



AESC Insights

2011

Executive Search Industry Outlook

The 2011 Executive Search Industry Global Outlook Report, by the Association of Executive Search and Leadership Consultants (AESC), predicts that Industrial, Energy/Natural Resources and Financial Services sectors will experience the most growth in executive hiring in 2011.



2011 AESC Member Outlook Report

The 2011 Association of Executive Search Consultants (AESC) Member Outlook Survey of December 2010 totaled 210 responses from AESC executive search consultants worldwide, including 52% from EMEA, 30% from the Americas and 15% from Asia Pacific.

EXECUTIVE SEARCH INDUSTRY ANTICIPATES GROWTH

*Industrial, Energy/Natural Resources and Financial Services Sectors
Expected to See the Most Growth in Executive Hiring in 2011*

Optimism in the senior recruitment market continues with executive search consultants 68% positive and 30% neutral for the year ahead, showing a peak in industry confidence since its low point at the end of 2008.

AESC President, Peter Felix, commented, "The New Year outlook by our members is most encouraging and confirms the renewed demand for executive search services that we witnessed in 2010. Our members are more confident about their pipeline of assignments and although not all markets around the world are recovering at the same pace the underlying trend is strong. This creates more positive planning support for the expansion of resources that in many cases were severely depleted in 2009."

66% of respondents indicated that their search practices are planning to hire more consultants in 2011 - rising 18% from mid 2010 results - and 44% plan to hire more researchers.

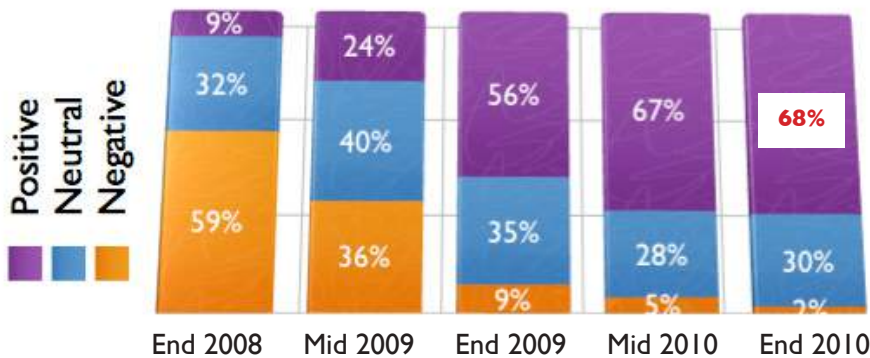
Felix continued, "As the world economy recovers from the financial services trauma so the scarcity of executive talent in many sectors and regions of the world has become apparent again. This is most pronounced in the booming economies of China, India and Brazil where the talent gap is of critical proportions. However, the scarcity of talented general management executives persists even in the developed countries. Given these conditions the outlook for executive search consulting is bright."

Global findings revealed that the Industrial, Energy/Natural Resources and Financial Services sectors are expected to see the most growth in executive hiring in 2011. Consultants in the Americas held particular optimism (over other regions) for Financial Services, Technology/Telecoms, Energy/Natural Resources, Not-for-Profit, Private Equity/Venture Capital and Real Estate/Construction.

China, India and Latin America are expected to see the greatest scarcity of talent in the year ahead, while the functional outlook places General Managers, CEOs, Chief Operating Officers and Board Directors in strong demand in 2011 - suggesting an increase in high level search assignments as reported in the AESC's [third quarter 2010 industry report](#).

EXECUTIVE SEARCH INDUSTRY OUTLOOK

December 2010 sees the most optimistic outlook since the end of 2008 with 68% of executive search consultants giving a positive prediction for 2011 and 30% neutral for the year ahead.



