



AESC Insights

Q4 2014

State of the Executive Search Industry

Record-Breaking Year for Executive Search and Leadership Consulting Profession:
Estimated global revenues rose 10.7% annually in 2014, resulting in the largest ever
worldwide revenue total

AESC State of the Executive Search and Leadership Consulting Industry 2014 Annual Report

The AESC State of the Executive Search and Leadership Consulting Industry Report is quarterly research carried out by the Association of Executive Search and Leadership Consultants 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 1,405 executive search and leadership consultants across 75 countries worldwide. The AESC estimates that annual net revenues for the worldwide executive search and leadership consulting industry totaled \$11.7 billion in 2014.

Record-Breaking Year for Executive Search and Leadership Consulting Profession

Estimated global revenues rose 10.7% annually in 2014, resulting in the largest ever worldwide revenue total

2014 Annual executive search and leadership consulting industry trend data revealed a 10.7% annual rise in global revenues and estimated industry revenues of \$11.7 billion worldwide in 2014.

Annual revenue growth from 2013 to 2014 was supported by a 2.5% rise in the volume of new executive searches started in 2014 over the previous year as well as an increase in the value of individual search assignments, rising 2.9% in 2014 over 2013. Similarly, the average revenue per consultant increased by 11% during 2014.

AESC President and CEO, Karen Greenbaum, commented: “Businesses understand that their most important asset is their people. Top talent creates the link between strategy and execution. This research shows that businesses also value executive search and leadership consultants as trusted advisors for their talent needs. The AESC represents the gold standard for our profession and it is clear that the integrity and knowledge of our members is appreciated by their clients.”

AESC Global Chair, Jason Johnson, commented: “I am delighted to see the global executive search and leadership consulting industry experiencing such a strong growth phase and posting the largest ever worldwide revenue of \$11.7 billion. The industry is in good health with both a rise in the volume of searches and a rise in the average fee per search. Importantly, while we continue to see growth in the North American market, we are seeing increasing use of executive search and leadership consulting firms in other markets – particularly many of the emerging markets – as the governance environment within those markets evolves. I am optimistic about the future of the profession and looking forward to an even better year in 2015.”

Thomas T. Daniels, Senior Director & Partner, Spencer Stuart and AESC Vice-Chair and Chair of the AESC Council of the Americas, commented: “It is encouraging to see the strong performance of the profession worldwide. The growth of the industry to record levels reflects the importance that the best organizations in the world are partnering with executive search firms, which bring fresh perspectives and insights about talent, succession planning, executive assessment and leadership advisory services.”

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Krista Walochik, President of Talengo and Chair of the AESC Council of Europe, Israel & Africa, commented: “As Europe pulls out of recession, strategic issues for business leaders facing growth include managing organizational risk through leadership succession planning, creating management bench strength, and proactively acquiring scarce skill sets (e.g. Digital experts) to stay ahead of the curve.”

Walochik went on to say: “Concurrently, Diversity on management and supervisory boards is now a key priority in Europe, not only due to increasing regulatory pressure, but also to the ever increasing flow of cross-border investments, the globalization of markets, and the war for talent in an ageing market. The advisory services provided by our AESC member firms are increasingly in demand to provide sustainable solutions to these challenges across the region.”

North America remained the largest market for executive search and leadership consulting in 2014 with a 43% share, followed by EMEA at 33.4%. Asia Pacific followed in 2014 regional market share with 17.3% and then Latin America at 6.3%.

Of the major industries surveyed in the AESC’s 2014 annual report, Industrial continued to hold the largest share of world-wide senior executive search and leadership consulting activity with 25.3% of the 2014 market, followed by Financial Services with 20.5% of new searches started, and then Consumer Products (17.9%), Technology (15.3%), and Life Sciences/Healthcare (13.2%).

