

STATE OF THE EXECUTIVE SEARCH AND LEADERSHIP CONSULTING PROFESSION

EXECUTIVE TALENT
SPECIAL EDITION

2025

We share exclusive insights from
500+ AESC Members,
300+ Clients and
1300+ Candidates.

By the
Association of
Executive Search and
Leadership Consultants (AESC)

aesc.org

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KEY INSIGHTS AT A GLANCE

AESC's *State of the Executive Search and 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. We look at the financial performance of the profession globally and across industries and geographies. We also hear from AESC Members worldwide on their expectations for the year ahead.

For 2019, in our 60th anniversary year, we have added special insight from both clients and candidates to this year's report. Revisiting the framework of AESC's *Executive Talent 2020* report from 2016, we have surveyed clients worldwide three years later to better understand their top business challenges today and by 2025, how they currently use external advisors and how they plan to use them in the future, as well as how our profession can better serve them.

Our findings this year show that digital transformation tops the agenda of client organizations worldwide. Digital is driving demand for both agile leaders and agile organizations, increasing focus on developing next generation leaders, and fueling a critical need for diversity in the C-Suite and at Board level.

Clients are also revisiting their business models and racing to tap into disruptive technologies to better serve their customers, and in the process, expand their portfolios of products and services. These forces combined place a tremendous new demand on talent. In The Conference Board's *C-Suite Challenge 2019: The Future-Ready Organization*, on which AESC partnered, CEOs around the world revealed 'attraction and retention of top talent' as their number one business issue.

Our study echoes The Conference Board's findings. The most critical issues revealed by clients in our report all stem back to the right leaders leading in the right way.

HERE'S WHAT WE FOUND:



Digital transformation continues to be a top business issue for clients today, presenting new business opportunities for AESC Members, including 'digital leadership' advisory services.



Developing next generation leaders and creating and maintaining cultures of innovation top the list of priorities for clients by 2025.



Clients view their organization's brand or employer value proposition as the greatest challenge to attracting the right talent.



Clients view being able to provide enough growth or development as the greatest challenge to retaining the right talent.



M&A, long-term value creation, and board recruitment top the list of priorities for boards of directors by 2025.



Nearly a third of clients expect their work with executive search firms to grow by 2025, but the same percentage expect growth of their own in-house recruitment teams.



Business leaders worldwide rate the diversity within their organization's executive ranks fair at best, but better by those in organizations that publicly report their diversity data.



Clients cite delivering diverse candidates as the number one way that executive search firms can better serve them.

INTRODUCTION

As Executive Search and Leadership Consulting Revenues Exceed \$15 Billion USD, Digital Drives New Demand for Top Talent

Our *State of the Executive Search and Leadership Consulting Profession* data reveals that 2018 brought the best growth for the profession since the Global Recession. Executive search experienced 12% growth by year's end and leadership consulting grew by 12.8%. We estimate that global revenues for the executive search and leadership consulting profession, across all lines of business, has now climbed to \$15.6B USD.

Digital is driving critical demand for new talent, and in the process, a new golden era for executive search, while fueling emerging opportunities for new advisory services. With all the focus on the disruptive technologies of Industry 4.0 in recent years, we find that there is an even more voracious need for talent in a Business 4.0 environment.

Business leaders understand that their organizations must be increasingly agile in order to seize the opportunities of digital and thrive in a rapid and often uncertain global business climate. They seek innovation and know that diverse talent is critical to bringing new perspectives and fresh thinking to their organizations, and they are looking to executive search firms to deliver it.

They are also looking to the next generation of leaders for the talent they need. Organizations risk losing institutional knowledge and years of management experience as the Baby Boom generation exits the workforce in many markets around the world. Developing next gen leaders has come much more in focus as today's C-Suite realizes they will need to expedite the growth of their successors.

All of these key business issues are talent issues. As a result, there are win-win opportunities for increased partnership between executive talent advisors and their clients.

In this report, we share with you, our members, what we heard from clients about their needs today and by 2025, what candidates want, and the state of our profession. We offer insights that can help you strengthen your relationships with clients and candidates and grow your businesses.



Karen Greenbaum
AESC President and CEO



REVENUES CLIMB TO \$15.6 BILLION

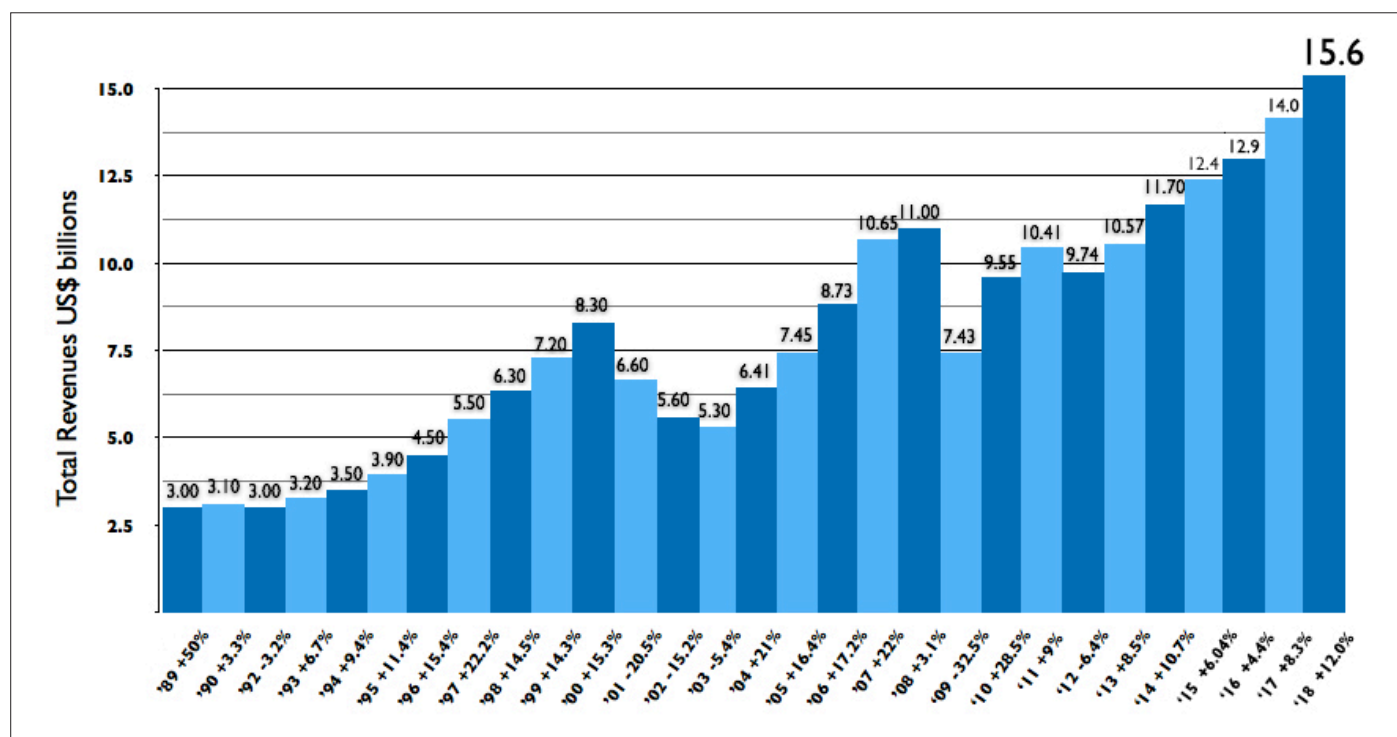


Chart A: Estimated worldwide executive search and leadership consulting revenues 1989 – 2018

THE STATE OF EXECUTIVE TALENT IN 2025?

Digital drives agility, innovation and diversity

KEY ISSUE FOR CLIENTS TODAY

DIGITAL TRANSFORMATION

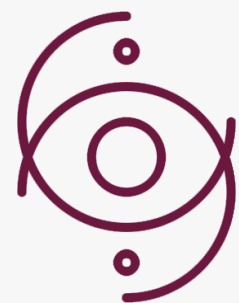


KEY ISSUE FOR CLIENTS BY 2025

DEVELOPING NEXT GEN LEADERS



CREATING/MAINTAINING CULTURES OF INNOVATION



73%

of clients plan to provide focused development to next gen leaders in the next five years

74%

of clients by 2025 expect to seek the expertise of external advisors to plan for leadership succession

71%

of clients are open to working with an executive search firm in the next five years for guidance on digital leadership

KEY ISSUE FOR CLIENTS ARE TALENT ISSUES

Attraction and retention of top talent ranked #1 business issue by CEOs worldwide.

43% of CEOs cite lack of talent and skills as a barrier to future innovation, making it the biggest obstacle to overcome by 2020.

C-Suite Challenge™ 2019: The Future-Ready Organization, The Conference Board



FUTURE CLIENT CHALLENGES - 2025

- Developing next gen leaders
- Creating/maintaining a culture of innovation
- Actualizing digital transformation



WHERE CLIENTS EXPECT TO WORK WITH EXTERNAL ADVISORS

- Succession planning
- Leadership effectiveness
- Organizational effectiveness



WHERE AESC MEMBERS EXPECT GROWTH IN LEADERSHIP ADVISORY SERVICES

- Digital leadership
- Board assessment & advisory
- Leadership development

WHAT CLIENTS NEED TODAY AND IN 2025

For our study, we sought to develop a deeper understanding of the top business issues that clients are grappling with today and what they expect to be challenged by in five years. We surveyed more than 300 business leaders around the world to gain insight on their top challenges, where they see opportunities and their expectations in developing relationships with executive search and leadership consulting firms.

We started by asking about key business issues and how those issues inform their use of external advisors. Clients identified ‘actualizing digital transformation’ at the top of the list of today’s issues. Industry 4.0 technologies have created a ‘Business 4.0 environment’ which is fundamentally different than that of the past. The new world of global business requires much more agility, requires new traits and competencies of leaders and demands a different type of culture where innovation can flourish.

Clients strive to actualize digital transformation across their enterprises, but it does not come easy. In another AESC study, *Leading Transformation: Shaping the C-Suite for Business 4.0 Innovation*, we identified the top five key challenges to digital transformation:

1. Legacy approaches
2. Lack of the right talent
3. Lack of investment in digital

4. Resistance to change
5. Lack of definition for what a transformation means

Businesses often struggle with the organizational agility (#2 issue for clients today) required to launch new and innovative products and services (#3 issue) successfully in today’s competitive, rapidly changing marketplace. They are locked into outdated processes that no longer work but which can be difficult to break without a major change in culture. Change management must be driven by the right leaders and embraced across the enterprise, which is no easy feat. Leaders who can inspire change and create and maintain a culture of innovation (#4 issue for clients today and a top issue for clients in five years) are rare and there is fierce competition to find them.

Organizations have realized the business imperative for diversity and clients chose attracting diverse talent as their #5 issue today. They are seeking talent beyond the usual suspects who can bring new perspectives and fresh thinking to their businesses and better connect with diverse customers and shareholders. Clients are looking to the next generation of leaders to find the talent they need. ‘Developing next gen leaders’ was chosen by clients as the #1 business issue in the next five years, along with creating/maintaining a culture of innovation.

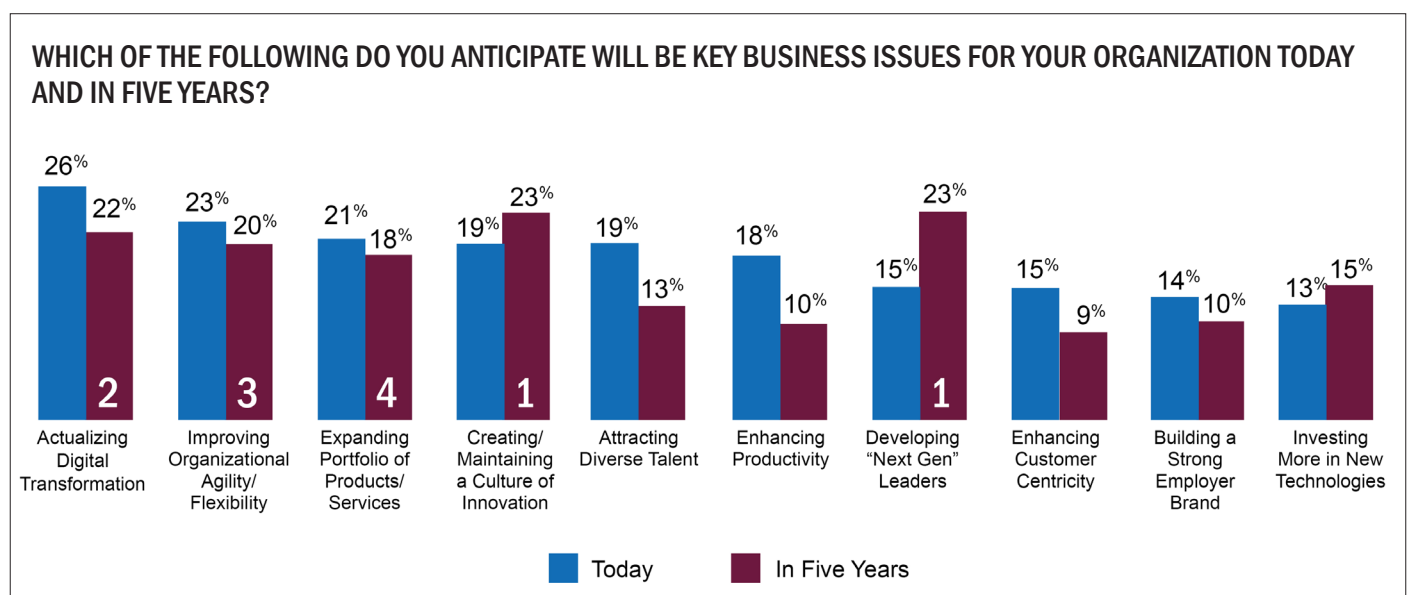


Chart 1-A: Clients on their top three business issues today and in the next five years

We also wanted to better understand what clients are thinking about in the boardroom. We asked them what they anticipated were the top issues for their organizations' boards of directors both today and in five years. The top five issues for boards today are all focused on core governance:

1. Ethics
2. Governance standards
3. Strategy oversight
4. Compliance
5. Risk oversight

This is not surprising as these are all core responsibilities of boards of directors.

However, if we look to the next five years, the issues become much more strategic in nature, and include creating a more diverse board:

1. Mergers & acquisitions
2. Long-term value creation
2. Board recruitment
3. Board diversity
4. CEO succession planning
5. Shareholder engagement

Clients understand that their boards must have a robust board recruitment strategy to attract the diverse board talent they need and with the right skillset, which increasingly includes marketing, technology and even cybersecurity, in addition to the more traditional management and finance skillsets of directors.

WHAT DO YOU ANTICIPATE WILL BE TOP CONCERNS FOR YOUR ORGANIZATION'S BOARD IN 2019 AND IN 5 YEARS?

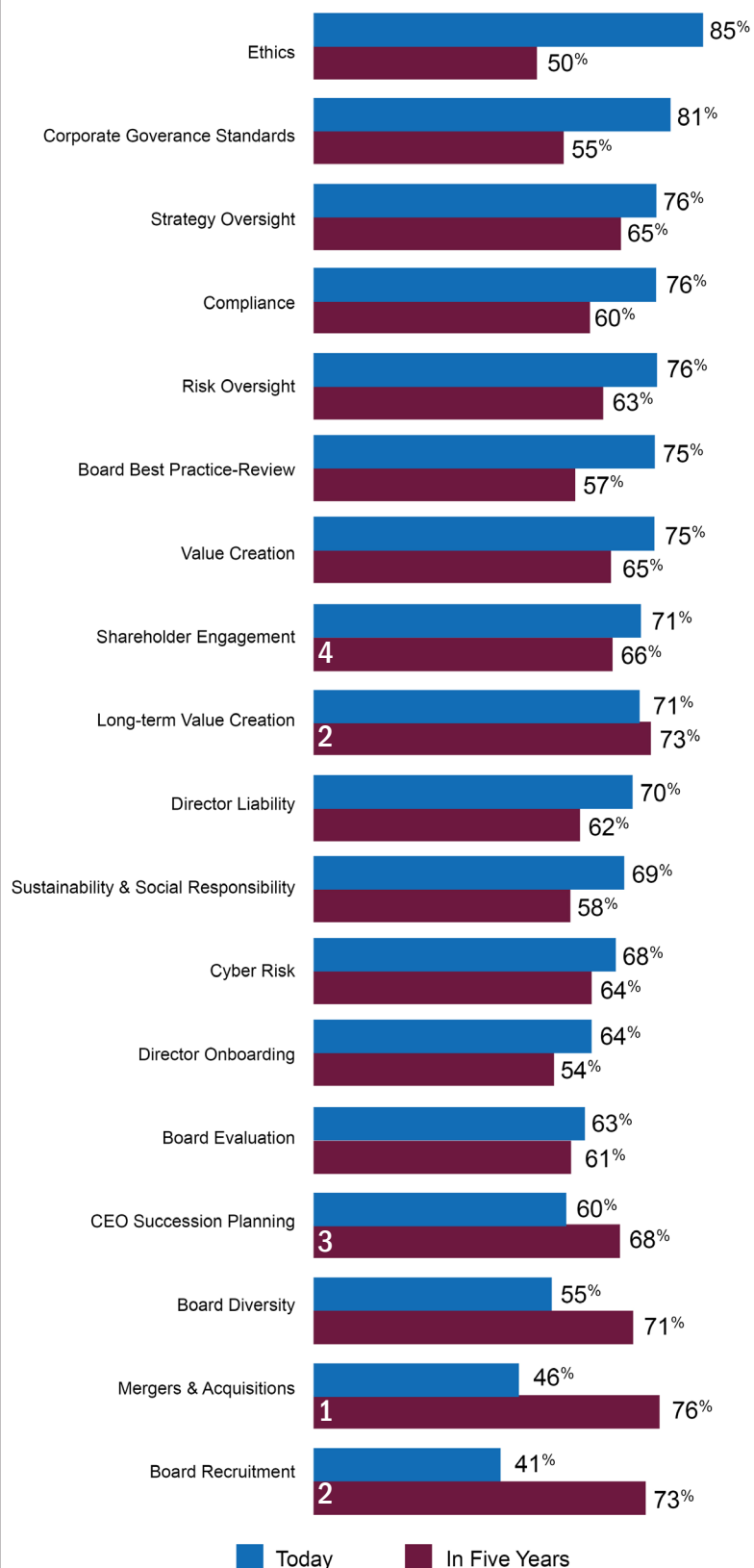


Chart 1-B: Clients on the top issues for their organizations' boards of directors today and in five years

In The Conference Board's C-Suite Challenge 2019: The Future-Ready Organization, on which AESC partnered, CEOs ranked 'attraction and retention of top talent' as their number one business issue.

We wanted to hear from clients in their own words on what they deem as the key challenges to attracting top executive talent to their organizations. In response after response, 'employer value proposition/brand' surfaced as key challenges. In a candidate market like today's where the competition for top talent is fierce and where candidates often have many options, it is critical for organizations to have strong employer brands to attract the talent they need. But creating a strong employer value proposition takes time. It can be difficult for mid-size and smaller organizations to compete with multinationals that have vast resources to tap into the latest technologies, as well as compensation, which clients chose as the #2 challenge in attracting top talent. However, smaller organizations can often be more nimble and may be quicker to implement a flexible work environment that sparks innovation and is viewed as authentic which can be more challenging for multinationals.

Retaining talent is also a top concern of today's organizations. Clients chose being able to offer enough 'growth/development' to their employees as the main challenge in keeping talent, above compensation, the #2 retention challenge. It is interesting to note that 'employer value proposition' appears much lower on the list for retention. Clients may miss what it really means to have an authentic employment brand – not just in words and images but in overall work environment and culture. This should be key in both attraction and retention. Understanding culture and how it can drive attraction, retention and innovation is a critical opportunity for leadership advisors.