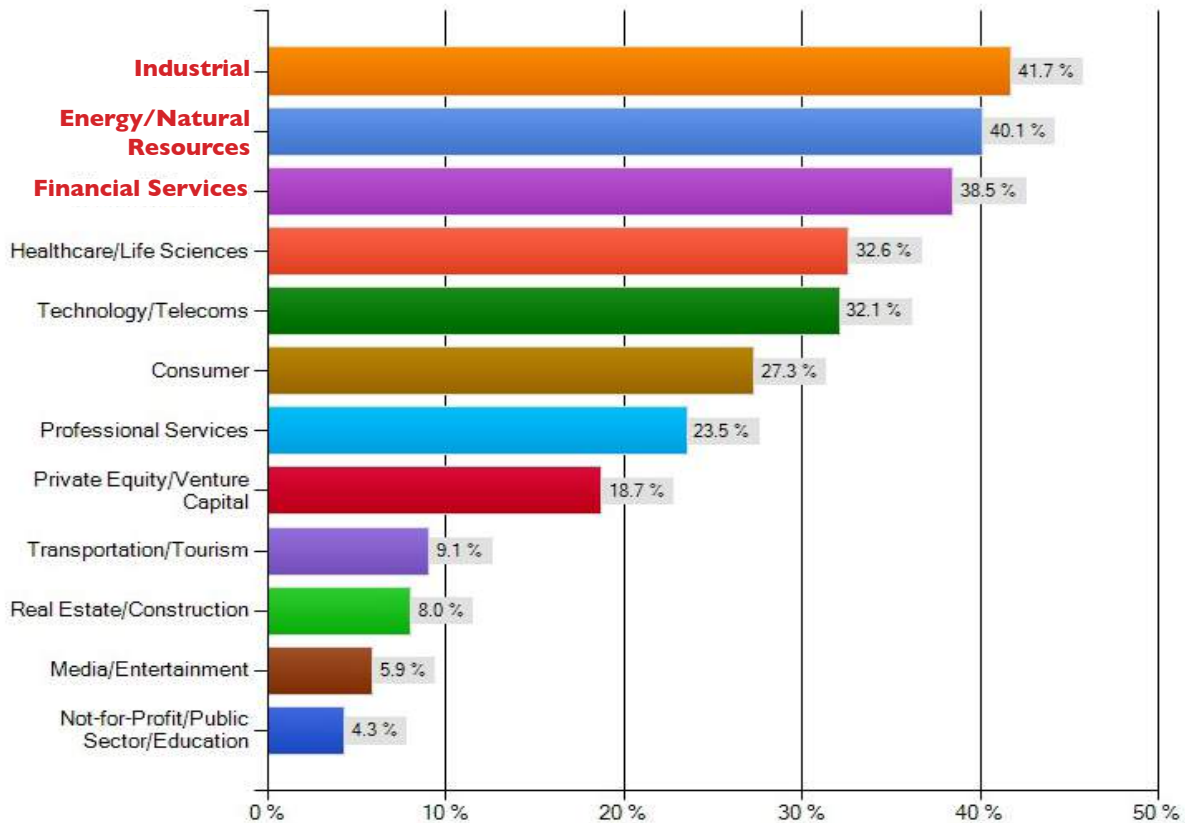
Executive search industry outlook for year ahead (or 6 months ahead at mid-year point)

2011 SECTOR OUTLOOK

Global findings reveal that Industrial, Energy/Natural Resources and Financial Services are expected to see the most growth in 2011.

Regional findings show more optimism in the Americas - over other regions - in Financial Services, Technology/Telecoms, Energy/Natural Resources, Not-for-Profit, Private Equity/Venture Capital and Real Estate/Construction.

