

AESC Insights

Q3 2004

State of the Executive Search Industry



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

AESC Quarterly State of the Industry Statistics

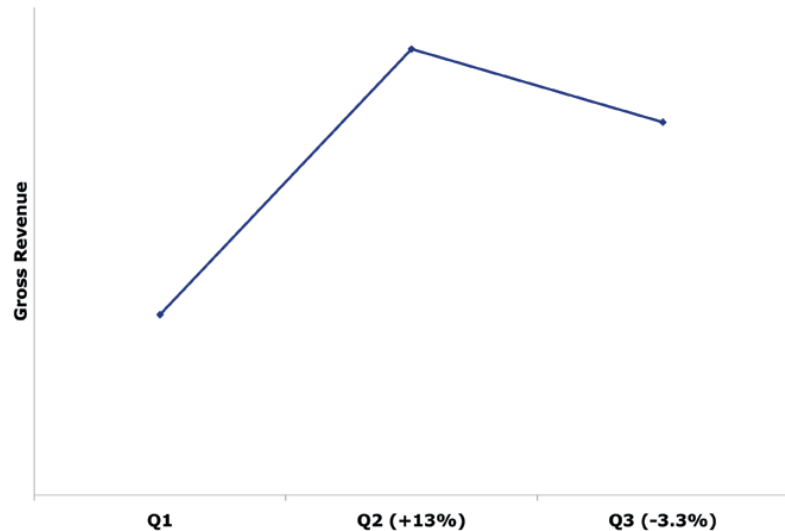
Third Quarter, 2004

AESC Quarterly State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report is collected from a consistent sample of AESC member search firms that represents the activity of over 1,200 executive search consultants in 42 countries worldwide.

Part One : Financial Trends

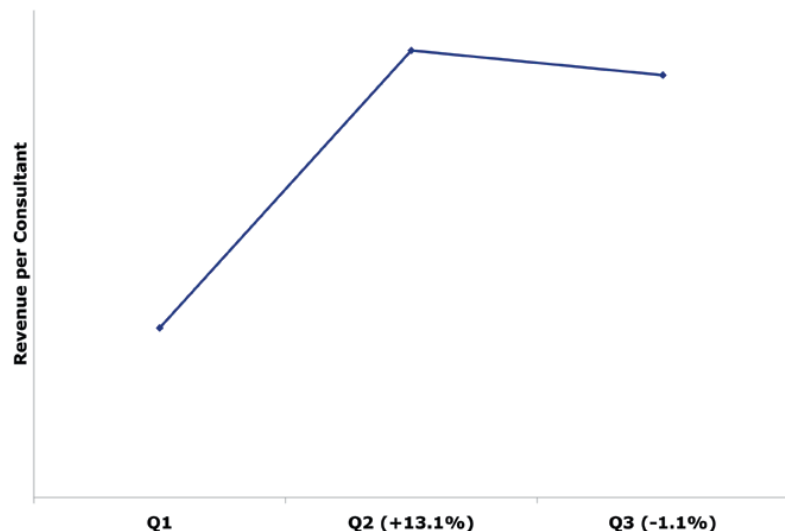
Average Gross Revenues are down 3.3% from Quarter 2 to Quarter 3 in 2004. Revenues are still up as compared to Quarter 1 however, as there was a 13% rise in revenues from Quarter 1 to Quarter 2.

2004 Quarterly Gross Revenues



Average Revenue Per Consultant shows a decrease of only 1.1% from Q2 to Q3, as many firms decreased their # of consultants. This indicates a slight decrease in profit following an increase of 13.1% from Q1 to Q2.

