

AESC Global Executive Talent Outlook 2018 Summary Report



Dedicated to strengthening leadership worldwide

Key Insights at a Glance

AESC's State of the Executive Search & Leadership Consulting Profession study provides annual insight into how our profession performs year-on-year and how our services continue to evolve to meet client demand. Our findings this year paint a picture of a financially robust profession on a path of transformation. Here's what we found:

STRONG GLOBAL DEMAND FOR EXECUTIVE SEARCH IN 2017.

Executive search revenues and search volume grew substantially in 2017, spurred by a more robust global economy. Many AESC members point to 2017 as their best year in the past five years, while the trend continues into 2018.

WAVE OF OPTIMISM AMONG AESC MEMBERS FOR THE YEAR AHEAD.

AESC members are overwhelmingly optimistic about 2018, a notable change from their outlook just one year ago. AESC members embrace the strengthened global economy and new client demand as budgets increase and new technologies spawn new roles and new leadership profiles.

US AND ASIAN MARKETS FORECAST TO EXPERIENCE GREATEST GROWTH IN 2018.

While the US leads the forecast for greatest expected market growth in 2018, it is closely followed by three Asian markets: China, India and Southeast Asia.

State of the Profession: 2017 Performance Global Executive Search Revenues Bounce Back

While the growth of leadership consulting revenues outpaced the growth of search revenues in 2016, 2017 experienced accelerated revenue growth for executive search. The volume of executive searches increased year-on-year in all three regions AESC serves: Americas; Asia Pacific & Middle East; and Europe & Africa. Leadership revenues continued to grow at a healthy rate. A more stable global economy has spurred business performance in many markets, especially since

mid-last year, creating a need for new talent and talent-related advisory services. As budget constraints loosen and as the rapid rate of new technologies demands fresh leaders with digital leadership expertise, new roles are emerging requiring new skills and attributes. More organizations than ever are turning to executive search and advisory firms as they find themselves faced with a tight candidate market and a scarcity of talent with the right new skillsets.

Based on confidential data provided by 14

firms and networks, AESC estimates that global revenues for the profession for all lines of business have increased by 8.34% year-on-year climbing to \$14B USD (Chart 1.1). Top talent increasingly provides the competitive advantage that companies need to thrive in rapidly changing, complex, and often volatile, business climates. Senior leaders increasingly realize the significant return on investment of partnering with a trusted advisor to attract, develop and retain top talent while achieving long-term strategic goals.

Executive Search and Leadership Consulting Profession Revenues Grow to \$14 Billion

