESC promotes the highest professional standards in retained executive search and leadership consulting through its industry recognized Code of Ethics and Professional Practice Guidelines. The AESC also serves to broaden public understanding of the retained executive search and leadership consulting process and acts 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](http://www.aesc.org).

The AESC also offers [www.bluesteps.com](http://www.bluesteps.com), a career management service for senior executives, and [www.executivesearchconnect.com](http://www.executivesearchconnect.com), a free service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC's International Executive Search Directory.