



## **AESC Insights**

**Q3 2010**

# **State of the Executive Search Industry**

Organizations Recruiting at the Top:

Q3 2010 Data Reveals Strong Executive Search Activity Focused on the High-end of Leadership Roles



## AESC State of the Executive Search Industry Report Q3 2010

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 industry. Data for the report is collected from a consistent sample of AESC member search firms representing the activity of over 1300 executive search consultants in 46 countries worldwide. Data does not account for annual inflation. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$7.43 billion in 2009.

### **ORGANIZATIONS RECRUITING AT THE TOP**

#### *Q3 2010 Data Reveals Strong Executive Search Activity Focused on the High-end of Leadership Roles*

Worldwide senior executive hiring was on the increase in the third quarter of 2010. The yearly trend – from Q3 2009 to Q3 2010 – was strong with both revenues and new search mandates rising across all regions and industry sectors (revenues +32%, new searches +18%). The quarterly trend – from Q2 2010 to Q3 2010 - saw revenues increase by 2.4 per cent, although the number of new searches declined (-5.3%).

“The third quarter statistics confirm the strong trends experienced since the beginning of 2010 and indicate a continuing resurgence in executive demand in many regions and sectors of the world. In spite of a very uncertain economic environment during the summer months nevertheless it is clear that many organizations, having embarked upon strategic re-evaluation of their global markets since the worst days of the recession, were unwilling to put everything on hold until the picture again became clearer. Thus revenues for the worldwide search industry have sustained and even improved their already strong levels.” Commented AESC President, Peter Felix.

While the number of new searches started rose 18 per cent annually, they fell five per cent on the quarter (from Q2 2010 to Q3 2010). This quarterly picture of decreased searches but increased revenues indicates that AESC member executive search firms are working on a higher level of search assignment to position leaders at the very top of organizations.

“The fact that revenues are on the increase confirms what we have detected over the past several years that executive search firms are being retained to handle the most senior level of executive need alongside increasing demand for broader consulting leadership services.

“The financial services and industrial sectors have shown the strongest growth, since they were the hardest hit by the recession and were the most likely to recover once the world trading system sprang back to life.” Added Mr. Felix.

North America saw a 26 per cent increase in search activity in the third quarter of 2010, against the same period a year ago, followed by Central/South America (+24.4%), Asia/Pacific (+14%), and Europe (+13%).

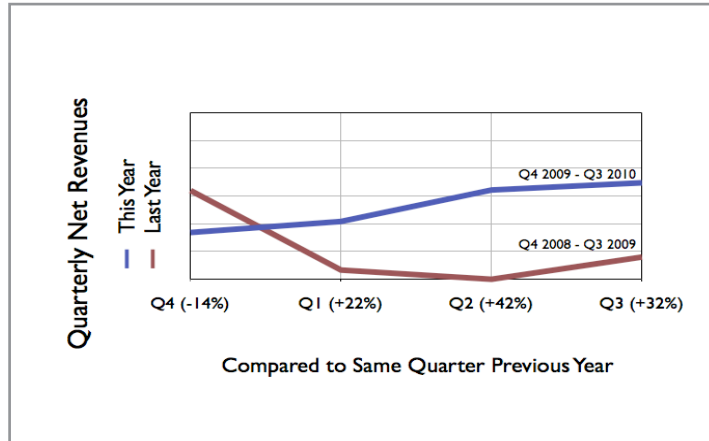
“The challenges faced by many organizations today focus on finding those critical leaders who will guide and transform companies and industries over the next decade. These tasks are best performed by highly qualified consultants able to bring their broad perspective of talent and markets to bear on resolving client challenges. I am convinced that retained executive search consulting will continue to be in high demand as the world economy recovers its former strength”. Stated Felix.

