

Executive Search

Review



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PRODUCTIVITY REPORT

BOUTIQUE FIRMS LEAD RECRUITING SURGE. 1

VIEWPOINT

TRUE:
SETTING A NEW DIRECTION . . . 3

ON THE HUNT

NYC POWER 60:
EPICENTER EXPANDS. 9

NEW YORK CITY'S
POWER 60 RANKING 11

IN THE NEWS

KORN FERRY ENTERS
\$1 BILLION CLUB 13

RECRUITER
ROUNDUP 7, 13

BOUTIQUE FIRMS LEAD RECRUITING INDUSTRY SURGE TO NEW HIGHS

Anyone taking the pulse of the headhunting industry today should look no further than the boutique bracket firms that make up this year's "Hunt Scanlon Top 50 U.S./Americas Search Firm" rankings. A surge in growth among these *Productivity Report* players seems to support the notion that the senior talent industry's sweet spot can be found in the middle of the pack. That isn't to say the largest integrated talent solutions providers aren't holding their own – and then some. Among the 10 largest U.S./Americas search firms, seven reported double digit growth rates in 2014. Among them, **Caldwell Partners** (up 33 percent), **CTPartners** (up 28 percent), **Egon Zehnder** (up an estimated 20 percent), **Diversified Search** (up 15.5 percent), **Spencer Stuart** (up 11.4 percent), **Russell Reynolds Associates** (up 10.4 percent), and **DHR International** (up 10 percent). Together, the Top 10 surged ahead 11 percent, collecting \$2.230 billion in fees. By any measure it was a banner year for the top-ranked U.S. recruitment providers. And the coming decade could be its brightest.

But a look beyond the Top 10 reveals an even more competitive landscape. Mid-sized recruiting boutiques are up big – as a group they are growing at four to five times the rate of the Top 10. "We see this as a direct result of companies bringing their talent identification business in-house," said Scott Scanlon, founding chairman of Hunt Scanlon Media and editor-in-charge of this year's report. Mr. Scanlon says that clients

(continued to page 6)

HUNT SCANLON TOP 10 U.S./AMERICAS SEARCH FIRMS

Firm	Revenue (\$ millions)	Percent Change	Number of Consultants
1. Korn Ferry ^a	616.0	+ 8.0	326
2. Spencer Stuart ^b	424.8	+ 11.4	197
3. Heidrick & Struggles	260.8	+ 1.6	163
4. Russell Reynolds Associates ^c	254.0	+ 10.4	121
5. Egon Zehnder ^d	251.0	+ 20.0	118
6. DHR International	170.5	+ 10.0	133
7. CTPartners	116.2	+ 28.0	119
8. Witt/Kieffer	57.8	+ 9.1	94
9. Caldwell Partners ^e	45.1	+ 33.0	33
10. Diversified Search	33.5	+ 15.5	41

a) February 1st, 2014 – January 31st, 2015 b) As of 9/30/14 c) Fees without allocated cost recoveries
d) As of 10/31/14 (Hunt Scanlon Media estimate) e) As of 8/31/14

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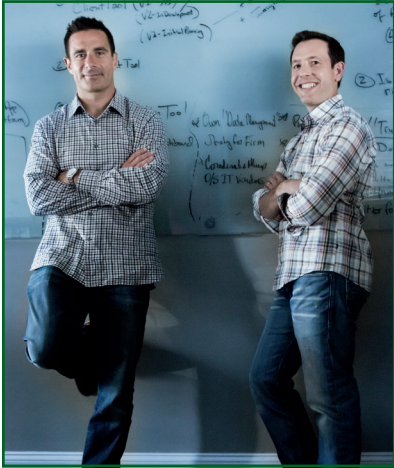
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VIEWPOINT



Brad Stadler and Joe Riggione

Increasingly, top consultants at large search firms are breaking ranks and setting out to build and develop new brands in unique ways by embracing cutting-edge strategies to best serve a demanding client base. Once partners with Top Five search firm, Heidrick & Struggles, Brad Stadler and Joe Riggione, who co-founded True in 2012, are leading a dedicated team of consultants which has catapulted True to the 16th largest among U.S. search firms. Today they are working with some of the most innovative private equity and venture capital firms in the world. In the following interview they discuss their strategy and why they decided to set out on their own.

Q & A

**SETTING A NEW COURSE:
TRUE'S PARTNERS DEVELOP UNIQUE STRATEGIES**

ESR: Why did you form True in 2012?

Stadler: We believed that we could better serve our clients by creating a new platform that incorporated a data component and focused on efficiency. We had several ideas about how to elevate the overall search experience for clients and candidates but it was very difficult to execute those ideas within a larger firm. It was also important for us to develop global reach and expand our search offerings below the C-suite, which we've done with our sister company Foundation Talent.

ESR: You sold your firm, Iron Hill Partners, to Heidrick & Struggles in 2008 and worked in a large firm environment. Why did you initially sell Iron Hill to Heidrick?

Riggione: The exit opportunity came at the right time considering the scale we'd achieved with Iron Hill. It was our first venture and we were proud of what we'd accomplished, but we were young and still had a lot to learn. The acquisition was financially meaningful to us and Heidrick was a good fit at that time and proved to be an important part of our broader vision.

ESR: True is comprised of partners who once worked for larger firms like Heidrick & Struggles. What benefits did the large firm experience bring to you and others who had this background?

Stadler: Larger firms like H&S have been leaders in our industry for years. They do a lot well, including training the next generation of recruiters. In that environment, you fine-tune your professional goals, likes, dislikes, principles and ideals. However, there are some systemic issues and limitations that hinder their ability to consistently serve their clients well. A global platform can be great, but large firms have to be so focused on revenue growth and that can get tough.

ESR: Do you think a firm like True will have a competitive advantage in the future given that larger firms are perhaps getting too large and perhaps failing more often?