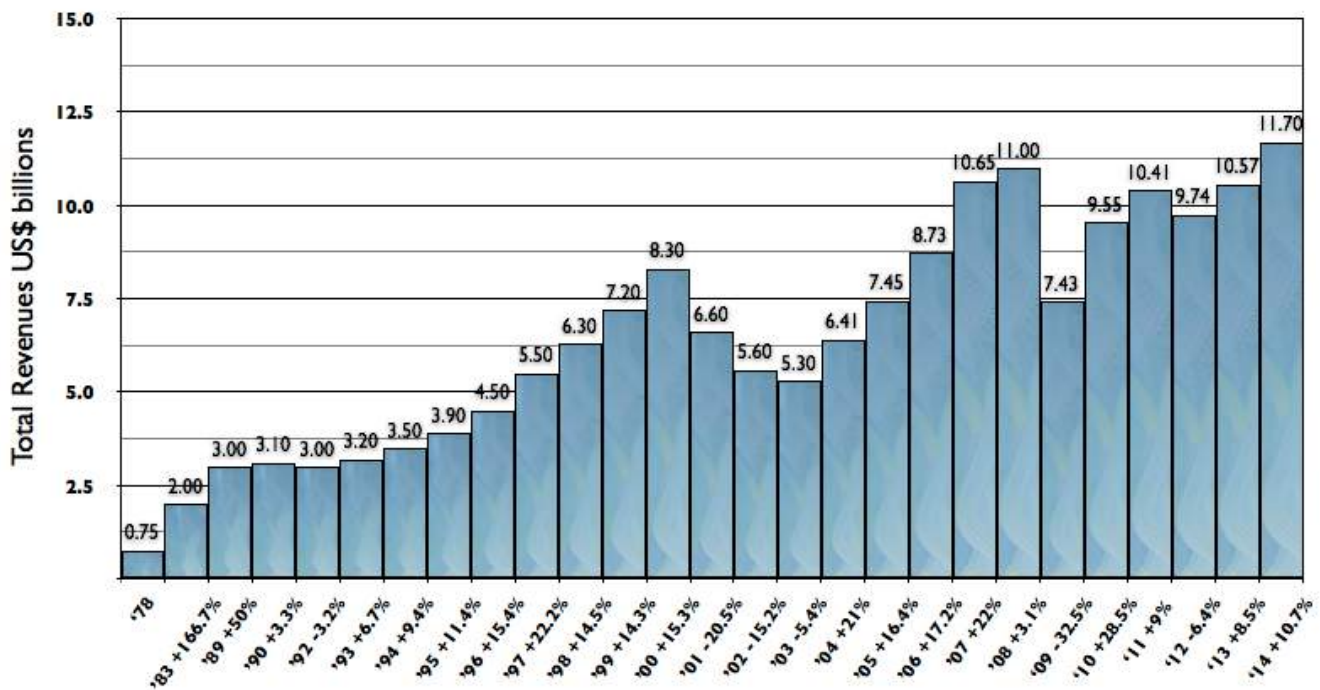
2014 Annual State of the Executive Search and Leadership Consulting Industry Report

FINANCIAL TRENDS - 2014

Trend in Average Net Revenues: 1978 - 2014

Global executive search and leadership consulting industry revenues rose +10.7% annually from 2013 to 2014, resulting in estimated worldwide industry revenues of \$11.7 bn for the year 2014.

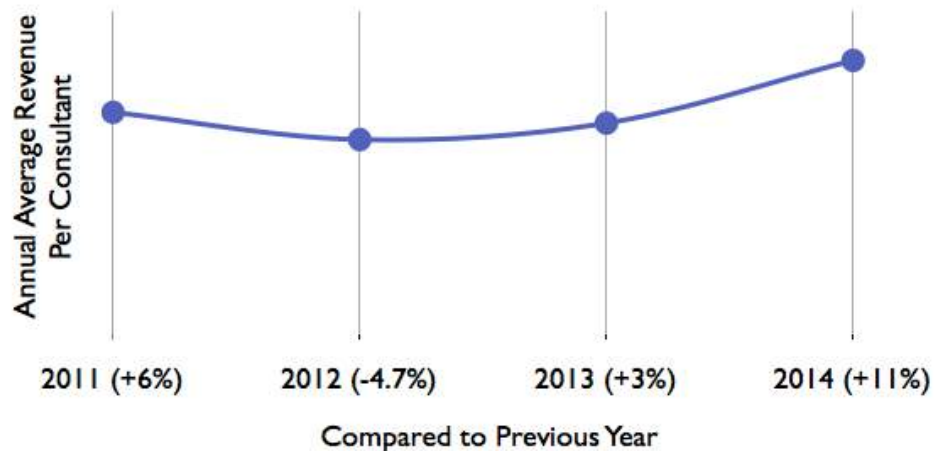
Estimated Worldwide Executive Search and Leadership Consulting Revenues 1978 - 2014



Average Revenue Per Consultant

Annual trend: 2013 to 2014 +11% (pictured below)

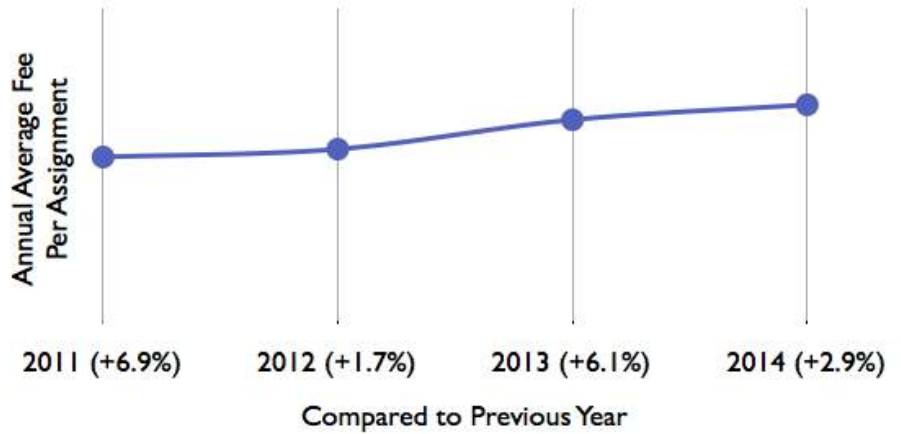
Trend in Annual Average Revenue Per Consultant, as Compared to Previous Year