## Average Net Revenues

**Annual trend:** Q3 2009 to Q3 2010 +32% (pictured below)

**Quarterly trend:** Q2 2010 to Q3 2010 +2.4%

Quarterly Net Revenues,  
as Compared to Previous Year

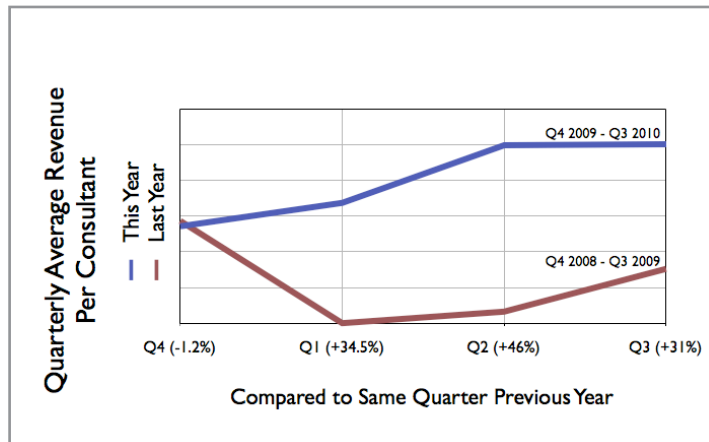


## Average Revenue Per Consultant

**Annual trend:** Q3 2009 to Q3 2010 +31% (pictured below)

**Quarterly trend:** Q2 2010 to Q3 2010 +0.2%

Quarterly Average Revenue Per Consultant,  
as Compared to Previous Year

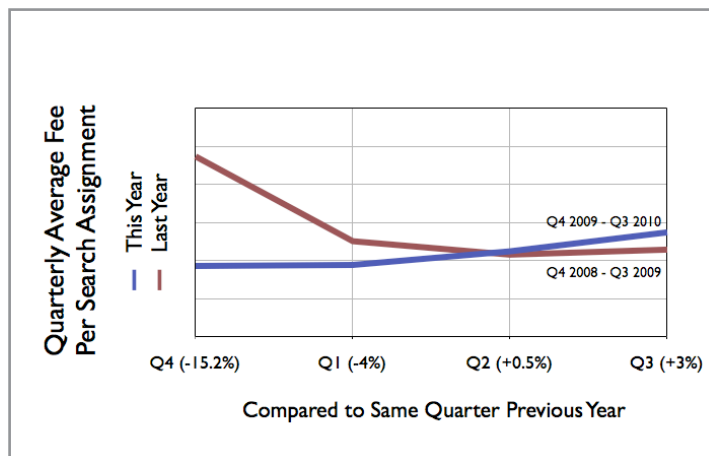


## Average Fee Per Search Assignment

**Annual trend:** Q3 2009 to Q3 2010 +3% (pictured below)

**Quarterly trend:** Q2 2010 to Q3 2010 +3%

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

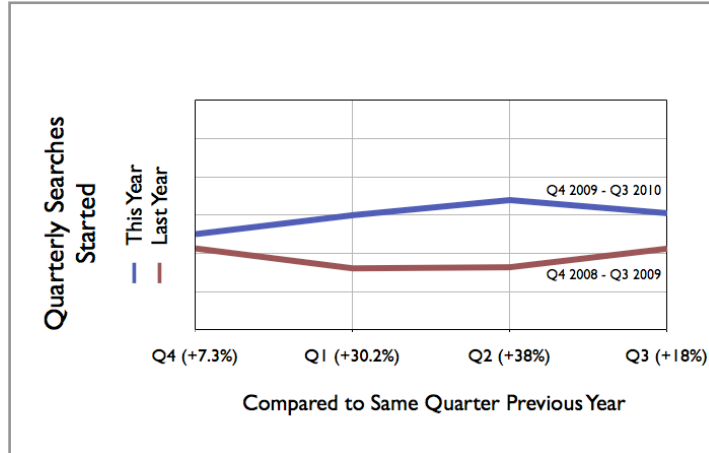


## Trend in Number of Searches Started

**Annual trend:** Q3 2009 to Q3 2010 +18% (pictured below)

**Quarterly trend:** Q2 2010 to Q3 2010 -5.3%

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



## Trend in Number of Searches Started by Industry

**Annual trends:** Q3 2009 to Q3 2010

All industries experienced a year-on-year increase in Q3 2010:

