



## **AESC Insights**

**Q1 2015**

# **State of the Executive Search Industry**

First quarter trends indicate an increase in revenue and new assignments, buoyed by increased activity in the technology and non-profit sector.



## Technology and Non-Profit Sectors Inspire Rise in Executive Search and Leadership Consulting Assignments

First quarter trends indicate an increase in revenue and new assignments, buoyed by increased activity in the technology and non-profit sector

**F**irst quarter 2015 executive search and leadership consulting data indicates a quarter-on-quarter and year-on-year rise of new assignments in the technology sector of 18.9% and 13.8% respectively. Similarly, the non-profit sector recorded quarter-on-quarter growth of 28.8% and year-on-year growth of 13.9%.

This growth in new search activity underpins positive quarterly revenue growth for the profession overall, with 3.9% quarter-on-quarter growth and 7.5% year-on-year growth. The number of new assignments increased by 6.3% quarter-on-quarter and 5.5% year-on-year globally, presenting a positive outlook for the profession as the year progresses.

Karen Greenbaum, AESC President and CEO, said: "Our profession is optimistic about the year ahead, and these statistics reveal that this outlook is justified. AESC members serve their clients as trusted advisors, and continue to expand the value they provide through leadership consulting.

"The technology sector is at the heart of business today, driving customer relationships, strategic insights and operational efficiency. Executive search and leadership consulting

firms are alert to the latest developments in this sector and these statistics reveal that AESC members are meeting their clients' needs by filling emerging roles, such as Chief Information Security Officers, as well as the more traditional roles that continue to be in-demand."

The Industrial sector continued its recent momentum with a strong first quarter. The number of new assignments rose modestly by 3.5% quarter-on-quarter, but significantly by 18% year-on-year. The Industrial sector continues to be the largest market for executive search and leadership consulting, with 25.7% of global market share. Elsewhere, the Consumer sector recorded positive quarter-on-quarter growth of 9.7%, although year-on-year the number of assignments fell by 1.6%.

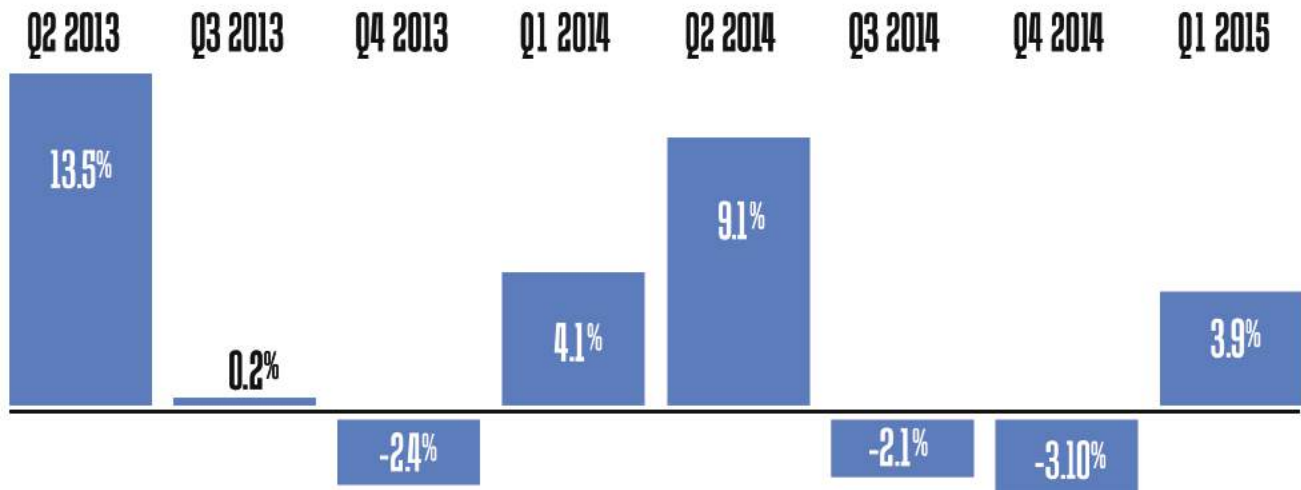
All major regions witnessed an increase in the number of assignments started both quarter-on-quarter and year-on-year, with North America recording the most notable growth of 7.2% and 6.9% respectively. The North American market represents 43.1% of the global market, with EMEA representing 33.4%, Asia Pacific representing 16.9%, and Latin America representing 6.6%. ■