2004 Quarterly Average Revenue per Consultant

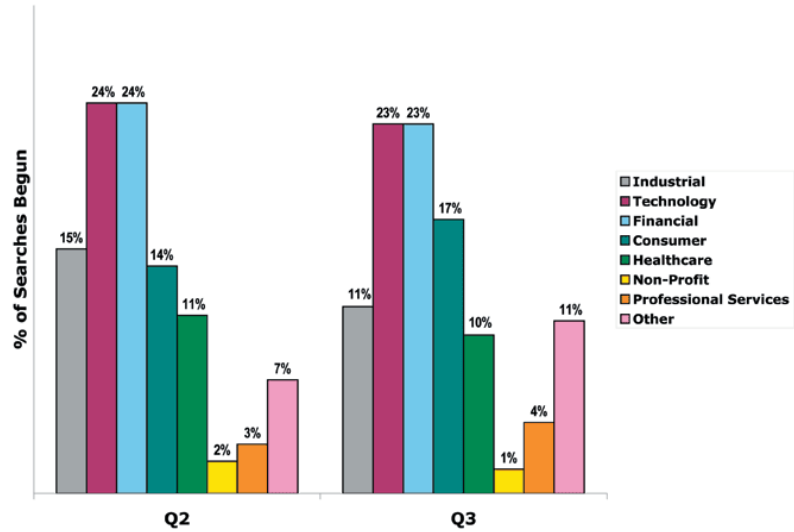


Part Two : Industry Trends

Market Breakdown by Industry

As in Q2, the majority of searches conducted in Q3 were in the Technology and Financial industries. Searches performed in the Consumer industry represented 17% of the whole in Q3, up 3% from Q2. Searches in the Industrial sector accounted for only 11% of the total searches in Q3, down 4% from Q2.

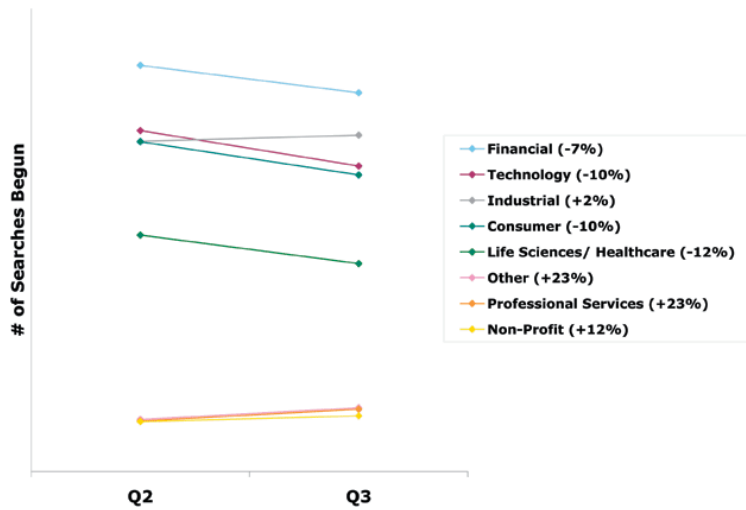
Searches Begun in Quarter 2 and Quarter 3 2004, by Industry as Percentage of Total



Growth and Decline by Industry

The professional services industry showed the most growth from Q2 to Q3, the number of searches begun in that industry up by 23%. The only other specific industry to show growth was the Industrial sector, up 2%. Life Sciences / Healthcare showed the greatest decline, the number of searches begun in that industry down 12%. Technology and the Financial Industry also showed decreases, down 10% and 7% respectively.

Number of Searches Begun in Quarter 2 and Quarter 3 2004, by Industry

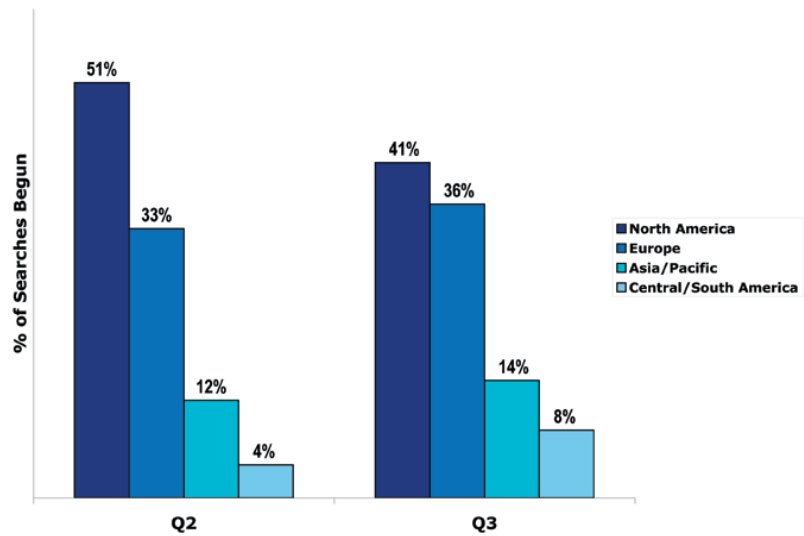


Part Three : Regional Trends

Market Share

North America had the largest average number of searches in both Q2 and Q3 2004, however the fraction of total new searches performed in the region decreased by 10%. Europe's share grew by 3%, Asia / Pacific by 2% and Central / South America by 4%.