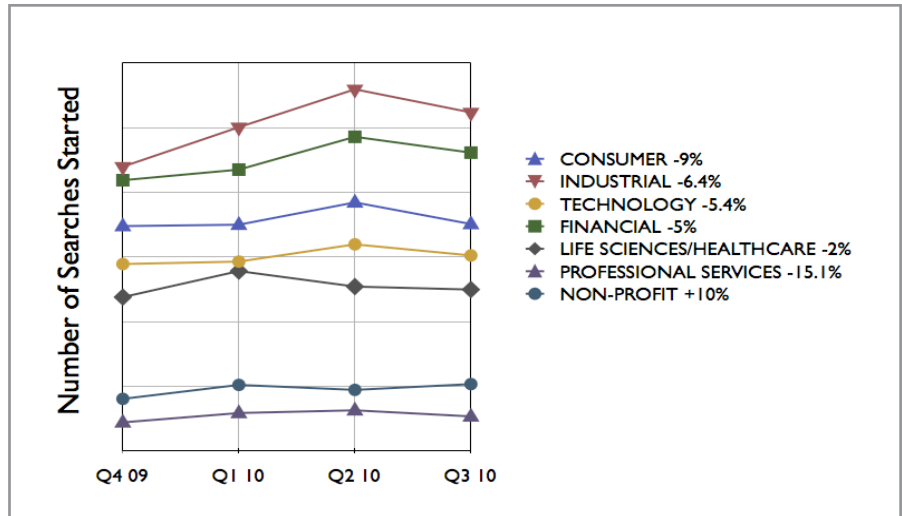
- Financial +26%, Industrial +26%, Life Sciences/Healthcare +16%, Consumer +12%, Technology +9% (and from a smaller survey sample: Professional Services +7%, Non-Profit +3%)

**Quarterly trends:** Q2 2010 to Q3 2010 (pictured below)

On a quarter-on-quarter basis, most industries experienced a decrease in Q3 2010:

- Consumer -9%, Industrial -6.4%, Technology -5.4%, Financial -5%, Life Sciences/Healthcare -2% (and from a smaller survey sample: Professional Services -15.1%, Non-Profit +10%)

Trend in Number of Searches Started Quarterly, by Industry

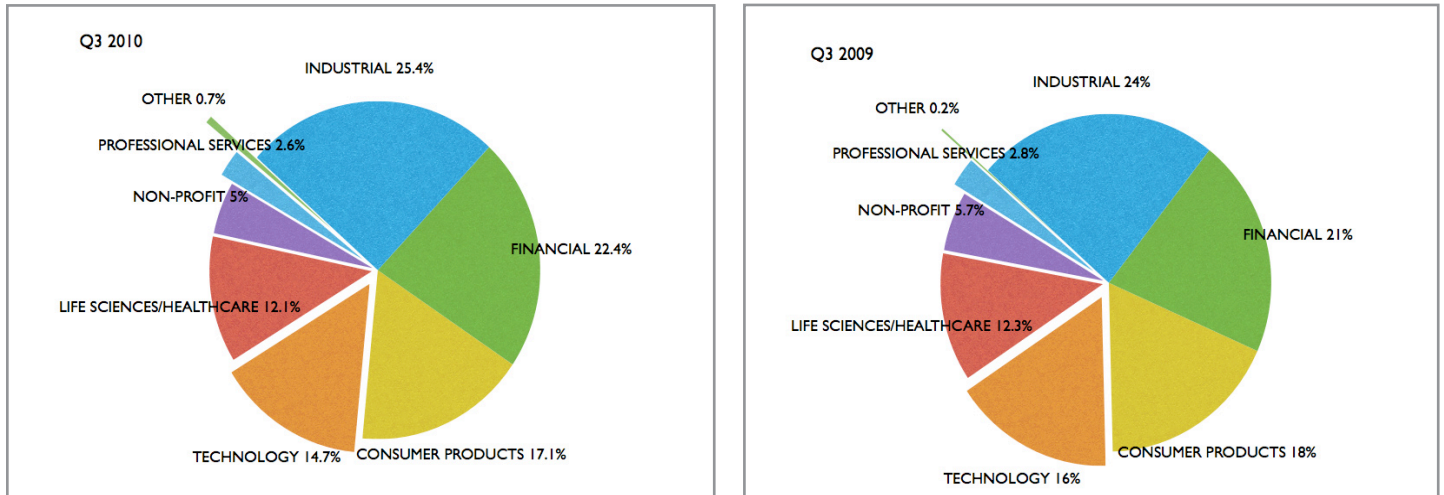


## Market Breakdown by Industry

**Annual trends:** Q3 2009 to Q3 2010 (pictured below)

- Year-on-year increase: Financial +1.4%, Industrial +1.4%
- Year-on-year decrease / flat: Technology -1.3%, Consumer Products -0.9%, Non-Profit -0.7%, Professional Services -0.2%, Life Sciences/Healthcare -0.2%

Searches Started Quarterly by Industry, as Percentage of Total



## REGIONAL TRENDS GLOBAL - Q3 2010

### Trend in Number of Searches Started by Region

**Annual trends:** Q3 2009 to Q3 2010

All regions experienced a year-on-year increase in the number of searches started in Q3 2010:

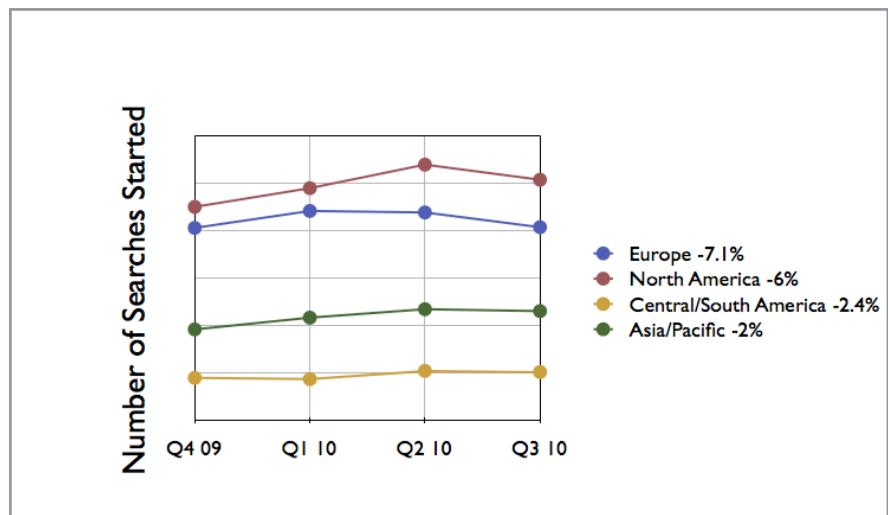
- North America +26%, Central/South America +24.4%, Asia/Pacific +14%, Europe +13%

**Quarterly trends:** Q2 2010 to Q3 2010 (pictured below)

All regions witnessed a quarterly decline in new search mandates in Q3 2010:

- Europe -7.1%, North America -6%, Central/South America -2.4%, Asia/Pacific -2%

Trend in Number of Searches Started Quarterly, by Region

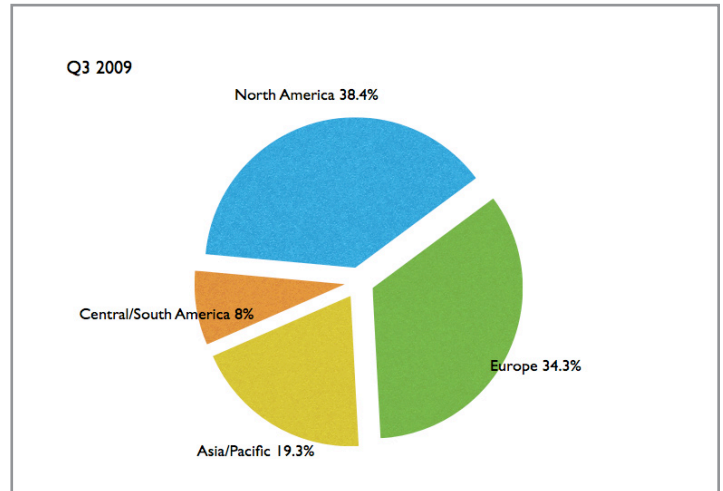
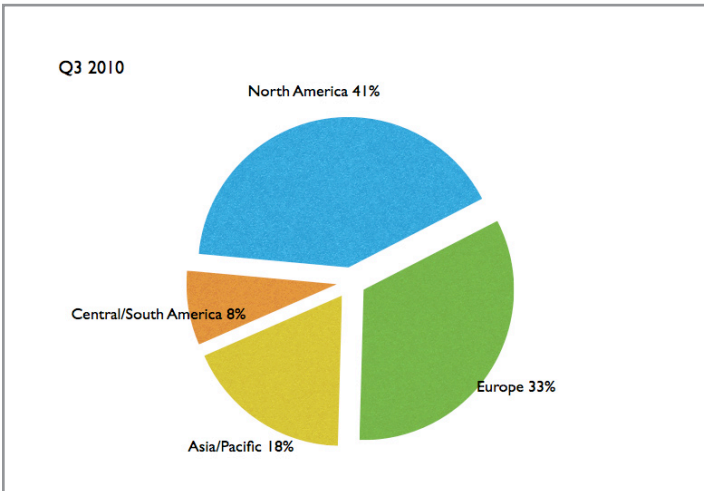