Riggione: What really matters, from our point of view, is a firm's ability to focus and specialize in certain areas. We don't believe large generalist firms can do this well, so in that regard, mid-sized firms do have an advantage. For example, today, we serve clients throughout North America and EMEA within technology and life sciences with a high level of service and market knowledge and that's where we'll continue to focus.

ESR: True works with a great many venture capital and private equity firms to identify talent for their portfolio companies. What are the nuances in working within this sector?

Stadler: There are many nuances to these two areas. In most cases, VC firms are most interested in an executive's experience within high growth or disruptive markets. Many PE searches require candidates with more scale and operational discipline. In 2014, 15 percent of our searches were with public companies and we believe that percentage will continue to grow. Many public companies are looking to recruit executives with entrepreneurial experience to help fuel innovation. With respect to candidate pools, we find that there is good synergy across these markets.

ESR: True is not a large or even boutique generalist but, rather, a mid-sized firm that specializes in certain, key industries. Why were certain disciplines selected and do you feel it is better to be a mid-sized firm that focuses on a select number of disciplines versus a firm the same size that is considered a true generalist?

(continued to page 4)

Setting a New Course (continued from page 3)

Riggione: Again, we believe in a focused approach. Markets that have similar characteristics make the most sense to us, which is why we have chosen technology and life sciences. Both of these markets are disruptive, growing, and have received significant investment. We believe this will continue even in down market cycles. They also happen to be the two areas that we are most personally passionate about.

ESR: How does True develop a brand that is unique and thus how does it differentiate itself from other firms?

Stadler: For us, this comes down to three things – a transparent, data-driven approach; a global footprint that focuses solely on tech and life sciences; and a team of outstanding professionals who value substance over salesmanship.

ESR: Search firms today look and feel very differently than in the recent past when all were essentially pure-play search providers. Today many firms are more full service human capital providers than in the past. How is True responding to this shift in structure?

Riggione: Yes, many firms are adding services and capabilities as they look for new ways to increase revenue. In our view, however, this is primarily a large firm trend and not the best strategy for us. For now, we prefer to focus on our core strength while adding capabilities that enhance the total search experience. Whether that's better culture assessment tools or fine-tuning an industry leading talent management platform, our expansion plan centers around a mindset towards better client service.

ESR: Do you think there exists inherent conflicts of interest when search firms are offering ancillary services in conjunction with traditional search services?

Stadler: There certainly can be. If the ancillary services dilute the focus from core search, then there is a genuine conflict of interest. That said, if a firm can figure out a way to add CEO coaching or leadership as-

essment, for example, while still delivering excellent searches, then we see no issue.

ESR: Do think there will be more boutique firms or mid-sized firms like True in the future? There have been many more firms putting out a shingle in the last five years than ever before. Does this surprise you?

“The real difference makers and value drivers will find new ways to improve search and be around a lot longer.”

Riggione: No, it's not a surprise at all and there are a couple of factors at play. First, there will always be entrepreneurs who are frustrated by large platforms and pursue their own venture. Also, today's vibrant capital markets have created great opportunity for both large and small firms, so new firms are increasingly likely to emerge. However, it will be interesting to see how the landscape looks five years from now...anyone can hang out a shingle, close a few searches a year, and perhaps build to a team of two or three people. The real difference makers and value drivers will find new ways to improve search and be around a lot longer.

ESR: Because True is your own brand there is more at stake in client situations. But, on the flip side, there must be a greater level of satisfaction that this structure is working because you are the ones driving it with your vision?

Stadler: The whole idea of entrepreneurship is based on the huge amount of risk that comes with starting something new but at a greater reward, so yes that's true. Having said that, we always thought the risk was worth it. There are so many opportunities to improve the industry whether that's finding better ways to assess culture

or incorporate technology into the search process and for us, the only way to contribute to making the industry better was to go out on our own.

ESR: Hunt Scanlon Media is publishing a major study on in-house recruiting this year. What do you think about the shift by many companies to use internal recruiters to conduct their own search assignments and have you seen any effects on your business? What effect will this have on the retained part of the industry and at True?

Riggione: We don't think the shift will impact us. There will always be searches that can be easily handled in house, but ultimately, every company has limitations around network, reach and resources. There will always be a need for search firms with excellent service, and a great network and platform. In fact, many of our clients, either corporations or venture capital firms, have an internal talent professional on staff. We work with them all the time because there are certain searches that just don't make sense for them to work in house. The search industry works across multiple verticals and multiple roles...we're a mile wide and a mile deep. They're an inch wide and a mile deep; those inherent limitations are just unavoidable. That said, firms like ours must innovate and evolve to find new ways to add value.

ESR: How much time do you and your partners/associates spend in gaining an understanding of a client's culture? In your view, how critical is this?

Stadler: It's extremely important. In fact, we've engaged a team of cultural anthropologists to help us develop a scientifically-based model for assessing candidates. How will a candidate "fit in" to an existing culture? Will he/she be able to lead a culture change if necessary? This is one aspect of the search industry that needs to be torn apart, rebuilt, and become more effective. We're hoping to help solve that problem with a rigorous, credible tool that improves hiring decisions.

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PRODUCTIVITY REPORT

Boutique Firms Lead Recruiting Industry (continued from page 1)

are focusing on two things at the moment: efficiency and specialized search support. “Boutique players provide both,” he says.