# FINANCIAL TRENDS - Q1 2015

## Average Net Revenues

Year-on-Year Trend: Q1 2014 to Q1 2015 7.5%  
Quarter-on Quarter Trend: Q4 2014 to Q1 2015 3.9%

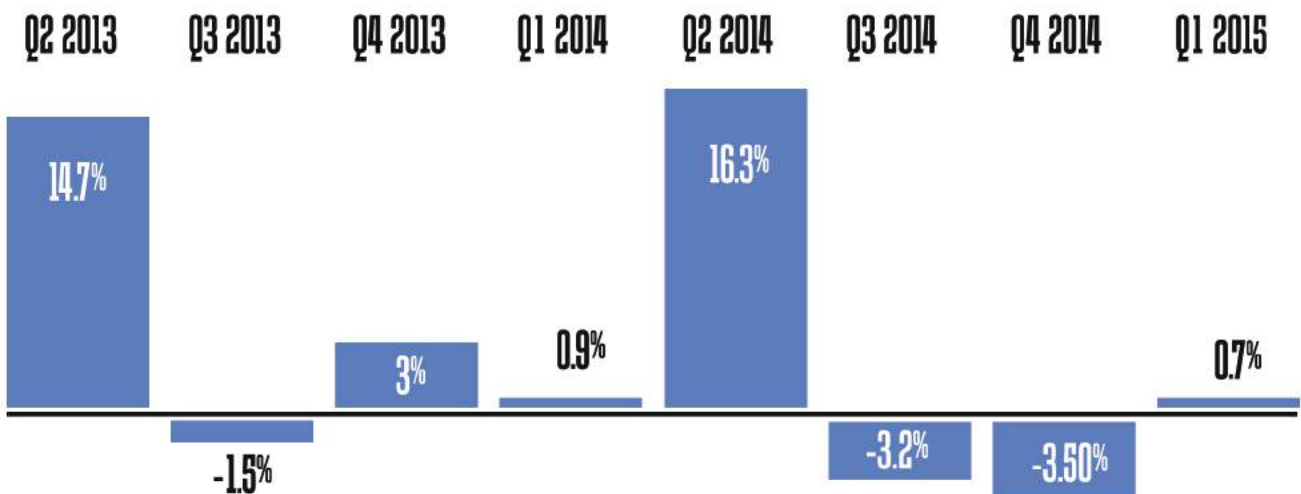
First quarter revenues are in line with last year's rise, demonstrating that Q1 is typically strong for executive search revenues.



## Average Revenue Per Consultant

Year-on-Year Trend: Q1 2014 to Q1 2015 +9.32%  
Quarter-on Quarter Trend: Q4 2014 to Q1 2015 +0.7%

Modest quarter-on-quarter growth of 0.7%, although following the dramatic rise of Q2 2014, it is not surprising to see a drop off for the next few quarters.

