



# AESC Insights

Q3 2015

State of the Executive Search Industry





## Average Fee per Assignment on the Rise for Executive Search and Leadership Consulting Profession



**T**he executive search and leadership consulting profession continues to grow, according to third quarter trends, with an increase in average fee per assignment (3% year-on-year; 5.81% quarter-on-quarter) driving a 2.75% uptick for year-on-year net revenue. While the average number of searches started declined slightly quarter-on-quarter (1.25%), its year-on-year performance is up 4.87%.

The Q3 State of the Executive Search Industry report reveals that the technology sector had a very strong quarter, moving it into second place behind financial services for average number of searches started (up 18.52% year-on-year and 5.36% quarter-on-quarter).

The life sciences / healthcare sector slowed slightly during Q3, but overall has performed strongly this year (up 20% year-on-year but down 1.27% quarter-on-quarter).

The mix of searches by industry is quite balanced with none of the sectors being 25% or higher. Industrial remains the largest sector at 24.6% with financial services remaining steady at 21.1%. Technology and life sciences / healthcare are at 15.3% and 15% respectively.

Karen Greenbaum, AESC President & CEO, said: "We were pleased to see the technology sector rebounding after a somewhat surprising drop last quarter. The strength of the

most recent quarter was impressive, seeing this sector surge to second place behind Financial Services.

"Life sciences / healthcare, on the other hand, had a slight drop off after a strong upswing last quarter. This sector continues to be strong however with significant growth year-on-year."

North America is the largest market for executive search, controlling a 44.4% share of the profession, followed by EMEA (32.4%), Asia Pacific (17.1%), and Latin America (6.1%).

Year-on-year three of these regions recorded significant growth in the number of searches started (Asia Pacific, 7.23%; North America, 6.94%; EMEA, 6.94%). For the second consecutive quarter Latin America witnessed a decrease in the number of searches both quarter-on-quarter (1.73%) and year-on-year (8.7%).

Greenbaum continues: "It is yet another strong quarter for both the North America and Asia Pacific regions. Both have been on an upward trend for the last three quarters, to mark a significant increase of average searches started year-on-year. We saw a decline for the EMEA region, after a couple of strong quarters, while the Latin American region continues to struggle.

"We look forward to the year-end results. Last year was a record-breaking year for the profession, and we are on course to once again exceed the prior year." ■

# FINANCIAL TRENDS - Q3 2015

## Average Net Revenues

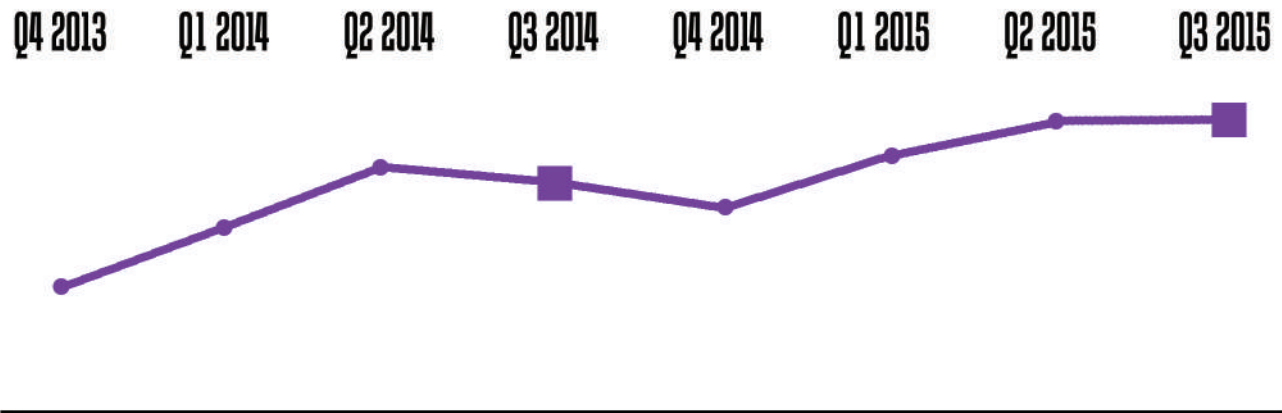
Year-on-Year Trend: Q3 2014 to Q3 2015

2.75%

Quarter-on Quarter Trend: Q2 2015 to Q3 2015

0%

Executive search revenues continue to rise and unless there is a remarkable downturn in Q4, 2015 will top 2014 as the highest year for estimated global net revenue.