WHAT IS THE GREATEST CHALLENGE TO ATTRACTING TOP EXECUTIVE TALENT? (OPEN-ENDED QUESTION)

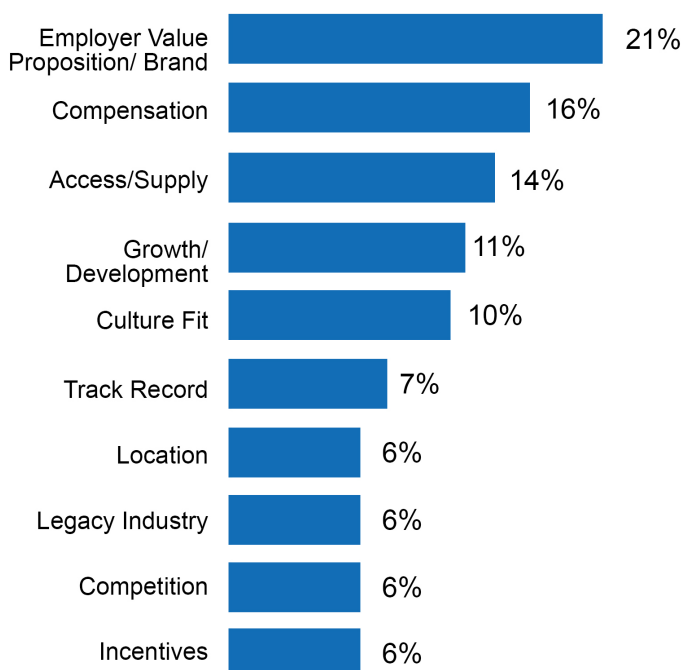


Chart 1-C: Clients on their greatest challenges to attracting top executive talent

WHAT IS THE GREATEST CHALLENGE TO RETAINING TOP EXECUTIVE TALENT? (OPEN-ENDED QUESTION)



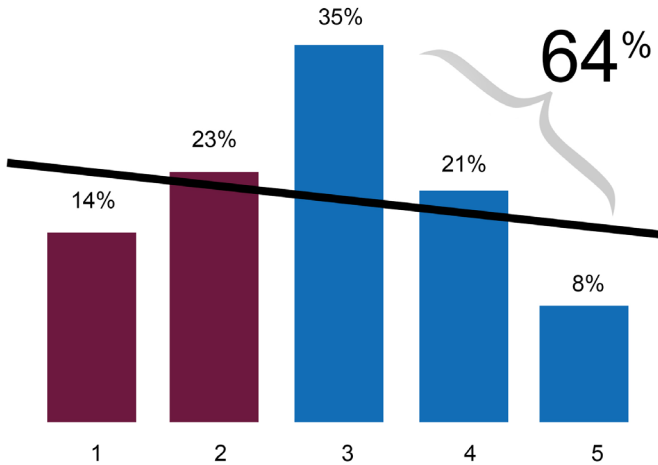
Chart 1-D: Clients on their greatest challenges to retaining top executive talent

With such a focus on attracting diverse talent, we wanted to understand how clients feel about the diversity of the executive ranks within their organizations today. We asked them to rate on a scale of one to five, with 1 being the least diverse and 5 being the most diverse, the diversity within the executive ranks at their current organizations. Clients globally rated their organizations an average score of 2.8. Sixty-four percent of clients rated the diversity of their executive teams a score of 3 or above.

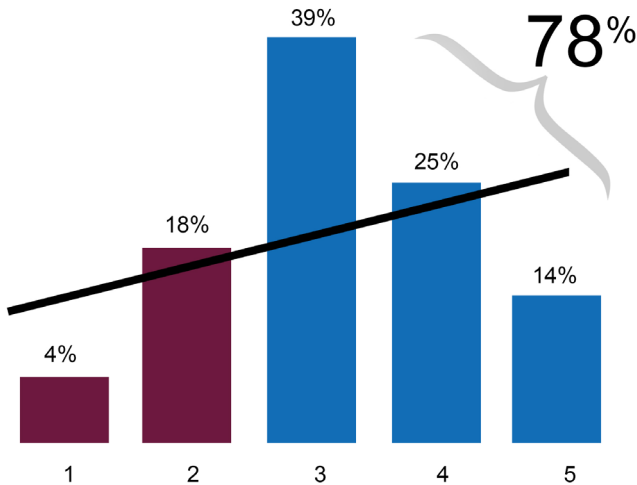
We also asked clients if their organizations publicly report their diversity data. What we found is that only a quarter of clients cited working for an organization that publishes their diversity data. Of those firms that report diversity data, however, clients in those organizations gave an average score of 3.3. Seventy eight percent of those clients also rated the diversity within their organization’s executive ranks a score of 3 or more, a 14 percent point difference versus those who do not.

This suggests the adage that ‘what gets measured gets managed.’ Of organizations that publicly report their diversity data, their employees cite better diversity within the executive ranks.

HOW WOULD YOU RATE YOUR ORGANIZATION'S DIVERSITY WITHIN THE EXECUTIVE RANKS?



Score on a scale of 1-5 given by clients rating the diversity within their organization’s executive ranks (1=least diverse; 5=most diverse)



Score on a scale of 1-5 rating the diversity within their organization’s executive ranks (1=least diverse; 5=most diverse), by clients at organizations that report diversity data

Charts 1-E and 1-F

DOES YOUR ORGANIZATION PUBLICLY REPORT DIVERSITY DATA?

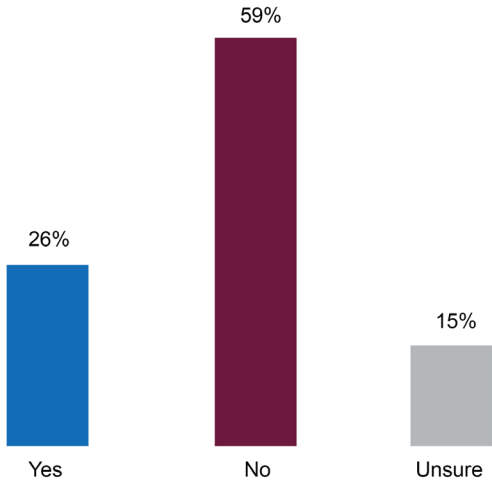


Chart 1-G: Percentage of clients at organizations that report diversity data

Clients are increasingly looking to the next generation for the talent they need to drive their businesses forward. While developing the next generation of leaders is lower on the list of business issues today, it is seen as one of the top business issue in 2025. We wanted to better understand how clients are approaching the development of next gen leaders in their organizations over the next five years.

When it comes to developing the next generation of leaders, 80% of clients selected 'assess internal talent and provide meaningful coaching' as the top priority today, followed by 'provide mentoring' (77%) and 'empowering top talent' (69%). This grouping suggests that today it's more about identification and beginning the process of development.

When asked about their priorities in developing next gen leaders in five years, clients' perspectives shift to accelerating succession, with 73% choosing 'focused development of next gen leaders' as their number one priority in five years, followed by 'succession planning' to accelerate them (70%). 'Include next generation talent in decision making' and 'offer reverse mentoring' tied for the third most important priority.

WHAT DO YOU ANTICIPATE WILL BE YOUR ORGANIZATION'S TOP PRIORITIES IN DEVELOPING NEXT GENERATION LEADERS DURING 2019 AND IN THE NEXT 5 YEARS?

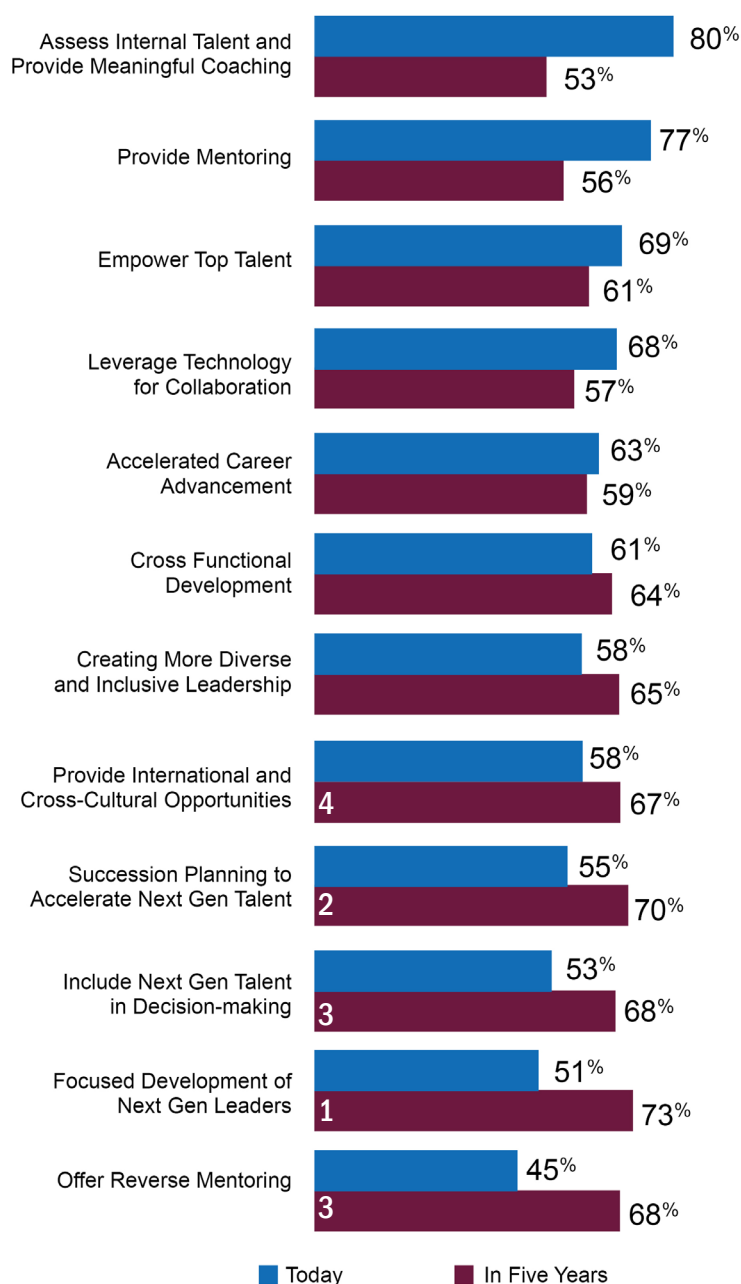


Chart 1-H: Clients on their organizations top priorities in developing next generation leaders today and in five years

From our study, we wanted to better grasp what talent and leadership-related services, other than talent acquisition, clients will need guidance from external providers. Eighty three percent of clients chose 'executive pay,' making it the #1 service sought by clients today. Both 'leadership development' (#2) and 'leadership assessment' (#3) were also chosen by clients as top services today.

When thinking about the future, clients chose 'succession planning' (74%), followed by 'leadership effectiveness' (73%) and 'organizational effectiveness' (73%) as where they would most be seeking the expertise of external advisors by 2025.

It's worth noting that executive pay advice drops from the #1 service today to one of the lowest priorities in 5 years.

For executive search and leadership advisory firms, as they expand their portfolios and broaden their service offering, these insights highlight where clients are looking for expert advice today and in the future.

DO YOU WORK WITH ANY EXTERNAL ADVISORY FIRMS FOR ANY OF THE FOLLOWING SERVICES TODAY AND DO YOU EXPECT THIS TO CHANGE IN THE FUTURE?

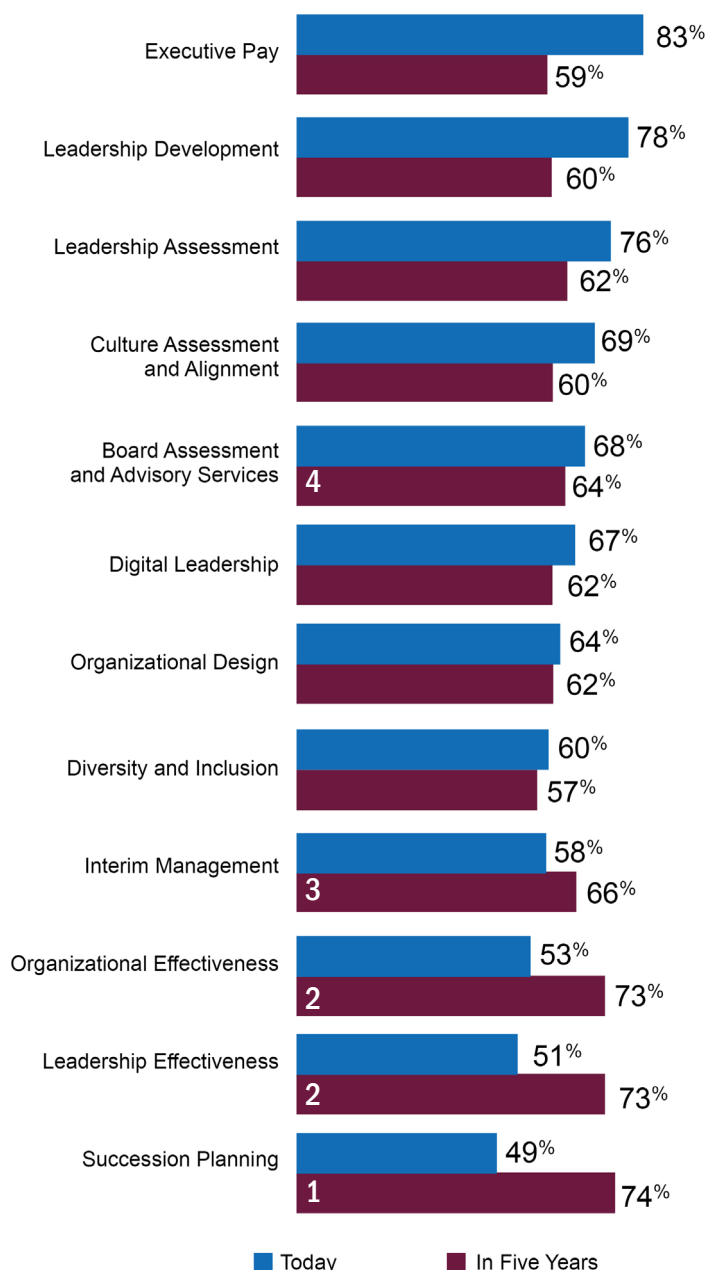


Chart 1-I: Clients on which services they use external advisory firms for today and how they expect this to change in the future

We examined where clients are looking for outside advice. We then took a closer look at the same services and asked “would you buy this from your executive search consultant?” In all categories except one, at least half of clients were open to considering an executive search and leadership consulting firm today to deliver those services.

Over the next five years, there is a clear trend – clients have identified an increased openness to working with their executive search consulting firm on a broad range of leadership advisory services. In five years, clients identified succession planning, leadership effectiveness and organizational effectiveness as their top three areas for using an outside advisor. Clients are showing an increased openness to using an executive search and leadership firm for these important services.

On the other hand, 60% of clients see a need for a diversity and inclusion advisor today with nearly the same level of need in 5 years. And yet, this is the lowest scoring service offering in terms of using an executive search and leadership consulting firm.

However, more than half of clients were open to using executive search and leadership consulting firms for all categories by 2025 including for diversity and inclusion. The greatest growth opportunity from today to 2025 indicated by clients is with ‘digital leadership’ as an advisory service.

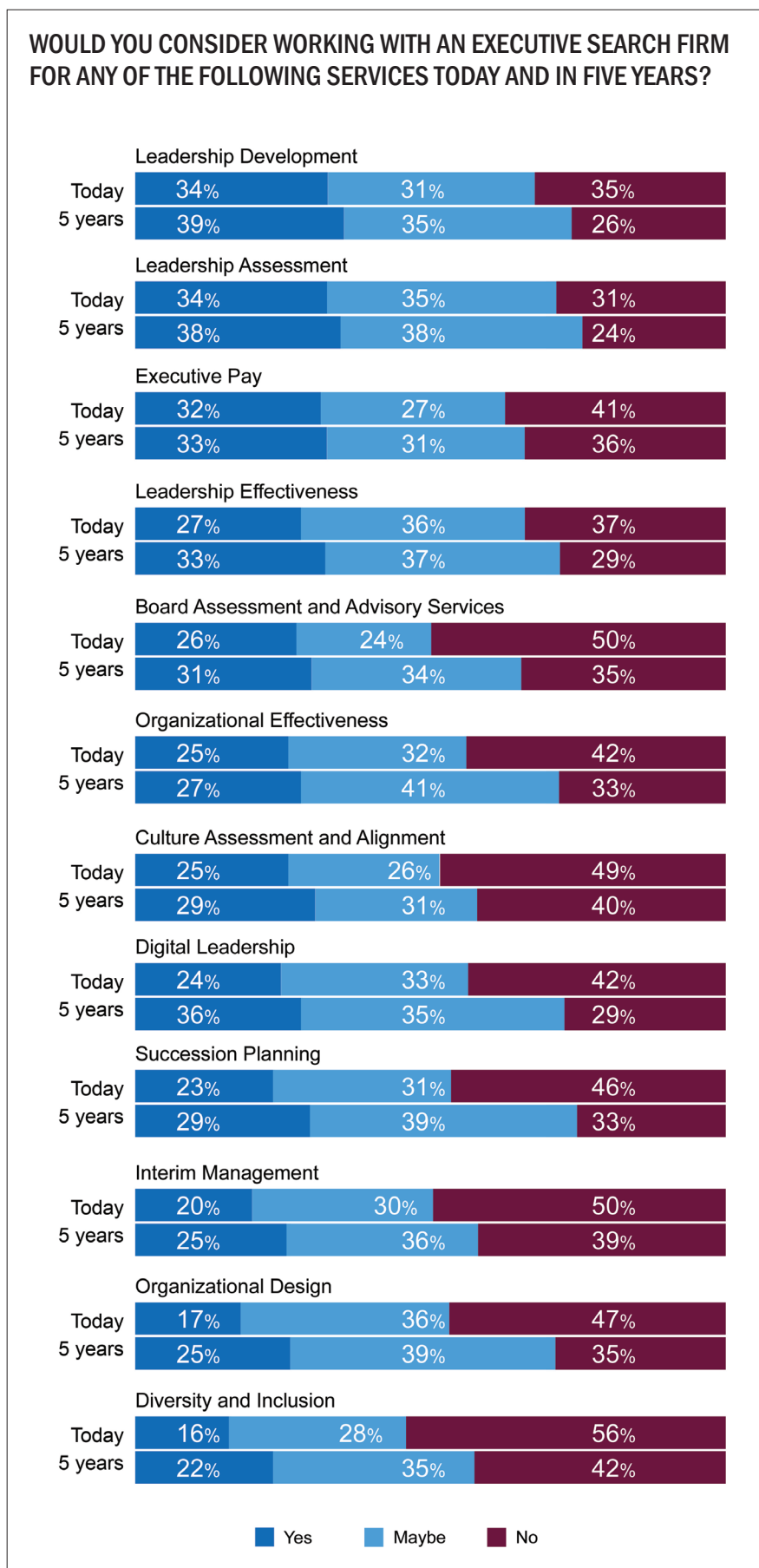


Chart 1-JK: Of clients who currently work with executive search firms, for what additional services would they consider using them for today and in five years

A large majority (82%) of clients expect their use of executive search to either increase (30%) or stay the same (52%). Less than 20% were either unsure or forecast a decrease in their use of executive search firms in five years. This indicates that clients value their partnerships with executive search firms and foresee extending those relationships by 2025.

Clients on the other hand also value their own in-house recruitment teams, with the same amount (82%) predicting growth (30%) or at least current levels of usage (52%) in the next five years — a decrease from 2016 where executive search was 70% and in-house recruiting was 89%. This likely means that executive search firms and in-house recruitment teams will need to work together even more strategically in years to come, with both understanding their strengths and where they can deliver optimal value to an organization.

Clients were slightly less certain of their use of recruitment process outsourcing or contingent recruitment firms by 2025, even though roughly half in each case expected no significant change in their use of those service providers.

HOW DO YOU EXPECT YOUR USE OF THE BELOW SERVICES TO CHANGE IN 5 YEARS COMPARED TO LAST YEAR?