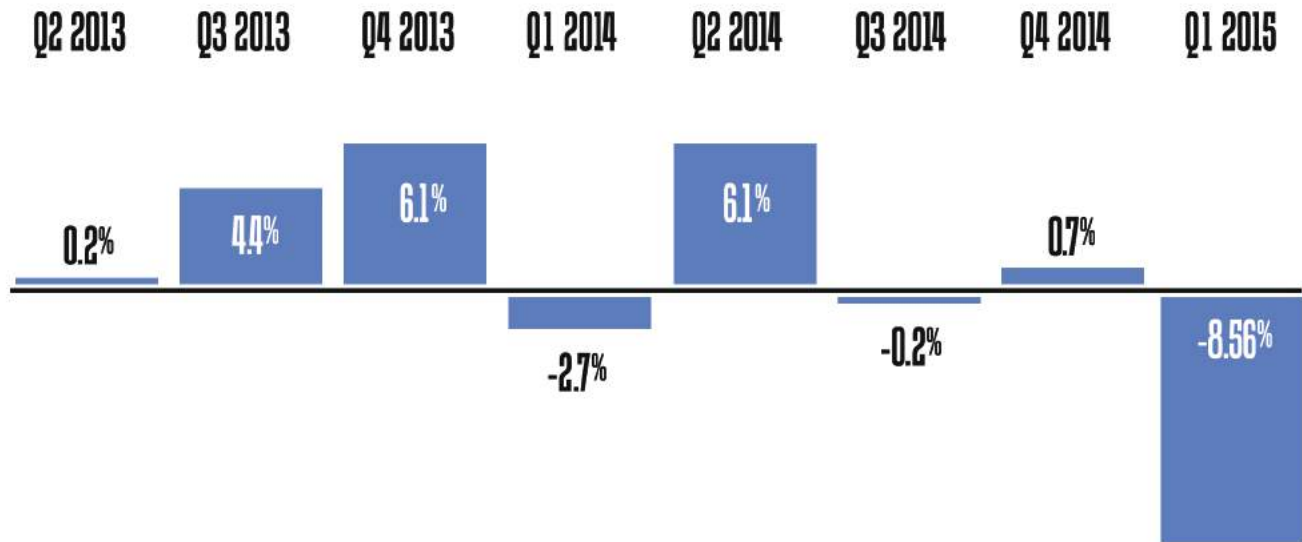




# Average Fee Per Search Assignment

Year-on-Year Trend: Q1 2014 to Q1 2015 -2.5%  
Quarter-on Quarter Trend: Q4 2014 to Q1 2015 -8.56%

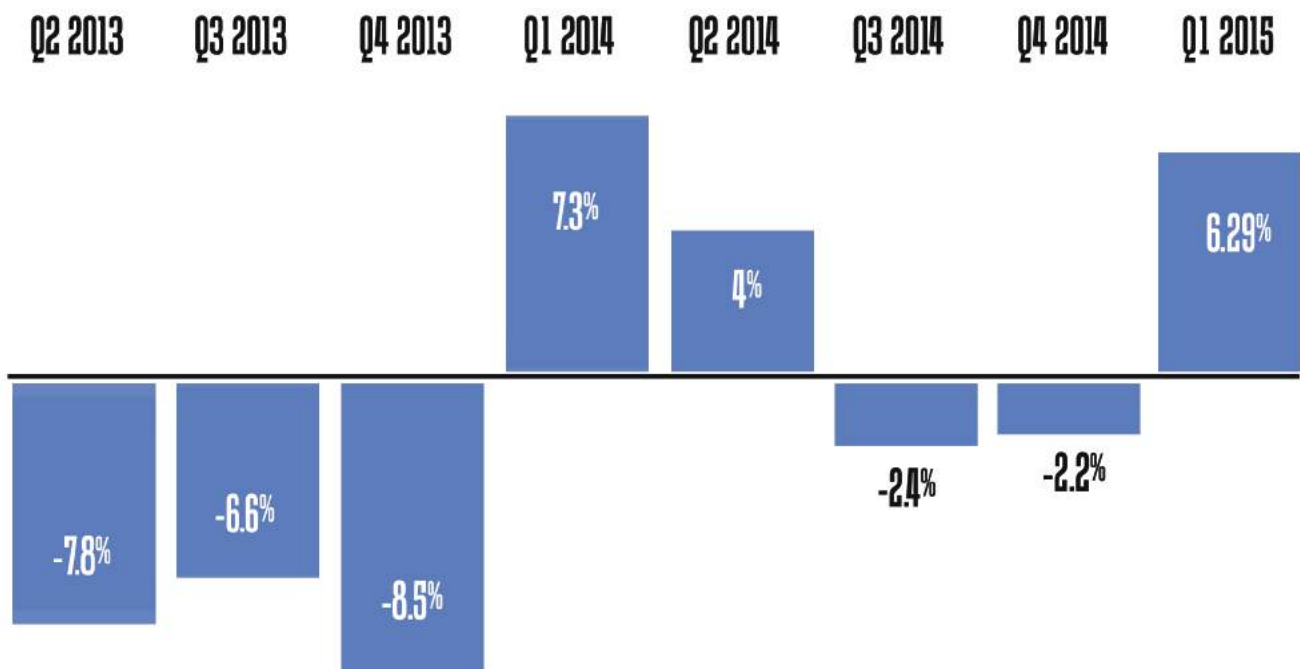
It is unclear what has caused the average fee per assignment to fall so dramatically during Q1 2015. One quarter does not make a trend, but we will monitor this closely during the rest of the year.



