



AESC Insights

Q4 2013

State of the Executive Search Industry

2013 Search Industry Revenues Up But Volume Down

Annual report shows growth in retained executive search and leadership consulting revenues, but a declining number of assignments



AESC State of the Executive Search Industry 2013 Annual Report

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 and leadership consulting industry. Data for the report is collected from a consistent sample of AESC member search firms representing the activity of 1,450 executive search consultants in 46 countries worldwide. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$10.57 billion in 2013.

2013 SEARCH INDUSTRY REVENUES UP BUT VOLUME DOWN

Annual report shows growth in retained executive search and leadership consulting revenues, but a declining number of assignments.

2013 Annual executive search and leadership consulting industry trend data revealed an 8.5% rise in global revenues over 2012, placing estimated 2013 industry revenues at \$10.57 billion worldwide.

The 2013 annual revenue increase comes despite an 8.5% drop in the number of new searches started in 2013 over 2012. Revenue strength is instead attributable to continued growth in the value of individual assignments, up 6.1% annually in 2013, highlighting demand at the top-end of the executive search and leadership consulting profession.

AESC President, Peter Felix, commented: “2013 has confirmed a trend that we have seen growing for the past several years, which is that client organizations are turning to our member firms for top level leadership assignments but less for the volume appointments of the past. Encouragingly this has not affected fee revenue which is now again very close to the all time high of 2008. With the rebound of major economies for executive search such as the USA and United Kingdom the outlook for our profession during the next few years seems very positive”.

On a regional level, North America remained the largest market for executive search in 2013 holding a 44.8% share of global search activity, followed by EMEA, which accounted for 31.5% of retained executive searches in 2013. Then Asia Pacific with a 17% market share, followed by Central/South America at 6.7%.

Of the major industries surveyed in the AESC’s 2013 annual report, Industrial held the largest share of worldwide senior executive search activity with 25.8% of the market in 2013, followed by a resurgent Financial Services sector with 19.1% of new searches started, and then Consumer Products (18.3%), Technology (15.4%), and Life Sciences/Healthcare (13.6%).

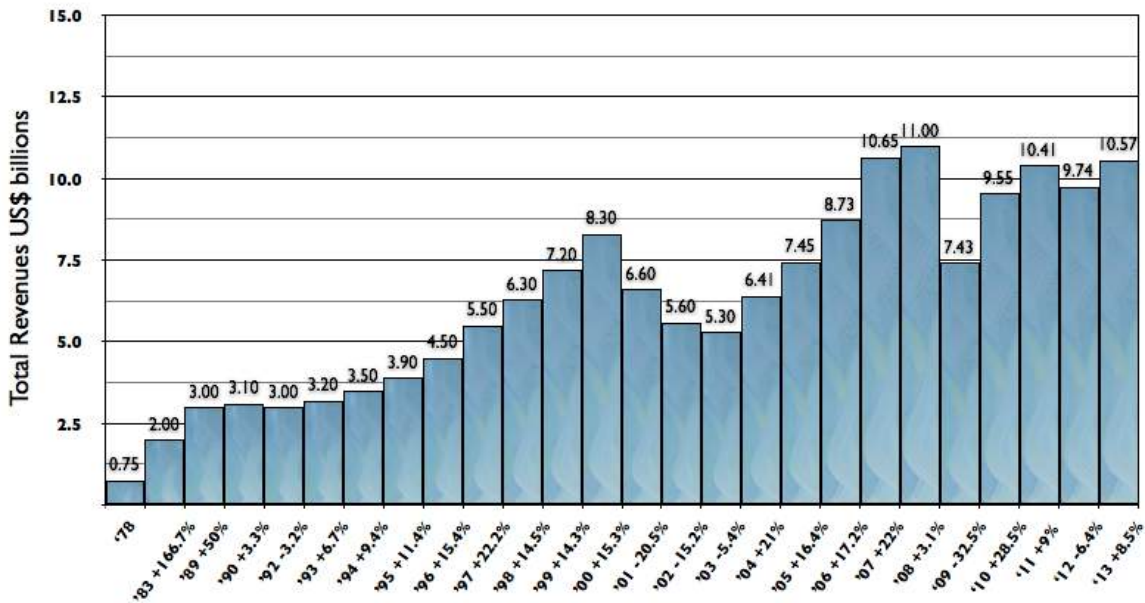
2013 Annual State of the Executive Search Industry Report

FINANCIAL TRENDS - 2013

Trend in Average Net Revenues: 1978 - 2013

Global retained executive search industry revenues rose +8.5% annually from 2012 to 2013, resulting in estimated worldwide industry revenues of \$10.57 bn for the year 2013.