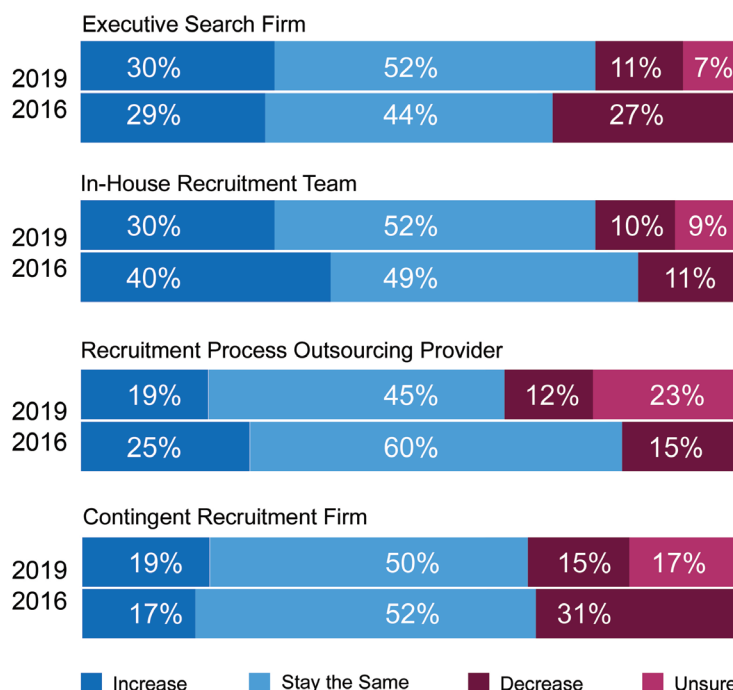


Chart 1-L: Clients on how they expect use of services for executive search to change in five years

The majority of clients indicated they would be increasing or at least maintaining their levels of use of both executive search firms and in-house recruitment. We wanted to better understand the key reasons why clients chose to use which service providers for their executive searches.

Clients chose executive search firms over other service providers in most categories with 50% or more clients choosing executive search firms over other service providers for:

1. Professionalism (64%)
2. Access to difficult to reach candidates (62%)
3. Confidentiality (52%)
4. Diverse candidates (50%)

Fifty percent or more clients chose in-house recruitment above other providers for only two categories:

1. Cost (74%)
2. Ease of use (50%)

WHAT IS THE PRIMARY REASON FOR YOUR USE OF THE FOLLOWING SERVICES FOR EXECUTIVE SEARCHES?

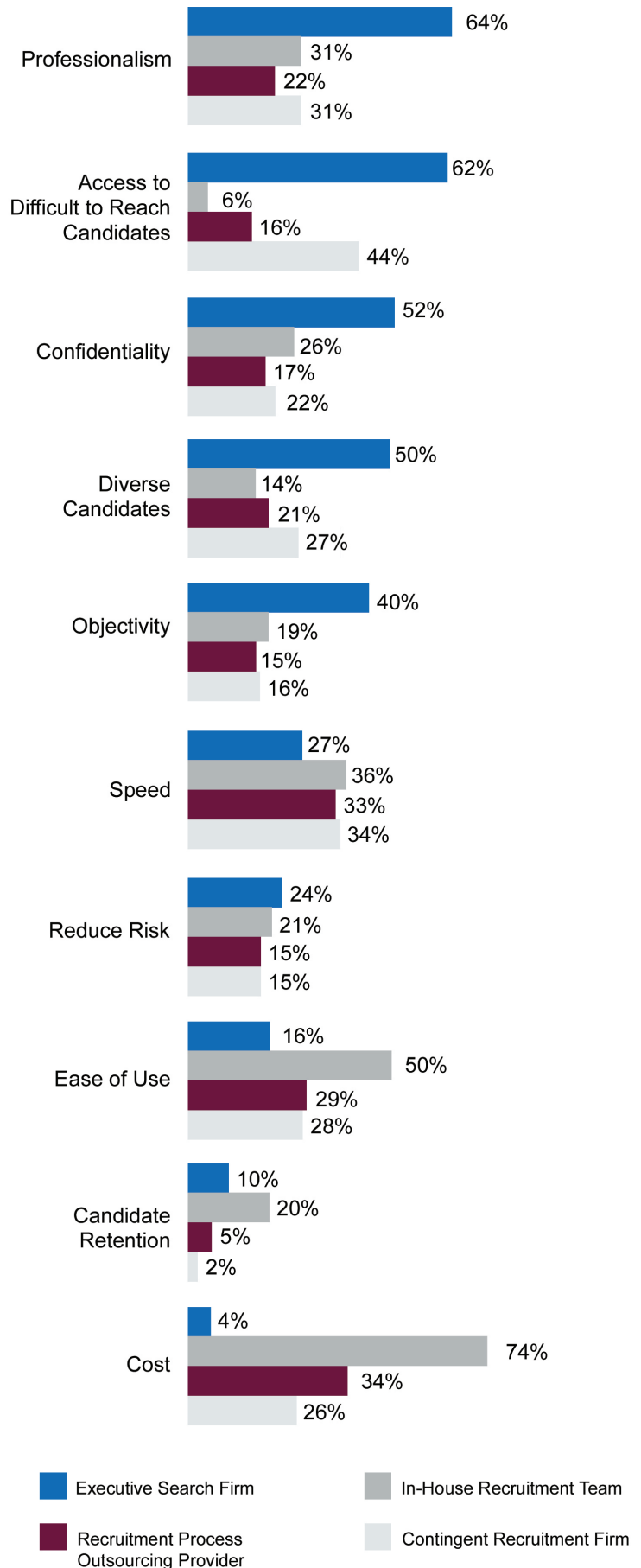


Chart 1-M: Clients on their reasons for using the following services for executive searches

We also wanted to better understand the key reasons why clients chose to use which service providers based on a number of different circumstances related to an executive search.

Clients chose executive search firms as their preferred provider for seven out of nine scenarios, including:

1. Base salary \$300k+ USD
2. C-Suite positions
3. Confidential search
4. Base salary \$200-299k USD
5. Hard-to-fill positions
6. Board recruitment
7. Cross border search

The only scenario where clients indicated a preference for in-house recruitment was for a 'base salary \$100-199k USD.' Clients indicated a slight preference for recruitment process outsourcing provider for a 'broader range of candidates.' Clients did not indicate a preference for contingent recruitment firms in any scenario.

WHICH SERVICE WOULD YOU BE MOST LIKELY TO USE FOR THE FOLLOWING POSITIONS/SEARCHES?

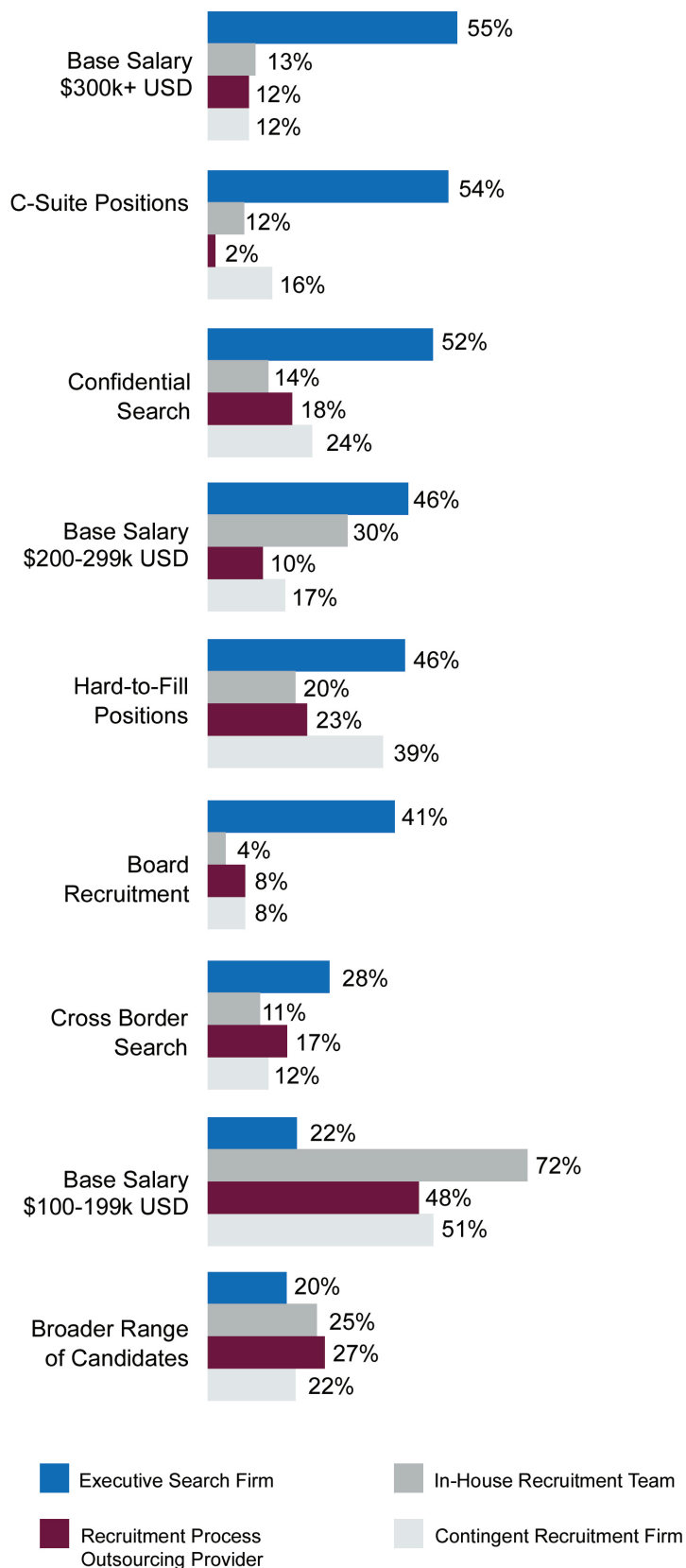


Chart 1-N: Clients on which services they would be most likely to use for the following positions/searches

To understand the expectations of service, we wanted to find out more about the significance of different metrics for measuring a successful search. When asked whether they use internal metrics to gauge the success of an executive search, there was a 50/50 split. Considering the level at which executive search firms work, it is somewhat surprising that such a large number of clients do not formally measure the success of an executive search assignment.

We asked clients which metrics they deemed most important and were the top 3:

1. Business performance of successful candidate over time
2. Length of tenure of successful candidate
3. Diverse slate of candidates

Since it is challenging to measure the business performance of a candidate over time with isolated metrics, this may hint at why half of clients do not use internal metrics to gauge the success of a search.

Of those metrics that clients rated as 'important' but not necessarily 'highly important,' we find for the most part responses more related to the operational aspects of an assignment:

- Cost per hire
- Time to complete
- Time to first slate of candidates

This indicates that clients are choosing executive search firms for the strategic value they bring to their businesses, but they also do maintain an interest in the operational side as well. While not the most important metric, speed continues to be an important factor for clients. Losing time means losing opportunity. This must be balanced with time to find the right candidate who will deliver the highest return for the organization over time.

Clients want executive search advisors who understand this balance and who will bring a strong sense of urgency to an assignment.

DO YOU USE INTERNAL METRICS TO GAUGE THE SUCCESS OF AN EXECUTIVE SEARCH?

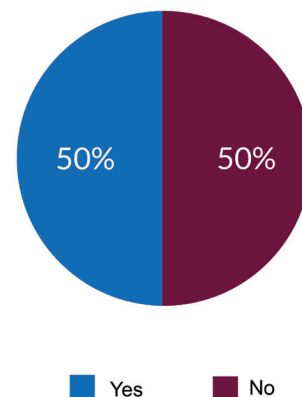


Chart 1-O: Clients on if they use internal metrics to gauge the success of an executive search

PLEASE INDICATE THE IMPORTANCE OF THE FOLLOWING METRICS.

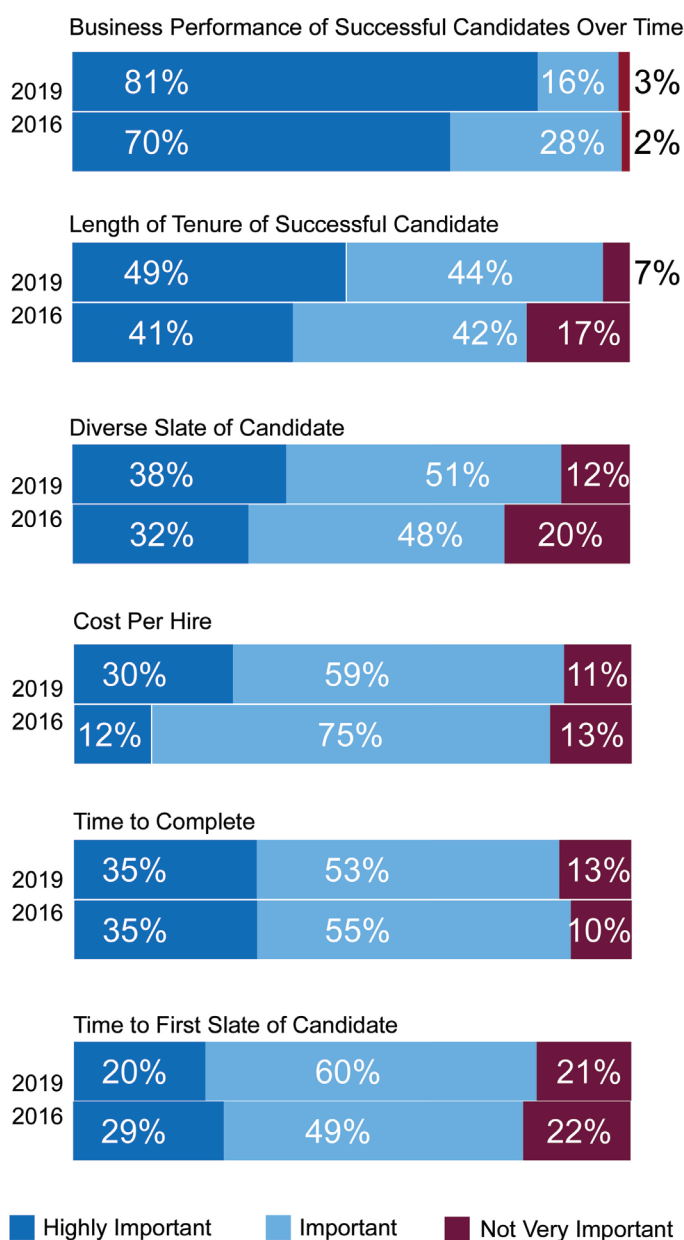


Chart 1-P: Clients on the importance of the following metrics

What do clients most look for when selecting an executive search firm? We asked clients to choose the most important factors when choosing a search firm. Above all, clients chose both the ‘consultant’s industry/functional knowledge’ (53%) and the ‘consultant’s reputation’ (41%) as the most important factors.

The specific consultant eclipses the firm’s reputation and industry/functional knowledge in importance for clients. In many respects, a client is not choosing a firm, but they are instead choosing a consultant and that is ultimately the determining factor in deciding to work with a specific search firm.

More than a third of clients (34%) rated a ‘trusted advisor relationship’ as the #4 reason they choose to partner with a specific search firm for their assignments. This shows the importance of executive search as a consulting business with the advisory provided being the value that clients seek.

It is worth noting that ‘pricing model’ made the top ten list of factors but did not rank in the top five most important factors. Being a vetted member firm of AESC was also ranked in the top ten factors for clients when choosing a search firm, along with diversity track record and the firm’s assessment methodology.

We also asked clients who in their organizations makes the decision to use an executive search firm. A third of clients reported that the CEO makes that decision in their organizations, followed by a quarter who reported that the head of HR determines that.

WHAT ARE THE MOST IMPORTANT FACTORS TO YOU WHEN SELECTING AN EXECUTIVE SEARCH FIRM?

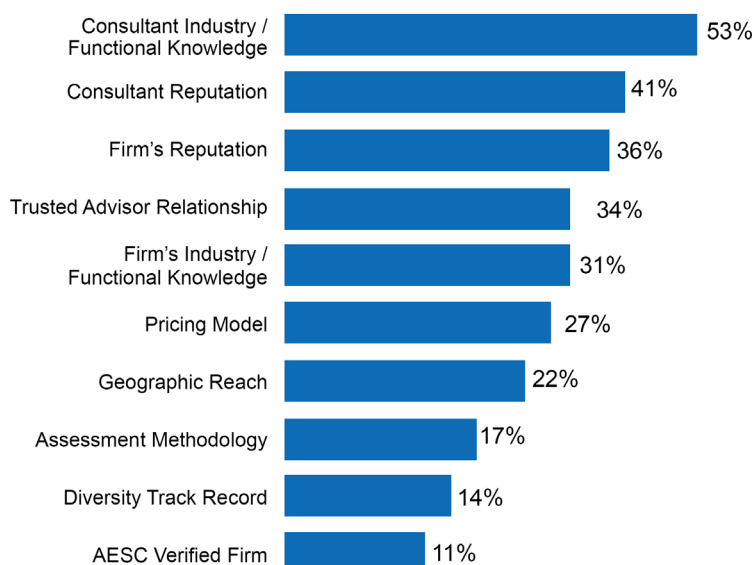


Chart 1-Q: Clients on most important factors when selecting an executive search firm

WHO IN YOUR ORGANIZATION MAKES THE FINAL DECISION ON WORKING WITH AN EXECUTIVE SEARCH FIRM?

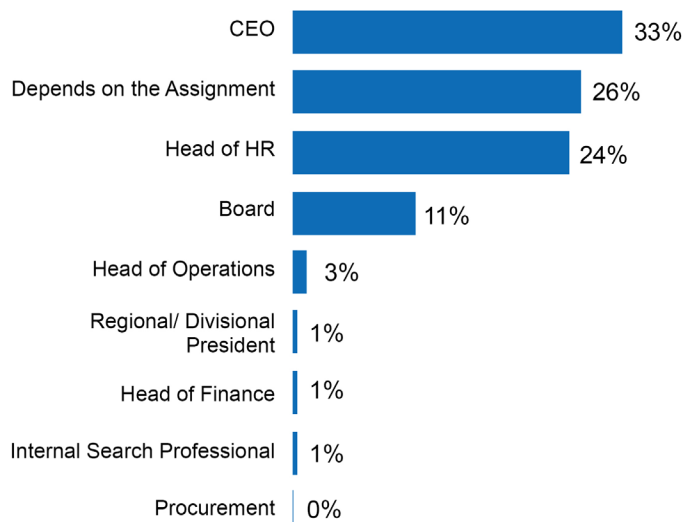


Chart 1-R: Clients on who in the organization makes the final decision on using an executive search firm

Increasingly clients are seeking candidates beyond the usual suspects who can bring fresh perspectives and new approaches to their businesses. They are also looking for candidates who better reflect their customers and shareholders. Business leaders today understand the business imperative for diverse leadership and they are asking their executive search partners to deliver it. As a result, ‘diverse candidates’ was the #1 response among clients when asked how executive search firms can better serve them.

With the business imperative of diversity now at the forefront for clients, are executive search and leadership consulting firms doing what it takes to deliver the need and the demand? How can we as a profession partner more deeply with clients to identify new ways of finding, attracting and developing diverse talent?

As we have already identified, a trusted advisor relationship with their search partners is highly valued by clients. This is echoed in the #2 top way clients report that we can better serve them— ‘better understand business.’ Clients are looking for executive search firms to work with them more closely and to understand their businesses on a deeper level, which means understanding their short and long-term goals, their vision and their culture.

BASED ON YOUR CHANGING EXECUTIVE TALENT NEEDS, IN WHAT WAYS CAN EXECUTIVE SEARCH FIRMS BETTER SERVE YOU? (OPEN-ENDED QUESTION)

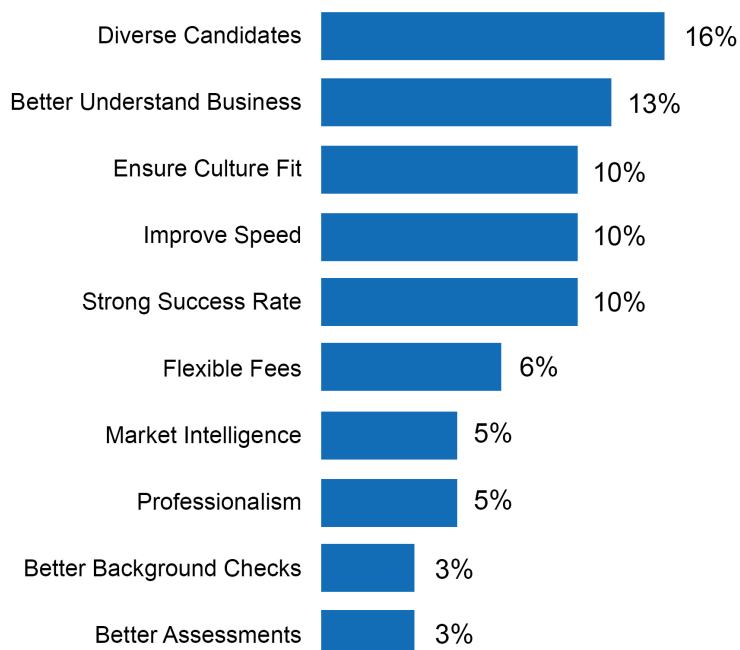


Chart 1-S: Clients on how executive search firms can better serve them

WHAT CANDIDATES WANT

In addition to looking at the challenges facing clients, we surveyed 1,300 executive-level candidates to further inform our study. We found that a surprising number of candidates are reporting that they are not receiving formal onboarding. This presents an opportunity for executive search firms and their clients to further partner on the onboarding of placed candidates to ensure optimal success. When we surveyed candidates who had been placed in their roles by executive search firms, for our *Executive Talent 2020* study in 2016, only 33% of them reported that the search firm helped during the onboarding process.