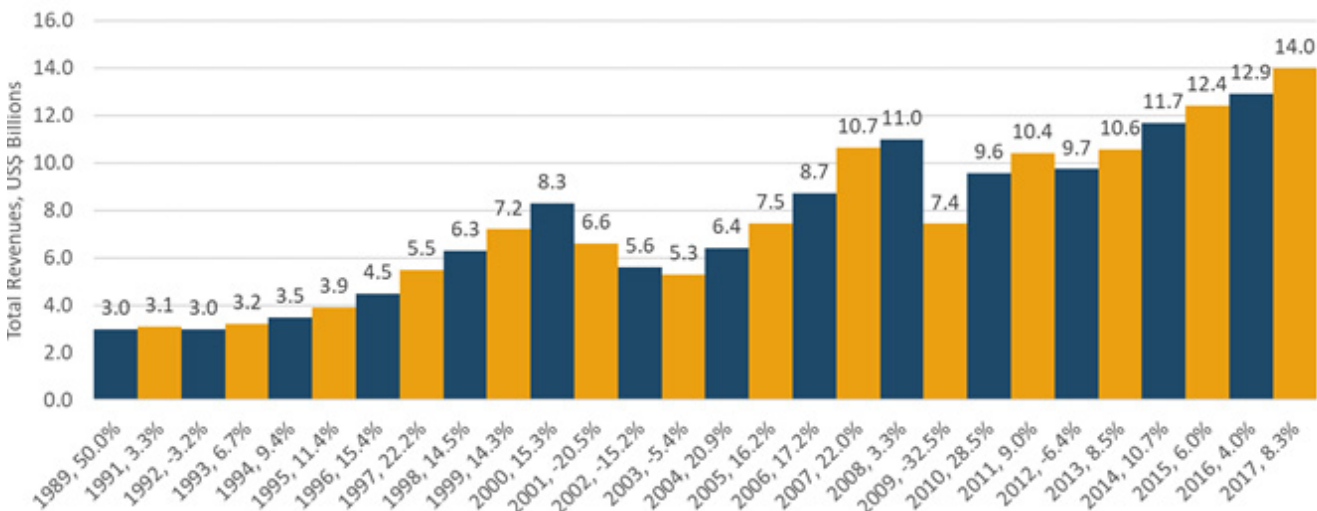


Chart 1.1: Estimated worldwide Executive Search & Leadership Consulting Revenues 1989-2017

2018 AESC Member Outlook

A Stronger Global Economy Catapults Optimism Within the Profession in 2018

AESC's State of the Profession report provides annual insight into how the executive search and leadership consulting profession performs year over year, with a drill-down glimpse by region and sector. To predict what lies ahead for

the profession, AESC also surveys its global membership on an annual basis to glean their forecast for the year ahead. This year, our survey received 582 responses worldwide, including 203 firm leaders, including office, practice, or functional leaders. AESC

members shared their level of optimism for the global economy, their national economies and for the executive search and leadership consulting profession, displaying an overwhelmingly positive outlook at levels unseen in recent years.

Chart 2.1: AESC member optimism for 2018

AESC Members are Bullish in 2018

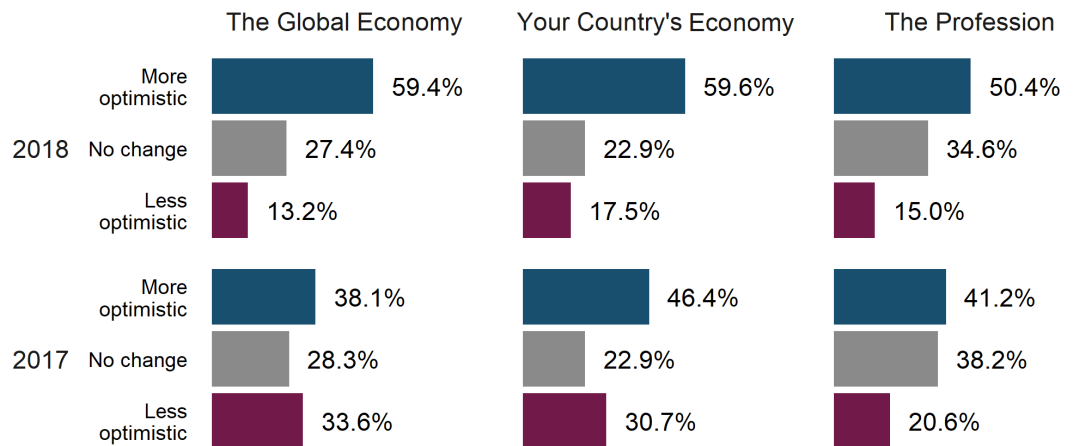
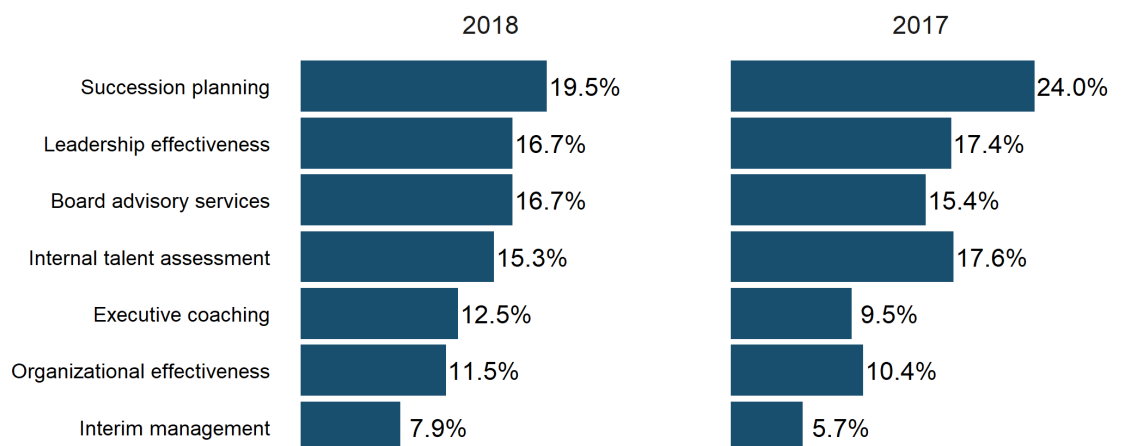


