



## **AESC Insights**

**Q2 2013**

# **State of the Executive Search Industry**

Quality Over Quantity for Senior Executive Recruiting:  
Second quarter global executive search industry data highlights even greater focus on  
the highest management positions



## AESC State of the Executive Search Industry Report Quarter 2, 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.

### **QUALITY OVER QUANTITY FOR SENIOR EXECUTIVE RECRUITING**

*Second quarter global executive search industry data highlights  
even greater focus on the highest management positions.*

Second quarter executive search industry statistics released by the Association of Executive Search Consultants (AESC) highlight an increase in the value of recruiting assignments against a reduction in volume.

Worldwide executive search industry revenues and the average fee per assignment rose by almost seven per cent each in the second quarter of 2013 over the same period a year ago, while the number of new search mandates fell 11.5 per cent year-on-year (from Q2 2012 to Q2 2013). This trend of increased assignment value yet decreased assignment volume indicates an executive search industry focused on recruiting for the most senior management positions and providing highly skilled leadership consulting services.

AESC President, Peter Felix, commented: "The second quarter results are a powerful indicator of what we have been observing for the past several years, i.e. retained executive search is moving increasingly upmarket and away from more volume based middle market recruiting where in-house and other forms of selection are making inroads by employing social media. Despite loss of volume in search assignment starts, the average fee revenue per assignment has seen a healthy increase. It is also encouraging to see the first indication of new growth in the emerging markets and also in the financial services sector, which has been moribund since the financial crisis".

The second quarter of 2013 saw all major regions surveyed – North America, EMEA, Asia Pacific and Central/South America - experience yearly declines in search activity from Q2 2012 to Q2 2013. The quarter-on-quarter picture - from Q1 2013 to Q2 2013 – saw an uptick in search activity for Asia Pacific and Central/South America, while EMEA remained flat and North America declined in its number of new search mandates.

The sector results saw yearly and quarterly declines for almost all industries surveyed - Industrial, Technology, Financial, Consumer, Life Sciences/Healthcare and Non-Profit - with the exception of a seven per cent quarterly rise in search activity for Financial, from Q1 2013 to Q2 2013.