Sectors expected to see the most growth in 2011 *

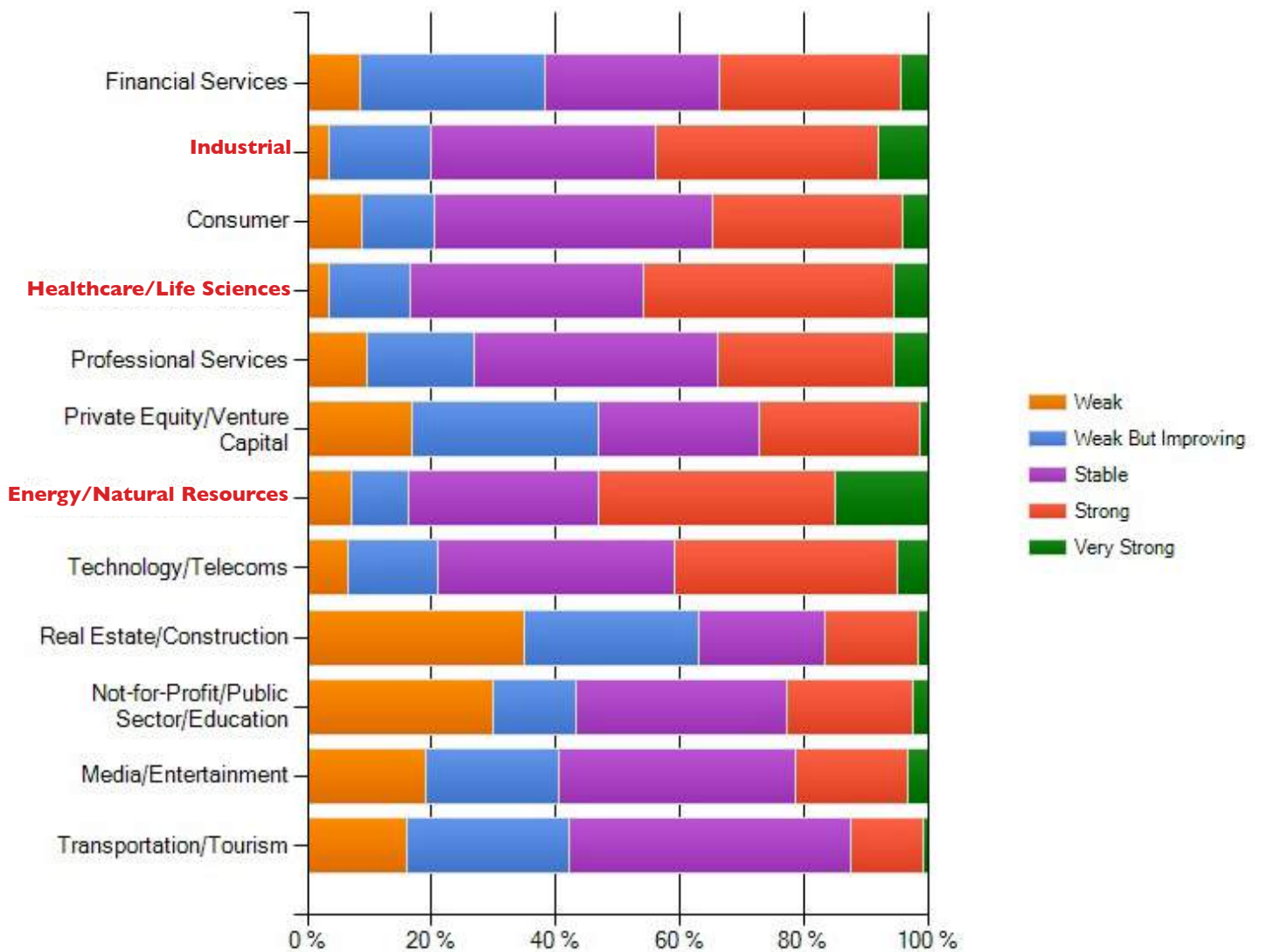


* Respondents asked to select top three choices

CURRENT SECTOR STRENGTH

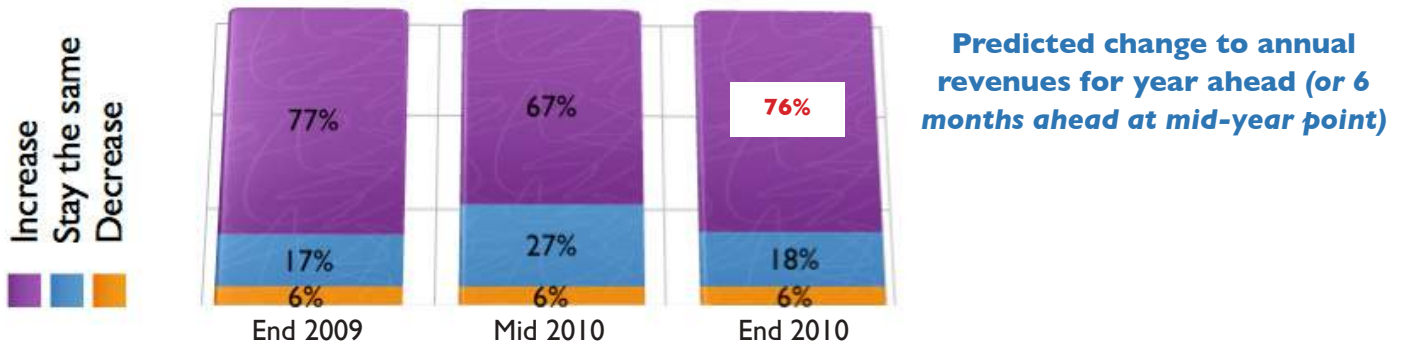
The Energy/Natural Resources (53%), Healthcare/Life Sciences (46%), and Industrial (44%) sectors showed the greatest strength in December 2010 with the highest “Strong/Very Strong” ratings.