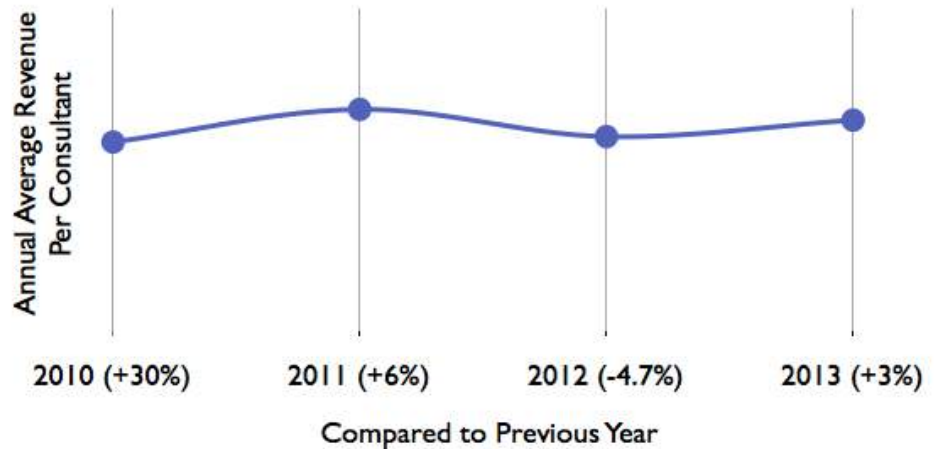
Estimated Worldwide Retained Executive Search Industry Revenues 1978 - 2013



Average Revenue Per Consultant

Annual trend: 2012 to 2013 +3% (pictured below)

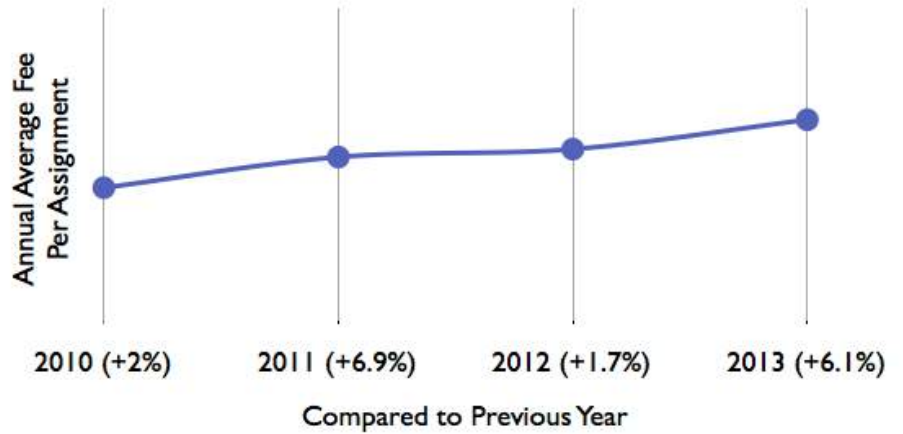
Trend in Annual Average Revenue Per Consultant, as Compared to Previous Year



Average Fee Per Search Assignment

Annual trend: 2012 to 2013 +6.1% (pictured below)

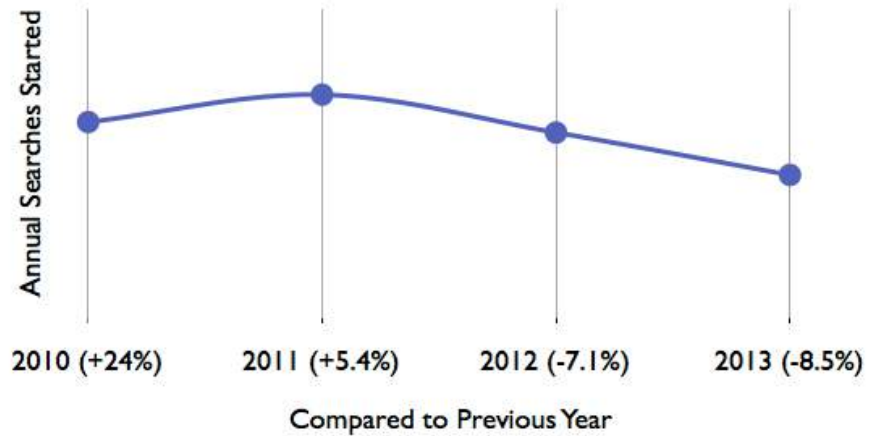
Trend in Annual Average Fee Per Search Assignment, as Compared to Previous Year



Average Number of Searches Started

Annual trend: 2012 to 2013 -8.5% (pictured below)