## Average Revenue Per Consultant

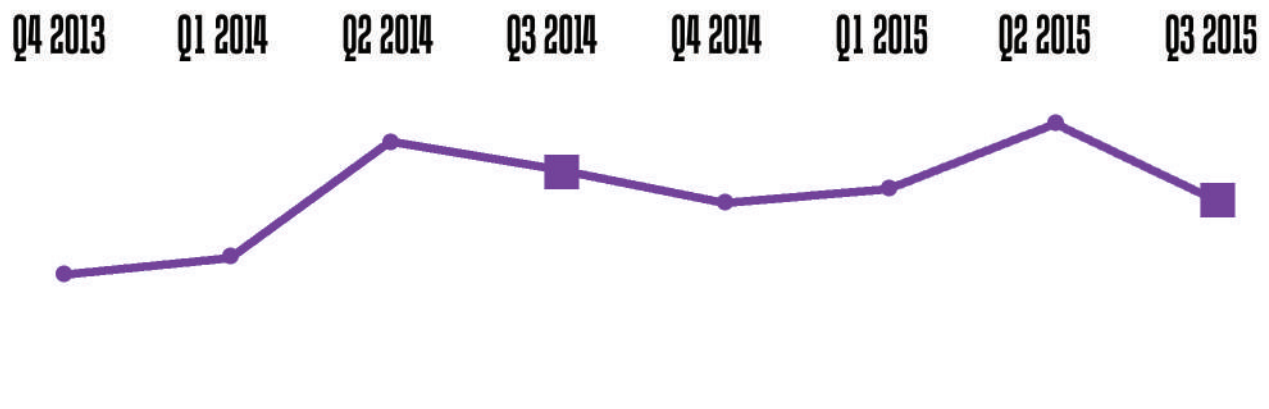
Year-on-Year Trend: Q3 2014 to Q3 2015

-2.67%

Quarter-on Quarter Trend: Q2 2015 to Q3 2015

-4.88%

While we see a decline this quarter, this is in part due to our members increasing their own headcount during Q3, pushing the average revenue per consultant down as a result.

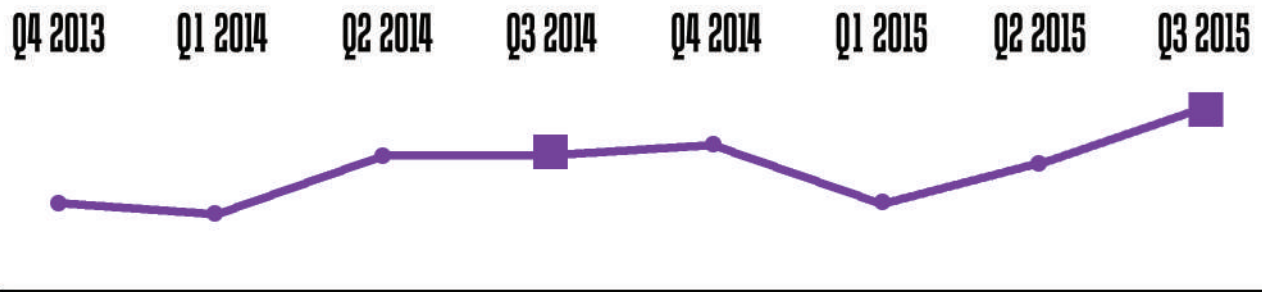


# FINANCIAL TRENDS - Q3 2015 (continued)

## Average Fee Per Search Assignment

Year-on-Year Trend: Q3 2014 to Q3 2015 3%  
Quarter-on Quarter Trend: Q2 2015 to Q3 2015 5.81%

