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RECRUITER RANKINGS SPECIAL ISSUE

Expanding Platforms Set New Direction, Rich Milestones, for Executive Recruiters

The top 50 executive search firms doing business across the Americas reached a new milestone in 2016, collectively generating $3.1 billion in revenue. For the group, top line growth jumped 9.7 percent – a slight slowdown from previous years, but a clear continuation of an incredible run for an industry that just a decade ago was left reeling from the Great Recession.

"I see an industry in transition, still evolving," said Scott A. Scanlon, founding chairman and CEO of **Hunt Scanlon Media** and editor-in-chief of this year's rankings report. "But, more importantly, what we're all seeing is an industry that's at an inflection point. We're at a point on the curve where the bend has now taken shape."

That turning point, of course, is the result of a massive industry shift from a singular focus on identifying and recruiting leaders to one providing broader and more sophisticated talent solutions to clients in need. And in need they are. Survey data collected by Hunt Scanlon in the last half of 2016 and the first quarter of 2017 reveals that demand is rising for leadership services that go well beyond finding people.

That demand, said Tim McHugh, global services analyst at **William Blair & Co.**, is fitting hand-in-glove with the relatively recent expansion into accessory services that is being embraced by more of the search industry than seen in the last three to five years (see sidebar, page 2).

Expansion Capital

"Whereas many of the smaller search firms resisted this trend in the past, we now see greater acceptance of the strategic benefits of integrating leadership consulting with executive search capabilities," said Mr. McHugh. Most of the prominent search firms, he noted, are actively trying to grow capabilities in the leadership consulting space at this point, although most are doing so on an organic basis.

That's all about to change as more than 80 leading boutique recruitment firms, many seeking expansion *(cont'd. to page 2)*

Hunt Scanlon Top 10 Recruiters

	Firm Name	Revenue ($ millions)	Percent Change	No. of Consultants	No. of Offices	Primary Contact	Phone Number
1.	Korn Ferry[a]	871.0	+21.0	463	45	Gary D. Burnison	(310) 226-2613
2.	Spencer Stuart[b]	421.6	- 4.5	174	20	Kevin Connelly	(312) 822-0080
3.	Heidrick & Struggles	319.4	+ 6.3	237	19	Krishnan Rajagopalan	(202) 331-4900
4.	Egon Zehnder[c]	268.6	+ 2.9	140	20	Karl Alleman	(312) 260-8846
5.	Russell Reynolds Associates[d]	265.3	+ 2.0	135	19	Clarke Murphy	(212) 351-2000
6.	DHR International[e]	188.8	+ 5.5	133	31	Geoff Hoffmann	(312) 782-1581
7.	Caldwell Partners[f]	66.4	+23.9	56	20	John Wallace	(416) 920-7702
8.	Witt/Kieffer	63.3	+16.0	67	14	Andrew P. Chastain	(630) 990-1370
9.	Diversified Search	44.6	+18.9	52	9	Dale Jones	(215) 656-3550
10.	Kaye/Bassman – Sanford Rose	44.2	+18.2	132	73	Jeffrey T. Kaye	(972) 931-5242

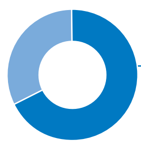
a) As of 2/1/16 – 1/31/17 b) As of 9/30/16 c) As of 10/31/16 (Hunt Scanlon Media estimate) d) Fees without allocated cost recoveries e) Hunt Scanlon Media estimate f) As of 8/31/16 capital to push into new business lines, gather this month in New York to discuss valuation metrics and funding strategies.

"It's been nearly two decades since **Korn Ferry** and **Heidrick & Struggles** went to the public markets for funding," said Mr. Scanlon. That capitalization liked saved Korn Ferry as it staggered out of lean times a decade ago. Today, the firm has a market cap of nearly $1.9 billion.

Heidrick, too, has fared well, using its capital funds for pointed acquisitions and expansion. While it conducted some 4,310 searches last year, kicking in more than a half billion dollars to its top line, Heidrick's leadership consulting business grew by more than 100 percent. Five of its top 10 clients turned to the company in 2016 for both executive search and leadership consulting advice and it's that winning combination that others across the field are now trying to emulate – including direct rivals **Spencer Stuart** and **Russell Reynolds Associates**. As both have pushed further into leadership consulting, their revenue per consultant figures have risen as a result (see table, page 7). Some argue that is the best quality performance metric going for professional services consultants.