Chart 2.2: Most in demand leadership advisory services for 2018 as forecast by AESC members worldwide

Succession Planning and Board Advisory Lead Demand for 2018



While revenues for executive search services increased in 2017, leadership advisory services also continued to grow. The top leadership advisory services

predicted by AESC members to grow at the fastest rate in 2018 include, in order of predicted growth: Succession Planning (19.5%); Board Advisory and Leadership

Effectiveness tied at second place (16.7%); and Internal Talent Assessment (15.3%). See Chart 2.2.

Technology Sector Expected to Experience Strongest Growth in 2018

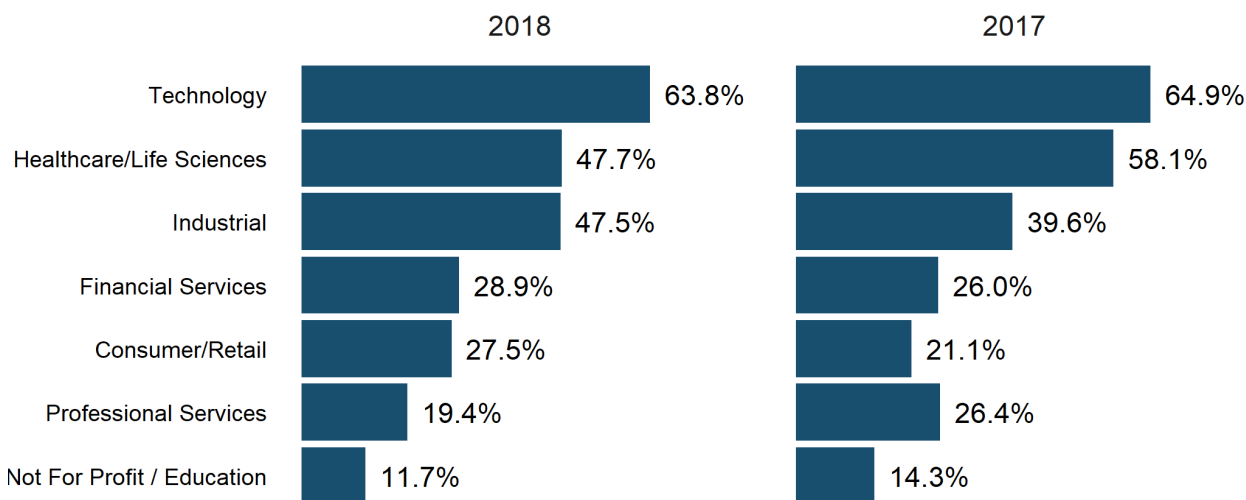


Chart 2.3: Sectors forecast to experience the most growth in 2018

AESC members believe that Technology, followed closely by Healthcare/Life Sciences and Industrial, will experience the most growth in 2018 (Chart 2.3). According to our latest AESC State of the Profession data, these represent the sixth, second

and fourth, respectively, largest sectors for the profession currently. While Technology declined in revenues year-on-year for two consecutive years, AESC members continue to forecast it as the highest growth sector in 2018. Healthcare/Life Sciences revenues

grew 13.6 percentage points year-on-year and AESC members predict it will continue to have strong growth throughout 2018 with many AESC members commenting on significant growth specifically in Life Sciences.