Growing Science Behind Finding Leaders

As corporate talent acquisition professionals turn inward to recruit their own

talent, the largest firms are certainly not being sidelined. **Korn Ferry**, **Spencer Stuart**, **Heidrick & Struggles**, **Russell Reynolds Associates** and **Egon Zehnder** are all rapidly innovating – expanding, and diversifying, their talent service models into

high-end strategic consulting businesses. Organizational culture shaping and leadership assessment services are chief among them. Two firms, in fact – **Egon Zehnder** and **Spencer Stuart** – are building more sci-
(continued on page 7)

HUNT SCANLON TOP 50 U.S./AMERICAS SEARCH FIRMS

Firm	Revenue (\$ millions)	Percent Change	Number of Consultants	Number of Offices	Primary Contact and Telephone	
1. Korn Ferry ^a	616.0	+ 8.0	326	38	Gary D. Burnison	(310) 552-1834
2. Spencer Stuart ^b	424.8	+ 11.4	197	24	Kevin Connolly	(312) 321-8326
3. Heidrick & Struggles	260.8	+ 1.6	163	17	Tracy Wolstencroft	(312) 496-1200
4. Russell Reynolds Associates ^c	254.0	+ 10.4	121	17	Clarke Murphy	(212) 351-2000
5. Egon Zehnder ^d	251.0	+ 20.0	118	19	Greig Schneider	(617) 535-3500
6. DHR International	170.5	+ 10.0	133	37	Geoffrey Hoffmann	(312) 782-1581
7. CTPartners	116.2	+ 28.0	119	17	David Nocifora	(216) 682-3108
8. Witt/Kieffer	57.8	+ 9.1	94	17	Charles Wardell	(630) 990-1370
9. Caldwell Partners ^e	45.1	+ 33.0	33	9	John Wallace	(416) 920-1370
10. Diversified Search	33.5	+ 15.5	41	8	Judith von Seldeneck	(215) 656-3550
11. Kaye/Bassman - Sanford Rose Associates	33.2	+ 22.5	89	56	Jeffrey T. Kaye	(972) 931-5242
12. Major, Lindsey & Africa	27.4	+ 10.0	47	17	Simon Robinson	(877) 482-1010
13. Isaacson, Miller	23.8	+ 19.9	75	3	Elizabeth Ramos	(617) 262-6500
14. Herbert Mines Associates	21.0	+ 8.2	9	1	Harold D. Reiter	(212) 652-0345
15. SPMB	18.3	+ 35.6	13	1	Dave Mullarkey/Andy Price	(415) 924-7200
16. True	18.2	+ 90.0	26	5	Joe Riggione/Brad Stadler	(646) 434-0319
17. JM Search	17.0	+ 31.0	29	4	John Marshall	(610) 964-0200
18. Crist Kolder Associates	16.0	+ 6.7	4	1	Peter D. Crist	(630) 321-1110
19. Morgan Samuels	13.5	- 4.3	28	8	Bert Hensley	(310) 205-2200
20. Ferguson Partners	13.3	+ 33.0	9	4	William Ferguson	(312) 368-5040
21. Hobbs & Towne	11.4	+ 31.0	25	5	Andy Towne	(415) 963-3838
22. Slayton Search Partners	11.0	+ 18.0	14	1	Richard Slayton	(312) 706-7898
23. ON Search Partners	10.6	+ 17.6	11	5	Tim Conti	(440) 318-1006
24. Odgers Berndtson	9.9	+ 25.0	13	5	Steven B. Potter	(212) 972-7287
25. Reilly Partners	9.8	+ 8.5	17	1	Robert Reilly	(312) 781-9020
26. ZRG Partners	9.4	+ 45.0	18	8	Larry Hartmann	(201) 560-9900
27. Chartwell Partners	9.0	n/a	9	5	R. Stuart Bush	(214) 269-1907
27. Calibre One	9.0	+ 35.0	8	3	Tom Barnes/Dan Grosh	(415) 904-0661
28. Bench International	8.9	+ 17.0	11	3	Denise DeMan	(310) 854-9900
29. Charles Aris, Inc.	8.6	+ 11.7	34	1	Chad Oakley	(336) 378-1818
30. Strawn Arnold Associates	7.7	+ 11.0	7	4	Jeff Ashpitz	(512) 263-1131
30. Howard Fischer Associates	7.7	+ 6.8	10	3	Howard Fischer	(215) 568-8363
31. Battalia Winston	7.3	+ 2.8	12	5	Dale Winston	(212) 308-8080
32. Greenwood/Asher & Associates	7.1	+ 15.0	34	3	Jan Greenwood/Betty T. Asher	(202) 374-2111
33. Kensington International	6.6	+ 4.8	7	2	Brian G. Clarke	(630) 590-6330
34. North Line Partners	5.8	+ 11.5	7	1	Bradley J. Holden	(847) 386-7190
35. Pearson Partners International	5.6	+ 2.0	15	4	Keith Pearson	(214) 292-4130
36. CarterBaldwin Executive Search	5.4	+ 5.0	5	1	David Clapp	(678) 448-0000
36. Preng Associates	5.4	+ 2.0	5	1	David Preng	(713) 266-2600
37. Hanold Associates	5.0	+ 3.0	3	1	Jason Hanold	(847) 332-1334
38. Gilbert Tweed International	4.8	+ 15.0	11	4	Janet Tweed	(212) 758-3000
39. Slone Partners	4.7	+ 18.0	8	4	Adam Slone	(202) 425-5114
40. Tyler & Company	4.6	+ 12.0	10	4	Denise Kain	(770) 396-3939
41. Taylor Winfield	4.4	+ 2.9	4	3	Connie Adair	(972) 392-1400
42. Lochlin Partners	4.2	+ 54.0	4	1	Patrick Friel	(703) 584-3210
43. Career Smith	4.1	n/a	10	10	E. Brian Smith	(949) 760-8666
44. Martin Partners	3.9	+ 25.0	3	1	Theodore Martin	(312) 922-1800
45. Ross & Co.	3.5	+ 15.0	4	2	Larry Ross/Jim O'Sullivan	(781) 694-0404
46. Alta Associates	3.4	+ 64.0	5	1	Joyce Brocaglia	(908) 806-8442
47. The Human Capital Group	2.4	+ 14.2	6	4	Steve Hayes	(615) 371-0285
48. Coleman Lew & Associates	1.8	- 12.3	6	1	Charles E. Lew	(704) 377-0362
49. Baker & Associates	1.7	+ 85.0	2	1	Jerry H. Baker	(770) 395-2761
50. Vetted Solutions	1.5	+ 25.0	5	2	James Zaniello	(202) 544-4749

a) February 1st, 2014 – January 31st, 2015 b) As of 9/30/14 c) Fees without allocated cost recoveries d) As of 10/31/14 (Hunt Scanlon Media estimate) e) As of 8/31/14

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PRODUCTIVITY REPORT

Boutique Firms Lead Recruiting Industry (continued from page 6)

ence into their business models, developing competency-based testing tools and setting up proprietary methodologies to better assess and validate senior-level candidates as well as teams of people within client companies. "We see this as an evolutionary step toward the McKinsey strategic consulting model – but with people and leadership at the center of the consulting service," said Mr. Scanlon. A look at the exceedingly high number of ex-McKinsey professionals now populating the rosters of these two firms bears this out.