Sector strength at December 2010

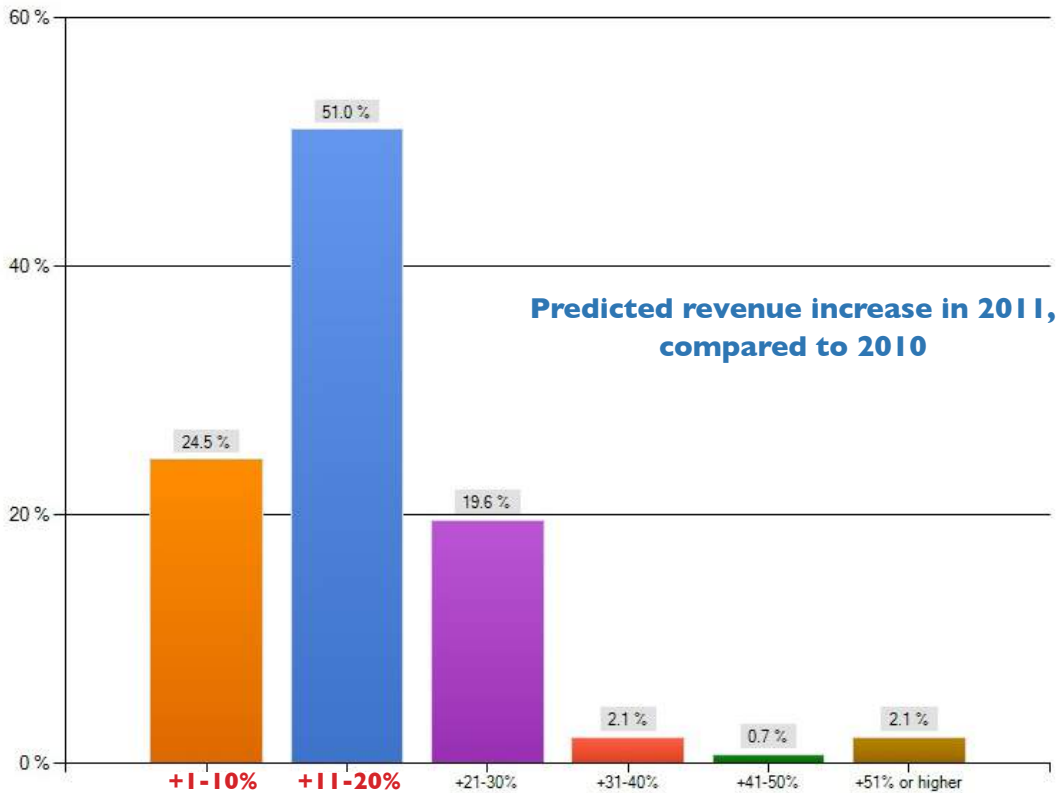


2011 SEARCH INDUSTRY REVENUE PROJECTIONS

Consultants are optimistic about industry growth with 76% expecting annual revenues to increase in 2011. This optimism is also reflected in the AESC's [third quarter 2010 industry report](#) which saw annual revenues (+32%) and new search mandates (+18%) rise across all regions and industry sectors.