# Second Quarter 2013 State of the Executive Search Industry Report

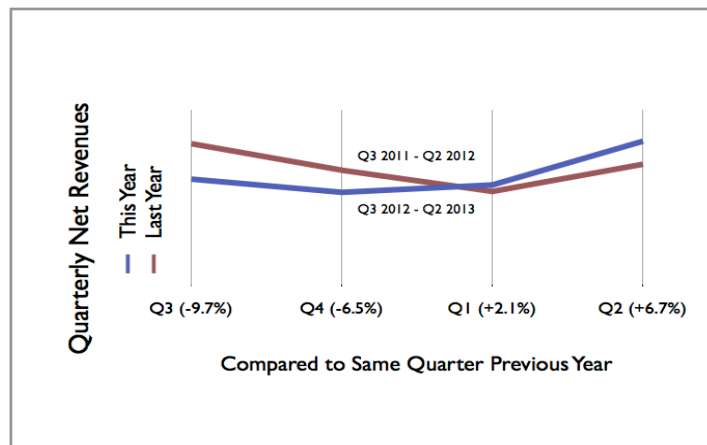
## FINANCIAL TRENDS - Q2 2013

### Average Net Revenues

**Year-on-year trend:** Q2 2012 to Q2 2013 +6.7% (pictured below)

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 +13.5%

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

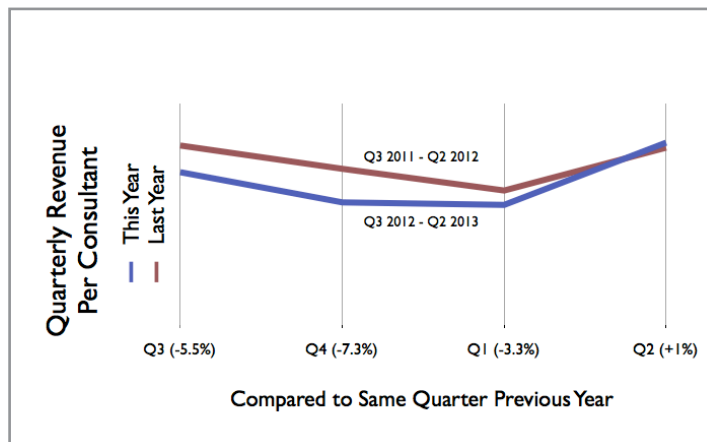


### Average Revenue Per Consultant

**Year-on-year trend:** Q2 2012 to Q2 2013 +1% (pictured below)

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 +14.7%

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



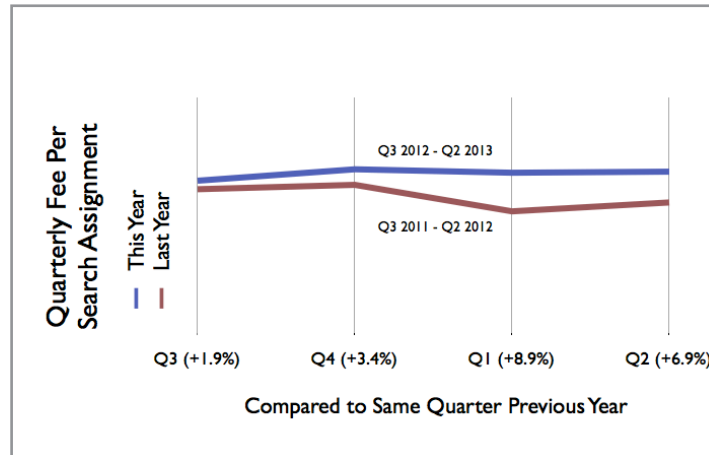
## FINANCIAL TRENDS - Q2 2013 *continued...*

### Average Fee Per Search Assignment

**Year-on-year trend:** Q2 2012 to Q2 2013 +6.9% (*pictured below*)

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 +0.2%

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

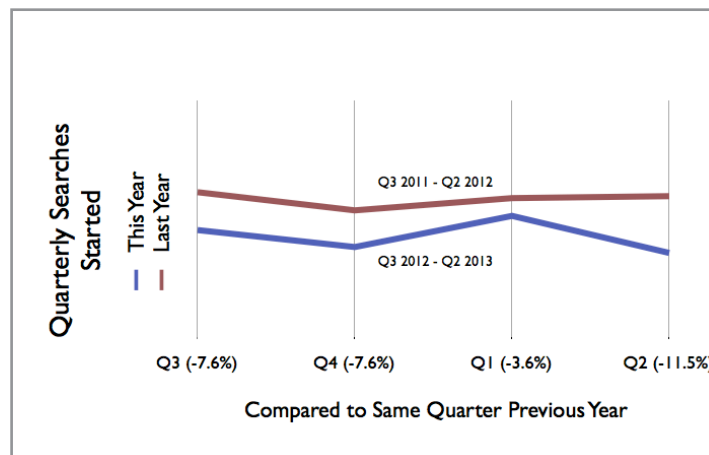


### Average Number of Searches Started

**Year-on-year trend:** Q2 2012 to Q2 2013 -11.5% (*pictured below*)

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 -7.8%

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



# INDUSTRY TRENDS - Q2 2013

## Average Number of Searches Started by Industry

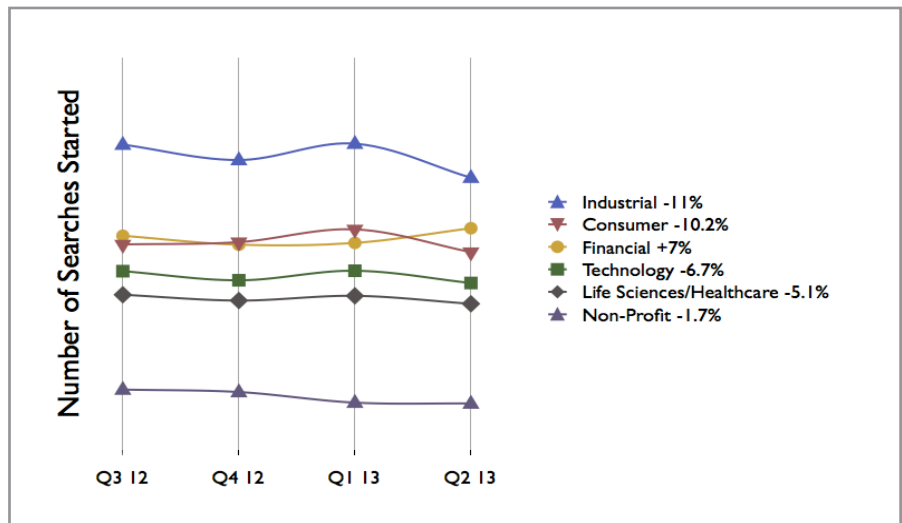
**Year-on-year trend:** Q2 2012 to Q2 2013

- Decreasing: Industrial -18.7%, Consumer -11.4%, Technology -8.3%, Life Sciences/Healthcare -5.4%, Financial -5% (Non-Profit -27.8% ~ from a smaller survey sample)

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 (pictured below)

- Increasing: Financial +7%
- Decreasing: Industrial -11%, Consumer -10.2%, Technology -6.7%, Life Sciences/Healthcare -5.1% (Non-Profit -1.7% ~ from a smaller survey sample)