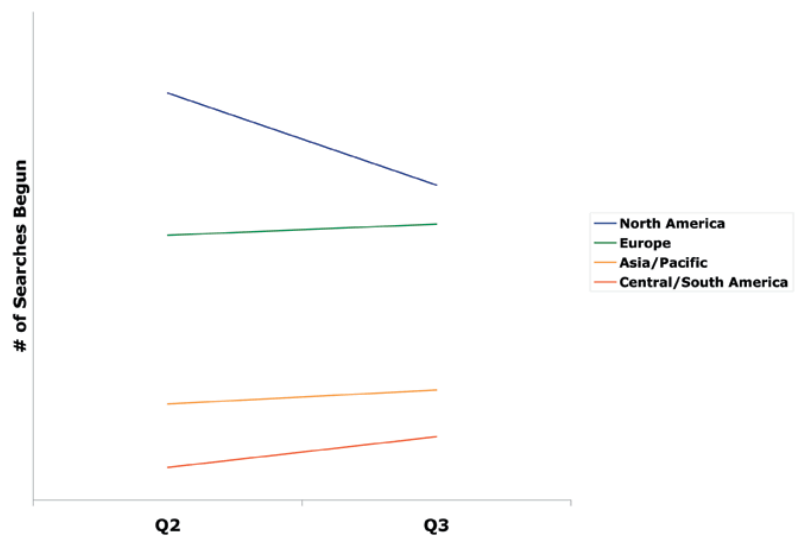
Searches Begun in Quarter 2 and Quarter 3 2004, by Region as Percentage of Total



Regional Growth and Decline

The average number of searches begun in Central / South America in Q3 was nearly double the number begun in Q2. The figure rose by 15% in Asia / Pacific. In Europe, the number of searches begun in Q3 was up 4% from Q2. Only North America showed a decrease in searches began, down 23% from Q2 to Q3.

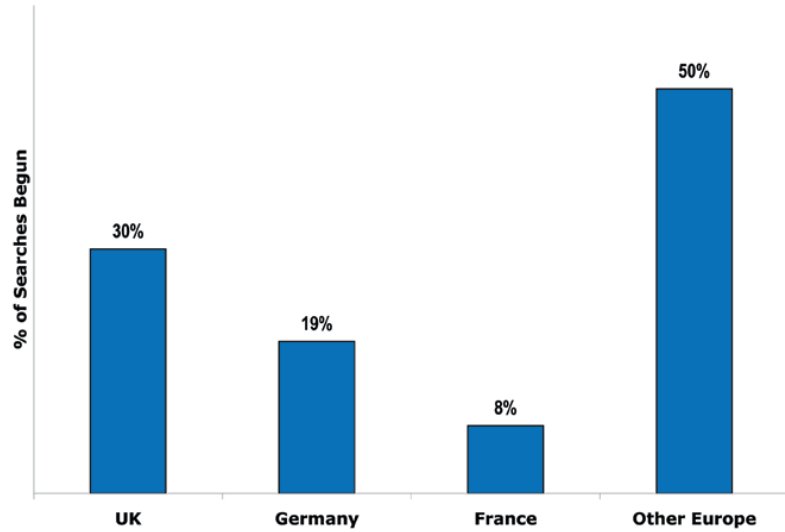
Number of Searches Begun in Quarter 2 and Quarter 3 2004, by Region



European Regional Markets

NEW: Beginning Q3 2004, the AESC Quarterly State of the Industry Statistics will provide a breakdown of the searches begun by in Europe by region.

Searches Begun in Quarter 2 and Quarter 3 2004, by European Region as Percentage of European Total



If you have questions about this report, or would like to be added to a mailing list to receive our quarterly statistics reports, please e-mail us at pkorth@aesc.org.