AESC Members Predict CEO/Board of Directors and CIO/CTO as Most in Demand Functions for 2018

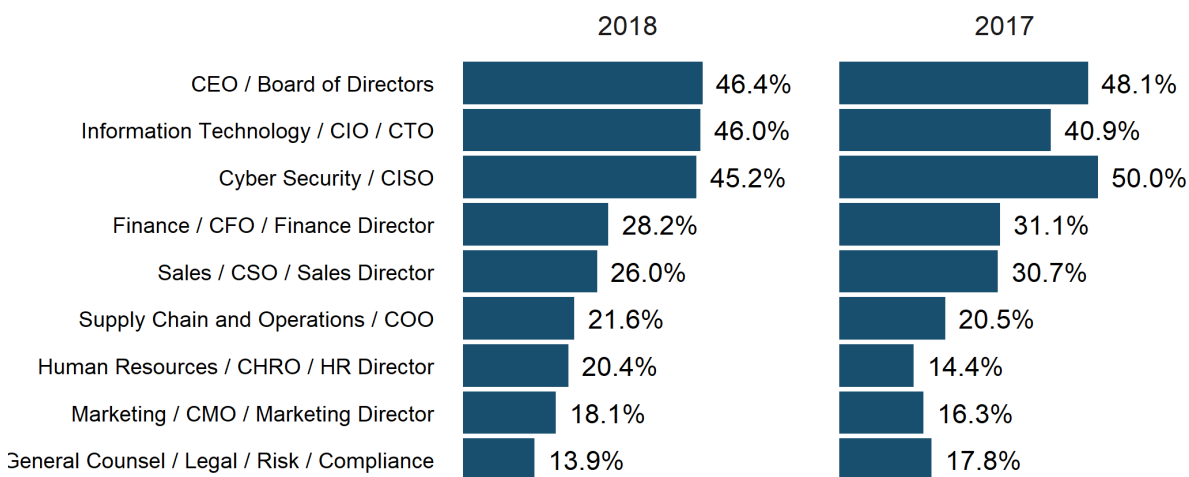


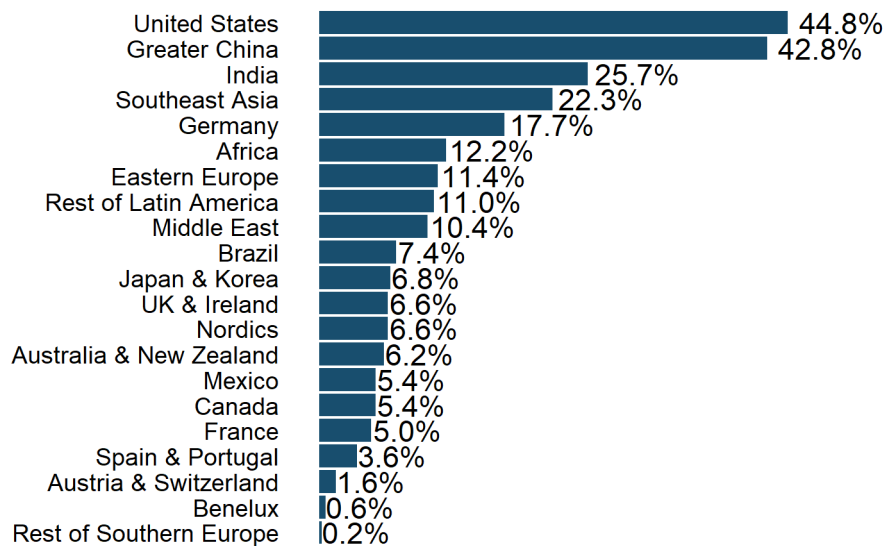
Chart 2.4: Functions forecast to experience the most demand growth in 2018

