

AESC Insights

Q1 2016

State of the Executive Search Industry



Executive Search Revenues, Number of Searches and Revenue Per Consultant on the Rise

Strong Revenue Growth Supported by Increase in Searches in Life Sciences, Healthcare, Financial and Consumer Sectors

- Revenue grew by 8.8% quarter-on-quarter and 18.4% year-on-year, which is especially noteworthy considering the profession has recorded two consecutive years of record-breaking growth.
- Average fee per assignment recorded a 7.2% decrease quarter-on-quarter and is flat year-on-year. The quarterly decrease is explained by three consecutive rises from Q1-3 last year.
- The number of searches started rose by 8% quarter-on-quarter. While we normally see an increase of searches started every year during Q1, it is encouraging that the year-on-year figure has also grown by 5.3%.
- Average revenue per consultant is on the rise by 1% quarter-on-quarter and 11% year-on-year
- Every industry sector reported a quarter-on-quarter increase in searches started, with Consumer and Industrial leading the way with a 9.2 and 6.9 percentage point increase respectively. Non-Profit saw an increase of 42.7 percentage points, but is prone to much larger shifts due to a smaller volume of searches overall.
- The Life Sciences / Healthcare, Financial and Consumer sectors all recorded a strong increase in number of searches started year-on-year – with 24.7, 11.5 and 8.8 percentage point gains respectively.

Karen Greenbaum, AESC President & CEO, said: “It’s interesting to note that while average fees were flat year-on-year, the number of searches, total revenues and average revenues per consultant increased. Overall, this indicates that clients are turning to our profession for their critical executive talent needs and would suggest that we are on track for another strong year. That said, we will be monitoring the impact of BREXIT on European executive talent decisions during the second half of the year.”

While our year end state of the industry statistics now represent a much larger group of global firms, based on data availability, our quarterly data is based on a narrower group of global firms. As a result we are streamlining this report to provide a quarterly snapshot of high-level trends and committing to a greater level of geographic and sector data in our annual reporting. ■

FINANCIAL TRENDS - Q1 2016

Average Net Revenues

Year-on-Year Trend: Q1 2015 to Q1 2016 18.4%
Quarter-on Quarter Trend: Q4 2015 to Q1 2016 8.8%

Revenue continues to rise both quarter-on-quarter and year-on-year. This chart shows quite how significant the increase has been since Q4 2014.

Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016



Average Revenue Per Consultant

Year-on-Year Trend: Q1 2015 to Q1 2016 11.6%
Quarter-on Quarter Trend: Q4 2015 to Q1 2016 1%

Average revenue per consultant has fluctuated over the last year and after a strong Q4 2015 and a flat Q1 2016 it nets out as an 11.6% rise year-on-year.

Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016



Average Fee Per Search Assignment

Year-on-Year Trend: Q1 2015 to Q1 2016 0.7%
Quarter-on Quarter Trend: Q4 2015 to Q1 2016 -7.2%

This is the second consecutive quarter in which average fee per assignment has fallen. Noting the significant increase from Q2-3 2015, the last two quarters bring this back to Q1 2015 levels.

Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016



Average Number of Searches Started

Year-on-Year Trend: Q1 2015 to Q1 2016 5.3%
Quarter-on Quarter Trend: Q4 2015 to Q1 2016 8%

The quarter-on-quarter and year-on-year growth in the number of searches started helps to explain the increased revenue during the last quarter. While the number of new searches traditionally always increases during Q1, it is encouraging that this is also up year-on-year.

Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016

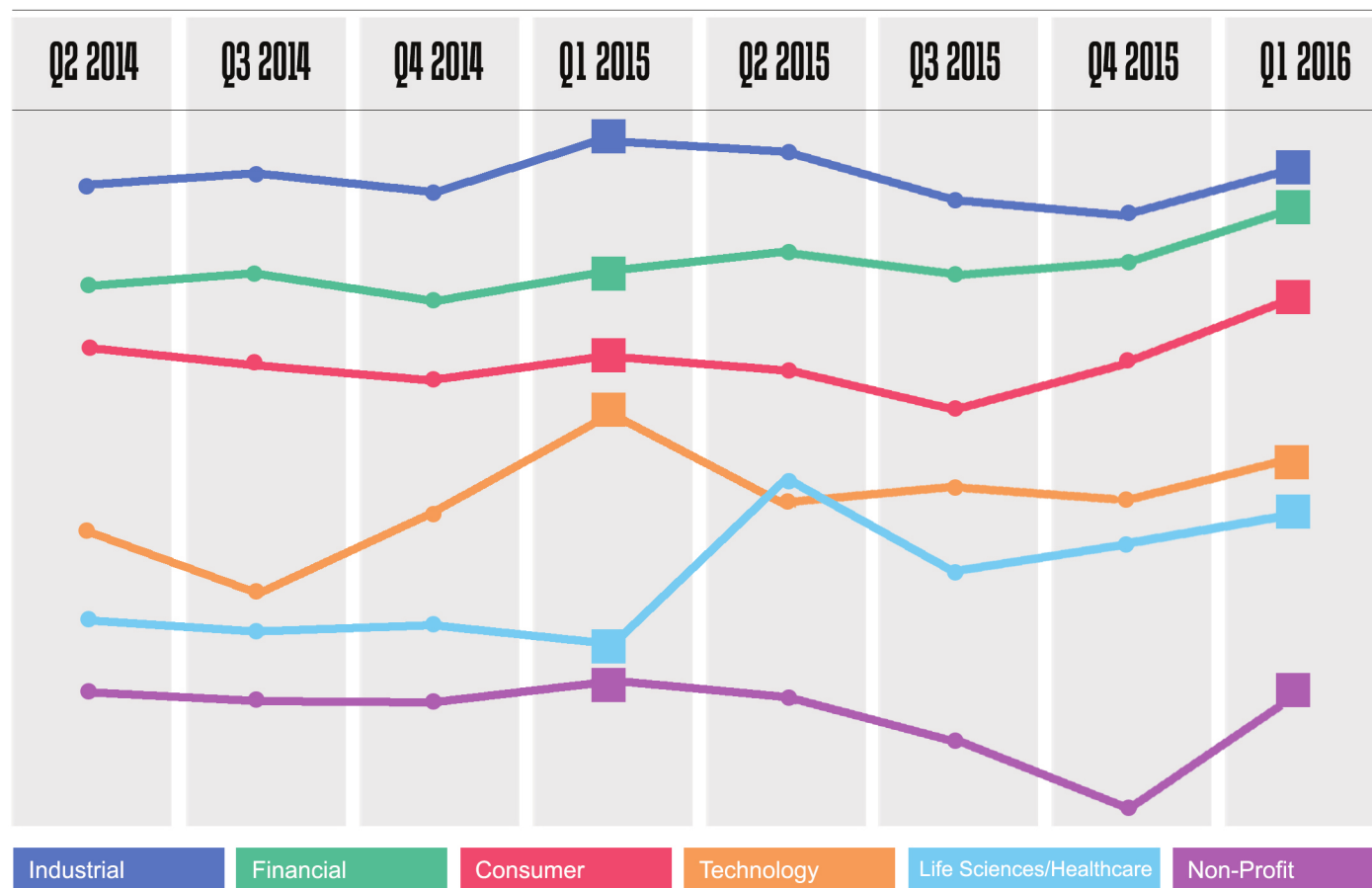


INDUSTRY TRENDS - Q1 2016

Avg Number of Searches Started by Industry

Quarter-on Quarter Trend: Q4 2015 to Q1 2016

Increasing: Non-Profit, 42.7, Consumer, 9.2, Industrial, 6.9, Financial, 3.5, Technology, 3.4, Life Sciences/Healthcare, 1.8



Year-on-Year Trend: Q1 2015 to Q1 2016

Increasing: Life Sciences / Healthcare, 24.7, Financial, 11.5, Consumer, 8.8

Decreasing: Technology, 8.2, Industrial, 4.9, Non-Profit, 0.3

About the Association of Executive Search and Leadership Consultants

Since 1959, the AESC has set the standard for quality and ethics in executive search and leadership consulting worldwide. Because AESC members must commit and adhere to the AESC's industry and government recognized Code of Ethics and Professional Practice Guidelines, clients can be assured that AESC members are able to serve as trusted advisors for their most important engagements. As the voice for executive search and leadership consulting worldwide, today the AESC is comprised of more than 350 member firms, representing 8,000 executive search professionals in 75 countries. To learn more about the AESC and its membership, visit www.aesc.org. For information about the AESC's career service for executive-level professionals, visit www.bluesteps.com.