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



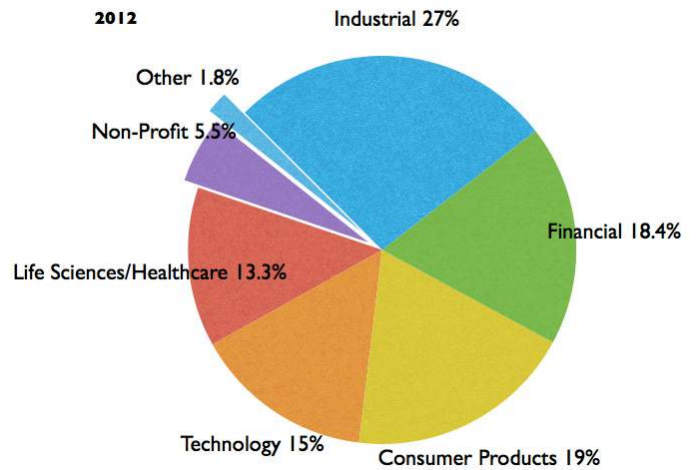
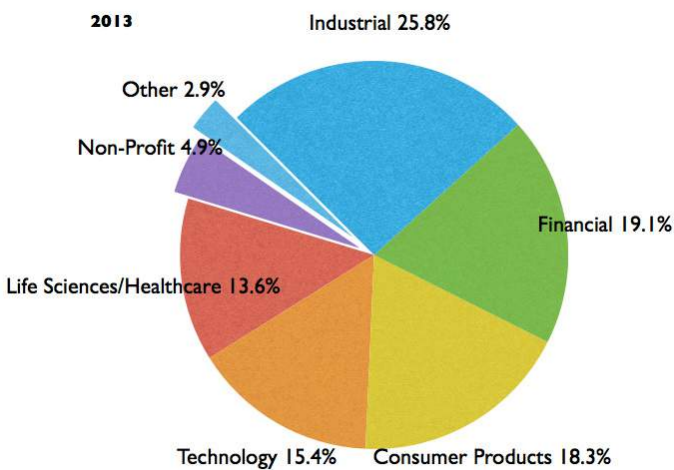
INDUSTRY TRENDS - 2013

Market Breakdown by Industry

Annual trend: 2012 to 2013 (pictured below)

- Increasing: Financial +0.7%, Technology +0.4%, Life Sciences/Healthcare +0.3%
- Decreasing: Industrial -1.2%, Consumer Products -0.7%, Non-Profit -0.6%

Searches Started Annually by Industry, as Percentage of Total



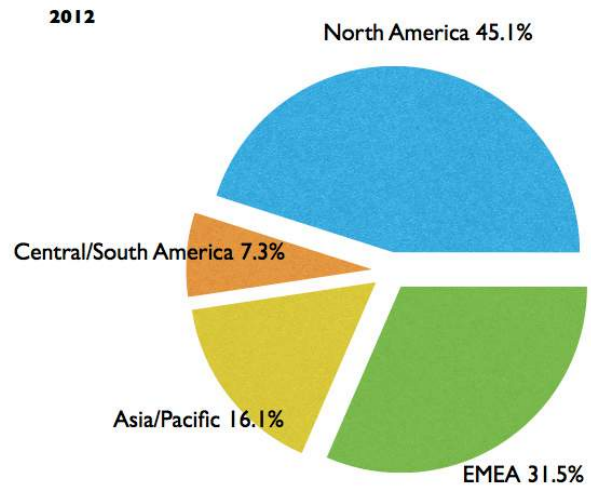
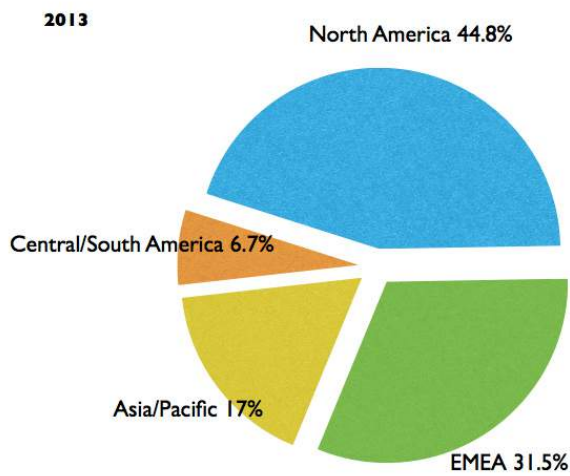
REGIONAL TRENDS GLOBAL - 2013

Market Breakdown by Region

Annual trend: 2012 to 2013 (pictured below)

- Increasing: Asia/Pacific +0.9%
- Decreasing: Central/South America -0.6%, North America -0.3%
- No change: EMEA