Increased mobility and demand for executive search services has shifted the rankings for the highest growth functions, with CEO and Board of Directors now back

at the top of the rankings in 2018 after CISO having led functional growth forecasts for the past three years. AESC members predict CIO/CTO will be the second highest

growth function for 2018, followed by CISO, now in third position.

Strong Growth Forecast for the United States and Asian Markets in 2018



The United States, followed closely by China and then India continue to represent the highest growth markets for 2018, as predicted by AESC members now for two consecutive years. Southeast Asia (including Singapore, Indonesia, Thailand, Vietnam, Philippines and Myanmar) has now ranked above Germany for expected growth this year. Asia represents major opportunities for the profession with three of the top four expected growth markets in the region.

Chart 2.5: Top geographic markets forecast to experience the most growth in 2018, by percentage of AESC members worldwide

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Access AESC's original research to discover insights on key trends influencing executive-level talent worldwide.

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2018 AESC Forecast for the Profession

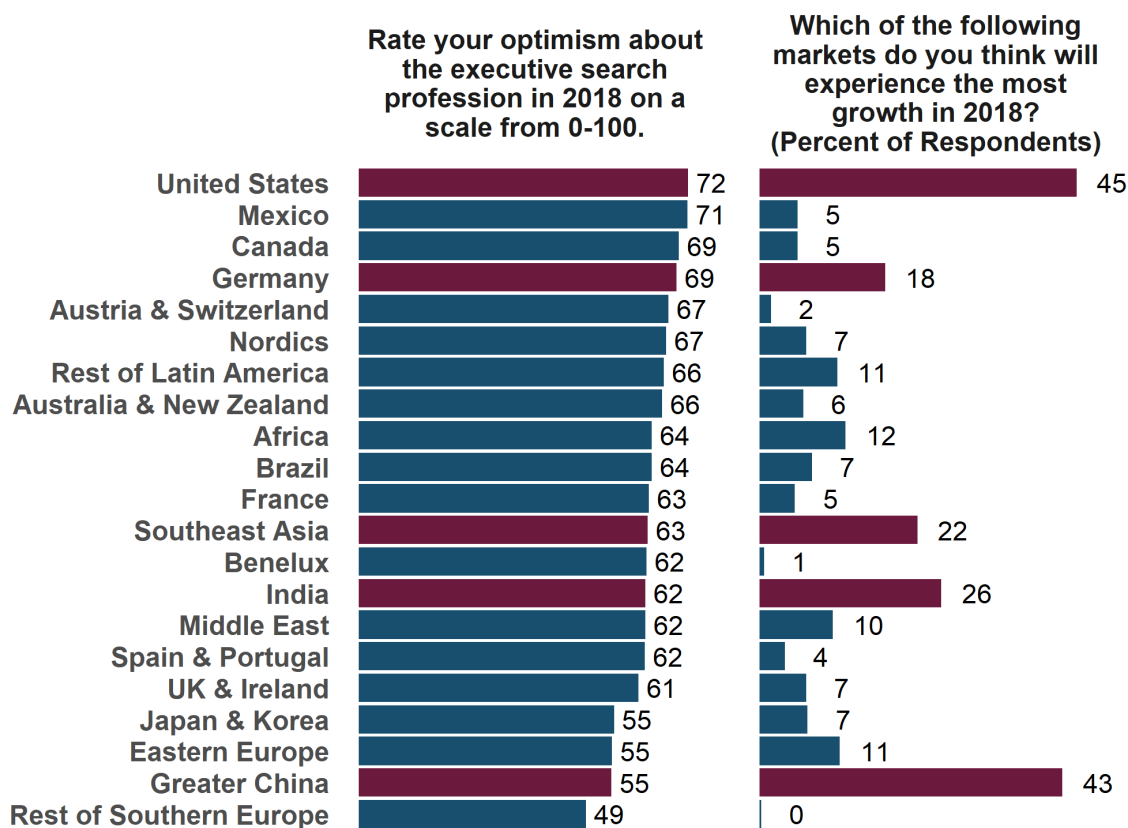
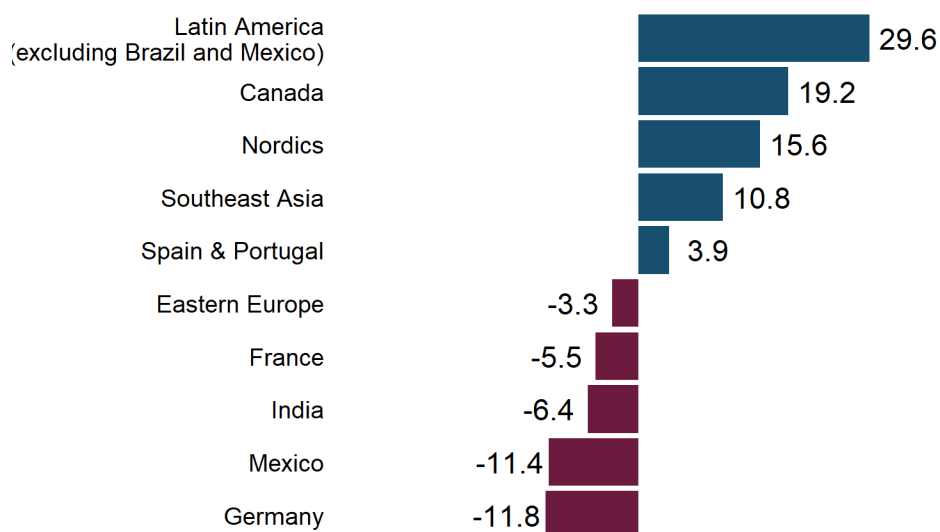