"Predicting leadership success – not identifying leaders – is what we see as the next big opportunity ahead," said Mr. Scanlon. "It is, unquestionably, the one with the most financial reward." Not surprisingly, Egon Zehnder and Spencer Stuart enjoyed the highest growth rates among the Top Five U.S./Americas search firms, an expansion flowing from these new disciplines. For Egon Zehnder, the undisputed pioneer in offering integrated leadership services, a 10-year snapshot of its business is revealing: the firm reported \$59.5 million in U.S./Americas regional fees in 2004; today, that figure has skyrocketed to more than \$250 million – a business overseen by nearly three times the number of consultants than a decade ago. But gaining marketshare has put Zehnder in the direct crosshairs of its rivals: Russell Reynolds Associates lured one of its top professionals, Justus O'Brien, to co-lead its integrated CEO and board advisory services group, while Rob Sloan jumped ship for global boutique firm **Sheffield Haworth** to head its integrated talent management service expansion.

But the industry's compelling story, for now, rests squarely with the boutiques. Among them, No. 16 ranked **True**, founded by two former Heidrick partners

in 2012 who sold a predecessor firm – Iron Hill Partners – to Heidrick seven years ago, reported the highest growth rate (90 percent) of any Top 50 search firm (see related Q&A: "Setting a New Course..."). With a laser-like focus on just two sectors, technology and life sciences, True embodies the focused, innovative, and passionate approach future search specialists are likely to emulate. Right behind True is **ZRG Partners**, up 45 percent – and another success story found among the Hunt Scanlon boutique bracket rankings. Like True, ZRG represents a new breed of talent management provider – smaller, more intensely focused, with global reach. But unlike any of its boutique rivals, ZRG is now one of the first mid-sized talent providers to obtain capital funding by using its growth story to attract investment dollars. ZRG plans to use the proceeds to pursue strategic acquisitions and attract key executive recruiters to fuel its growth. One likely outcome is that more mid-sized players will line up similar financing which, in turn, will push growth levels among this group to new highs.

Other mid-bracket search firms worth noting: **SPMB** (up 36 percent); **Calibre One** (up 35 percent); **Ferguson Partners** (up 33 percent); **Hobbs & Towne** (up 31 percent); **JM Search** (up 31 percent); **Odgers Berndtson** (up 25 percent); **KBIC** (up 23 percent); **Isaacson, Miller** (up 20 percent); **ON Search Partners** (up 18 percent); **Slayton Search Partners** (up 18 percent); and **Bench International** (up 17 percent). And not to be left out of any discussion on growth are the smallest of the boutiques: of these 20, 13 of them (or 65 percent), reported double digit growth rates – raising the possibility that next year's pecking order will be even more competitive.

RECRUITER ROUNDUP

...**Rosenzweig & Company** has released its "10th Annual Report on Women at the Top Levels of Corporate Canada." The report tracks the progress of gender equality in the top offices of Canada's biggest and strongest publicly-traded corporations..... **Chandler Group** has added former SummaCare CEO, Marty Hauser, as partner and will open the company's first office in Northeast Ohio.....Fordham University has named Jeff Neubauer as the men's newly-appointed basketball coach. **Parker Executive Search** conducted a national search after coach Tom Pecora departed on March 18.....Teresa Jacques, an independent executive search consultant, has joined **DavenportMajor Executive Search** as partner, technology. Ms. Jacques brings over 20 years of global experience scaling technology companies for public and venture-backed companies.....**TurningPoint Executive Search** has released its latest report on hiring in Southern California. "Each quarter, we review the latest trends in hiring, career development and job search, identifying areas of unusual activity or change," says Ken Schmitt, founder and president of TurningPoint. "Over the past nine to 12 months, we have seen a surge in hiring among marketing professionals across industries, company sizes and structures.".....Coffeyville Regional Medical Center has hired Mark Woodring as chief executive officer. Mr. Woodring brings 15 years of leadership experience as a healthcare executive and will assume his new duties on May 18. **B.E. Smith**, which specializes in healthcare leadership solutions, conducted the search.....**Heidrick & Struggles** has named Thomas Linquist, partner of the firm's global industrial practice. Mr. Linquist was recently with Russell Reynolds Associates and has more than 25 years of industry and consulting experience.....The former joint owner and MD of Publicis Life Brands Resolute, Paul Blackburn, has launched a new executive search firm, **People Gallery**. Their focus is exclusively on targeting top-ranking PRs across various disciplines.....The University of Miami has named Dr. Julio Frenk, former dean of faculty at the Harvard T.H. Chan School of Public Health, the university's next president. Dr. Frenk will succeed Donna E. Shalala, who led the university since 2001. **Russell Reynolds Associates** conducted the search...

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CEO Succession Planning: A Framework for Boards



Making It To The Top: Nine Attributes That Differentiate CEOs



The Rise Of The Chief Digital Officer



THE NEW YORK POWER 60: RECRUITING EPICENTER DIVERSIFIES AND EXPANDS

No matter how much business activity is taking place in London, Hong Kong, or Dubai, New York City rules as the world center of commerce and deal making. From Wall Street and its stock exchanges to the bustling world of retail, fashion and high tech, millions of people and billions of dollars come in and out of the city every day. To be sure, the stalwarts of industry and commerce rule here still: AIG, Colgate-Palmolive, Verizon, Avon and Pfizer are just a few of the scores of Fortune 500 giants that call New York City home. But a closer look at the city today reveals a much more complex business substrate – crowding out banks and investment advisors are a myriad of tech companies, among them familiar names like Yahoo and Google, and unlikely ones called ZocDoc and Venmo and Kaltura. “New York is no longer just the financial capital of the world,” said Steven B. Potter, managing partner of **Odgers Berndtson** in New York. “It’s become a digital and tech hub that has seen the expansion of a host of digital innovators.”