Average Fee Per Search Assignment

Annual trend: 2013 to 2014 +2.9% (pictured below)

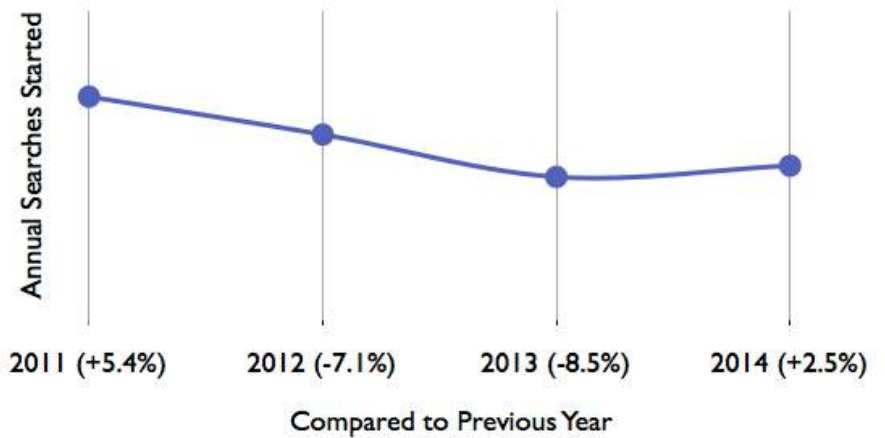
Trend in Annual Average Fee Per Search Assignment, as Compared to Previous Year



Average Number of Searches Started

Annual trend: 2013 to 2014 +2.5% (pictured below)

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

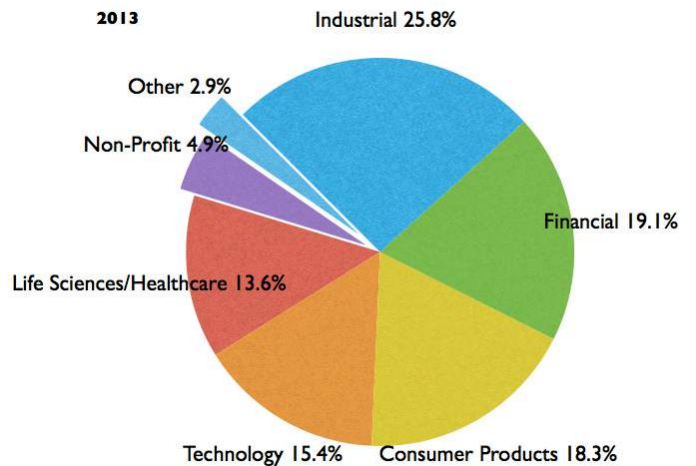
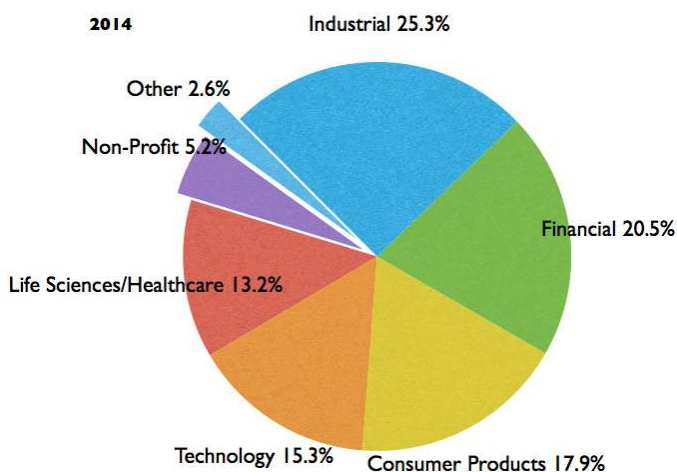


INDUSTRY TRENDS - 2014

Market Breakdown by Industry

Annual trend: 2013 to 2014 (pictured below)

- Increasing: Financial 1.4, Non-Profit 0.3
- Decreasing: Industrial 0.5, Consumer Products 0.4, Life Sciences/Healthcare 0.4, Technology 0.1

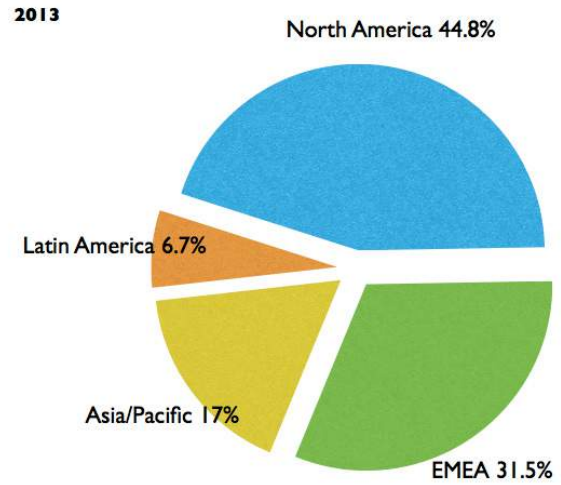
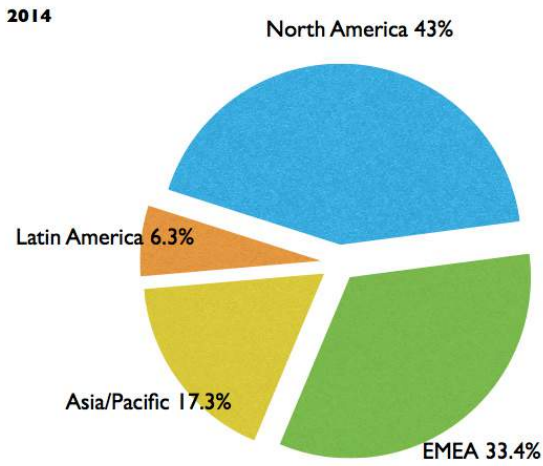