This hints at a disconnect among clients who may believe they have onboarding covered, and placed candidates who feel their onboarding experience is either lacking or nonexistent. This is a conversation for executive search firms to further hone with their clients and to emphasize the role they can play in a positive onboarding experience.

We also asked candidates in our survey who did receive a formal onboarding, what was included in it. What we found to be of most interest was that less than a third received any IT training or protocol or social media or corporate brand responsibility training or protocol in their onboarding period. This is interesting from a security and reputational risk management perspective. With such heightened focus among organizations on mitigating both cyber and reputational risk, it is worth noting that this attention is lacking in the onboarding process for the majority of executives.

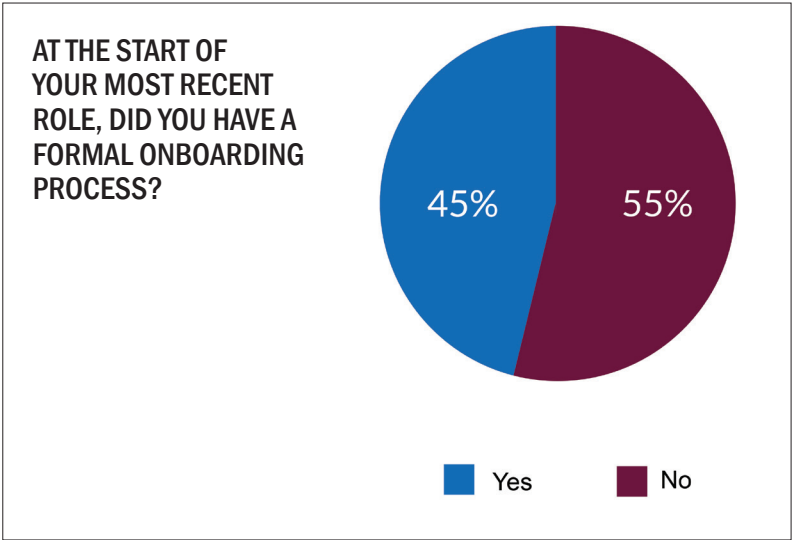


Chart 2-A: Candidates on if they received a formal onboarding process in their most recent roles.

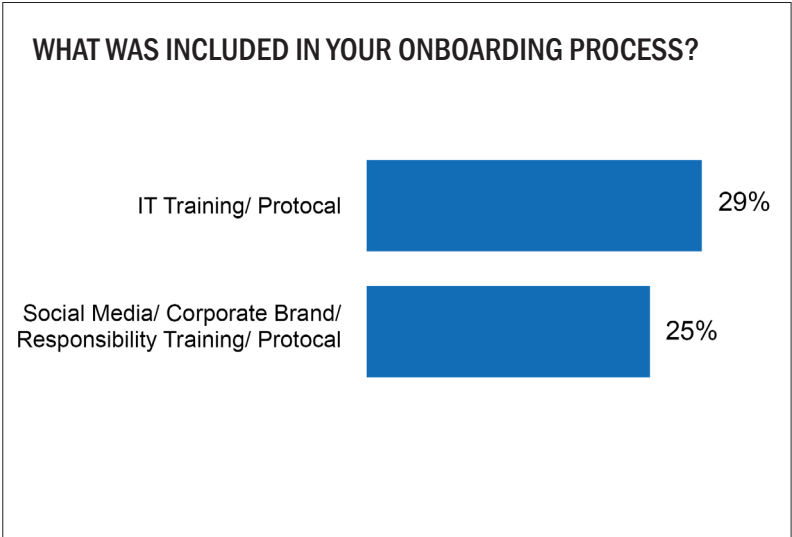


Chart 2-B: We also asked candidates what they wanted in an onboarding experience that they were not getting. Those cited most by candidates were in the areas of long-term strategy, operational procedure and culture.

WHAT DO YOU WISH WAS INCLUDED IN YOUR ONBOARDING PROCESS?

DEEPER INSIGHT ON VISION AND STRATEGY

MORE TRAINING ON INTERNAL POLICY AND PROCEDURE

BETTER UNDERSTANDING OF CULTURE

Is a commitment to innovation part of a strong employer value proposition? We asked candidates how an organization's commitment to innovation influences their interest in a role at an organization.

Candidates overwhelmingly reported that innovation plays an important role in their attraction to an organization, with 61% reporting that it strongly impacts their decision to explore a role. Only 3% of candidates shared that an organization's commitment to innovation does not have an impact on their interest in a role at an organization.

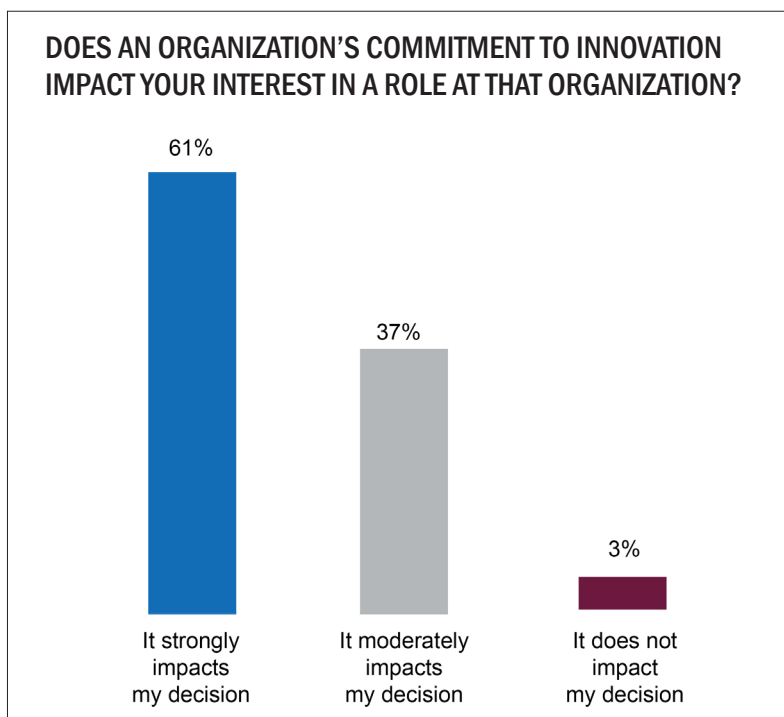


Chart 2-C: Candidates on how a commitment to innovation impacts their interest in an organization

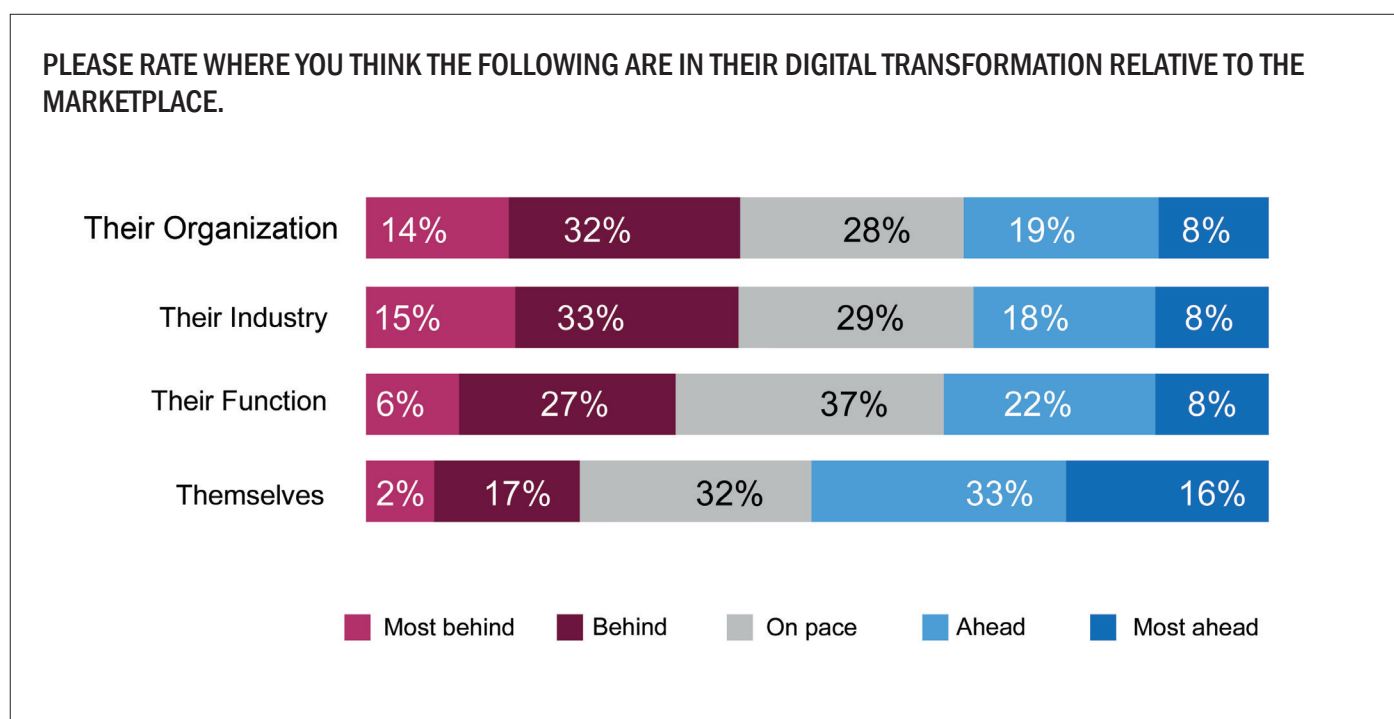


Chart 2-D: Candidates on where they consider the following in terms of digital transformation relative to the marketplace

We also asked candidates to share their thoughts on the progress of their digital transformations relative to the marketplace. Nearly half of candidates felt that their organizations and their industries were behind. Only 19% of candidates however felt they themselves were behind in their abilities to lead digital transformation relative to the

marketplace. This presents a possible disconnect where business leaders have not defined what a transformation looks like for their organizations or industries, or where a perceived ability to drive a digital transformation does not align with the reality.

This again highlights an opportunity for executive search and leadership consulting

firms to further partner with their clients on their digital transformation goals. This includes both finding and attracting talent capable of leading a transformation but also providing organizations digital leadership models, shaping organizational culture conducive to transformation, and developing diverse next generation leaders.

AESC MEMBER OUTLOOK

Each year, we survey AESC Members around the globe to gauge the pulse of the global business climate and to assess top organizational challenges and opportunities.

Digital transformation is very much on the business agenda for 2019. AESC Members worldwide ranked ‘actualizing digital transformation’ as the #1 business issue for organizations in the year ahead. Clients also chose it as the top issue for 2019. Organizations still grapple with actualizing digital transformation across the enterprise. Transformations are difficult and it takes a clear strategy to transform and the

right talent to lead a transformation.

Today’s C-Suite leaders increasingly understand the critical need for organizational agility, being able to seize upon opportunities when they emerge and quickly shift strategic direction when required. ‘Improving organizational agility’ ranked in the top three issues for organizations in the year ahead by both AESC Members and clients. The demand for agility also means more organizations are looking to the next generation of leaders for the talent they need to flourish in a Business 4.0 environment.

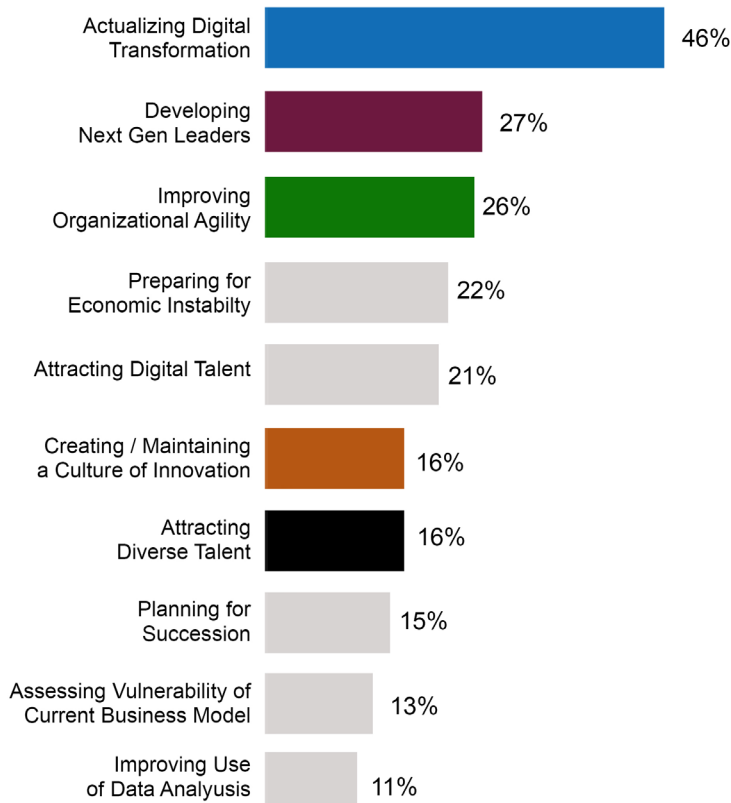
While AESC Members chose ‘developing

next gen leaders’ as a #2 issue for clients in 2019, clients see it as a more critical issue by 2025, where it moves from #7 on their list today to #1 in five years. This presents an opportunity for executive search and leadership consulting firms to emphasize the importance of developing the next generation of leaders now. Today’s high potential talent could be leaders in 2025 with the right strategic development.

While AESC Members chose ‘preparing for economic instability’ in the top four issues for clients in the year ahead, it did not rank in the top ten issues chosen by clients.

WHICH OF THE FOLLOWING DO YOU ANTICIPATE WILL BE KEY BUSINESS ISSUES FOR CLIENTS IN 2019?

ACCORDING TO AESC MEMBERS



ACCORDING TO CLIENTS

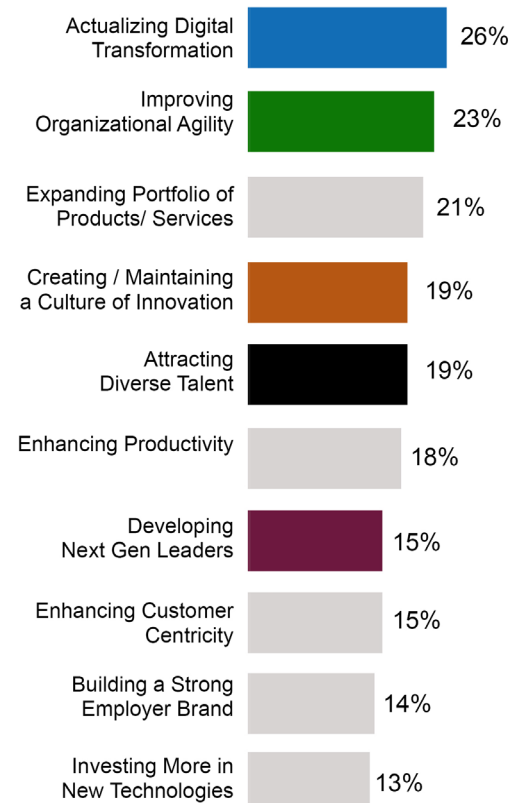


Chart 3-A: AESC Members forecast top client issues in 2019

Chart 3-B: Clients identify their top issues for 2019

GEOGRAPHIC VARIANCE

‘Attracting diverse talent’ was ranked the top 7 business issue globally but was ranked 2 for Australia and New Zealand and 3 for India. ‘Planning for succession,’ while ranked 8 globally, was cast as the number one business issue for organizations in Canada. While it did not rank in the top 10 globally, ‘complying with regulation’ was forecast as

a top 5 business issue for organizations in France. ‘Creating and maintaining a culture of innovation’ ranked 6 globally but was ranked as the top 2 business issue for Japan and Korea.

‘Preparing for political instability’ did not rank in the top 10 globally but ranked as the top 3 business issue for Mexico. ‘Improving use of data analytics’ ranked 10 globally but

a top 3 business issue for Latin America. While ‘investing more in new technologies’ did not rank in the top 10 globally, it was ranked as the top 3 business issue for Southern Europe. ‘Enhancing productivity’ ranked in the top 5 for Spain and Portugal even though it was not rated a top 10 business issue globally.

As organizations focus on actualizing their digital transformation across the enterprise, C-Suite leaders increasingly turn to external trusted advisors to help deliver and develop the digital talent they need. Business leaders are working with advisory firms to develop digital competency models specific for their organizations, assessing where they have talent gaps and benchmarking their strengths with the marketplace. As a result, 'digital leadership' is ranked as the fastest growing business advisory service for 2019.

Governance remains a top issue for today's boards of directors (see page 7) and in five years, our research indicates boards will be more focused on strategic issues such as M&A, long-term value creation and board recruitment. Today's organizations are more conscious than ever of their board reflecting their customer base, which means a stronger drive for gender balance and all forms of diversity. Board assessment and advisory services are expected to grow throughout 2019 as organizations seek to ensure relevancy, diversity and digital fluency in the boardroom. As the Baby Boom generation continues to exit the workforce, organizations are realizing the need to fast track high potential but less experienced talent. Leadership development and preparing for succession are both top issues for today's businesses and as a result, both are growing advisory services for 2019.

GEOGRAPHIC VARIANCE

'Culture assessment and alignment' was ranked the top 7 fastest growing advisory service for 2019 but ranked top 3 for organizations in Australia and New Zealand, the Nordics and Latin America. "Interim management" was ranked 10 globally but the top 2 fastest growing external advisory service in 2019 for organizations in Benelux. "Succession planning," while ranked the top 4 fastest growing advisory service globally, it was ranked number one for businesses in Canada.

While ranked the top 5 fastest growing advisory service globally, 'diversity and inclusion' was ranked the number one fastest growing advisory service for businesses in the United States and 2 for organizations in Japan and Korea as well as in the UK and Ireland. 'Leadership assessment' was ranked as the number one fastest external advisory service for organizations in Spain in Portugal, while only 6 globally.

We have already identified that a

FOR WHICH SERVICES DO YOU EXPECT TO SEE THE MOST GROWTH IN 2019?



Chart 3-C: Most in demand leadership advisory services for 2019 as forecast by AESC Members worldwide

commitment to innovation factors in candidates' decisions to consider opportunities with specific organizations, and thus plays a role in a strong employer value proposition. We asked AESC Members how we could better support clients with their innovation goals. AESC Members linked driving innovation with 'delivering the right talent' as the #1 way our profession can assist clients in this area.

AESC Members also noted the role 'being trusted advisors' plays when understanding the innovation goals of clients, being able to identify talent gaps and determine if the existing culture is conducive to fostering innovation. In addition to 'expanding our services' in new ways to accommodate client innovation goals through advisory services, it is interesting to note that 'investing in our own innovation' as a profession ranked as the #4 way we can better support clients in innovation.

As we look to support clients further with innovation, it is also important to consider the top areas where clients told us that we can better support them, all that tie directly back to innovation:

1. Diverse candidates
2. Better understand business
3. Ensure culture fit

With actualizing digital transformation chosen by clients and AESC Members as the #1 business issue for organizations in the year ahead, how can our profession better support clients to achieve digital transformation? Being able to find and attract top digital talent is of course one critical way that executive search firms can partner with their clients on their digital transformation goals. Top digital talent at executive-level is rare and there is high competition for it. Being able to deliver scarce talent we know is an area of high confidence for our profession among clients.