Searches Started Annually by Region, as Percentage of Total

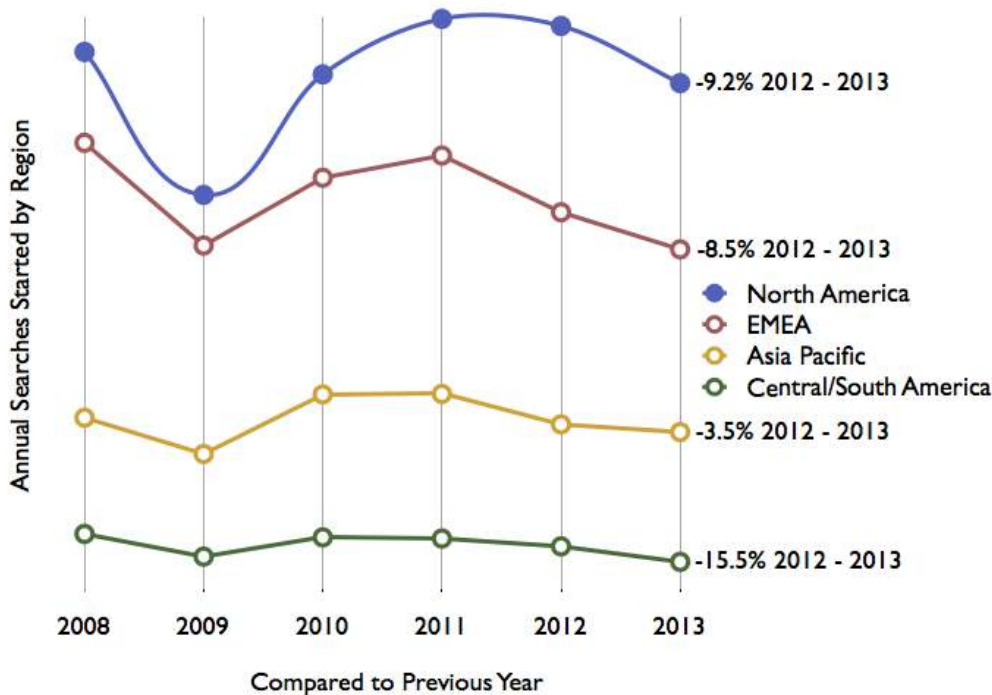


Average Number of Searches Started by Region

Annual trend: 2012 to 2013 (pictured below)

- Decreasing: Central/South America -15.5%, North America -9.2%, EMEA -8.5%, Asia/Pacific -3.5%

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



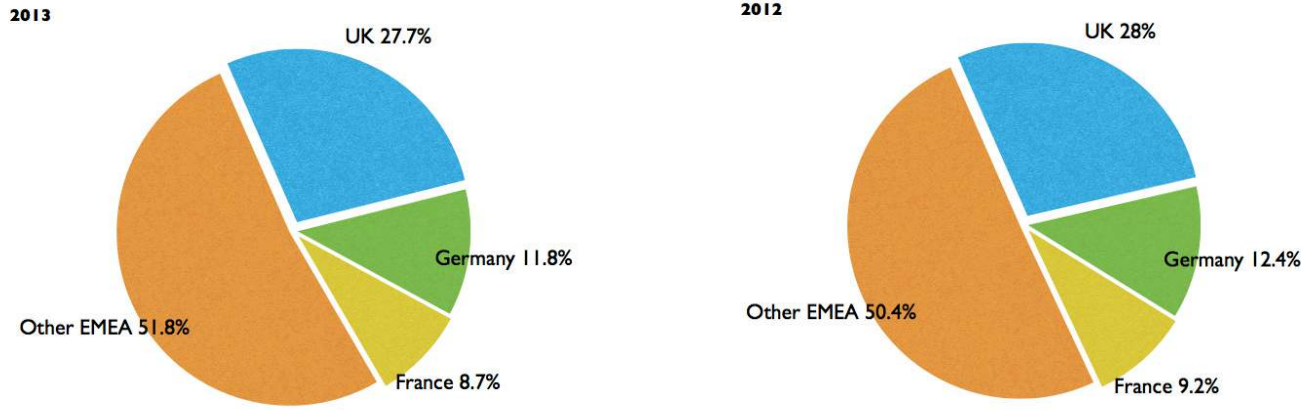
REGIONAL TRENDS EMEA - 2013

EMEA Regional Breakdown *

Annual trend: 2012 to 2013 (pictured below)

- Increasing: Other EMEA +1.4%
- Decreasing: Germany -0.6%, France -0.5%, UK -0.3%