Chart 2.6: Optimism about the profession 2018 scored by region, with 100 representing the highest level of optimism and 0 representing the lowest



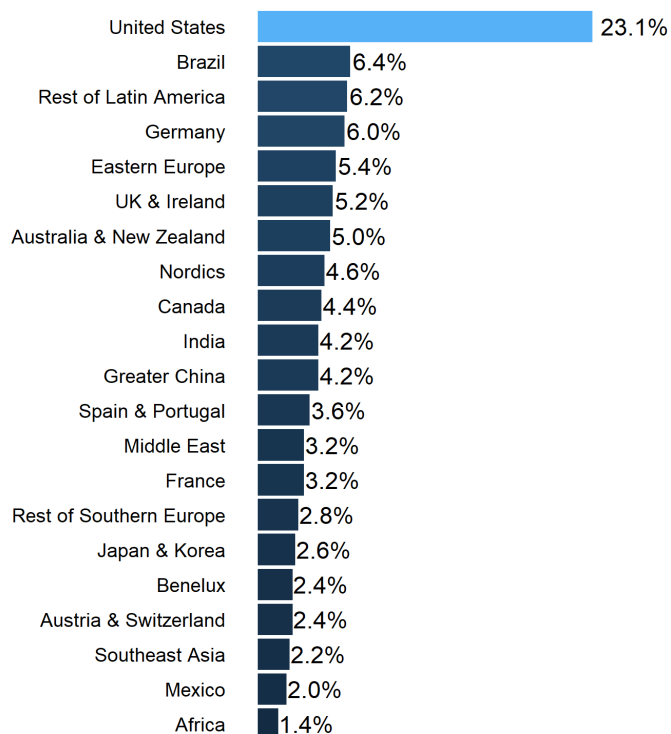
The United States leads in optimism for the profession in 2018, followed by Mexico, Canada and Germany (Chart 2.6), with Germany representing the market with the greatest year-on-year decline but still representing an optimistic outlook overall (Chart 2.7). Parts of Southern Europe (Greece, Italy, Turkey), Greater China (including Hong Kong and Taiwan), and Eastern Europe make up the least optimistic for the profession in 2018. While Mexico ranks as the second most optimistic market for the profession in 2018, optimism among the rest of Latin America (excluding Brazil) grew by 29.6 points, with the greatest year-on-year gains by market.