But there are other ways we can assist clients in their digital transformation goals. Again, AESC research *Leading Transformation: Shaping the C-Suite for Business 4.0 Success* identified as a major hurdle a lack of clear definition as to what a transformation means or looks like. Being able to share best practices and case studies with clients that clearly articulate successful transformations and why is one way we can add value. Other AESC Members are looking to digital advisory solutions as new ways to deliver value to their clients in this area.

Developing next generation leaders is also another area where we can be partnering with clients, helping them to identify high potential talent with strong digital fluency and developing their management and soft skills.

HOW CAN/COULD OUR PROFESSION SUPPORT CLIENTS OVER THE NEXT 5 YEARS TO DRIVE SUCCESSFUL INNOVATION?

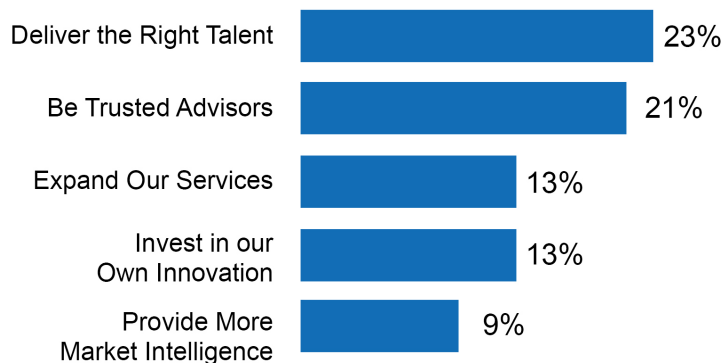


Chart 3-D: AESC Members share how the profession can better support clients with successful innovation

HOW CAN/COULD OUR PROFESSION OVER THE NEXT 5 YEARS HELP ORGANIZATIONS SHIFT THEIR C-SUITE PROFILES FOR SUCCESS IN DIGITAL TRANSFORMATION?

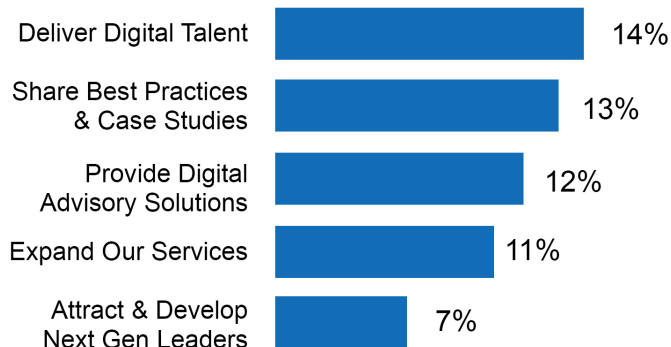


Chart 3-E: AESC Members share how the profession can better support clients with successful digital transformation.

AESC Members are bullish on leadership consulting. Following a year of strong growth for leadership consulting in 2018, AESC Members see it as the #1 opportunity for the profession in the year ahead. As already indicated, digital transformation is a top issue for clients and AESC Members see it as an opportunity for executive search and leadership advisory services.

AESC Members cite disruptive technology as the #1 vulnerability for the profession in the year ahead. There is much discussion about the impact AI and other emerging technologies will have on executive search and leadership advisory. While still seen as a vulnerability, attitudes seem to be shifting to seeing these technologies augmenting our profession, creating new opportunities to better serve clients. Technologies are being seen as a major threat in terms of being able to replace the complex services executive search and leadership consulting firms provide. Nevertheless, it is an important space to watch and understand, and acknowledge that at a minimum, new technologies will likely create a lot of noise in the talent acquisition space for the near future. Executive search and leadership consulting firms will need to clearly articulate their value in an increasingly noisy sphere.

While research, including The Conference Board's *C-Suite Challenge 2019*, indicates that a recession is unlikely for most markets around the world, geopolitical tensions are causing an emerging mood of caution in comparison to last year. As a result a quarter of AESC Members cited 'economic downturn' as the #2 vulnerability for the profession in 2019. AESC Members do not necessarily believe that a downturn will occur in the year ahead, but there is the assumption that it is closer on the horizon than in the past few years.

WHAT ARE THE GREATEST OPPORTUNITIES FOR OUR PROFESSION DURING 2019?

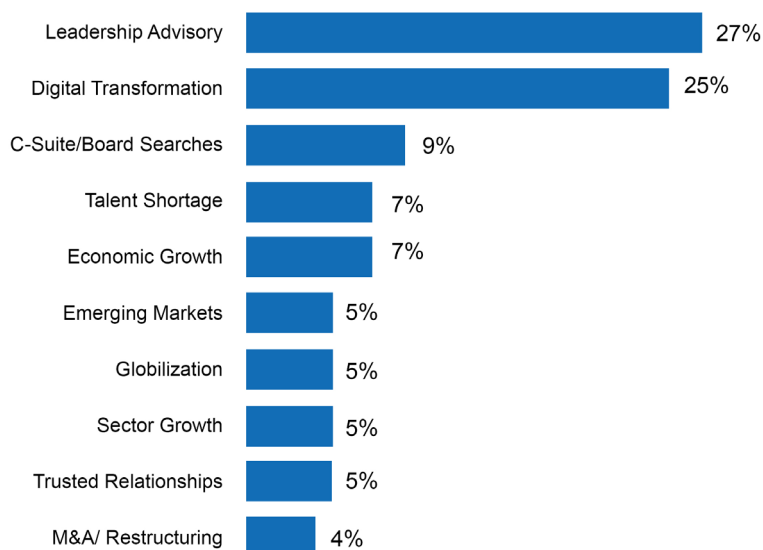


Chart 3-F: Top opportunities for the profession in 2019

WHAT ARE THE GREATEST VULNERABILITIES FOR OUR PROFESSION IN 2019?

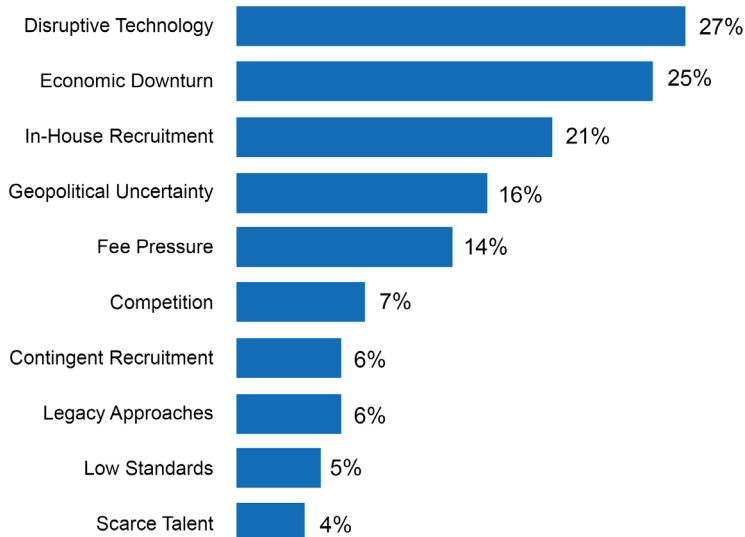


Chart 3-G: Top challenges for the profession in 2019

In addition to the top business issues for clients, we wanted to understand what AESC Members deemed as the top business issues in the year ahead for their own organizations. While perhaps obvious, it is still worth a reminder that AESC Member firms are grappling with the same issues as their clients. As a result, we see a number of the same issues that top the list for clients appearing high on the list for AESC Members in 2019.

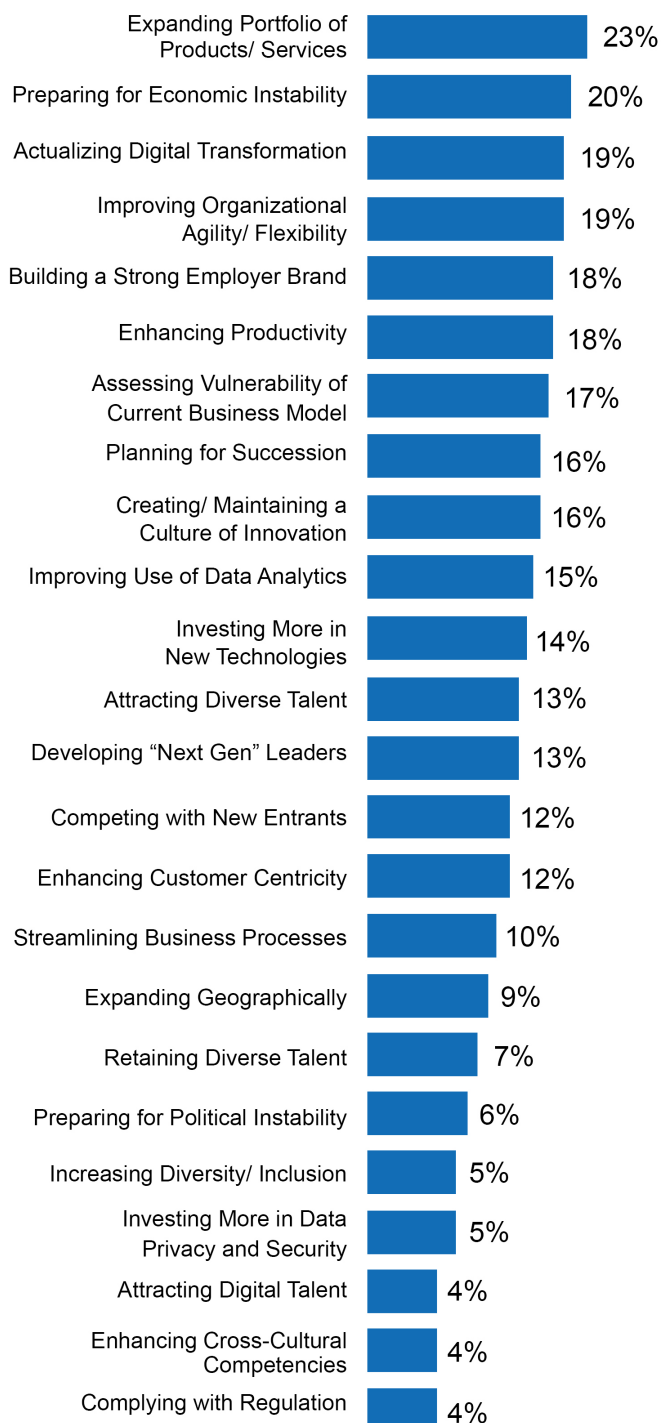
‘Actualizing digital transformation’ and ‘improving organizational agility/flexibility’ both ranked in the top five business issues for clients and AESC Members. With the growth of leadership consulting over the past few years and strong growth in 2018, it is not surprising to see ‘expanding portfolio of products/services’ at the top of the list for AESC Members in 2019. AESC Members are anticipating their clients changing needs and looking to serve them in new ways and clients indicate a desire to work with their executive search and leadership consulting partners on a deeper level across a broader range of business issues.

It is also interesting to look at the top business issues of AESC Members in 2019 by firm size. While firms and networks of all sizes share similar issues, they also have their own unique priorities. While the #1 issue about global firms, for example, is expanding their portfolios of products/services, boutiques are prioritizing building a strong employer brand and preparing for economic instability.

Surprisingly, the people aspects of business — succession, diverse talent, next gen leaders, digital talent — all ranked lower in terms of key business issues. As we experience growth, expansion, and meeting new client needs, these are areas that demand a closer look.

*Chart 3-H:
AESC Members
on their firm's top
business issues in
2019*

WHICH OF THE FOLLOWING DO YOU ANTICIPATE WILL BE KEY BUSINESS ISSUES FOR YOUR ORGANIZATION IN 2019?



TOP THREE KEY BUSINESS ISSUES FOR AESC MEMBER FIRMS BY FIRM SIZE

GLOBAL FIRMS

1. Expanding portfolio of products/services 24%
2. Creating/maintaining a culture of innovation 23%
3. Preparing for economic instability 20%

GLOBAL NETWORKS

1. Expanding portfolio of products/services 25%
2. Planning for succession 22%
3. Enhancing productivity 21%

REGIONAL FIRMS

1. Improving organizational agility/flexibility 39%
2. Investing more in new technologies 27%
3. Enhancing productivity 23%

BOUTIQUE FIRMS

1. Building a strong employer brand/ Preparing for economic instability 24%
2. Expanding portfolio of products/services 20%
3. Enhancing productivity 20%

STATE OF THE PROFESSION

BEST GROWTH YEAR SINCE THE GLOBAL RECESSION

Both executive search and leadership consulting revenues grew 2017 to 2018. Despite geopolitical uncertainties, a stronger global economy has spurred business performance in many markets, creating a need for new talent and leadership advisory services. As the rapid rate of Industry 4.0 technologies demands fresh leaders with digital leadership expertise, new roles are emerging while traditional roles require new skills and attributes. Organizations continue to turn to executive search and leadership advisory firms at a higher rate than they have in recent years as they find themselves faced with a candidate market and a scarcity of talent with the right new skillsets.

AESC estimates that global revenues for the profession at large for all lines of business have increased by 12% year-on-year, from end of 2017 to end of 2018, climbing to \$15.6B USD. 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.

While executive search experienced a robust uptick in revenues in 2018 among AESC Members, by 12 % year-on-year, AESC Member firms grew their advisory services 12.8%. Leadership consulting makes up 9.6% of total AESC Member revenues, and while major acquisitions in the profession in recent years have helped catapult this expansion of advisory services, a range of many firms, global, regional and boutique, now offer a wider portfolio of talent solutions.

2018 YOY REVENUE GROWTH BY LINE OF BUSINESS

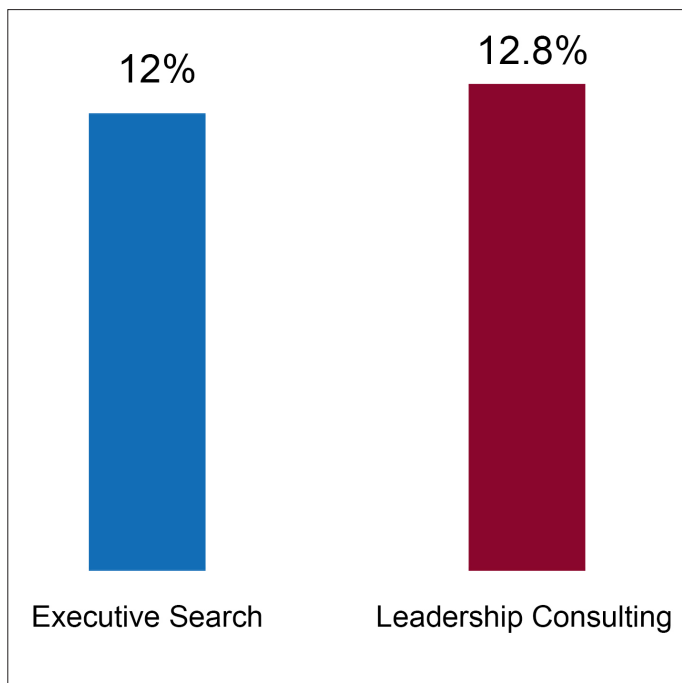


Chart 4-A: Year-on-year revenue growth by line of business 2018 over 2017

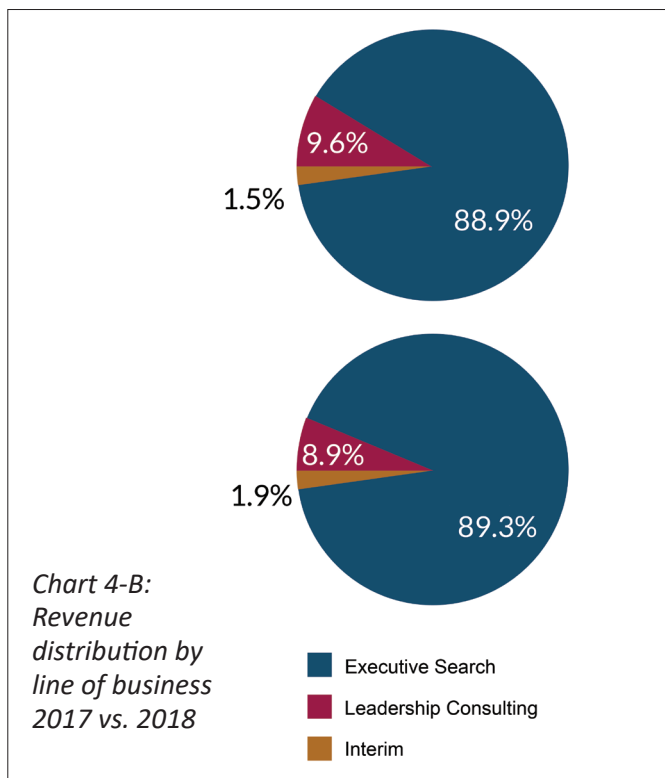


Chart 4-B:
Revenue
distribution by
line of business
2017 vs. 2018

In 2018, the Americas made up just over half of global revenues. The volume of executive searches however is similar for both the Americas region and Europe & Africa combined. The US market comprises the largest in the profession and in general captures the highest fees. Distribution of total revenues for the Middle East and Africa have remained relatively steady the past three years, as has search volume.