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



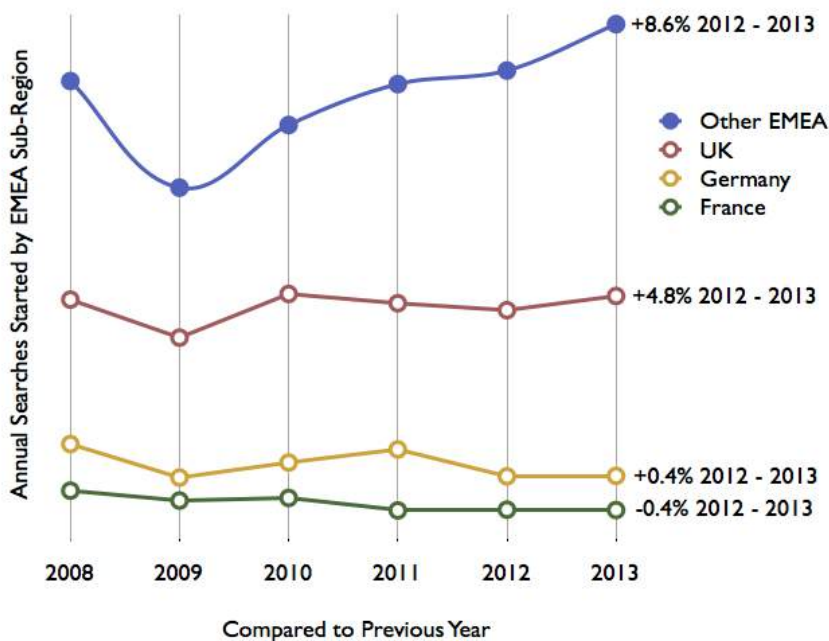
* Data for this question represents 725 executive search consultants in 46 countries, whereas data for all other questions represents 1,450 consultants in 46 countries.

Average Number of Searches Started by EMEA Sub-Region

Annual trend: 2012 to 2013 (pictured below)

- Increasing: Other EMEA +8.6%, UK +4.8%, Germany +0.4%
- Decreasing: France -0.4%

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



Fourth Quarter 2013 State of the Executive Search Industry Report

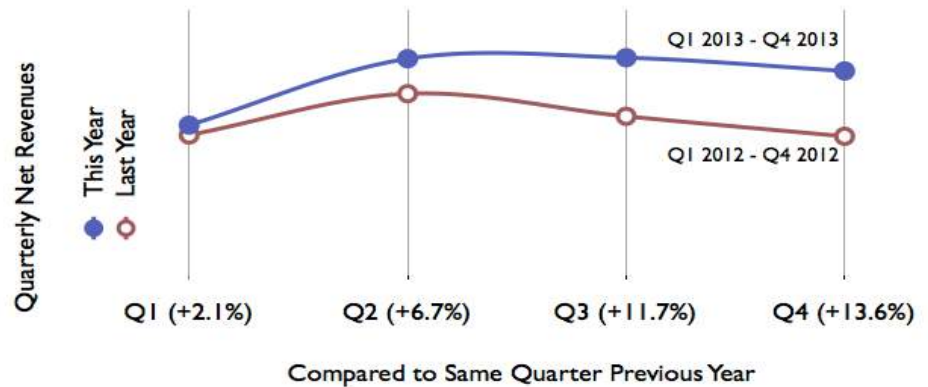
FINANCIAL TRENDS - Q4 2013

Average Net Revenues

Year-on-year trend: Q4 2012 to Q4 2013 +13.6% (pictured below)

Quarter-on-quarter trend: Q3 2013 to Q4 2013 -2.4%

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

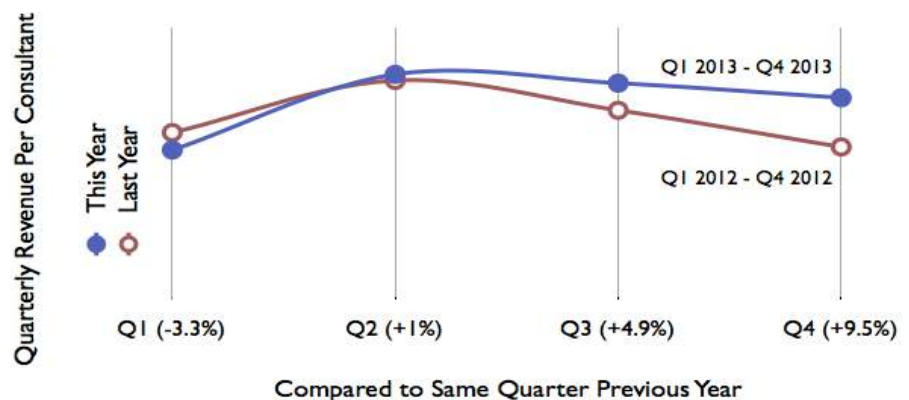


Average Revenue Per Consultant

Year-on-year trend: Q4 2012 to Q4 2013 +9.5% (pictured below)