## Market Share by Region

**Annual trends:** Q3 2009 to Q3 2010 (pictured below)

- Increase or no change in market share: North America +2.6%, Central/South America - no change
- Decrease in market share: Europe -1.3%, Asia/Pacific -1.3%

Searches Started Quarterly by Region, as Percentage of Total



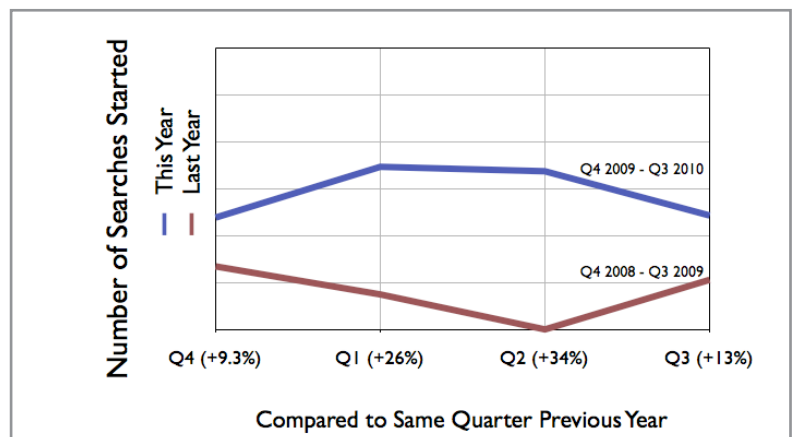
## REGIONAL TRENDS EUROPE - Q3 2010

### Trend in Number of Searches Started in Europe

**Annual trend:** Q3 2009 to Q3 2010 +13% (pictured below)

**Quarterly trend:** Q2 2010 to Q3 2010 -7.1%

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

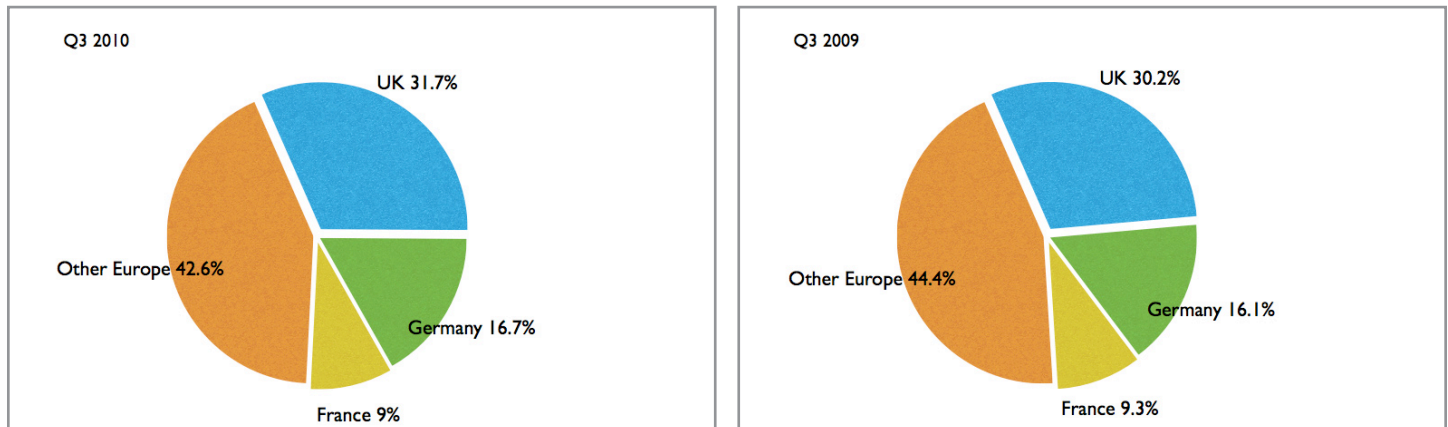


## Market Share by European Sub-Region \*

**Annual trends:** Q3 2009 to Q3 2010 (pictured below)

- Increase in market share: UK +1.5%, Germany +0.6%
- Decrease in market share: France -0.3%, (Other Europe -1.8%)

*Searches Started Quarterly by European Sub-Region, as Percentage of Total Europe*



\* Data for this question represents 750 executive search consultants in 46 countries, whereas data for all other questions represents 1500 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 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](http://www.aesc.org).

The AESC offers [www.bluesteps.com](http://www.bluesteps.com), a career management service for senior executives, and [www.executivesearchconnect.com](http://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.