# Average Number of Searches Started

Year-on-Year Trend: Q1 2014 to Q1 2015 +5.48%  
Quarter-on Quarter Trend: Q4 2014 to Q1 2015 +6.29%

Recent AESC Member Outlook research revealed that the majority of member firms plan to hire more consultants this year. Along with the quarterly and annual increase of number of searches started, this points towards another positive year for the profession.



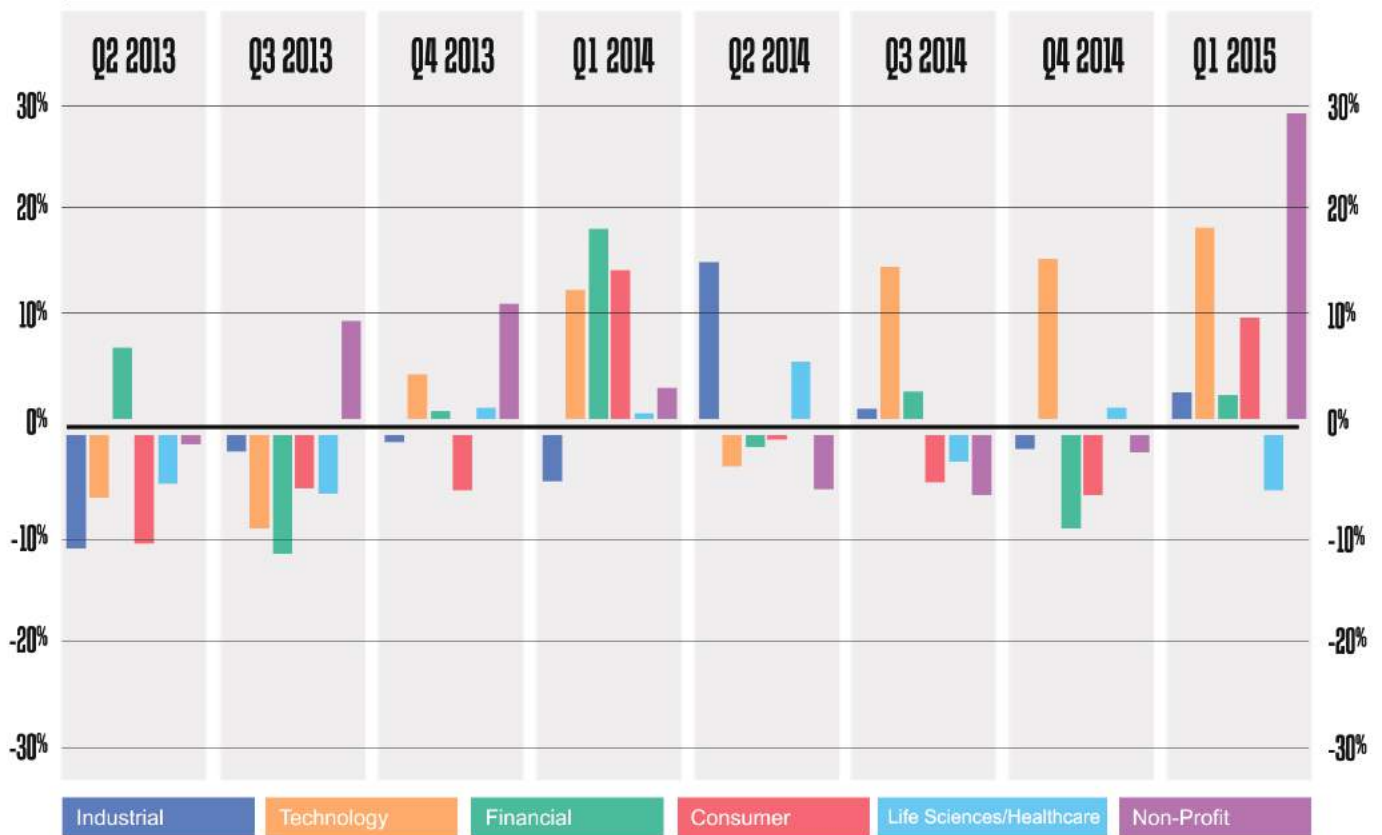
# INDUSTRY TRENDS - Q1 2015

## Avg Number of Searches Started by Industry

Quarter-on Quarter Trend: Q4 2014 to Q1 2015

**Increasing:** Non-Profit, 28.8%, Technology, 18.8%, Consumer, 9.7%, Industrial, 3.5%, Financial 3.1%

**Decreasing:** Life Sciences / Healthcare -5.5%



Year-on-Year Trend: Q1 2014 to Q1 2015

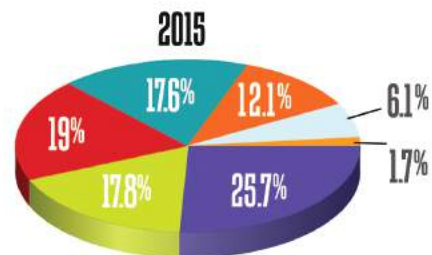
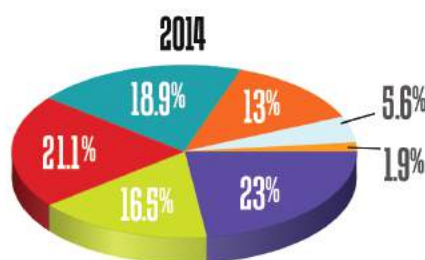
**Increasing:** Industrial: 18%, Non-profit: 13.9%, Technology: 13.8%