Quarter-on-quarter trend: Q3 2013 to Q4 2013 -2.5%

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



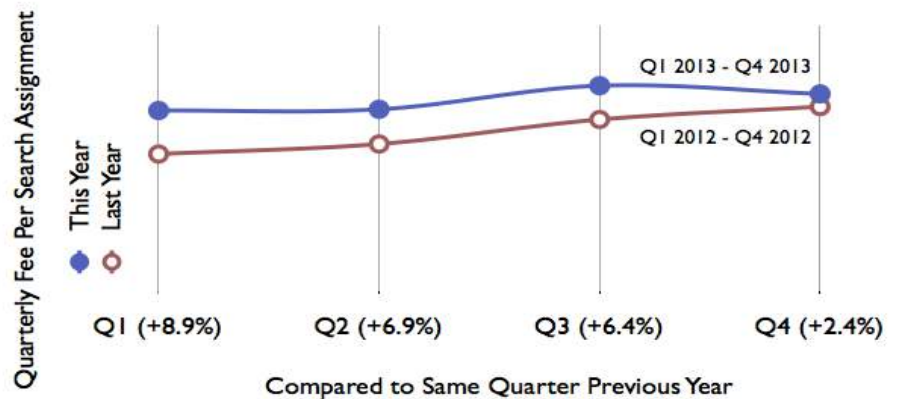
FINANCIAL TRENDS - Q4 2013 *continued...*

Average Fee Per Search Assignment

Year-on-year trend: Q4 2012 to Q4 2013 +2.4% (*pictured below*)

Quarter-on-quarter trend: Q3 2013 to Q4 2013 -1.5%

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

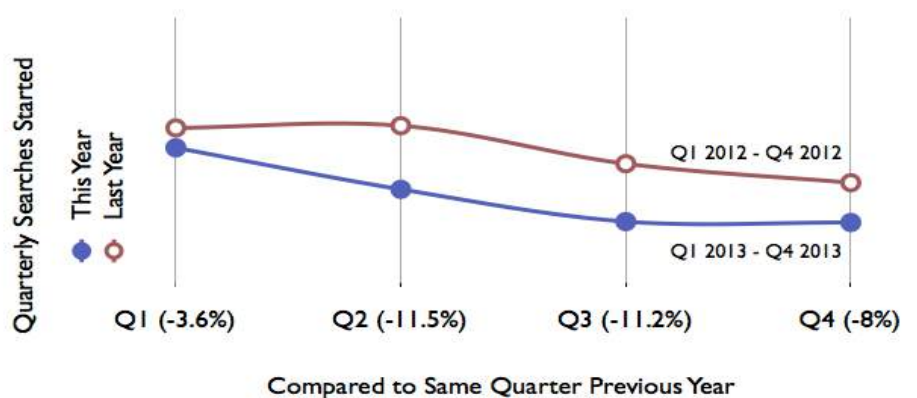


Average Number of Searches Started

Year-on-year trend: Q4 2012 to Q4 2013 -8% (*pictured below*)

Quarter-on-quarter trend: Q3 2013 to Q4 2013 -0.1%

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



Average Number of Searches Started by Industry

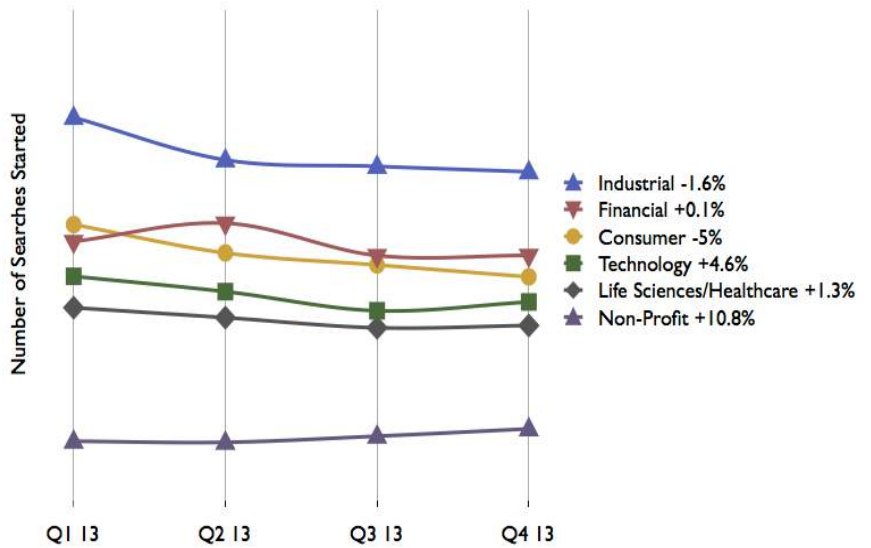
Year-on-year trend: Q4 2012 to Q4 2013

- Decreasing: Consumer -13.8%, Industrial -9.3%, Technology -6.4%, Life Sciences/Healthcare -6.3%, Financial -4.5%
Non-Profit -1.2% ~ from a smaller survey sample

Quarter-on-quarter trend: Q3 2013 to Q4 2013 (pictured below)

- Increasing: Technology +4.6%, Life Sciences/Healthcare +1.3%, Financial +0.1%
Non-Profit +10.8% ~ from a smaller survey sample
- Decreasing: Industrial -1.6%, Consumer -5%