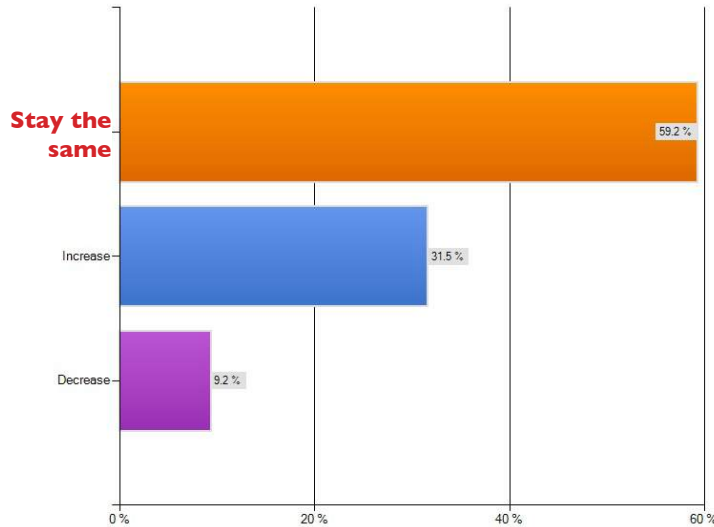


Of the 76% predicting an increase in 2011 revenues, over half expect revenues to increase by +11-20% while a quarter anticipate an increase of +1-10%.



2011 SEARCH INDUSTRY FEE PROJECTIONS

59% of executive search consultants expect their fee per assignment to stay the same in 2011, while 32% expect it to increase.