Market Breakdown by Region

Annual trend: 2013 to 2014 (pictured below)

- Increasing: EMEA 1.9, Asia/Pacific 0.3
- Decreasing: North America 1.8, Latin America 0.4

Searches Started Annually by Region, as Percentage of Total

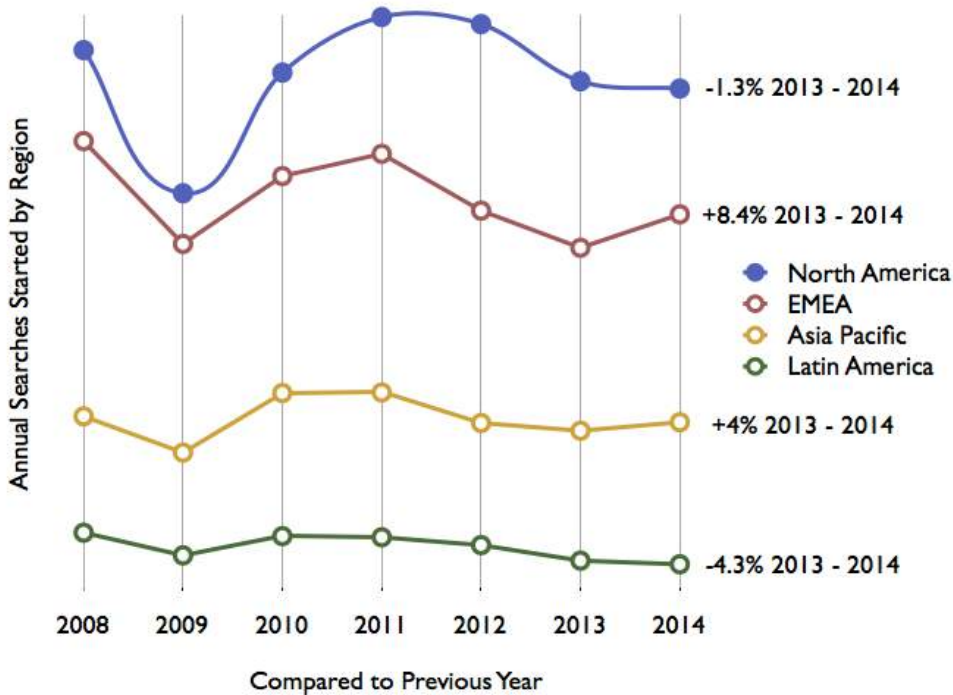


Average Number of Searches Started by Region

Annual trend: 2013 to 2014 (pictured below)

- Increasing: EMEA +8.4%, Asia/Pacific +4%
- Decreasing: Latin America -4.3%, North America -1.3%

Trend in Annual Average Number of Searches Started by Region, as Compared to Previous Year



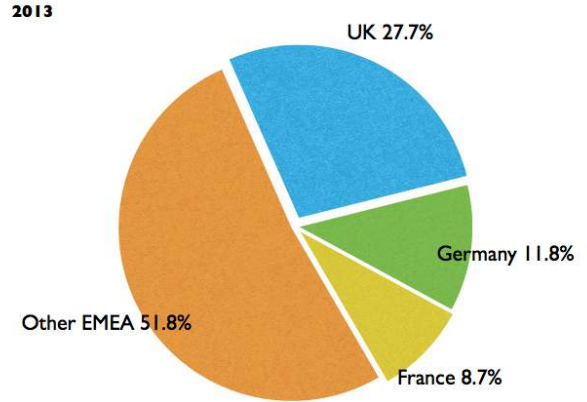
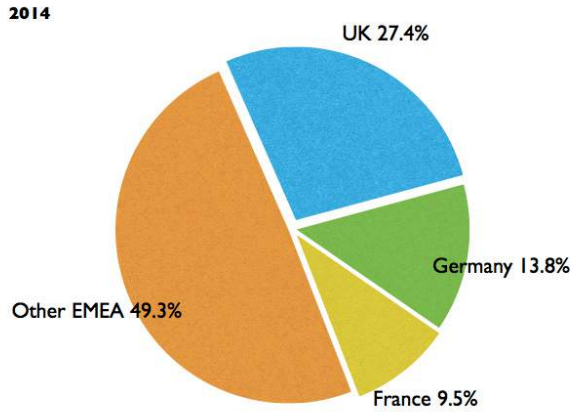
REGIONAL TRENDS EMEA - 2014