So is it any wonder that of the 7,500 senior-level recruitment outfits that dot the globe 20 percent can be found in New York? Among the thousands of skyscrapers that line the city streets thousands of recruiters are busily filling some of the most prominent positions their clients can serve up. New York City is the epicenter of the senior talent management industry; every major global search firm has an office here – and for those not headquartered here, New York is their most important U.S. or North American outpost.

Hunt Scanlon Media set out this year to select the most prominent leadership solutions providers in the world’s largest search market. The firm settled on 60 of

the most influential and innovative. Using a criteria based on reach, reputation, longevity and sector influence, Hunt Scanlon looked closely at hundreds of firms that initially qualified. In the end, just 60 made the cut. They include the smallest of recruiters, like **J. Gregory Coleman & Associates**, a financial services specialist, to the industry’s leading giants: **Heidrick & Struggles**, **Korn Ferry**, **Russell Reynolds Associates**, **Spencer Stuart** and **Egon Zehnder**. And many in between.

“New York has become a digital and tech hub that has seen the expansion of a host of digital innovators.”

In Hunt Scanlon’s ranking of the Top 50 U.S./Americas search firms (see related story), nearly 40 percent maintain offices in New York City while global brands like **Sheffield Haworth**, **Options Group**, **Proco Global**, **Caldwell Partners** and **EMA Partners** maintain exceptionally strong and expanding practices in the city. While over one-third call themselves generalists, specialty practices rule the day at many of the listed firms and many of those are among the most recognized brands in their respective recruitment sectors: **Herbert Mines Associates** (retail); **Bert Davis Executive Search** (publishing/media); and **Martens & Heads!** (fashion & luxury). “In the past four months our New York team has placed 16 European-based candidates coming from six different countries of origin,” said Maxine Martens, CEO of Martens & Heads!, underscoring the importance of the firm’s New York locale. The booming tech and alternative ener-

gy sector has also been a magnet: **Hobbs & Towne**, the 21st largest U.S. firm and a specialist in this area, can be found here, along with **True**, the technology, private equity/venture-backed and life sciences specialist. Legal recruiters like **E.P. Dine**, **Major Lindsay & Africa** and **Howard-Sloan** have firmly cemented themselves in Manhattan as well.

Clearly, the financial services sector maintains the largest position among the ranked firms and for good reason: the world’s largest and most prominent financial institutions are based in New York – and they employ hundreds of thousands; their human capital needs are, simply, insatiable. For firms like Korn Ferry, Heidrick & Struggles and Spencer Stuart, financial services drives their growth engine while at smaller specialist rivals like **Whitney Partners**, **Braddock Matthews**, **Jamesbeck Global Partners**, **Prince Houston** and **Chanko Ward** have carved out key niches in key specialty sectors within the overall financial services sector.

“We see financial services continuing to be a very important part of our business,” said Russell S. Reynolds Jr., chairman of **RSR Partners** whose New York office made the cut this year. “The boutique banking firms are using recruiters actively, as are asset management firms,” he added. Mr. Reynolds has maintained a unique vantage point on this sector for over 50 years. A former commercial lending officer with Morgan Guaranty Trust, Mr. Reynolds founded Russell Reynolds Associates in 1969 and it quickly became known as the leading firm in financial services recruiting. Although Mr. Reynolds broke rank with the firm he founded in 1993, Russell Reynolds

(continued to page 11)

Culture makes the difference



Headquartered in Toronto, Caldwell Partners is a different kind of executive search firm. With a culture of transparency and sharing, our firm allows Partners to serve their clients first and foremost. Having Partners as major owners tangibly demonstrates this heightened involvement and commitment: to the firm, to the shareholders and to each other.

With offices across the United States and Canada, and partners in Europe and Asia, our size – by design – gives us the resources and market presence of an international firm, yet keeps our Partners completely freed from the shackles of overly restrictive off-limits. Simply put, we're big enough to matter, yet small enough to care, in every respect.

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ON THE HUNT

The New York Power 60 (continued from page 9)

Associates today is the only Top Five firm headquartered in New York and financial services is still its largest producing sector.

At Top 10 search firm, **CTPartners**, financial services remains atop their sector list. In 2014, the firm posted global financial

services fees of \$51 million (30 percent of its total business), the lion's share coming from its New York City business base.