REGIONAL REVENUES VS. SEARCH VOLUME

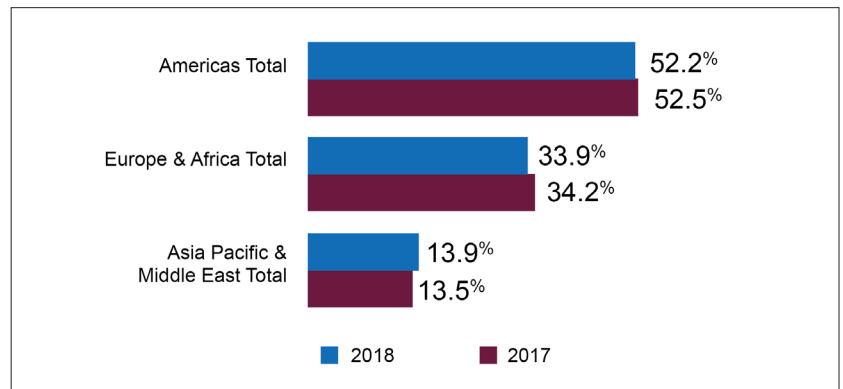


Chart 4-C: Year-on-year global distribution of total revenue by region (all lines of business)

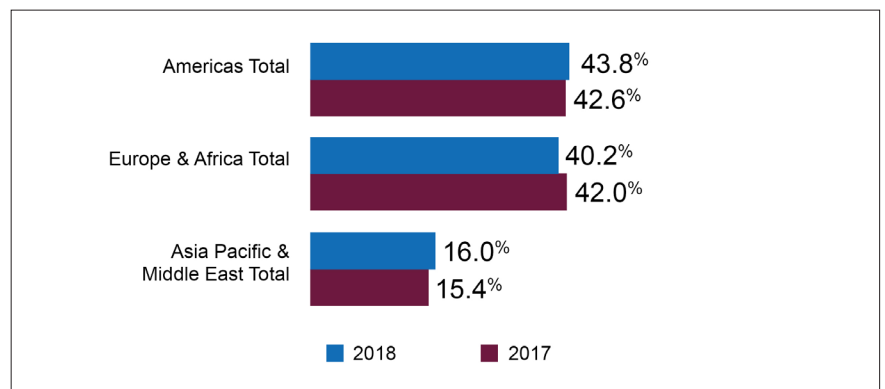


Chart 4-D: Year-on-year global market share of executive search volume by region

INDUSTRY DISTRIBUTION OF TOTAL REVENUES

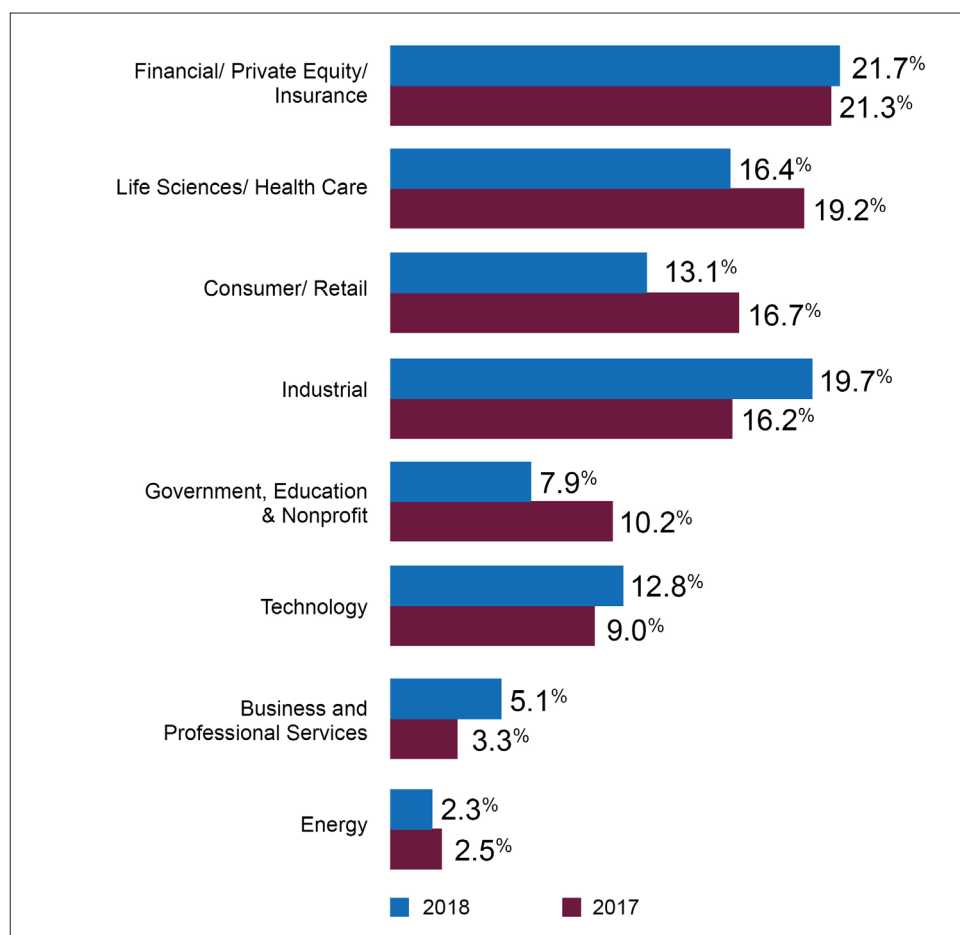


Chart 4-E: Year-on-year global distribution of total revenue by industry (all lines of business)

INDUSTRY DISTRIBUTION OF SEARCH VOLUME

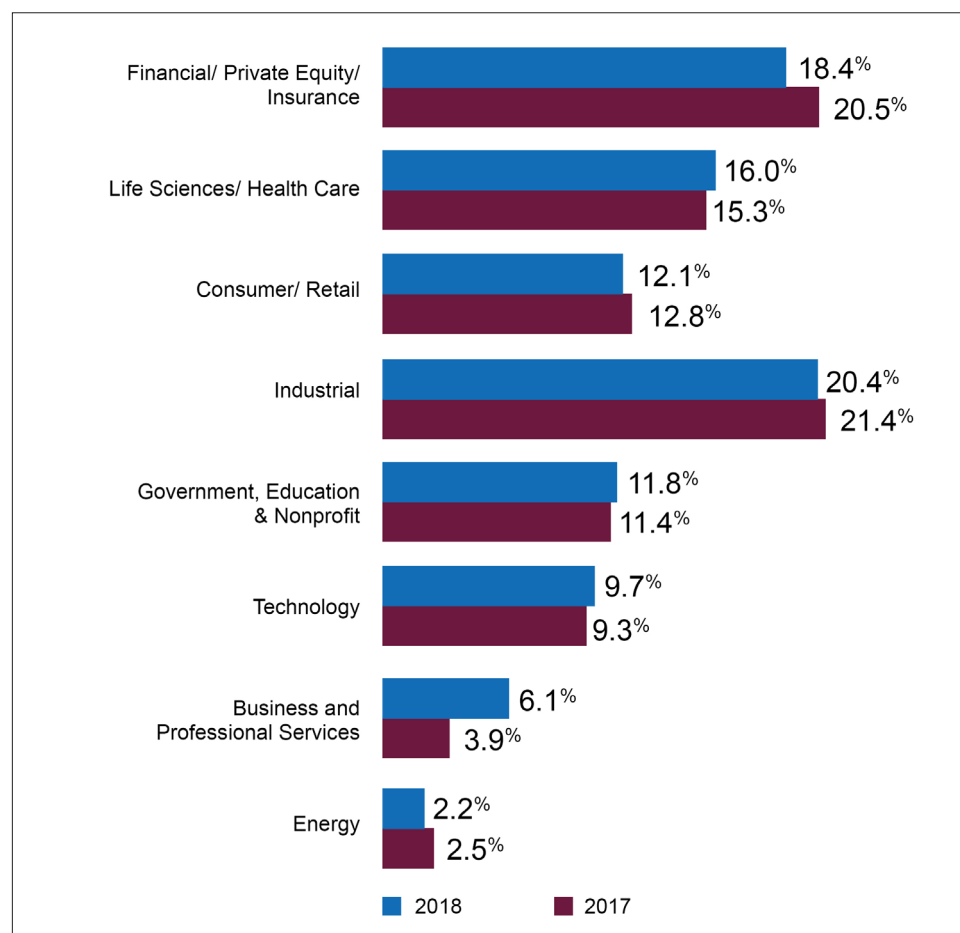


Chart 4-F: Year-on-year global market share of executive search volume by industry

As the profession had another strong year of growth, it's not surprising to see a steady increase in production as measured by revenue and search volume.

REVENUE PER REVENUE GENERATOR INCREASES IN 2018 AS DOES REVENUE PER EMPLOYEE

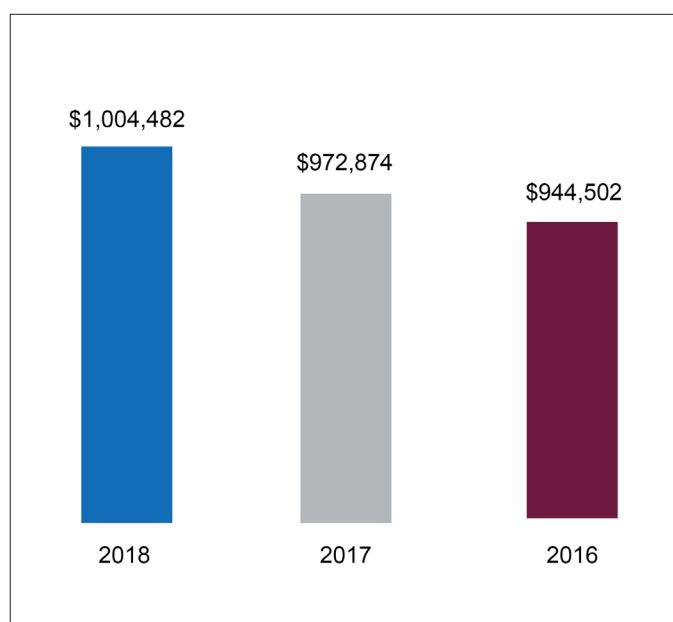


Chart 4-G: Year-on-year average revenue \$USD per revenue generator

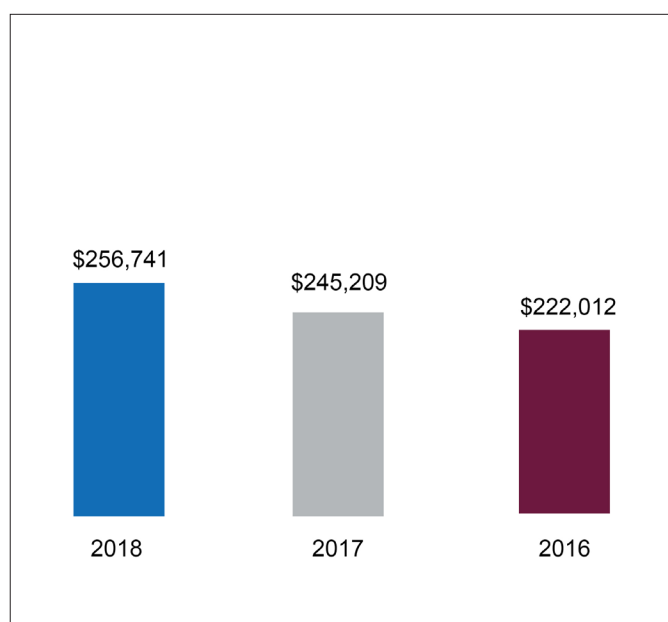


Chart 4-H: Year-on-year average revenue \$USD per employee

AVERAGE SEARCHES PER CONSULTANT INCREASES IN 2018 AS DOES AVERAGE FEE PER SEARCH

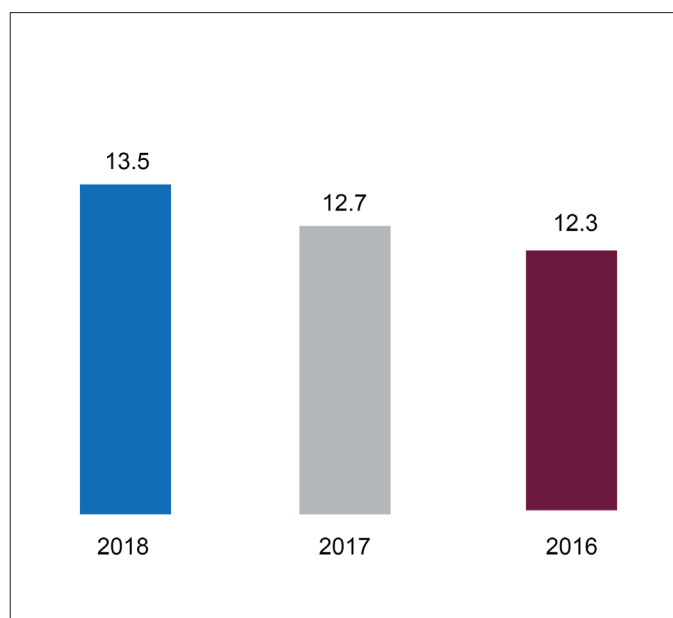


Chart 4-I: Year-on-year average searches per consultant

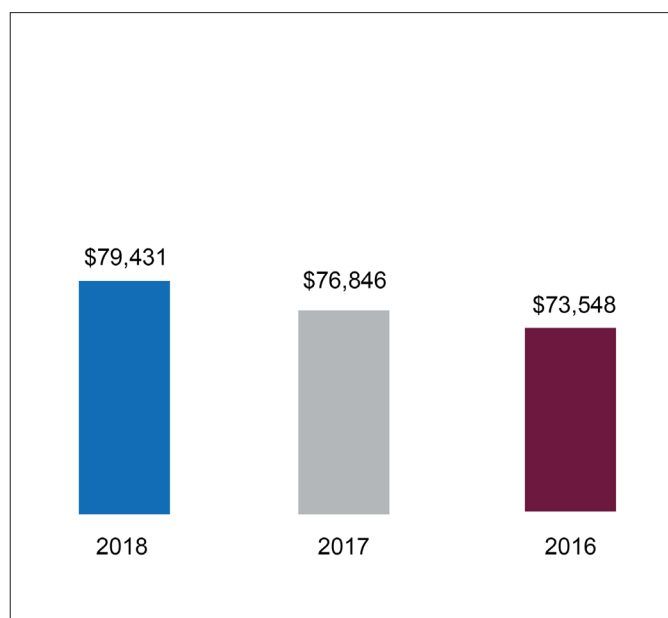


Chart 4-J: Year-on-year average fee \$USD per search

STATE OF OUR PROFESSION

A VIEW FROM AESC MEMBERS

The past few years have presented robust economic growth in many markets around the world, reflected by the economic forecast of AESC Members since 2016. While the outlook cast by AESC Members continues a generally positive trendline, caution emerges in the 2019 forecast.

We asked AESC Members to share their optimism for the year ahead in two different ways. We first asked them to score their optimism on a scale from 1-100 with 100 being the most optimistic. We then asked them to share if they were more or less optimistic than the year before, or if no change.

We found when scored on a scale of 100, AESC Members cast a somewhat more cautious outlook in 2019 versus last year with a score of 61 for the global economy and a score of 60 for their national economies. While a decline compared to 2018, this is (and yet still more optimistic than in 2016 and 2017), for both the global economy and their national economies.

However, when asked if they were more or less optimistic than the previous year, we found a much more significant decline in optimism from 2018 to 2019, with those who were more optimistic for the global and national economies last year dropping by half for 2019. This substantial decline in optimism compared to the strong optimism of 2018 points to an anticipated economic downturn on the horizon after years of substantial growth. While a downturn may not happen in 2019, the consensus among AESC Members is that the 2019 global economy may demonstrate more uncertainty due to global geopolitical developments.

Geopolitics contribute to the cautious mood projected by AESC Members for the year ahead. Uncertainty exists in the European markets as a post-Brexit reality looms. The United States enters a new Presidential campaign cycle setting into motion an unknown for the country's political future. India, Indonesia, South Africa, Argentina and Canada will all hold significant elections in 2019, likely having an impact on their national economies as well as the global economic fabric.

Rate your optimism about the economy in 2019 on a score from 0-100, with 0 being the least optimistic and 100 being the most optimistic.

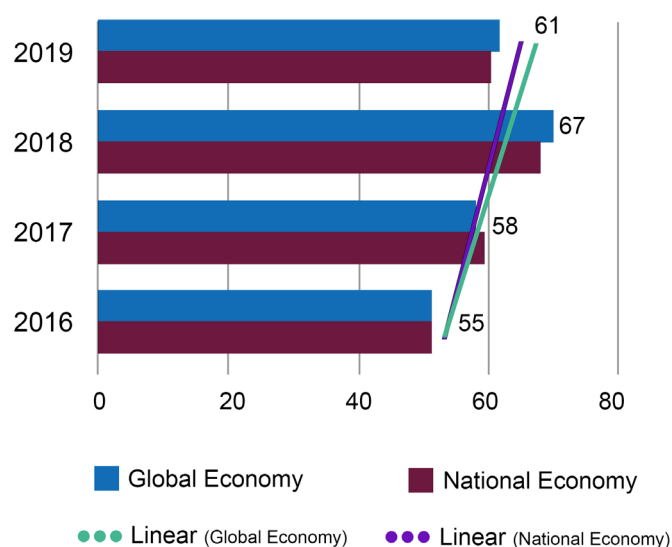


Chart 4-K: AESC Member optimism score for 2019

2019 ECONOMIC FORECAST

AESC Members worldwide rate the global economy in the year ahead an average score of 61 out of 100 and their national economies an average score of 60. While the economic outlook of AESC Members trends increasingly more favorable since 2016, this year's rating is down from 2018.

Are you more or less optimistic about the global economy in 2019 compared to the past year?

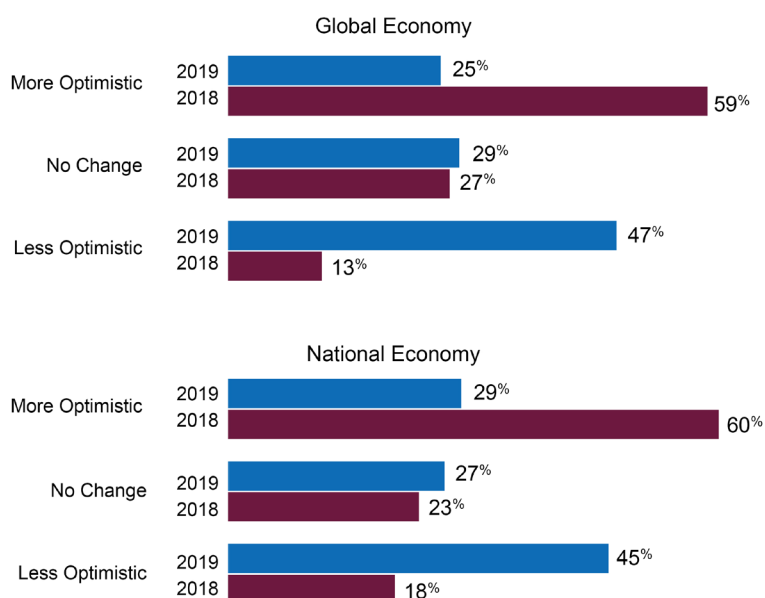


Chart 4-L: AESC Member optimism for 2019

MANY OPPORTUNITIES BUT CAUTION EMERGES FOR 2019

Economic growth in many geographic markets throughout 2018, as well as the drive for digital transformation yielded a heightened demand for top talent. While AESC Members expect this trend to continue, the mood among AESC Members for 2019 is one of more caution, reflected in their lower levels of optimism.

Rate your optimism about your national economy in 2019 on a score from 0-100, with 0 being the least optimistic and 100 being the most optimistic.

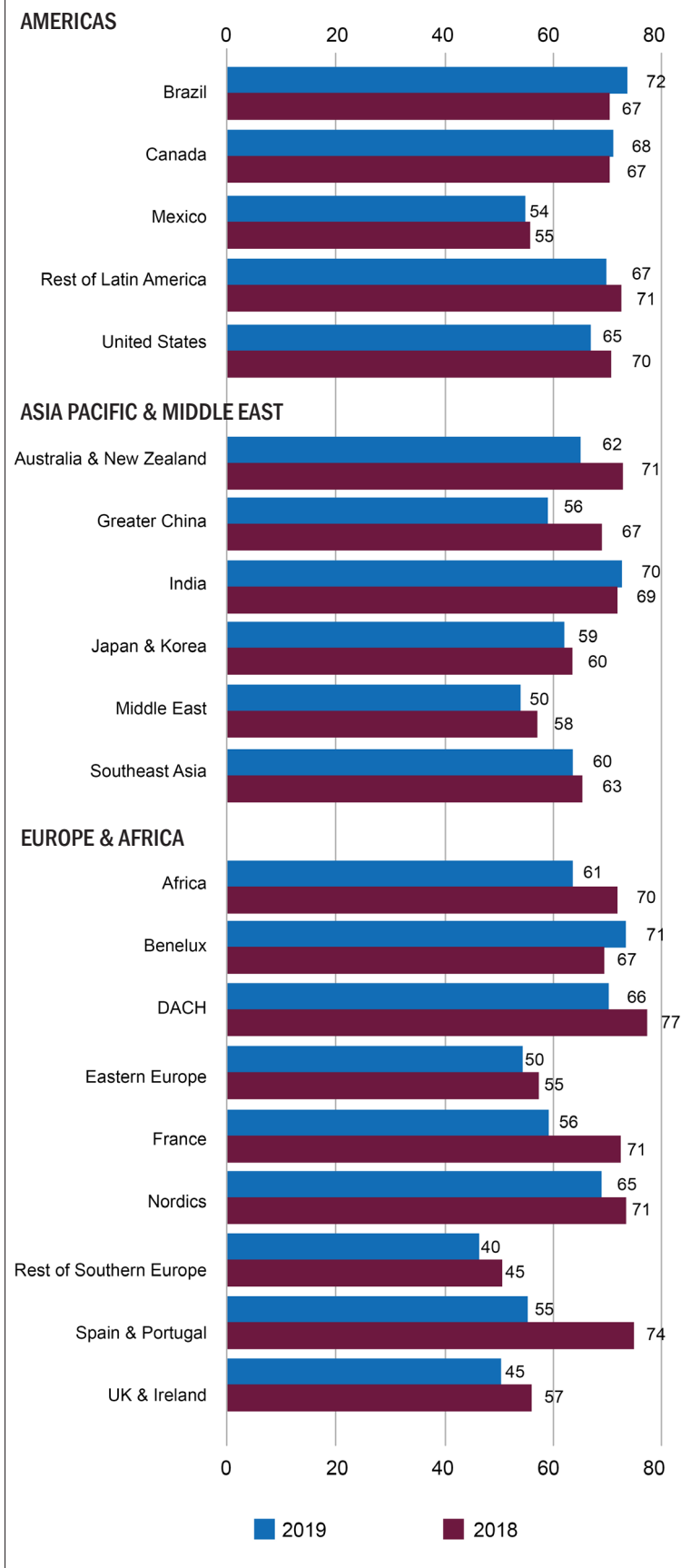


Chart 4-M: 2019 Economic Forecast – National Economies by Geographic Market

AESC Members worldwide rate their national economies an average score of 60. The majority of geographic markets scored lower for 2019 than compared to 2018.