EMEA Regional Breakdown *

Annual trend: 2013 to 2014 (pictured below)

- Increasing: Germany 2, France 0.8
- Decreasing: Other EMEA 2.5, UK 0.3

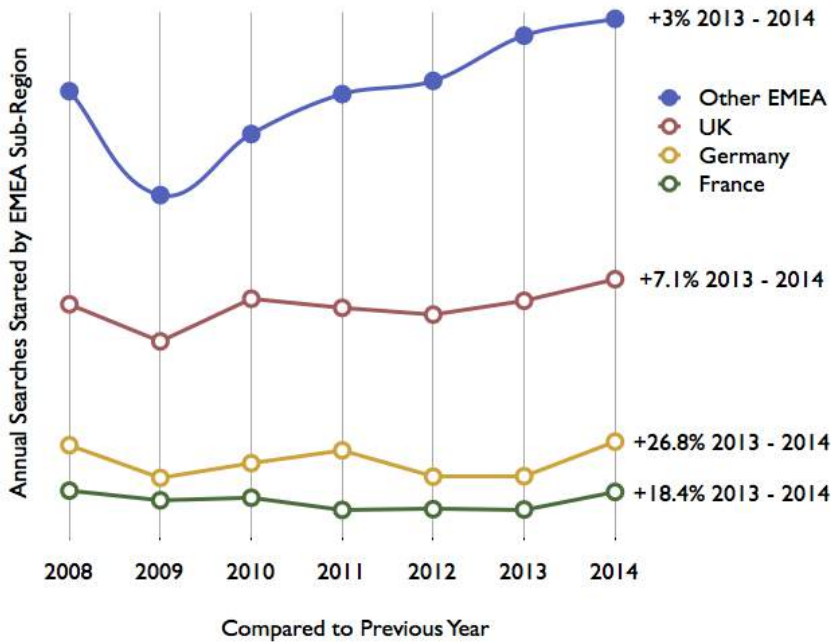
Searches Started Annually by EMEA Sub-Region, as Percentage of Total EMEA



Average Number of Searches Started by EMEA Sub-Region *

Annual trend: 2013 to 2014 (pictured below)

- Increasing: Germany +26.8%, France +18.4%, UK +7.1%, Other EMEA +3%



Trend in Annual Average Number of Searches Started by EMEA Sub-Region, as Compared to Previous Year

* Data for this question represents 658 executive search consultants, whereas data for all other questions represents 1,405 consultants.

Fourth Quarter 2014 State of the Executive Search and Leadership Consulting Industry Report

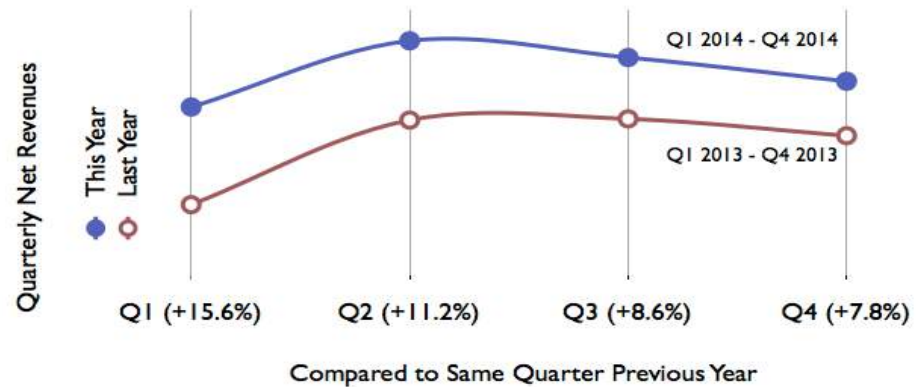
FINANCIAL TRENDS - Q4 2014

Average Net Revenues

Year-on-year trend: Q4 2013 to Q4 2014 +7.8% (pictured below)

Quarter-on-quarter trend: Q3 2014 to Q4 2014 -3.1%

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

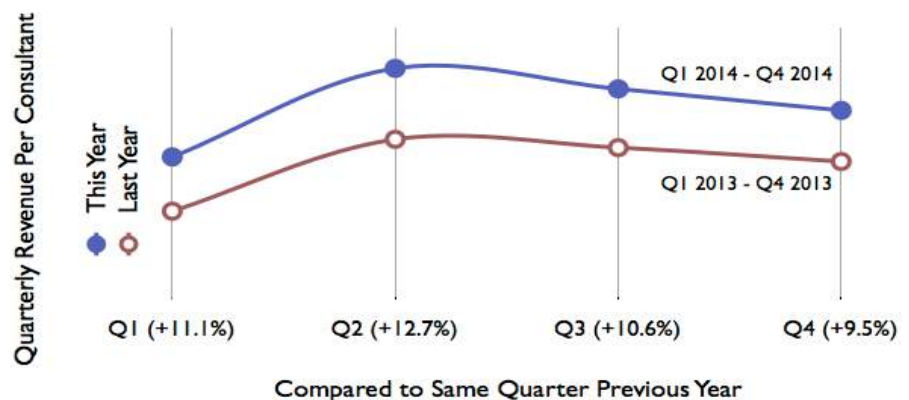


Average Revenue Per Consultant

Year-on-year trend: Q4 2013 to Q4 2014 +9.5% (pictured below)