THE HUNT SCANLON POWER 60: NY CITY'S LEADING SEARCH FIRMS

680 Partners Type: Generalist Consultants: 3	Ross Freeman (212) 931-5314	Martens & Heads! Type: Fashion/Luxury/Retail Consultants: 9	Maxine Martens (212) 421-2094
David Barrett Partners Type: Asset and Wealth Mngt. Consultants: 6	David Barrett (212) 710-8840	Jamesbeck Global Partners Type: Investment Management Consultants: 5	Ashton McFadden (212) 616-7411
Battalia Winston Type: Generalist Consultants: 7	Dale Winston (212) 308-8080	JW Michaels & Co. Type: Compliance/Legal/and Risk Consultants: 48	Jason Wachtel (646)-346-2454
Bay Street Advisors, LLC Type: Financial Services Consultants: 20	Kevin P. Mahoney (646) 278-4321	Kenzer Group Type: Generalist Consultants: 3	Bob Jackman (212) 308-4300
Boyden Type: Financial Svc./Tech and HC & LS Consultants: 8	Jeanne Branthover (212) 949-9400	Korn Ferry Type: Generalist Consultants: 48	Anthony LoPinto (212) 687-1834
Braddock Matthews Type: Asset Management Consultants: 2	Derek Braddock (212) 257-4422	Major, Lindsey & Africa Type: Legal Consultants: 37	Jon Lindsey (212) 972-1029
Caldwell Partners Type: Generalist Consultants: 8	Paul Heller (212) 953-3220	Maximum Management Type: Human Resources Consultants: 9	Melissa Brophy (212) 867-4646
Calibre One Type: Technology & Healthcare Consultants: 3	Girish Mirchandani (212) 729 3634	Herbert Mines Associates Type: Retail/Cons. Prod./Fashion Consultants: 9	Hal Reiter (212) 355-0909
Canny, Bowen Type: Generalist Consultants: 2	Greg Gabel (212) 949-6611	NGS Global Type: Generalist Consultants: 2	Robert Kobayashi (212) 572-6293
Chadick Ellig Type: Generalist Consultants: 5	Susan Chadick and Janice Ellig (212) 688-8671	Odgers Berndtson Type: Generalist Consultants: 16	Steven B. Potter (212) 972-7287
Chanko Ward Type: Financial Consultants: 3	James Chanko (212) 869-4040	Options Group Type: Financial Services Consultants: 3	Michael Karp (212) 982-0900
J. Gregory Coleman Group Type: C-suite Consultants: 2	J. Gregory Coleman (212) 686-1000	Phillips Oppenheim Type: Non-profit Consultants: 10	Becky Klein (212) 953-1770
The Corrigan Group, LLC Type: Retail/Consumer Consultants: 2	George Corrigan (646) 218-9608	Prince Houston Type: Asset Management Consultants: 5	Marilyn L. Prince and James S. Houston (212) 313-9891
CTPartners Type: Generalist Consultants: 42	David Nocifora (216) 682-3108	Proco Global Type: End-to-end Supply Chains Consultants: 12	Gerardo Suarez (646) 837-5880
Bert Davis Executive Search Type: Publishing/Media Consultants: 7	Bert Davis (212) 838-4000	Raines International Inc. Type: Generalist Consultants: 11	Bruce R. Raines (212) 997-1100
DHR International Type: Generalist Consultants: 26	Frank Spencer (212) 883-6800	Renovata Partners Type: VC/Private Equity Consultants: 6	Andrew Utrup (646) 454-5351
E.P. Dine, Inc. Type: Legal Consultants: 8	Laurie J. Becker (212) 355-7690	Rhodes Associates Type: Real Estate Consultants: 10	Steven Littman (212) 503-0444
Diversified Search Type: Generalist Consultants: 10	Tracy M. O'Such (212) 542-2590	Russell Reynolds Associates Type: Generalist Consultants: 42	Heather Hammond (212) 351-2000
DRG Executive Search Type: Nonprofit Consultants: 12	David Edell (212) 983-1600	RSR Partners Type: Generalist Consultants: 2	Graham Michener (212) 661-5727
Egon Zehnder Type: Generalist Consultants: 23	Patrick O'Brien (212) 519-6000	Seiden Krieger Associates Type: Generalist Consultants: 5	Steven A. Seiden (212) 688-8383
EMA Partners Type: Generalist Consultants: 3	Edwin Mruk (212) 808-3077	Sheffield Haworth, Inc. Type: Fin. Svs./Research & Advisory Consultants: 10	Mark Esposito (212) 593-7119
Epsen Fuller Group Type: Consumer/Digital/Bio-Pharma Consultants: 8	Thomas Fuller (212) 619-0089	Solomon Page Group, LLC Type: Generalist Consultants: 53	Marc Gouran (212) 403-6100
The Executive Source Type: Human Resources Consultants: 2	Richard C. Piazza (212) 691-5505	Spencer Stuart Type: Generalist Consultants: 32	Thomas Daniels (212) 336-0200
Jay Gaines & Company Type: Financial Services Consultants: 4	Jay Gaines (212) 308-9222	Stephen Bradford Search Type: Generalist Consultants: 7	Mitch Berger (212) 221-6333
Gilbert Tweed International Type: Generalist Consultants: 15	Janet Tweed (212) 758-3000	Third Street Partners Type: Asset Management Consultants: 3	Laura K. Pollock (212) 886-1095
Goldsmith & Co. Type: Fin. Svs. (Asset Management) Consultants: 9	Joe Goldsmith (212) 419-1239	True Type: Software/Internet/P.E. Consultants: 3	Joe Riggione/Brad Stadler (646) 434-0319
Heidrick & Struggles Type: Generalist Consultants: 63	Daniel Ryan (212) 867-9876	Whitney Partners Type: Financial Services Consultants: 6	Gary Goldstein (212) 508-3500
Hobbs & Towne, Inc. Type: Genl Tech; ClnTech/EgyTech & Sust. Consultants: 3	Stephen Bishop (646) 624-9772	Witt/Kieffer Type: Generalist Consultants: 4	Jon Croteau (212) 648-2676
Howard-Sloan Professional Search Type: Legal/Compliance/Financial Consultants: 55	Mitchell Berger (212) 704-0444	WTW Associates Type: Tech./Media & Entertainment Consultants: 4	Warren T. Wasp (212) 972-6990
E.A. Hughes & Co. Type: Consumer Products/Retail Consultants: 6	Elaine Hughes/Ann MacCarthy (212) 689-4600	The Viscusi Group Type: Furnishings Consultants: 3	Stephen Viscusi (212) 979-5700

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IN THE NEWS

KORN FERRY ENTERS BILLION DOLLAR CLUB AS “BIG FIVE” REPORT STRONG GROWTH

Collectively, the five largest global talent leadership providers enjoyed a healthy nine percent revenue rise in 2014, powered by double digit growth rates at **Spencer Stuart** and **Russell Reynolds Associates**. Together, the Big Five brought in \$3.384 billion in global consulting fees for the year. But bragging rights clearly belong to the industry’s leader, **Korn Ferry**, as it reached undoubtedly the most important milestone in its storied 46-year lifespan: \$1 billion in annual revenues. Korn Ferry has held onto the No. 1 spot in both **Hunt Scanlon’s** U.S./Americas and Big Five global rankings for the last decade. But it hasn’t come easy; the firm considered a bankruptcy option just seven years ago as the global Great Recession weighed down heavily on its business. The firm’s leadership team retooled Korn Ferry’s model, setting it on a new trajectory that dovetailed perfectly with the new rising economy.