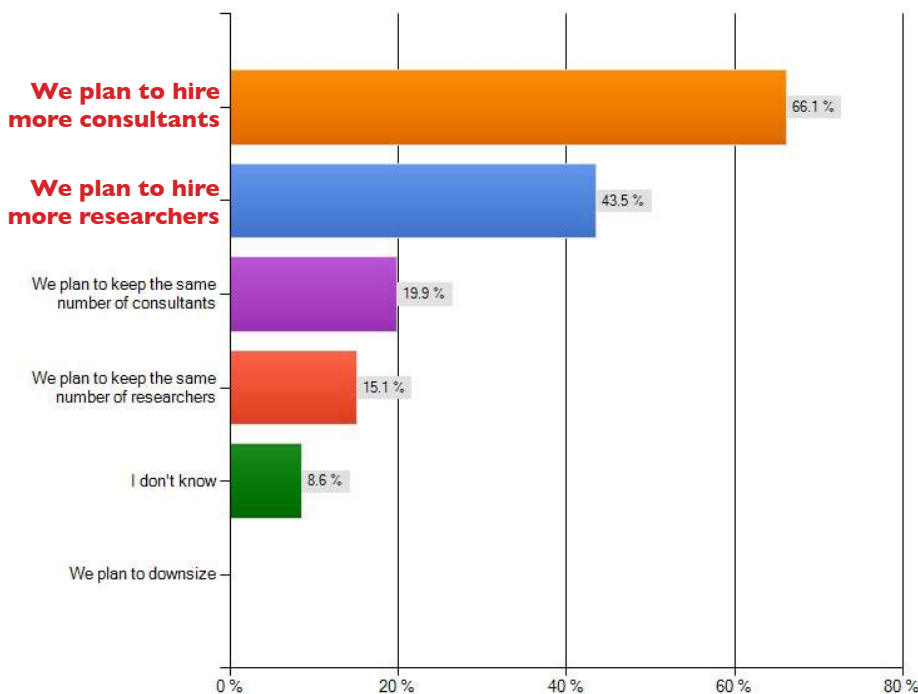


Predicted change to fee per assignment in 2011, compared to 2010

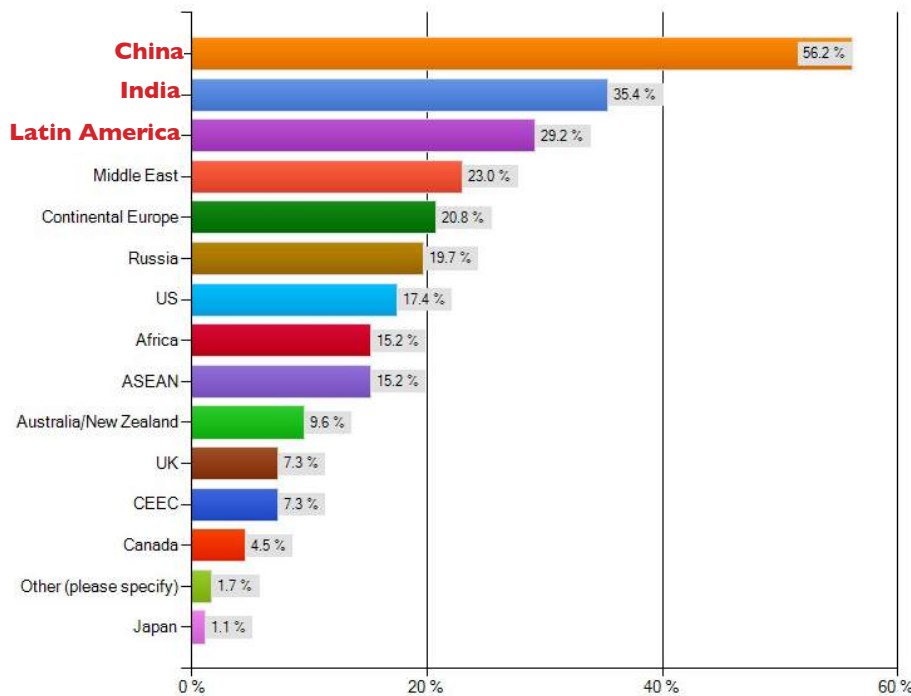
2011 SEARCH INDUSTRY HIRING PLANS

66% of search firms surveyed plan to hire more consultants in 2011 and 44% plan to hire more researchers - rising from mid 2010 figures and reinforcing the optimistic outlook for 2011.

Search firm hiring plans in 2011

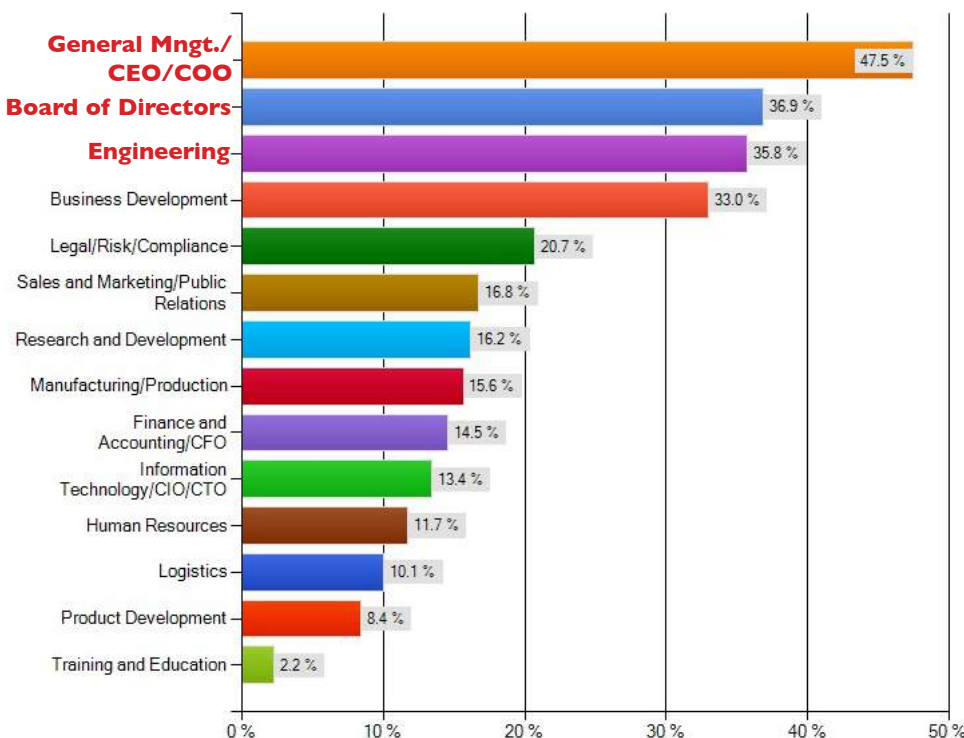


Executive search consultants believe China, India and Latin America will see the greatest shortage of executive talent in 2011.



Markets expected to see the greatest shortage of talent in 2011 *

The General Management/CEO/COO functions are set to see the greatest shortage of talent in 2011, indicating a higher level of new search assignments (as witnessed in the AESC's third quarter 2010 industry report). The Board of Directors and Engineering functions are also expected to be in high demand in 2011.