Quarter-on-quarter trend: Q3 2014 to Q4 2014 -3.5%

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



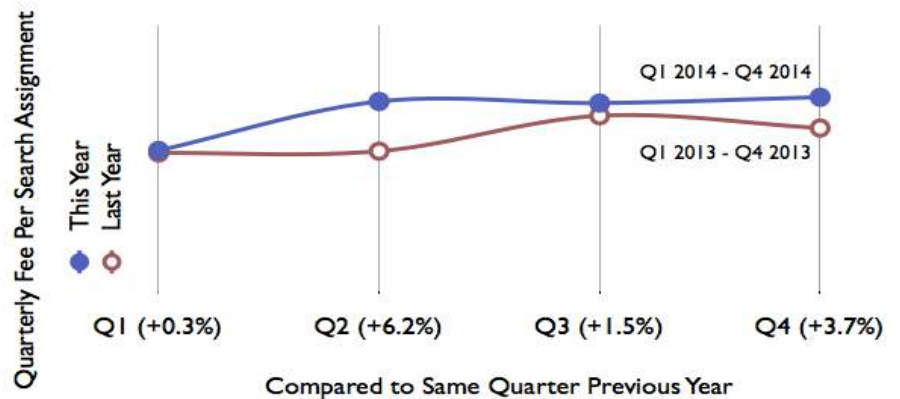
FINANCIAL TRENDS - Q4 2014 *continued...*

Average Fee Per Search Assignment

Year-on-year trend: Q4 2013 to Q4 2014 +3.7% (*pictured below*)

Quarter-on-quarter trend: Q3 2014 to Q4 2014 +0.7%

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

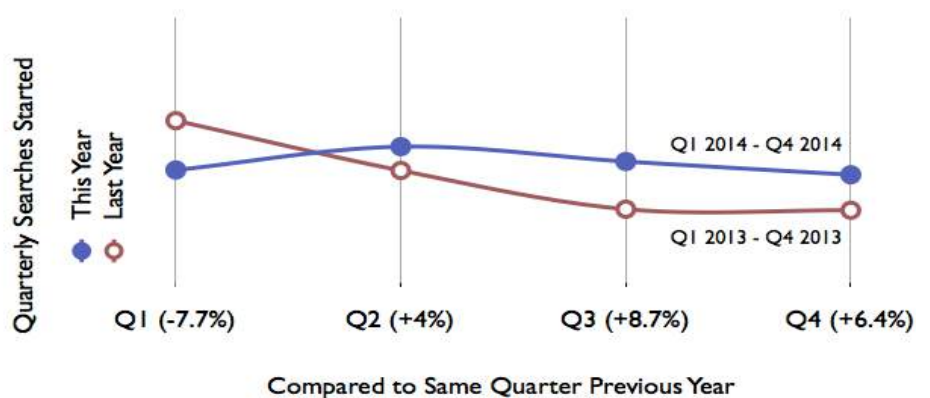


Average Number of Searches Started

Year-on-year trend: Q4 2013 to Q4 2014 +6.4% (*pictured below*)

Quarter-on-quarter trend: Q3 2014 to Q4 2014 -2.2%

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



Average Number of Searches Started by Industry

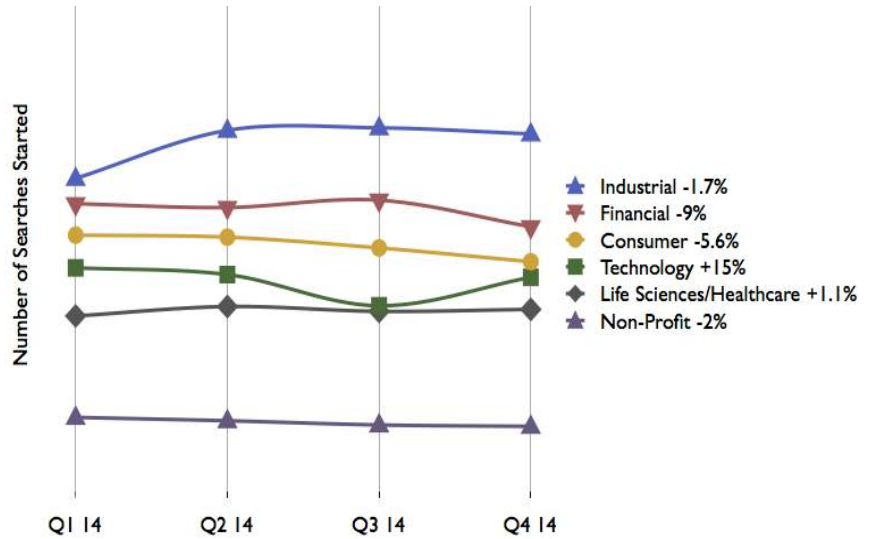
Year-on-year trend: Q4 2013 to Q4 2014

- Increasing: Industrial +8.6%, Financial +7.8%, Technology +7.7%, Life Sciences/Healthcare +3.9%, Consumer +2.7%
- Decreasing: Non-Profit -8.7% ~ from a smaller survey sample