Talent management integration is now at the heart of Korn Ferry’s strategy, with its recruiting business taking a back seat to more urgent requests from clients to assess, test, and validate people – leaving the identification of new talent in many instances to the companies themselves. It is a major shift happening across the Big Five and who emerges as the new talent integration leader is still up for grabs. In the next year or two half of Korn Ferry’s revenues will

likely come from its leadership/talent consulting and **Futurestep** businesses.

“If you’re a large, global player there’s enormous pressure to offer an integrated package of talent and leadership solutions,” said Scott Scanlon, managing editor of this year’s rankings reports. “Identifying leaders doesn’t take what it used to with the right social media tools at hand. What’s in vogue now is assessing talent, integrating people and teams into cultures, and predicting leadership success. It is the greatest realignment ever to hit this sector and a watershed moment for its leaders.”

Hunt Scanlon estimates that roughly 23 percent of the revenues produced at the Big Five now emanates from non-core, or non-search-related, services. These include leadership assessment, talent audit, leadership strategy, succession planning, employee development and integration counsel, culture shaping, onboarding, recruitment process outsourcing and inclusion consulting. Korn Ferry is at one end, with 40 percent of its business coming from non-recruiting advisory services; at the other end is Spencer Stuart, **Heidrick & Struggles**, and Russell Reynolds Associates, each at about 10 percent. **Egon Zehnder**, long a talent leadership integrator, takes about 30 percent of its revenues from clients seeking advice above and beyond their recruitment needs.

RECRUITER ROUNDUP

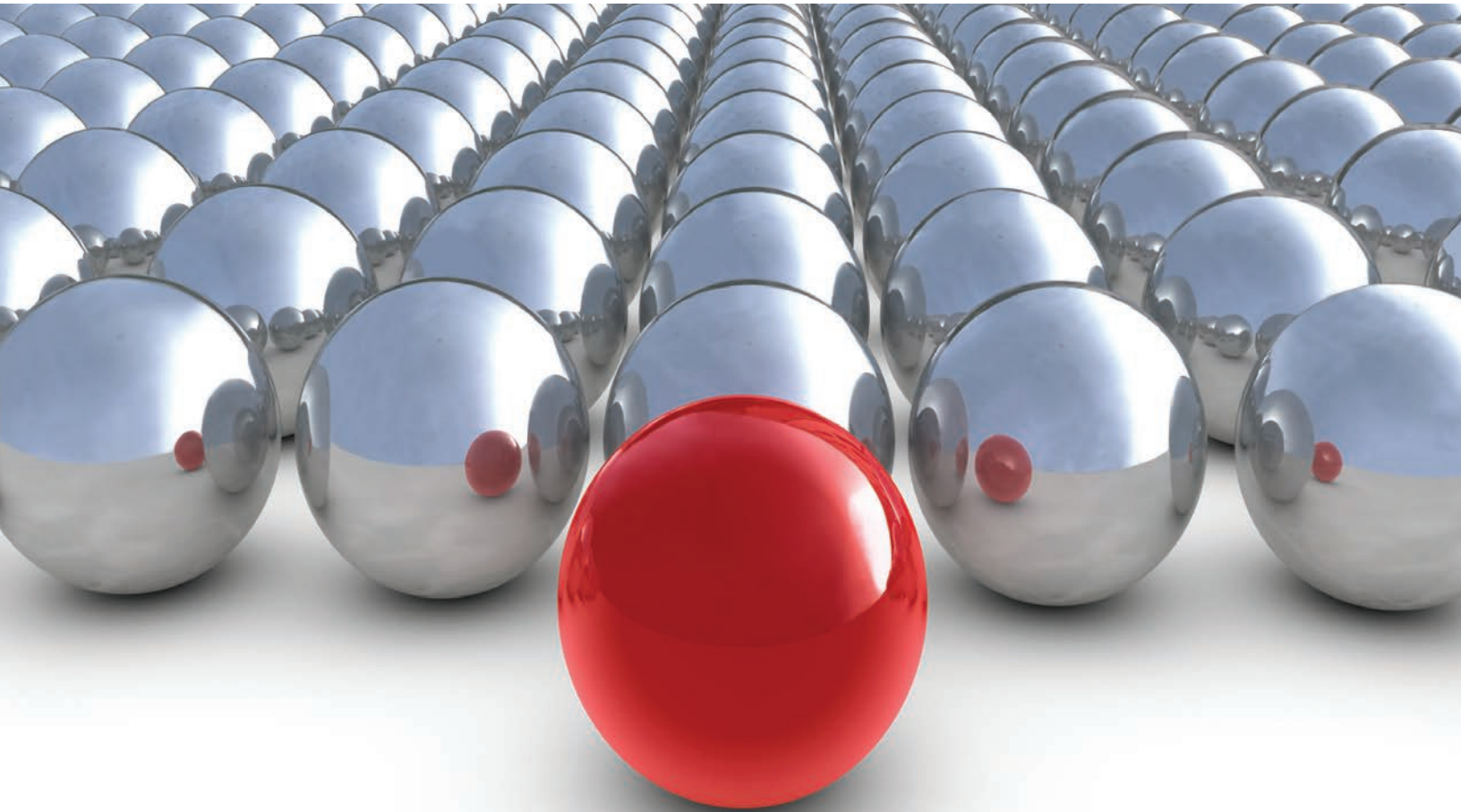
...Executive AirShare has appointed Mike Bianchi as vice president of maintenance. Mr. Bianchi adds 20 years of aviation maintenance management expertise to the team. **Aviation Search Group** conducted the search.....The Tampa Bay Partnership has chosen **DHR International** to spearhead the search for its new chief executive officer following the resignation of Stuart Rogel from the organization last November.....**Convergence Inc.** has released a new software program entitled, Talent Identification Manager. The product provides executive search firms with the ability to leverage the Convergence platform of C-suite contacts, most notably the CEO, CFO, COO, CTO and CRO. “This tool provides talent acquisition executives with the ability to customize and filter data to identify candidates based on key search criteria including fund size, fund type experience, fund structure experience, asset class experience, experience with a variety of service providers including fund administrators, auditors and prime brokers,” stated George Evans, co-president of Convergence...According to a survey of 100 financial professionals conducted by recruiter, **Options Group**, respondents claim Wall Street is a miserable place to work. An alarming 50 percent said they were unhappy in the four key areas surveyed: job satisfaction, their firm, their pay and their prospects. “It’s becoming a very challenging environment. Instead of concentrating on generating alpha, you have to concentrate of rules and regulation,” said Mike Karp, Option Group’s CEO..... In a move to strengthen its financial services sector practice, **Caldwell Partners** has added Glenn Buggy as senior partner is the asset & wealth management practice and the leader of the firm’s legal, risk and regulatory oversight practice. Mr. Buggy joins from CTPartners where he spent 11 years.....**Grays Executive Search**, part of nationwide recruitment giant, Cordant Recruitment, has expanded into Newcastle in the United Kingdom to help local and international companies across the city and the North-East. Dylan Christie, who lives in Gosforth, is the new director of the Newcastle office.....**The Newport Group**, has acquired Three Sixty Digital Talent, a provider of executive search services focusing on the programmatic, AdTech and data analytics industries...