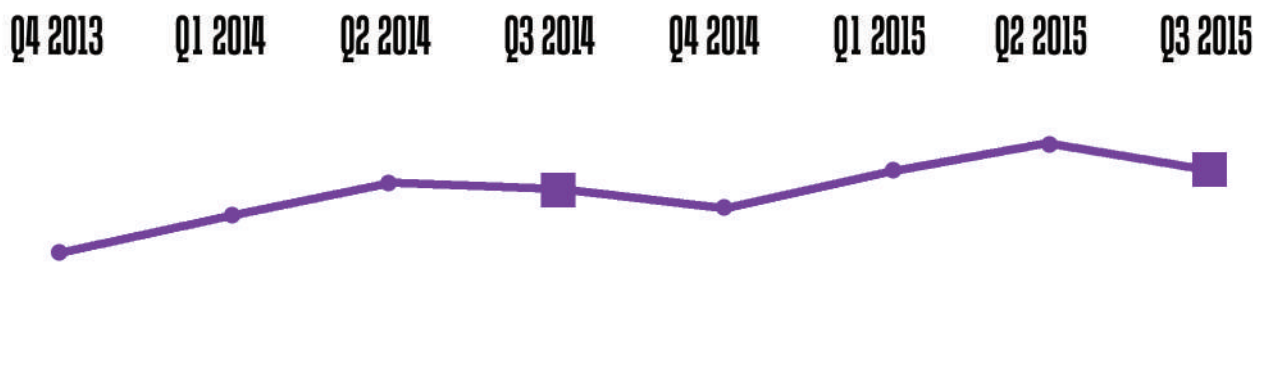
Q3 represents the second consecutive quarter where we have seen an increase, pushing the average fee per assignment to a two-year high point.



## Average Number of Searches Started

Year-on-Year Trend: Q3 2014 to Q3 2015 4.87%  
Quarter-on Quarter Trend: Q2 2015 to Q3 2015 -1.25%

While the average fee per assignment is strong, there is a slight decline here quarter-on-quarter. This is unremarkable as organizations tend to slow down their hiring plans as the year wears on.