Quarter-on-quarter trend: Q3 2014 to Q4 2014 (pictured below)

- Increasing: Technology +15%, Life Sciences/Healthcare +1.1%
- Decreasing: Financial -9%, Consumer -5.6%, Industrial -1.7%, Non-Profit -2% ~ from a smaller survey sample

Trend in Average Number of Searches Started Quarterly, by Industry

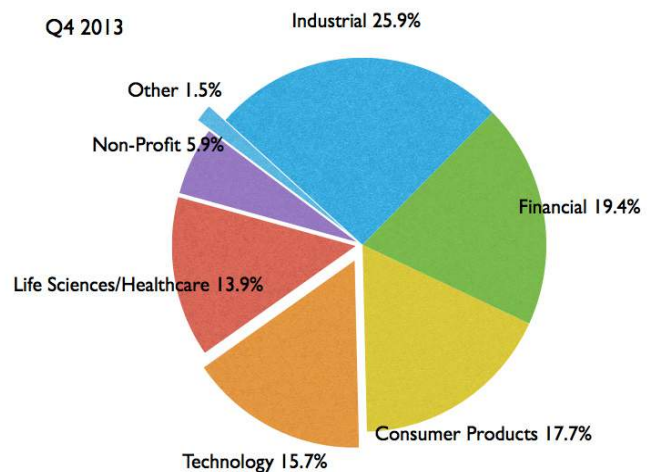
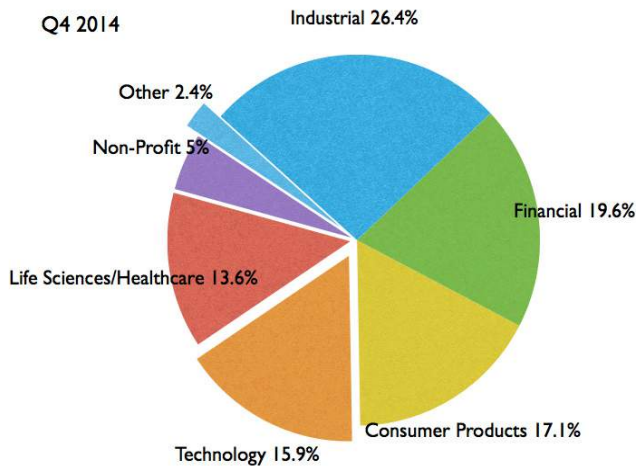


Market Breakdown by Industry

Year-on-year trend: Q4 2013 to Q4 2014 (pictured below)

- Increasing: Industrial 0.5, Financial 0.2, Technology 0.2
- Decreasing: Non-Profit 0.9, Consumer Products 0.6, Life Sciences/Healthcare 0.3

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

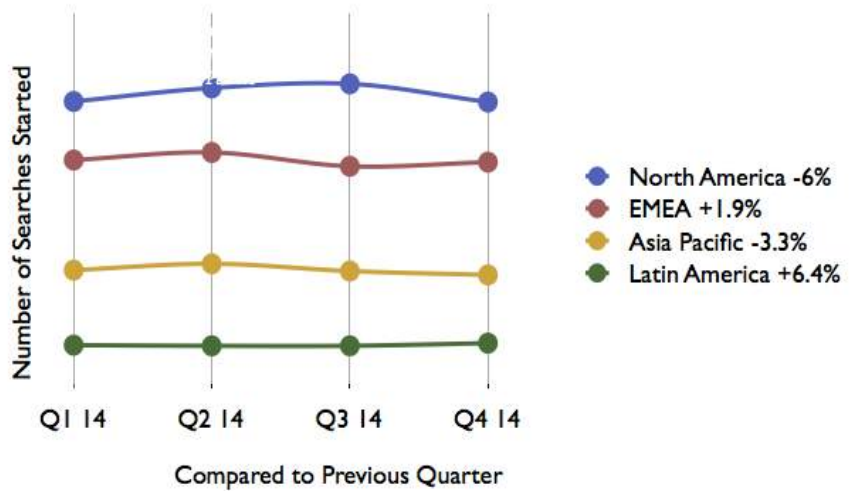
Year-on-year trend: Q4 2013 to Q4 2014

- Increasing: EMEA +8.9%, Latin America +8.1%, North America +5.8%, Asia Pacific +2.7%

Quarter-on-quarter trend: Q3 2014 to Q4 2014 (pictured below)

- Increasing: Latin America +6.4%, EMEA +1.9%
- Decreasing: North America -6%, Asia Pacific -3.3%