**Decreasing:** Financial: -5%, Consumer: -1.6%, Life Sciences / Healthcare: -2.1%

## Market Breakdown by Industry

Year-on-Year Trend: Q1 2014 to Q1 2015

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



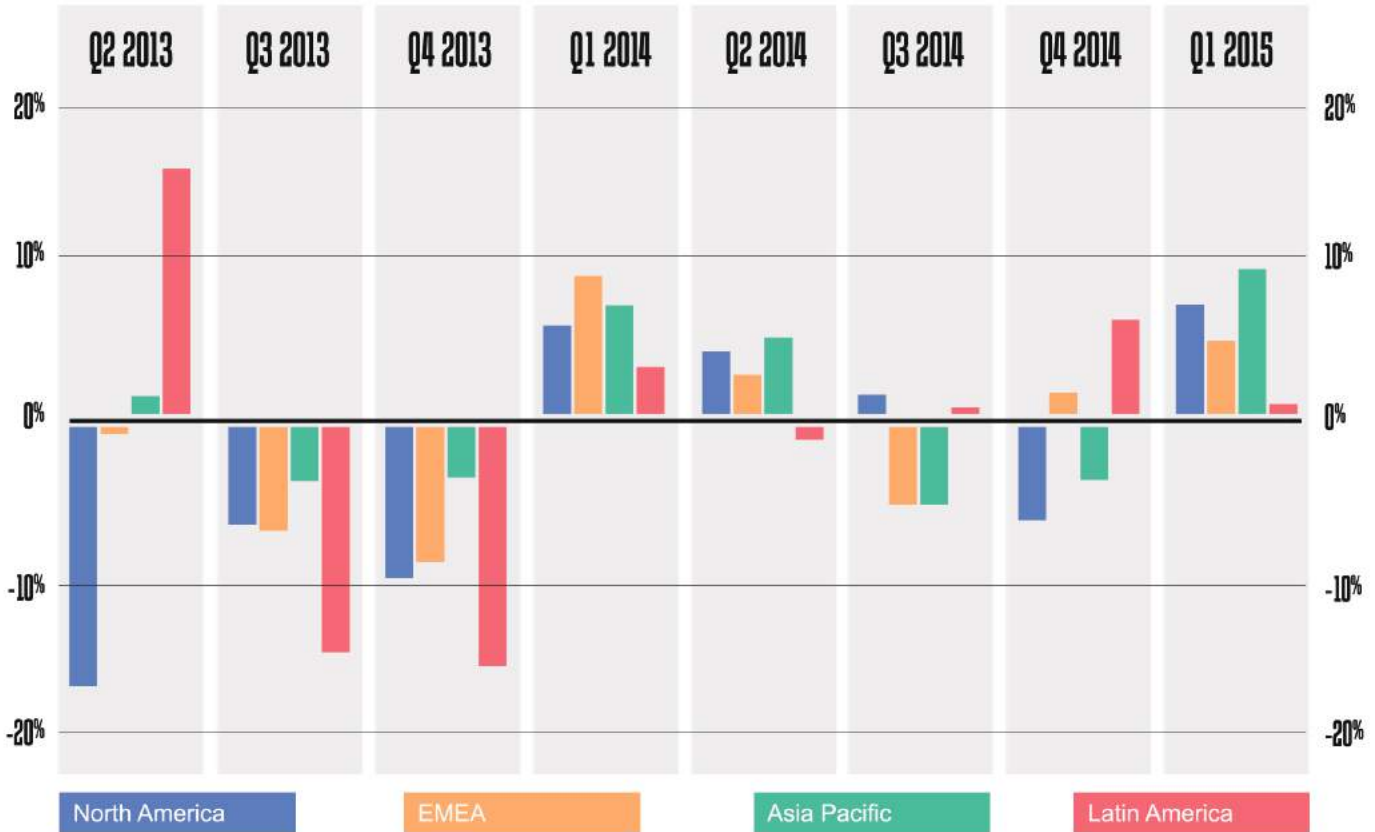
**Increasing:**  
 Industrial +2.7  
 Technology +1.3  
 Non-Profit +0.5

**Decreasing:**  
 Financial -2.1  
 Consumer Products -1.3  
 Life Sciences Healthcare -0.9

# Avg Number of Searches Started by Region

Quarter-on Quarter Trend: Q4 2014 to Q1 2015

**Increasing:** Asia Pacific: 9.9%, North America: 7.2%, EMEA: 4.5%, Latin America: 0.9%



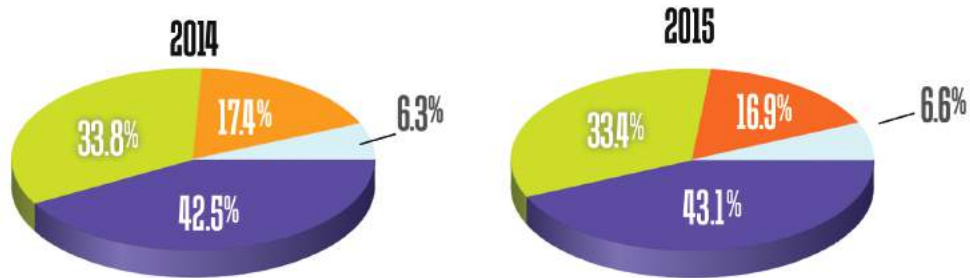
Year-on-Year Trend: Q1 2014 to Q1 2015

**Increasing:** Latin America: 10.9%, North America: 6.9%, EMEA: 4.4%, Asia Pacific: 1.9%

## Market Share by Region

Year-on-Year Trend: Q1 2014 to Q1 2015

- North America
- EMEA
- Asia Pacific
- Latin America



**Increasing:**  
North America +0.6  
Latin America +0.3

**Decreasing:**  
EMEA -0.4  
Asia Pacific -0.5

### 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](http://www.aesc.org). For information about the AESC's career service for executive-level professionals, visit [www.bluesteps.com](http://www.bluesteps.com).