Trend in Average Number of Searches Started Quarterly, by Industry

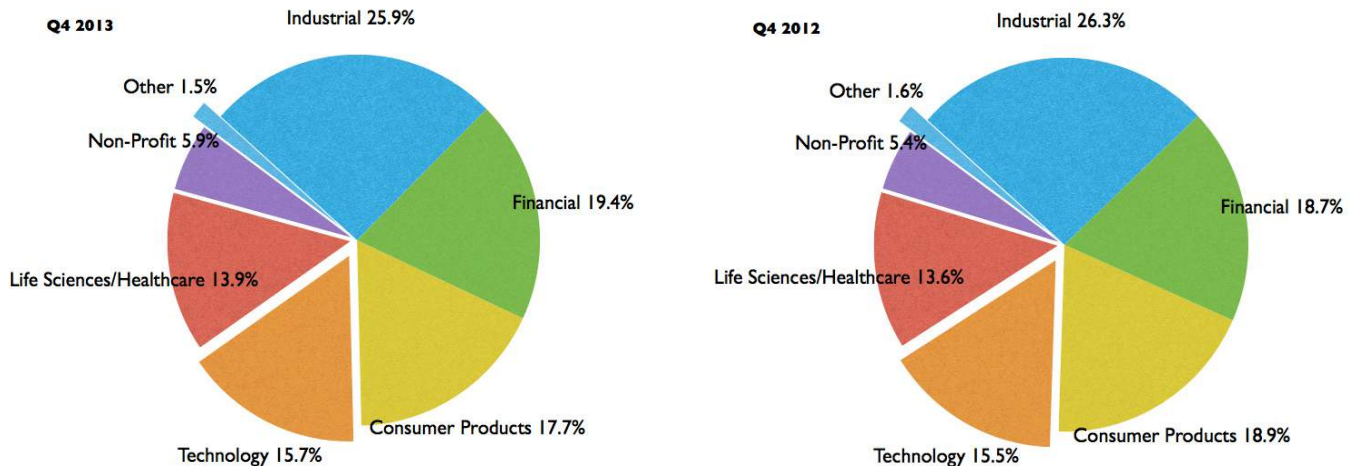


Market Breakdown by Industry

Year-on-year trend: Q4 2012 to Q4 2013 (pictured below)

- Increasing: Financial +0.7%, Non-Profit +0.5%, Life Sciences/Healthcare +0.3%, Technology +0.2%
- Decreasing: Consumer Products -1.2%, Industrial -0.4%

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

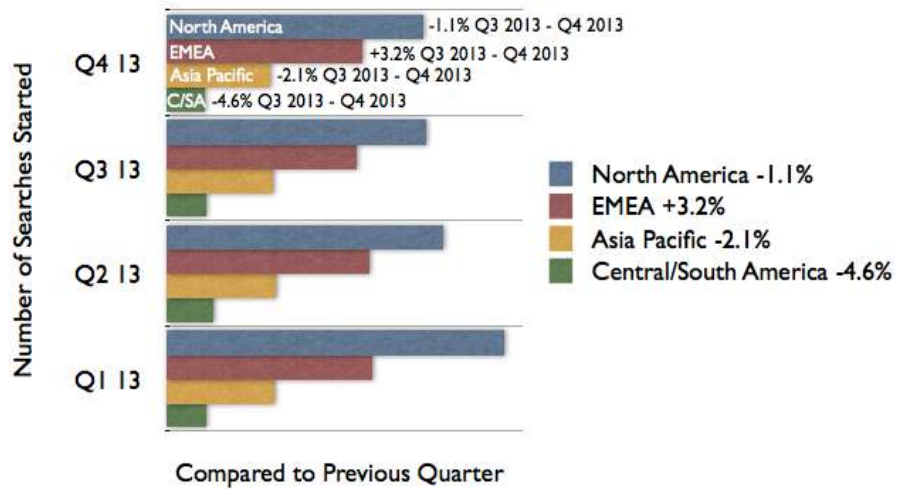
Year-on-year trend: Q4 2012 to Q4 2013

- Increasing: Asia Pacific +16.7%, Central/South America +0.4%
- Decreasing: North America -20.4%, EMEA -0.5%

Quarter-on-quarter trend: Q3 2013 to Q4 2013 (pictured below)

- Increasing: EMEA +3.2%
- Decreasing: Central/South America -4.6%, Asia Pacific -2.1%, North America -1.1%