Trend in Average Number of Searches Started Quarterly, by Region



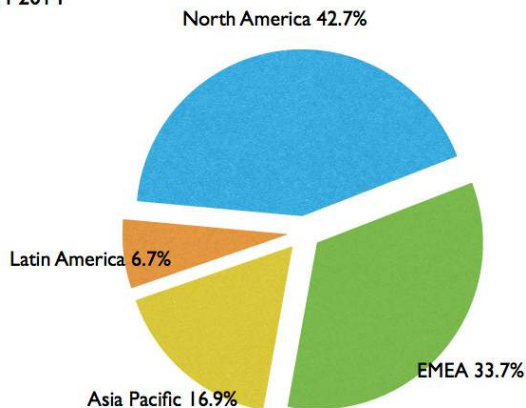
Market Share by Region

Year-on-year trend: Q4 2013 to Q4 2014 (pictured below)

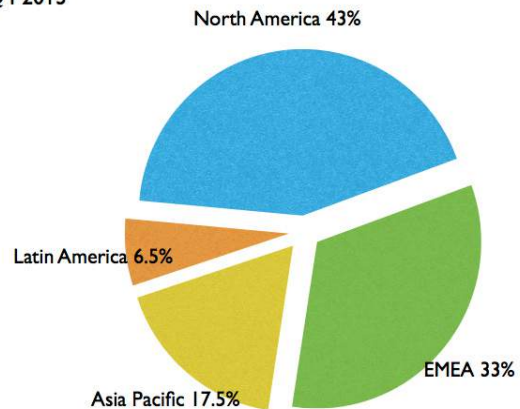
- Increasing: EMEA 0.7, Latin America 0.2
- Decreasing: Asia Pacific 0.6, North America 0.3

Searches Started Quarterly by Region, as Percentage of Total

Q4 2014



Q4 2013



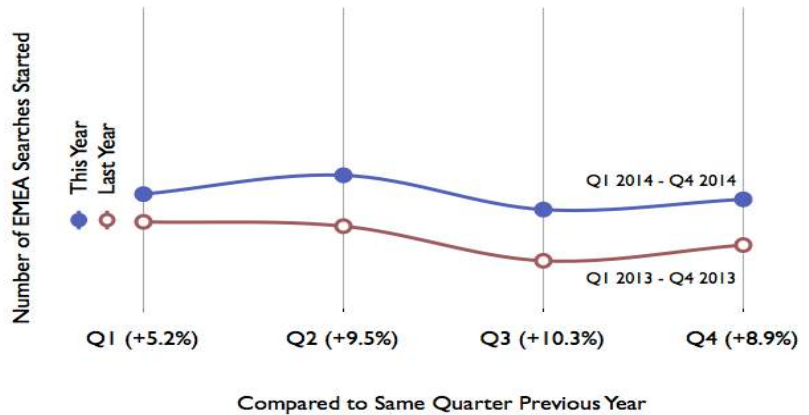
REGIONAL TRENDS EMEA - Q4 2014

Average Number of Searches Started in EMEA

Year-on-year trend: Q4 2013 to Q4 2014 +8.9% (pictured below)

Quarter-on-quarter trend: Q3 2014 to Q4 2014 +1.9%

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

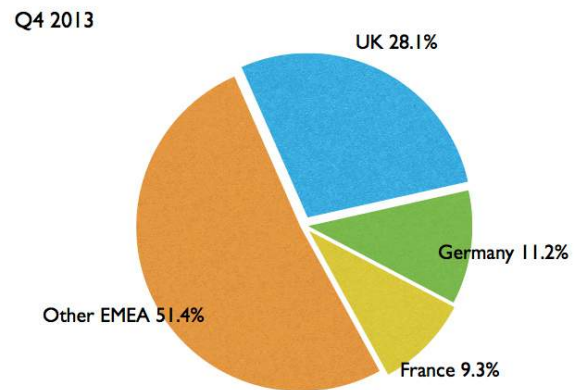
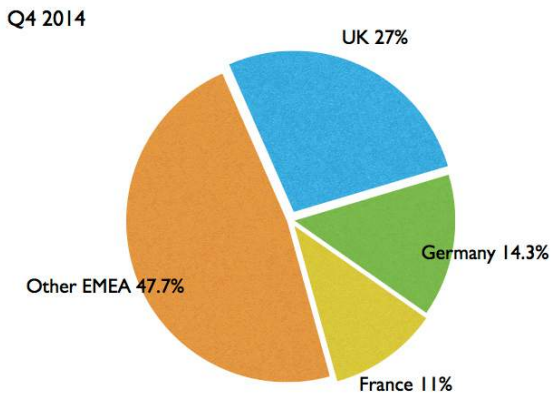


Market Share by EMEA Sub-Regions *

Year-on-year trend: Q4 2013 to Q4 2014 (pictured below)

- Increasing: Germany 3.1, France 1.7
- Decreasing: Other EMEA 3.7, UK 1.1

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



* Data for this question represents 658 executive search consultants, whereas data for all other questions represents 1,405 consultants.

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.