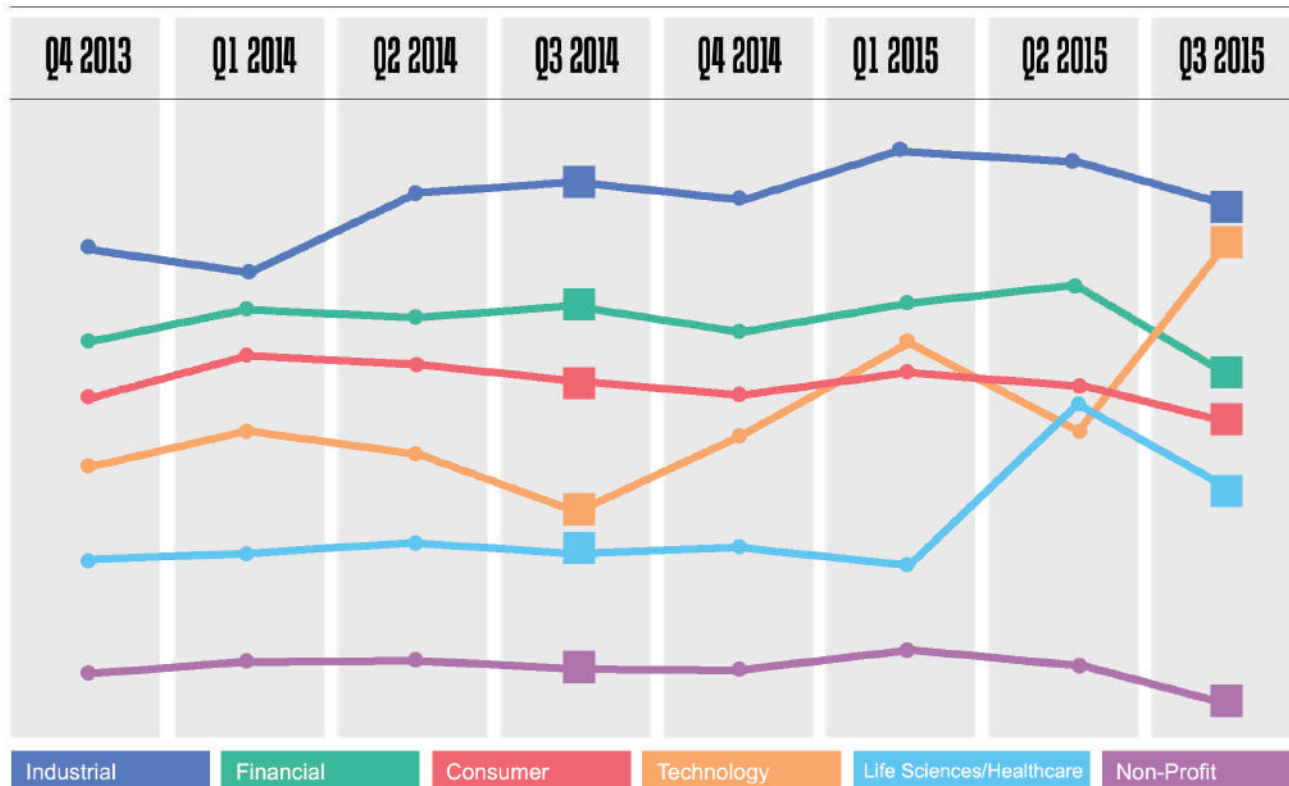
# INDUSTRY TRENDS - Q3 2015

## Avg Number of Searches Started by Industry

Quarter-on Quarter Trend: Q2 2014 to Q3 2015

**Increasing:** Technology, 5.36

**Decreasing:** Financial, -2.85, Industrial, -2.14, Life Sciences / Healthcare, -1.27, Non-Profit, -0.95, Consumer, -0.35



Year-on-Year Trend: Q3 2014 to Q3 2015

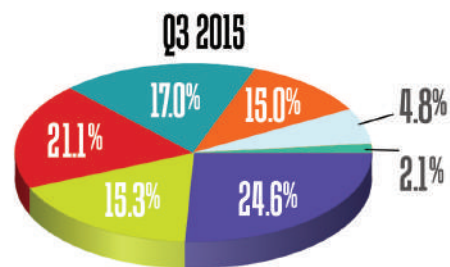
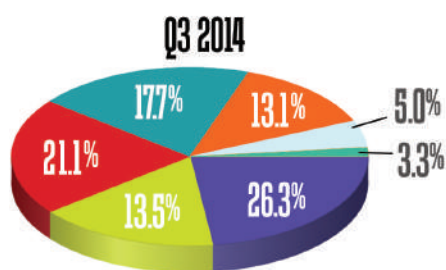
**Increasing:** Life Sciences / Healthcare, 20, Technology, 18.52, Financial, 5.09, Non-Profit, 1.1, Consumer, 0.55

**Decreasing:** Industrial, -1.78

## Market Breakdown by Industry

Year-on-Year Trend: Q3 2014 to Q3 2015

- Industrial
- Technology
- Financial
- Consumer Products
- Life Sciences / Healthcare
- Non-Profit
- Other