Trend in Average Number of Searches Started Quarterly, by Industry

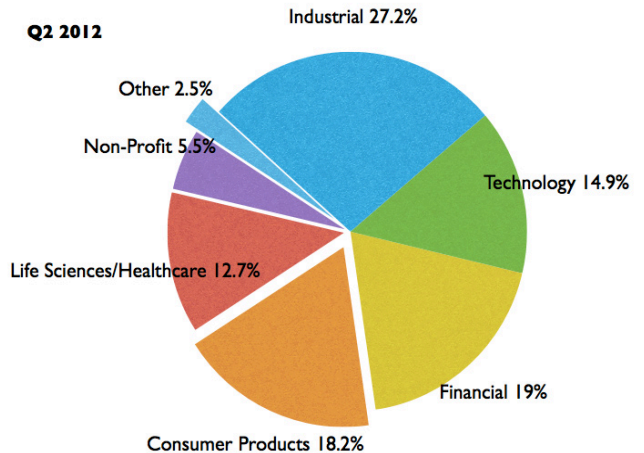
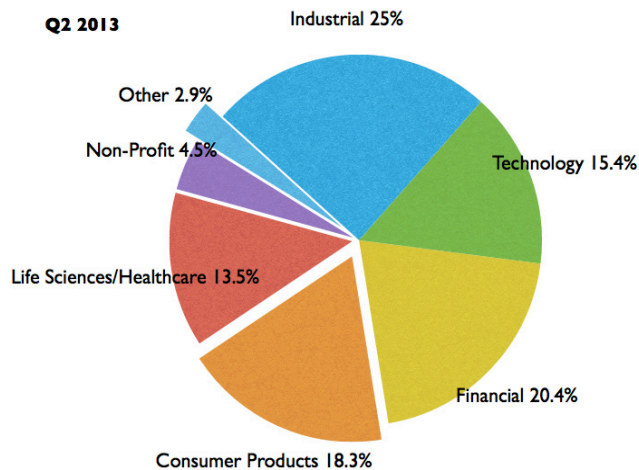


## Market Breakdown by Industry

**Year-on-year trend:** Q2 2012 to Q2 2013 (pictured below)

- Increasing: Financial +1.4%, Life Sciences/Healthcare +0.8%, Technology +0.5%, Consumer Products +0.1%
- Decreasing: Industrial -2.2%, Non-Profit -1%

Searches Started Quarterly by Industry, as Percentage of Total



# REGIONAL TRENDS GLOBAL - Q2 2013

## Average Number of Searches Started by Region

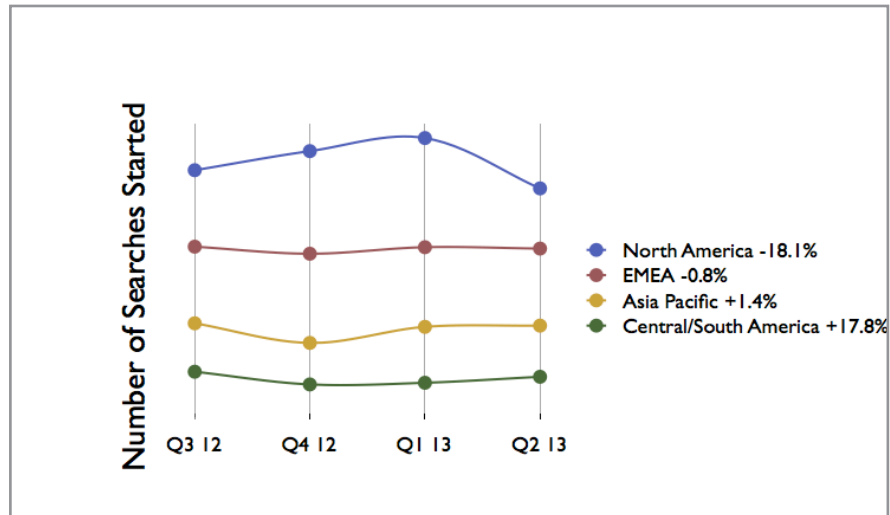
**Year-on-year trend:** Q2 2012 to Q2 2013

- Decreasing: North America -13%, Central/South America -10.7%, EMEA -10.6%, Asia Pacific -9.2%

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 (pictured below)

- Increasing: Central/South America +17.8%, Asia Pacific +1.4%
- Decreasing: North America -18.1%, EMEA -0.8%