HUNT SCANLON “BIG FIVE” GLOBAL SEARCH FIRMS

Firm	2014 Revenue (\$ millions)	Percent Change	2013 Revenue (\$ millions)
1. Korn Ferry ^a	1,008.0	+ 8.0	936.0
2. Spencer Stuart ^b	698.3	+10.9	629.5
3. Egon Zehnder ^c	692.1	+ 9.2	634.0
4. Heidrick & Struggles	494.3	+ 7.0	462.0
5. Russell Reynolds Associates ^d	490.7	+10.8	443.0

a) February 1st, 2014 – January 31st, 2015 b) As of 9/30/14
c) As of 10/31/14 (Hunt Scanlon Media estimate) d) Fees without allocated cost recoveries

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THE HUNT SCANLON GLOBAL 20

THE GLOBAL 20 – AMERICA'S LEADING INTERNATIONAL SEARCH FIRMS

Firm	Primary Contact	Worldwide Consultants	Owned/Affiliates Worldwide Offices
AGILIUM WORLDWIDE (KENSINGTON INTERNATIONAL) 1515 W. 22nd Street, Oak Brook, IL 60525	Brian G. Clarke (630) 590-6330	165	36
AIMS INTERNATIONAL P.O. Box 368, Doylestown, PA 18901	Robert Hennessy (267) 397-6778	308	82
ALTOPARTNERS (DIVERSIFIED SEARCH) 2005 Market Street, Philadelphia, PA 19103	Judith von Seldeneck (215) 656-3592	232	50
AMROP (THE CAPSTONE PARTNERSHIP) 100 Park Avenue, 34th Floor, New York, NY 10017	Rolfe Kopelan (212) 843-0200	233	83
BOYDEN 180 N. Stetson Avenue, Chicago, IL 60601	Trina Gordon (312) 565-1300	245	70
CALDWELL PARTNERS INTERNATIONAL 165 Avenue Road, Toronto, M5R 3S4, Canada	John Wallace (416) 920-7702	34	9
DHR INTERNATIONAL 71 S. Wacker Drive, Suite 2700, Chicago, IL 60606	Geoffrey Hoffmann (312) 782-1581	162	49
EGON ZEHNDER 350 Park Avenue, New York, NY 10022	Greig Schneider (617) 535-3500	441	68
HEIDRICK & STRUGGLES 233 S. Wacker Drive, Chicago, IL 60606	Tracy Wolstencroft (312) 496-1000	395	52
IIC PARTNERS (DINTE RESOURCES, INC.) 8300 Greensboro Drive, McLean, VA 22102	Paul Dinte (703) 448-3300	365	52
IRC GLOBAL EXECUTIVE SEARCH PARTNERS (MADISON MACARTHUR) 33 Madison Avenue, Toronto, M5R2S2 Ontario, Canada	Sylvia MacArthur (416) 920-0092	330	78
KORN FERRY 1900 Avenue of the Stars, Los Angeles, CA 90067	Gary Burnison (310) 552-1834	584	87
ODGERS BERNDTSON 280 Park Avenue, 27th Floor, West, New York, NY 10017	Steve Potter (212) 972-7287	199	49
PENRYHN INTERNATIONAL (TAYLOR WINFIELD, INC.) 5430 LBJ Freeway, Dallas, TX 75240	Connie Adair (972) 392-1400	70	34
(COLEMAN LEW & ASSOCIATES, INC.) 362 W. Tenth Street, Charlotte, NC 28236	Charles E. Lew (704) 377-0362		
RUSSELL REYNOLDS ASSOCIATES 200 Park Avenue, New York, NY 10166	Clarke Murphy (212) 351-2000	273	44
SIGNIUM INTERNATIONAL 150 N. Wacker Drive, Chicago, IL 60606	Allan Marks (312) 564-5890	132	44
SPENCER STUART 353 N. Clark, Chicago, IL 60654	Kevin Connelly (312) 321-8326	376	53
STANTON CHASE INTERNATIONAL, INC. 400 Galleria Parkway, Atlanta, GA 30339	Dean Bare (404) 252-3677	253	73
THE TAPLOW GROUP 57 Union Place, Suite 301, Summit, NJ 07901	Steven N. Schrenzel (908) 517-7350	193	29
TRANSEARCH INTERNATIONAL 308 W. Erie Street, Chicago, IL 60654	John Ryan (312) 447-3014	139	51