**Increasing:**

Life Sciences / Healthcare 1.9  
 Technology 1.8  
 Financial 0

**Decreasing:**

Industrial -1.7  
 Consumer Products -0.7  
 Non-Profit -0.2



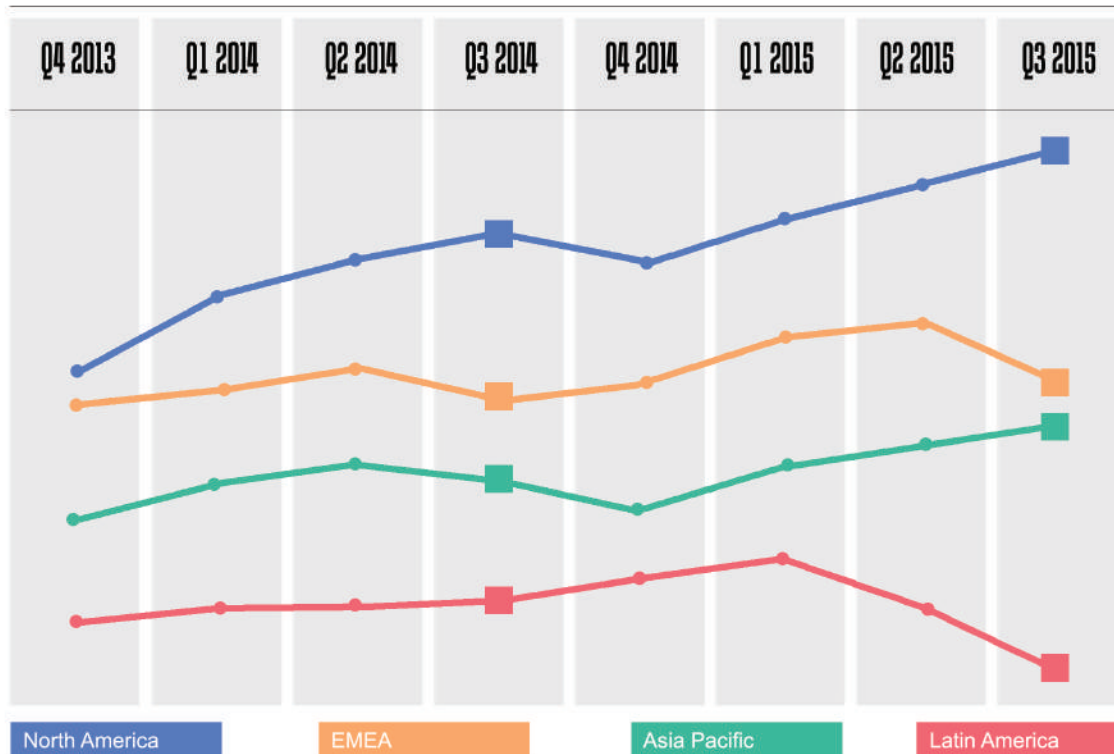
# INDUSTRY TRENDS - Q3 2015 (continued)

## Avg Number of Searches Started by Region

Quarter-on Quarter Trend: Q2 2015 to Q3 2015

**Increasing:** North America, 1.95

**Decreasing:** EMEA, -5.05, Asia Pacific, 1.91, Latin America, -1.73



Year-on-Year Trend: Q3 2014 to Q3 2015

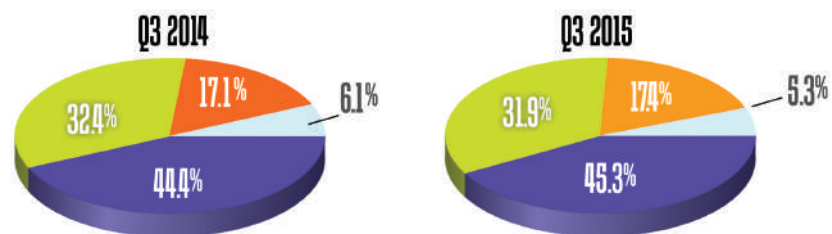
**Increasing:** Asia Pacific, 7.23, North America, 6.94, EMEA, 6.94

**Decreasing:** Latin America, -8.7

## Market Share by Region

Year-on-Year Trend: Q3 2014 to Q3 2015

- North America
- EMEA
- Asia Pacific
- Latin America



**Increasing:**  
North America 0.9  
Asia Pacific 0.3

**Decreasing:**  
Latin America -0.8  
EMEA -0.5

### About the Association of Executive Search and Leadership Consultants

Since 1959, 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 Professional Practice](#) and [Standards of Excellence](#), 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 more than 70 countries. To learn more about AESC and its membership, visit [www.aesc.org](http://www.aesc.org). For information about AESC's career service for executive-level professionals, visit [www.bluesteps.com](http://www.bluesteps.com).