Trend in Average Number of Searches Started Quarterly, by Region

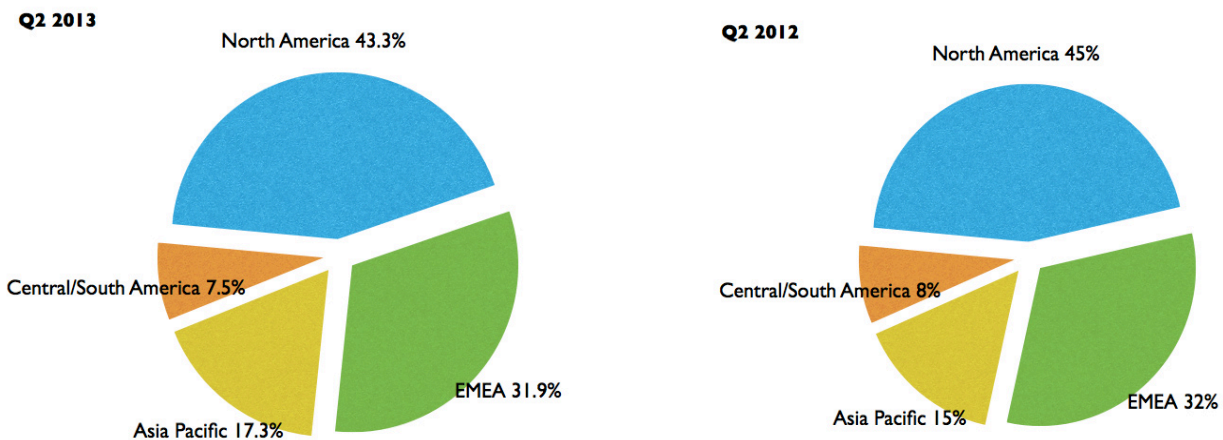


## Market Share by Region

**Year-on-year trend:** Q2 2012 to Q2 2013 (pictured below)

- Increasing: Asia Pacific +2.3%
- Decreasing: North America -1.7%, Central/South America -0.5%, EMEA -0.1%

Searches Started Quarterly by Region, as Percentage of Total

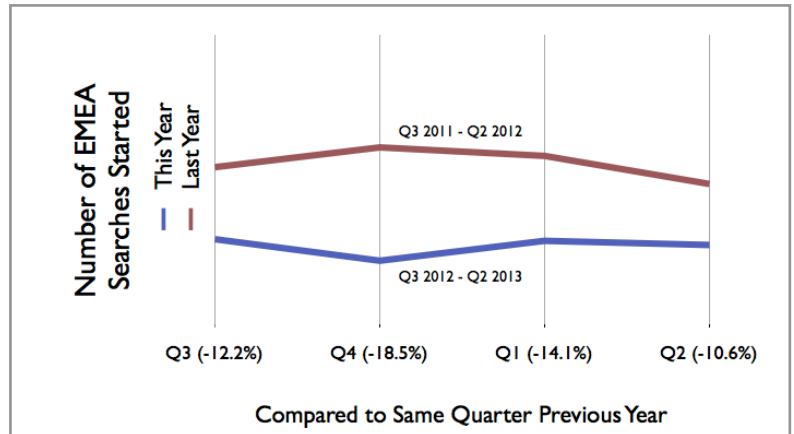


## Average Number of Searches Started in EMEA

**Year-on-year trend:** Q2 2012 to Q2 2013 -10.6% (pictured below)

**Quarter-on-quarter trend:** Q1 2013 to Q2 2013 -0.8%

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



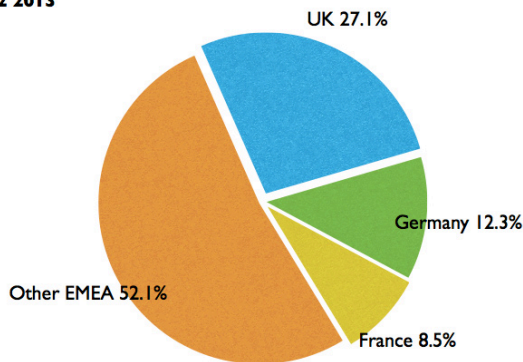
## Market Share by EMEA Sub-Regions \*

**Year-on-year trend:** Q2 2012 to Q2 2013 (pictured below)

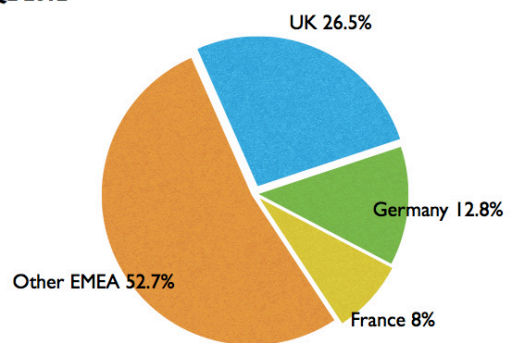
- Increasing: UK +0.6%, France +0.5%
- Decreasing: Other EMEA -0.6%, Germany -0.5%

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

Q2 2013



Q2 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.