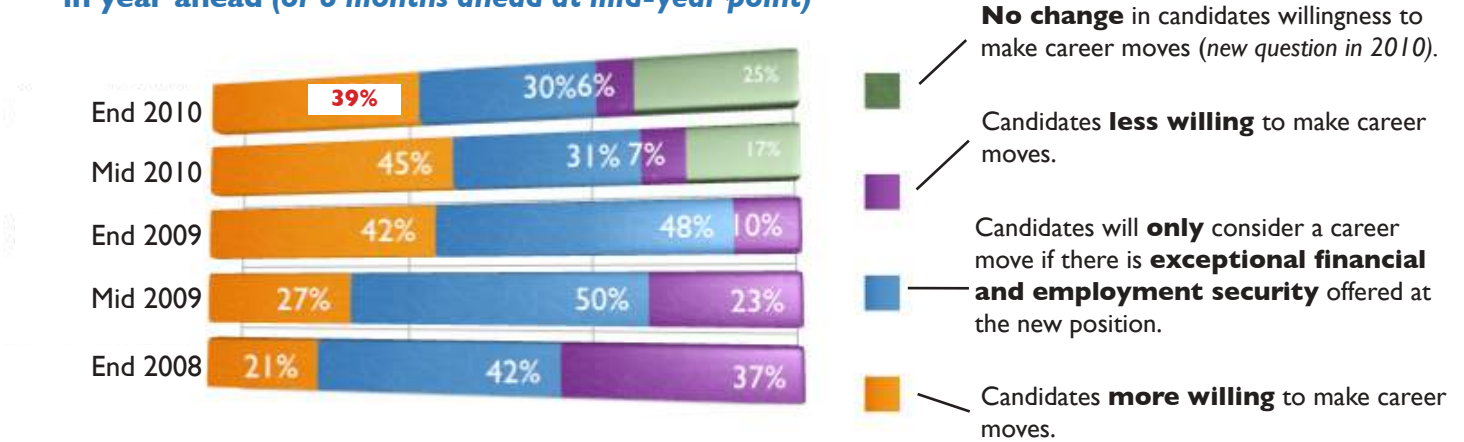


Functions expected to see the greatest shortage of talent in 2011 *

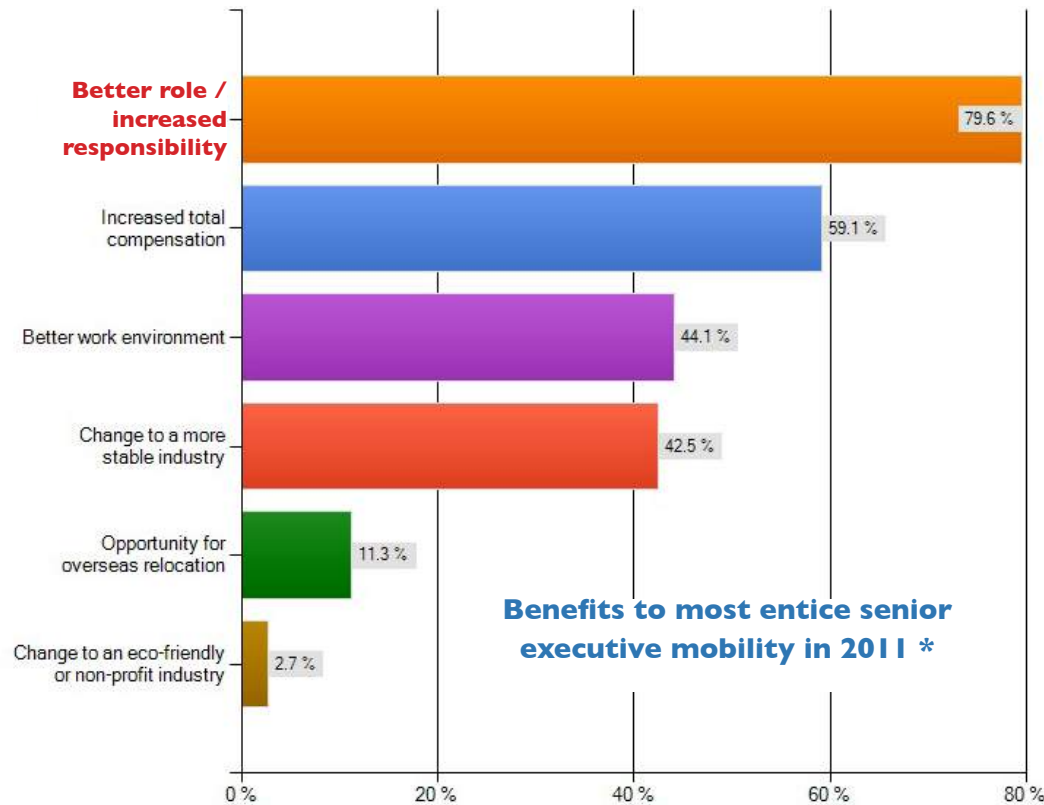
* Respondents asked to select top three choices