Chart 2.7: Average rating change in optimism by subregion

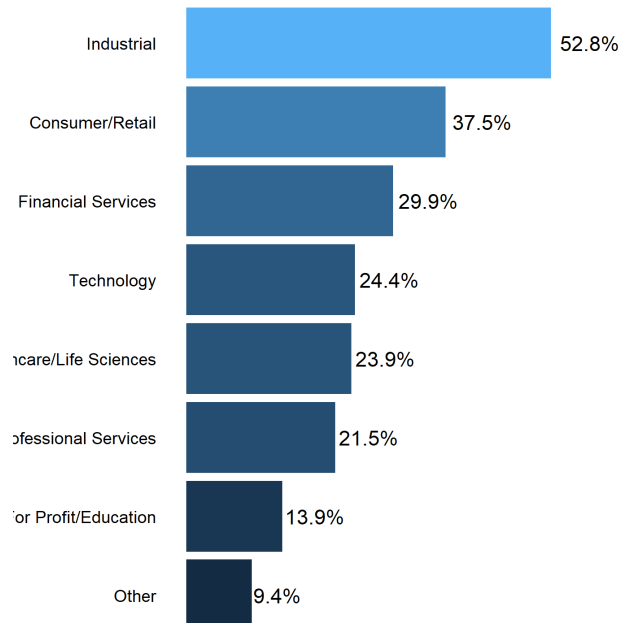
About our Study

AESC conducted its survey from January through March 2018 and received 582 individual responses, including 203 firm leaders.

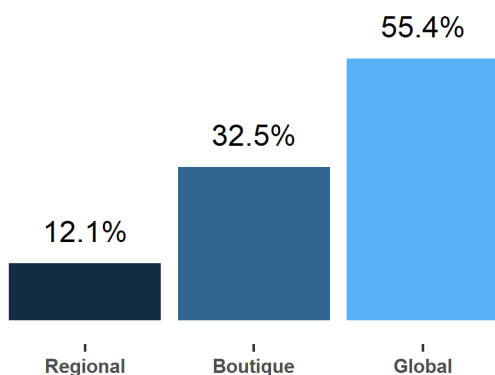
Geography



Industry Specialization



Firm Type



Participant Demographics

582 AESC Members





DEDICATED TO STRENGTHENING LEADERSHIP WORLDWIDE

Organizations worldwide increasingly compete in a high-speed, high-tech, high-stakes environment. The key to success is having the right leaders leading in the right way. Providers of executive talent solutions, from executive search and assessment to board advisory and succession planning, have a profound influence on global business.

Since 1959, the Association of Executive Search and Leadership Consultants (AESC) has set the quality standard for the executive search and leadership advisory profession.

AESC Members, ranging in size from large global executive search and leadership advisory firms and networks to regional and boutique firms, represent 16,000+ trusted professionals in 70+ countries. Members leverage their access and expertise to place, find and develop more than 100,000 executives each year in board and C-level positions for the world's leading organizations of all types and sizes.

AESC facilitates diverse and innovative thinking in global leadership. World-class executive search and leadership consulting firms join AESC to demonstrate their commitment to the quality standard AESC represents and to shape the future of the profession. Business leaders worldwide retain AESC members as trusted advisors to minimize risk and gain competitive advantage.

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