GEOGRAPHIC VARIANCE

Of the greatest declines in optimism expressed for national economies by geographic market from 2018 to 2019, all three are in Europe: Spain & Portugal (25.4% decline); France (21.0% decline); and UK & Ireland (20.1% decline).

Only three geographic markets cast a year-on-year increase in optimism: Brazil (6.6% increase); Benelux (6.0% increase); and India (1.6%). Brazil had the highest level of optimism for 2019, followed by Benelux and India.

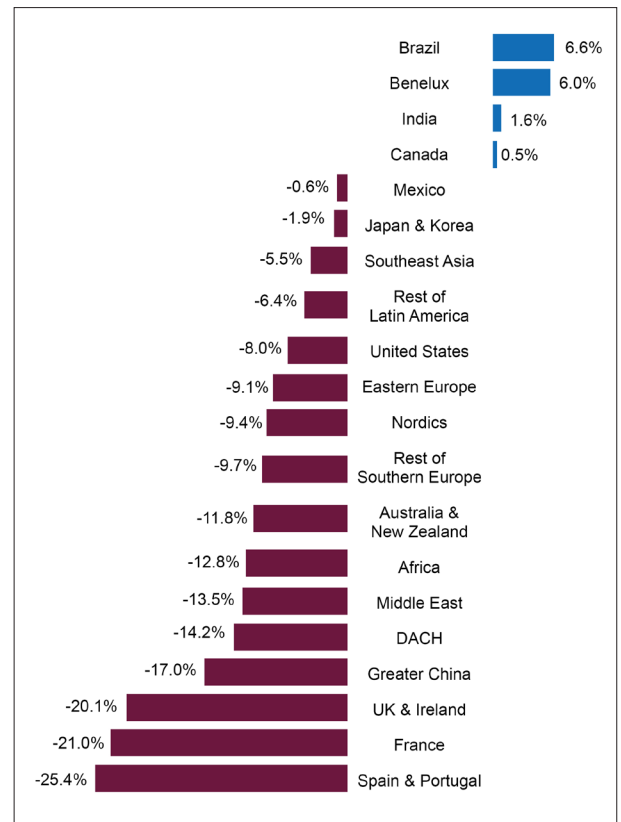


Chart 4-N: Average rating change in optimism 2018-2019 for national economies by geographic market

AESC MEMBERS ARE MORE OPTIMISTIC ABOUT THE PROFESSION IN 2019 VS. THE GLOBAL ECONOMY OR THEIR NATIONAL ECONOMIES.

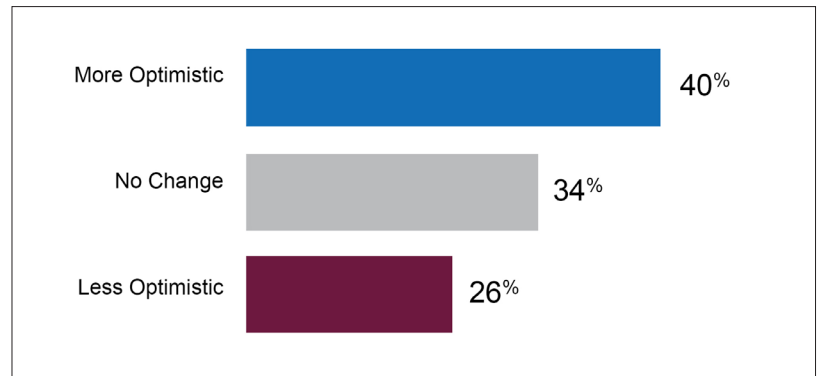


Chart 4-O: AESC Member optimism for executive search in 2019

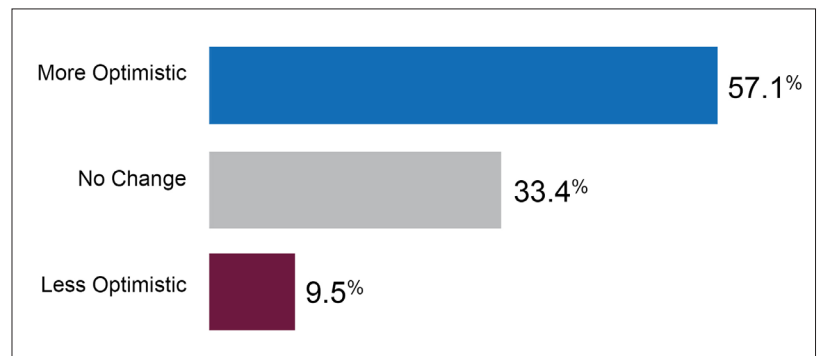


Chart 4-P: AESC Member optimism for leadership consulting in 2019

AESC Members predict China will exceed the growth of any other market worldwide in the year ahead.

AESC Members expect Asia to continue to experience the strongest growth during 2019 as its economies continue to evolve. A third of AESC Members ranked the United States as a top growth market for 2019, while Africa continues to present emerging business opportunities in the year ahead.

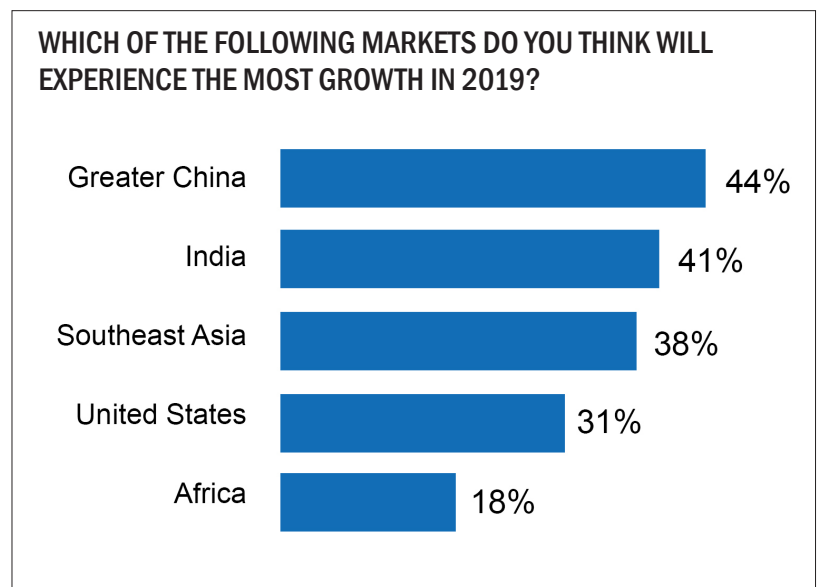


Chart 4-Q: Top geographic markets forecast to experience the most growth in 2019, by percentage of AESC Members worldwide

With the explosion of new technologies, it is no surprise that the Technology sector is forecast as the top growth industry for 2019. Robust growth is also anticipated for the Healthcare and Life Sciences industries as well as for Industrial, Manufacturing and Energy sectors in 2019.

GEOGRAPHIC VARIANCE

Financial Services and Insurance, while ranked 6 globally for growth in 2019, are forecast to be the strongest growing sector for Africa in 2019. Industrial, Manufacturing and Energy are forecast as the number one top growth sectors for India, the Nordics, UK and Ireland, and Spain and Portugal in the year ahead. Consumer and Retail, while not predicted to have the strongest growth in 2019 globally, is ranked as the top 2 growth sector for Mexico and Southern Europe in 2019. Private Equity is ranked as the top 2 growth sector in the United States for 2019.

IN WHICH SECTORS DO YOU EXPECT TO SEE THE MOST GROWTH IN 2019?

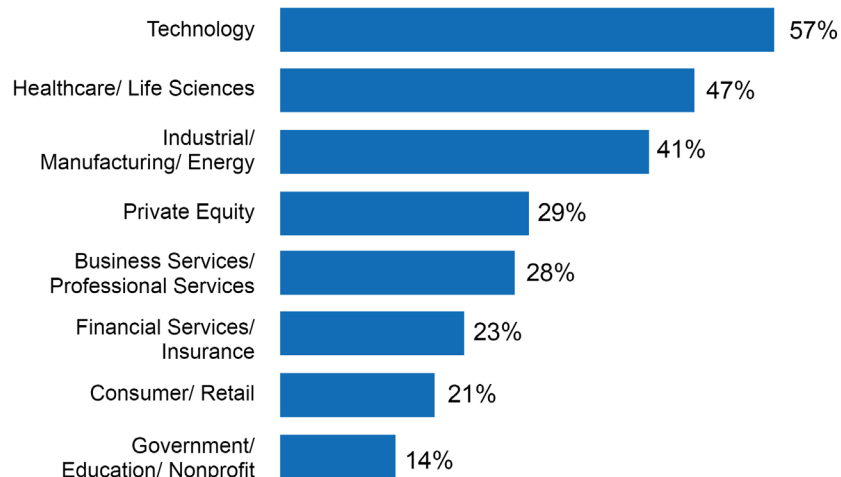


Chart 4-R: Industry sectors forecast to experience the most growth in 2019

With the ongoing pursuit of enterprise-wide digital transformation among organizations globally, tech-focused senior roles are expected to experience strong growth throughout 2019, far surpassing the anticipated growth for any other function.

GEOGRAPHIC VARIANCE

Legal, Compliance and Regulatory functions ranked 6 globally for 2019 growth, but number 2 for growth in Australia and New Zealand as well as Benelux. While Human Resources ranked 8 for growth globally, it was forecast as the number 2 growth function for Eastern Europe. The Sales function was ranked as the number 2 in-demand function for China in 2019. Marketing was ranked 9 globally but 2 for growth in Japan and Korea in 2019. Supply Chain and Operations ranked 7 globally but 2 for growth in Southeast Asia in 2019.

WHICH OF THE FOLLOWING FUNCTIONS DO YOU THINK WILL SEE THE MOST GROWTH IN 2019?

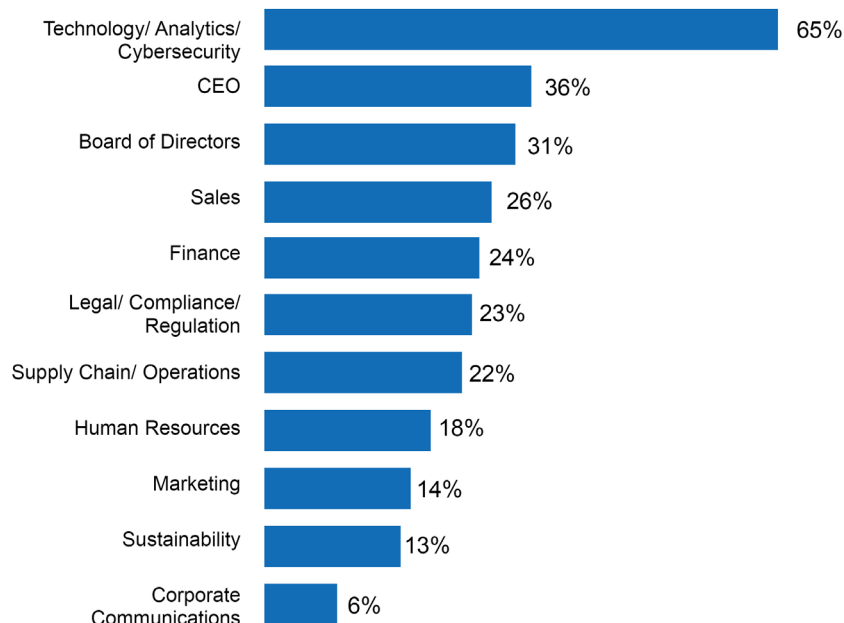


Chart 4-S: Functions forecast to experience the most demand growth in 2019

A VIEW FROM FIRM LEADERS

Our survey received 227 responses from leaders of AESC Member firms. As is typically the case, the 2019 outlook among firm leaders for their own businesses is more positive than the outlook for the profession overall, with 61% feeling more optimistic about their own firms in 2019 than the year before.

This level of optimism among firm leaders for their businesses compared to the significant decline in optimism for the economy overall is an interesting dichotomy, and points to the strength of the profession. While AESC Members forecast a possible economic downturn in the near future, they do not yet see this impacting their firms, at least in the year ahead. As a result, leaders of AESC member firms expect to increase hiring in 2019.

Digital transformation and stronger economies in many markets around the world, despite geopolitical uncertainties, is resulting in more business leaders turning to AESC Members for strategic advisory on how to best leverage new market opportunities for their organizations. AESC Members want to ensure they seize opportunities to serve their clients in new ways with longer-term relationships and a wider breadth of services.

ARE YOU MORE OR LESS OPTIMISTIC ABOUT THE FINANCIAL PROSPECTS FOR YOUR ORGANIZATION IN 2019 COMPARED TO THE PAST YEAR?

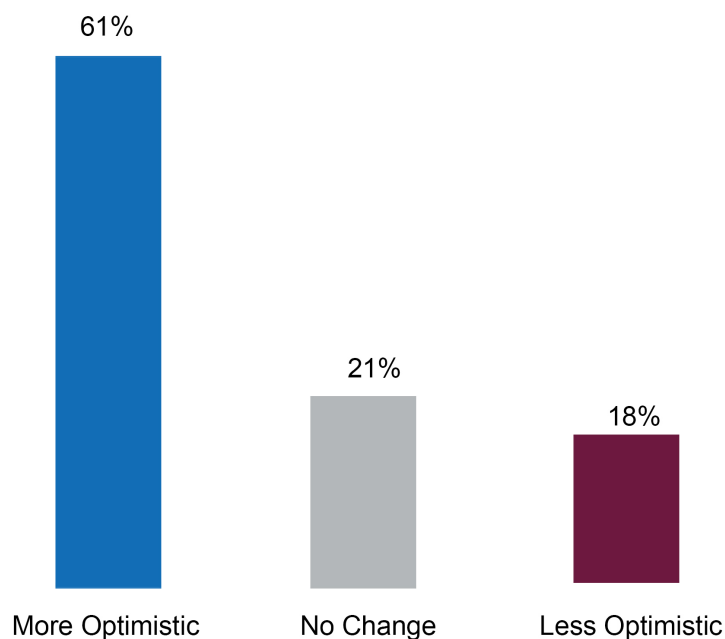


Chart 4-T: Optimism among firm leaders on the financial prospects for their firms in 2019

WHAT ARE YOUR ORGANIZATION'S HIRING PLANS IN 2019 FOR THE FOLLOWING?

Executive search and leadership revenues experienced strong growth in 2018 and 71% of firm leaders plan to hire more search consultants this year. Nearly half (42%) of firm leaders plan to hire more leadership consultants and more than half (54%) plan to hire more executive research staff in 2019.

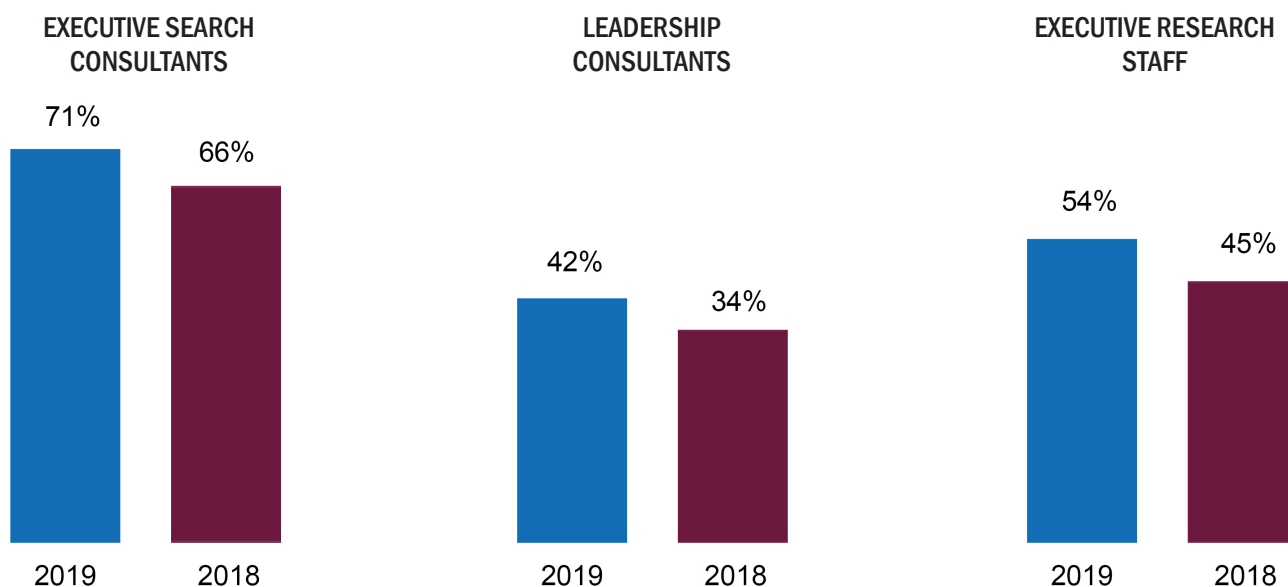


Chart 4-U: 2019 hiring plans of firm leaders

Even though AESC Members cite fee pressure as a top five challenge within the profession, more than one-third of firm leaders (35%) expect their average fee per assignment to increase during 2019. Only 8% of firm leaders expect their average fees to decrease this year, with just over half (57%) expecting no substantial change in fees this year.

When looking by industry specialization, more AESC Members who specialize in Government/ Education/ Nonprofit expect their average fee to increase in 2019 versus AESC Members who specialize in other industry sectors.

DO YOU EXPECT YOUR ORGANIZATION'S AVERAGE FEE PER ASSIGNMENT TO INCREASE, STAY THE SAME OR DECREASE IN 2019?

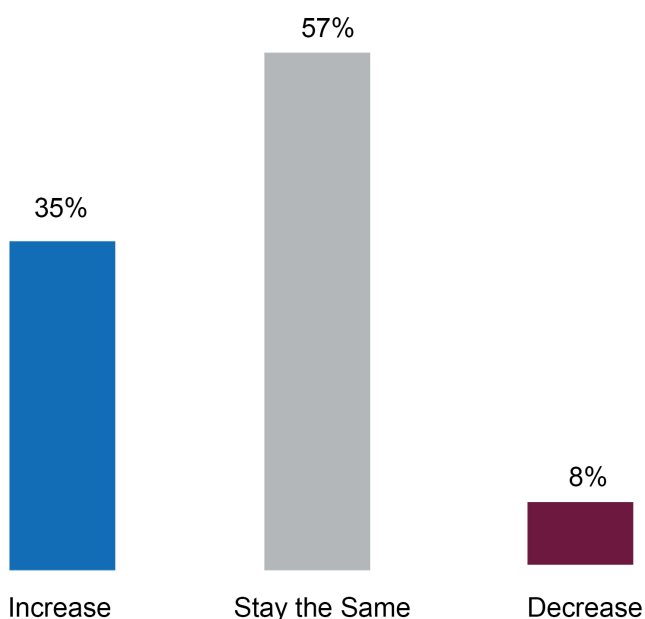


Chart 4-V: Annual forecast for average fees by leaders of AESC Member firms worldwide

DO YOU EXPECT YOUR ORGANIZATION'S AVERAGE FEE PER ASSIGNMENT TO INCREASE, STAY THE SAME OR DECREASE IN 2019? (AESC MEMBER RESPONSE BY INDUSTRY SPECIALIZATION)

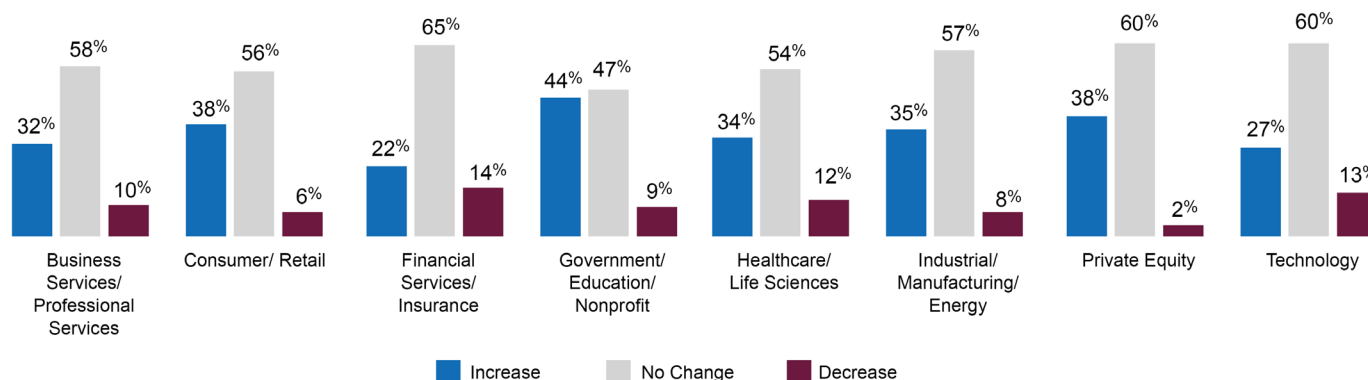


Chart 4-W: Annual forecast for average fees by leaders of AESC Member firms worldwide by industry specialization

There is ongoing pressure for speed from clients faced to move ever-faster to remain competitive in their markets, but a candidate market is creating new challenges in attracting top talent when the best candidates typically have multiple options.