Trend in Average Number of Searches Started Quarterly, by Region

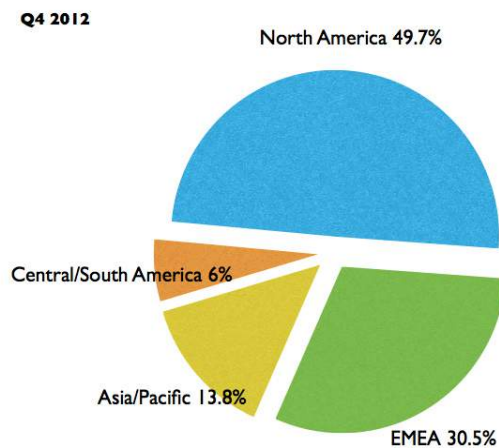
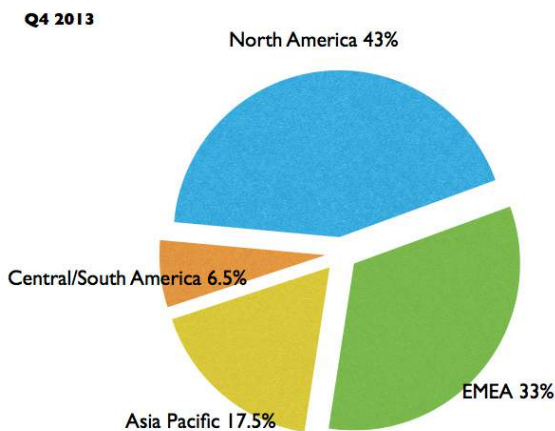


Market Share by Region

Year-on-year trend: Q4 2012 to Q4 2013 (pictured below)

- Increasing: Asia Pacific +3.7%, EMEA +2.5%, Central/South America +0.5%
- Decreasing: North America -6.7%

Searches Started Quarterly by Region, as Percentage of Total

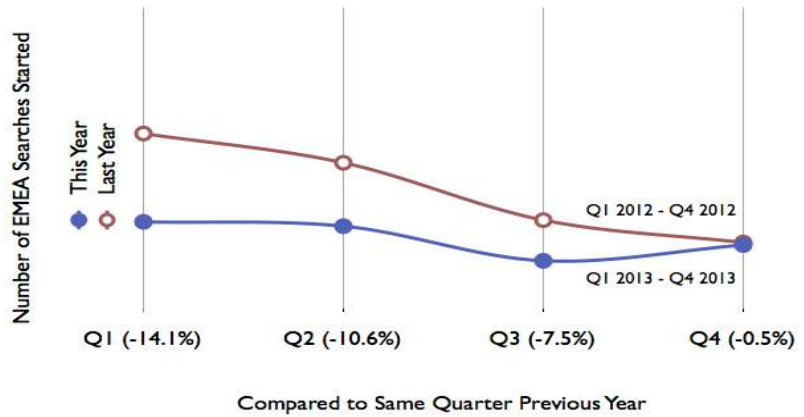


Average Number of Searches Started in EMEA

Year-on-year trend: Q4 2012 to Q4 2013 -0.5% (pictured below)

Quarter-on-quarter trend: Q3 2013 to Q4 2013 +3.2%

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

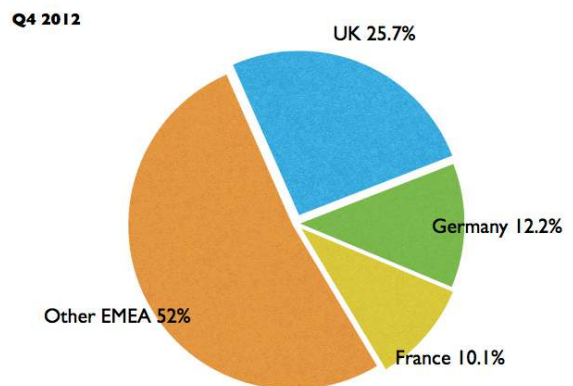
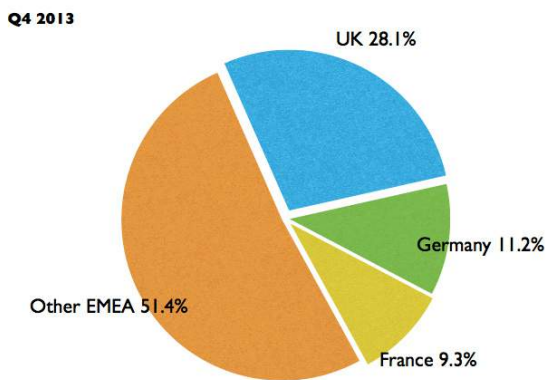


Market Share by EMEA Sub-Regions *

Year-on-year trend: Q4 2012 to Q4 2013 (pictured below)

- Increasing: UK +2.4%
- Decreasing: Germany -1%, France -0.8%, Other EMEA -0.6%

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



* Data for this question represents 725 executive search consultants in 46 countries, whereas data for all other questions represents 1,450 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 and leadership consulting industry. The AESC promotes the highest professional standards in retained executive search and leadership consulting through its industry recognized Code of Ethics and Professional Practice Guidelines. The AESC also serves to broaden public understanding of the retained executive search and leadership consulting process and acts 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.

The AESC also offers www.bluesteps.com, a career management service for senior executives, and www.executivesearchconnect.com, a free service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC's International Executive Search Directory.