Only 39% of search consultants believe that candidates will be more willing to make career moves in 2011 than in 2010 - falling from 45% in mid 2010.

Predicted willingness of candidates to make career moves in year ahead (or 6 months ahead at mid-year point)

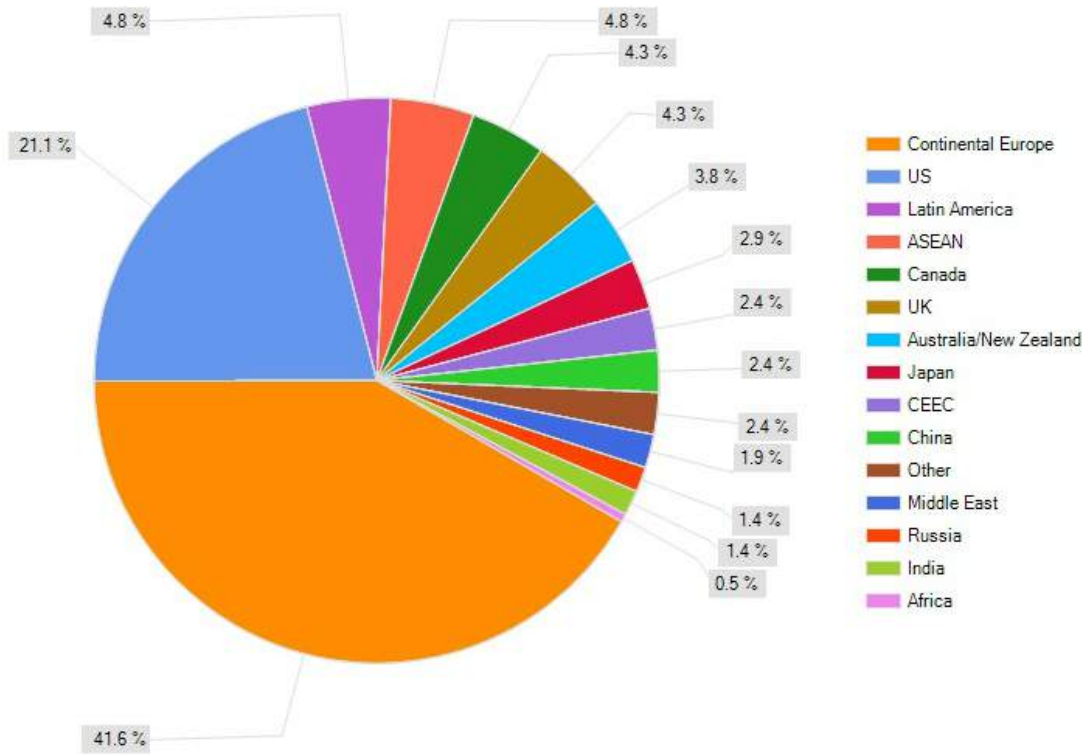


80% of respondents believe that a better role and increased responsibility will most encourage senior executive career change in 2011.



Benefits to most entice senior executive mobility in 2011 *

* Respondents asked to select top three choices



With thanks to The Cluen Corporation for supporting the 2011 AESC Member Outlook Survey

The Cluen Corporation has been working with AESC members for more than eighteen years. Our proven Encore Recruiting Software manages your entire search process and enhances your ability to collaborate effectively. Cluen’s team of experts is dedicated to providing the best solution by understanding your company’s standards, processes and goals.



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About The Association of Executive Search Consultants

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search industry. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves 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 offers www.bluesteps.com, a career management service for senior executives, and www.executivesearchconnect.com, a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC membership directory.