As a result, more searches are taking slightly longer compared to last year. The greatest proportion of AESC Members (50%) however still expect their average search to take two to three months, followed closely by 38% of AESC Members who expect their average search to take four to five months in 2019. Those AESC Members who expect searches to take six to seven months doubled from last year.

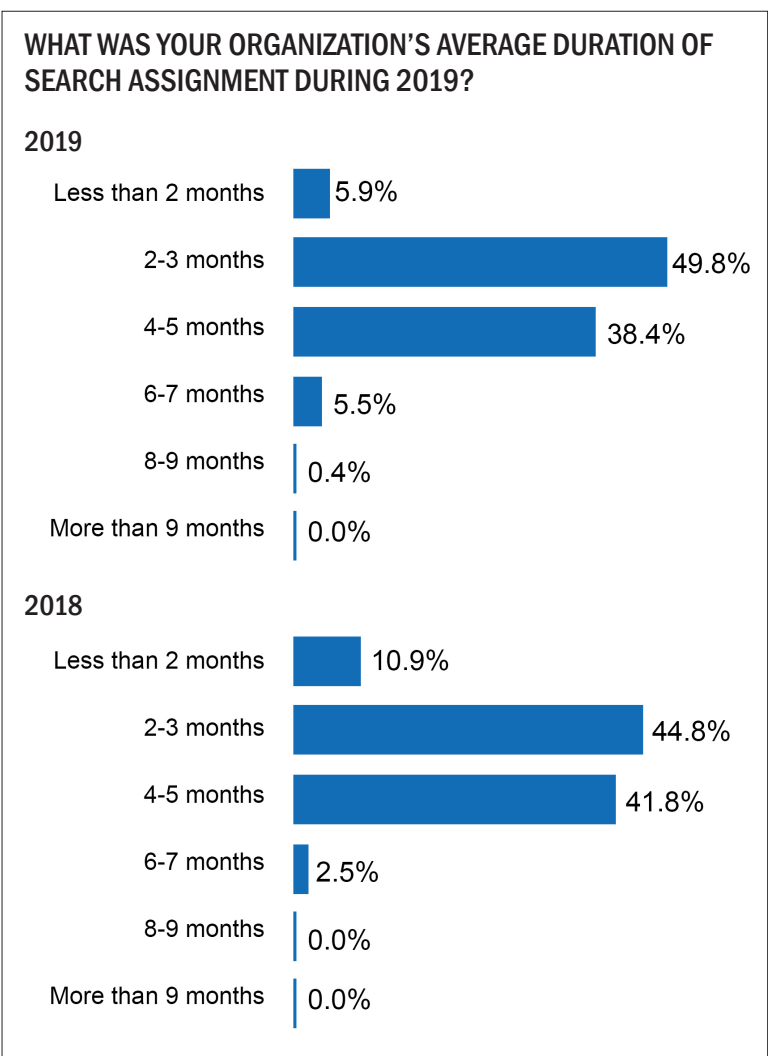


Chart 4-X: Average duration of executive search assignment 2018-2019, based on percentage of leaders of AESC Member firms worldwide

AVERAGE DURATION OF SEARCH ASSIGNMENT DURING 2019 BY INDUSTRY

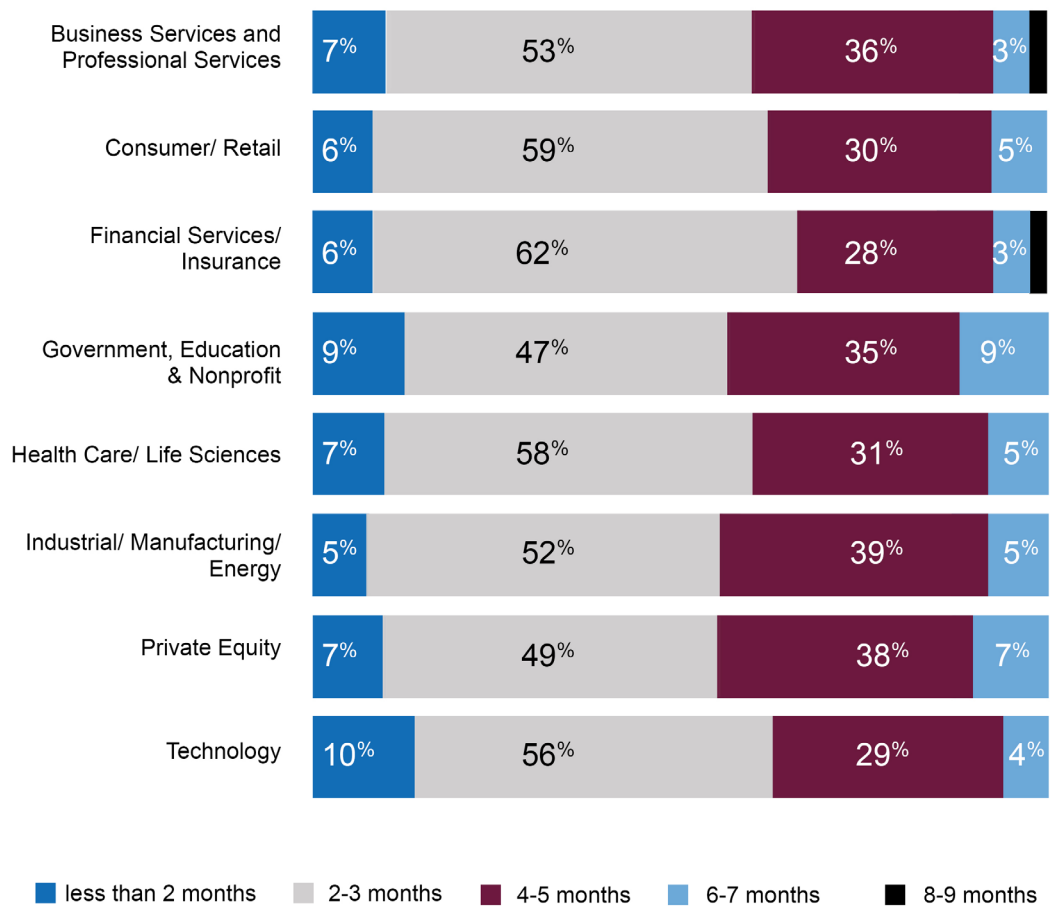


Chart 4-Y: Average duration of search assignment during 2019 by industry

As is the case every year, the top priority among firm leaders to improve on performance is through building stronger relationships with their clients, topping the list

for 64% of AESC Members. More than a third (40%) of firm leaders are looking to technology to increase efficiency in their organizations.

IN WHICH WAYS ARE YOU LOOKING TO IMPROVE YOUR ORGANIZATION'S BUSINESS PERFORMANCE IN 2019?



64%
Build Stronger
Relationships with
Clients



61%
Increase Focus
on Business
Development



40%
Leverage
Technology
to Increase
Efficiency



36%
Increase Focus on
Marketing



32%
Increase Speed
to Placement
While Maintaining
Quality

OUR PROFESSION AROUND THE WORLD



AMERICAS

MARKET SHARE
Total Revenues (All lines of
business) 52.2%

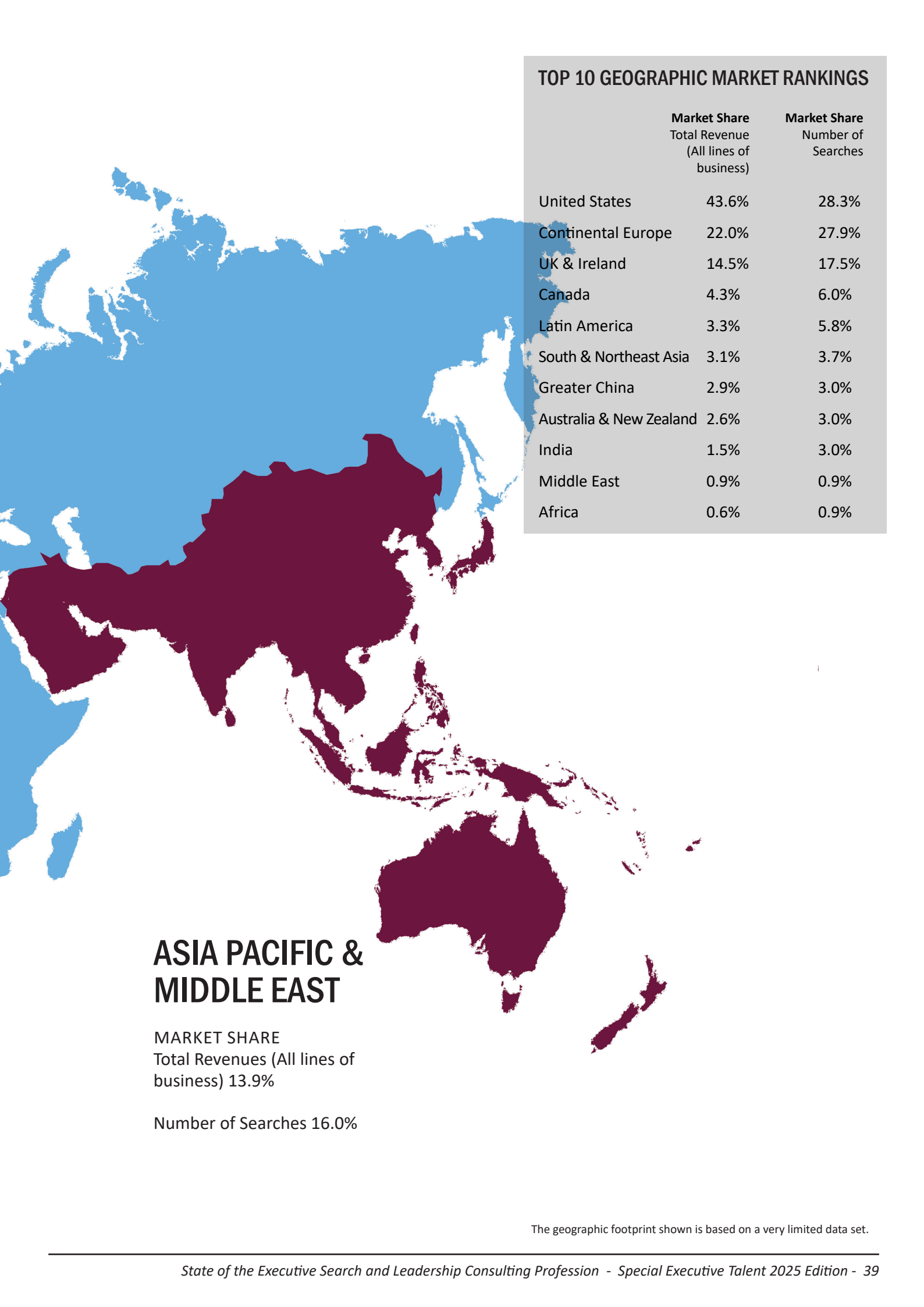
Number of Searches 43.8%

EUROPE & AFRICA

MARKET SHARE
Total Revenues (All lines of busi-
ness) 33.9%

Number of Searches 40.2%

The geographic footprint shown is based on a very limited data set.



TOP 10 GEOGRAPHIC MARKET RANKINGS

	Market Share Total Revenue (All lines of business)	Market Share Number of Searches
United States	43.6%	28.3%
Continental Europe	22.0%	27.9%
UK & Ireland	14.5%	17.5%
Canada	4.3%	6.0%
Latin America	3.3%	5.8%
South & Northeast Asia	3.1%	3.7%
Greater China	2.9%	3.0%
Australia & New Zealand	2.6%	3.0%
India	1.5%	3.0%
Middle East	0.9%	0.9%
Africa	0.6%	0.9%

ASIA PACIFIC & MIDDLE EAST

MARKET SHARE
Total Revenues (All lines of
business) 13.9%

Number of Searches 16.0%

The geographic footprint shown is based on a very limited data set.

AMERICAS REGION

UNITED STATES

Market Share

Total Revenues (All lines of business) 44.9%

Market Share

Number of Searches 28.3%



CANADA

Market Share

Total Revenues (All lines of business) 4.4%

Market Share

Number of Searches 5.8%



BRAZIL

Market Share

Total Revenues (All lines of business) 1.9%

Market Share

Number of Searches 2.8%



REST OF LATIN AMERICA

Market Share

Total Revenues (All lines of business) 0.7%

Market Share

Number of Searches 2.4%



MEXICO

Market Share

Total Revenues (All lines of business) 0.6%

Market Share

Number of Searches 0.8%



The geographic footprint shown is based on a very limited data set.

ASIA PACIFIC & MIDDLE EAST REGIONS

GREATER CHINA

Market Share

Total Revenues (All lines of business) 2.9%



Market Share

Number of Searches 3.0%

AUSTRALIA & NEW ZEALAND

Market Share

Total Revenues (All lines of business) 2.7%



Market Share

Number of Searches 3.7%

SOUTHEAST ASIA

Market Share

Total Revenues (All lines of business) 1.8%



Market Share

Number of Searches 1.7%

INDIA

Market Share

Total Revenues (All lines of business) 1.5%



Market Share

Number of Searches 3.0%

JAPAN & KOREA

Market Share

Total Revenues (All lines of business) 1.2%



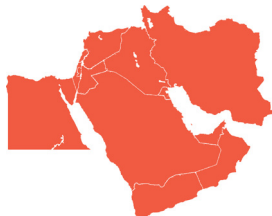
Market Share

Number of Searches 1.7%

MIDDLE EAST

Market Share

Total Revenues (All lines of business) 0.8%



Market Share

Number of Searches 0.9%

The geographic footprint shown is based on a very limited data set.

EUROPE & AFRICA REGIONS

CONTINENTAL EUROPE

Market Share

Total Revenues (All lines of business) 20.9%

Market Share

Number of Searches 27.9%



UK & IRELAND

Market Share

Total Revenues (All lines of business) 14.9%

Market Share

Number of Searches 17.5%



AFRICA

Market Share

Total Revenues (All lines of business) 0.5%

Market Share

Number of Searches 0.9%



The geographic footprint shown is based on a very limited data set.

A CLOSER LOOK AT MAJOR CONTINENTAL EUROPEAN MARKETS

GERMANY

Market Share

Total Revenues (All lines of business) 5.6%

Market Share

Number of Searches 6.4%



NORDICS

Market Share

Total Revenues (All lines of business) 3.4%

Market Share

Number of Searches 5.1%



BENELUX

Market Share

Total Revenues (All lines of business) 3.1%

Market Share

Number of Searches 3.7%



FRANCE

Market Share

Total Revenues (All lines of business) 2.3%

Market Share

Number of Searches 2.8%



ITALY, GREECE & TURKEY

Market Share

Total Revenues (All lines of business) 2.1%

Market Share

Number of Searches 3.0%



SPAIN & PORTUGAL

Market Share

Total Revenues (All lines of business) 1.4%

Market Share

Number of Searches 2.3%



EASTERN EUROPE

Market Share

Total Revenues (All lines of business) 1.1%

Market Share

Number of Searches 2.4%



The geographic footprint shown is based on a very limited data set.

STUDY BACKGROUND

PARTICIPANT DEMOGRAPHICS

504 AESC Members
227 Firm Leaders

28% Americas
40% Asia Pacific & Middle East
32% Europe & Africa

A Special Thanks to Those Organizations Who Provided Data for Our Analysis

- AltoPartners
- Amrop
- Boyden
- Heidrick & Struggles
- Korn Ferry
- Odgers Berndtson
- Panorama
- Russell Reynolds Associates
- Sheffield Haworth
- Signium
- Spencer Stuart
- Stanton Chase International
- Witt/Kieffer

1346 EXECUTIVE CANDIDATES

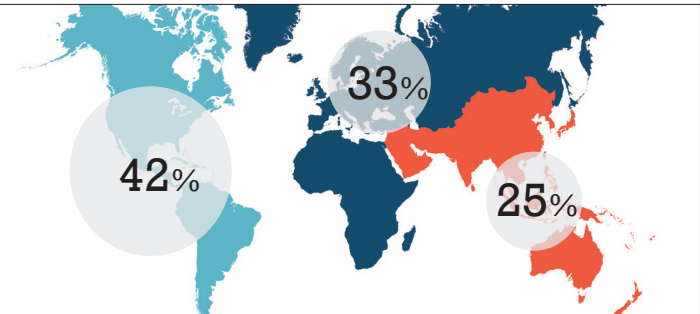


- 16% Supply Chain/ Operations
- 13% General Management
- 13% CEO
- 11% Sales
- 10% Technology / Analytics / Cyber-security
- 9% Finance
- 7% Marketing
- 6% Human Resources
- 2% Board of Directors
- 2% Legal / Compliance/ Regulation



- 17% Technology
- 15% Industrial/ Manufacturing/ Energy
- 13% Business Services/ Professional Services
- 11% Financial/ Insurance
- 11% Consumer/ Retail
- 10% Healthcare/ Life Sciences
- 5% Government/ Education/ Non-profit

42% Americas
25% Asia Pacific & Middle East
33% Europe & Africa



377 CLIENTS OF EXECUTIVE SEARCH & LEADERSHIP CONSULTING SERVICES

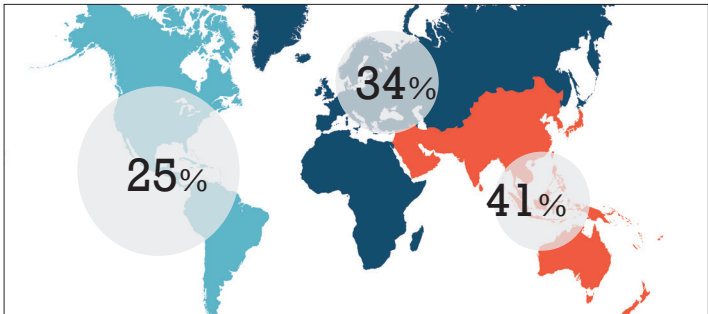


- 30% CEO
- 29% Human Resources
- 12% Board of Directors
- 8% Sales
- 6% Supply Chain/ Operations
- 6% Technology / Analytics / Cyber-security
- 5% Finance
- 3% Marketing
- 1% Legal / Compliance/ Regulation



- 22% Business Services/ Professional Services
- 20% Industrial/ Manufacturing/ Energy
- 12% Consumer/ Retail
- 11% Technology
- 9% Financial/ Insurance
- 6% Government/ Education/ Non-profit
- 6% Healthcare/ Life Sciences
- 2% Private Equity

25% Americas
41% Asia Pacific & Middle East
34% Europe & Africa





Since 1959, 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 1,200+ offices, spanning 70+ countries. AESC Members are recognized leaders of global executive search and leadership advisory solutions. They leverage their access and expertise to place, find and develop more than 100,000 executives each year in board of directors and C-level positions for the world's leading organizations of all types and sizes.

Dedicated to strengthening leadership worldwide, AESC and its members share a deep commitment to the highest quality standards in executive search and leadership consulting—for the benefit of clients and the profession. We Shape. Connect. Educate. Learn more about us at aesc.org.

For candidates, AESC's BlueSteps helps busy executives advance their careers, track their goals and stay visible to the right recruiters. Learn more at bluesteps.com.