BY THE NUMBERS

ZRG Partners: Fastest Growing Search Firm



Nevertheless, said Mr. Scanlon, "Fast forward to now and you see an expanding, lush landscape that almost by design favors small search firms, specialist players and boutiques that are growing faster than their larger rivals." Therein lies the opportunity ahead for middle bracket search firms – dubbed 'super boutiques' – largely non-existent today, to muscle in, he said. "Smart money is about to put a stake in a brand new segment of the market."

Adapting to Change

What's fueling it all? In a word, clients. Ten years ago, talent acquisition leaders and CHROs were also staggering out of the recession – and they were told to look hard and fast at money spent on external search. Finding talent on social media platforms was getting easier and easier. Using tools like **LinkedIn**, HR departments started in-house recruiting initiatives that, in time, exploded into full-fledged internal search firms in their own right. When they needed outside help, they turned to boutiques, who could help with specialized talent requests, capacity problems, and confidentiality concerns – all while easily sidestepping candidate off-limits problems.

"But the pendulum is swinging back now," said Mr. Scanlon. "TA leaders need external search partners – they've discovered they can't go it alone entirely – and so a hybrid system is developing." He said a recent review of in-house programs conducted by Hunt Scanlon, a quarter of assignments are heading back out to search firms to handle. *(cont'd. to page 3)*

"It's a capacity issue with many companies that can't keep up," he noted. On top of that, more companies are looking to search firms for a multitude of services – from succession planning and candidate assessments to onboarding and executive coaching. "There's a perfect storm brewing and its favoring search firms once again."

New Ways to Engage Clients

Finding more ways to engage with clients is, in fact, the new clarion call heard from small search shops and expanding boutiques as well as the large generalists who've been in many of these adjunct businesses for years. But now everyone wants in.

Much of this started with sector leader, Korn Ferry, which enjoyed an enviable 21 percent hike in annual revenue last year, according to the latest Hunt Scanlon industry statistics report. The search giant has been ranked No. 1 for years, but that wasn't a sure bet a decade ago when the company, like the rest of its rivals, was in crisis.

CEO Gary Burnison pivoted. An entire industry watched, and waited. "We were concerned mostly with surviving," he said. He pulled Korn Ferry back from the brink by dramatically shifting its focus. That set the stage for his blockbuster deal to acquire **Hay Group**, a transformational move that put it squarely into the human capital business.

BY THE NUMBERS

Highest Growth Rate Among New Top 50 Inductees

Westwood Partners generated **$22 million** in revenue…

…posting a double digit growth rate of **30%** last year

Korn Ferry's influence over the search industry has always been wide and deep. But looking back, it is safe to say that his bold intervention and reinvention of a company in trouble moved a once-cottage industry forward. His call for a "new conversation on people" sparked debate, but it has also provided a roadmap on how that conversation might proceed and a new direction with potentially rich new milestones ahead.

Supplemental Services Giving Big Boost

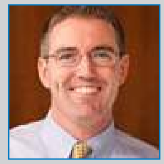
Universally, that roadmap has been thumbed through by every search industry managing director and CEO, with surprisingly good results. According to Hunt Scanlon's latest data, more than 80 percent of recruiting firms submitting market research intelligence to the Greenwich, Conn company told its analysts they've met or exceeded revenue goals for last year. An expanding portion of that growth is being driven in from supplemental service offerings.

Jason Hanold, managing director of search boutique **Hanold Associates**, said that is clearly the case for a number of search firms, his firm's growth is being driven simply by referrals and repeat clients returning with more work. "We're leveraging supplemental offerings, like predictive analytics into our assessment methodology in order to bring more science to a subjective process," he said. But, he noted, it isn't offered as a separate set of activities to create an added fee or revenue stream. "The quality of our execution is going up, and that's what's driving our business model forward."

(cont'd. to page 4)

Q&A

Investing In Search Firms



Private equity concerns have been taking notice of executive search firms in recent months – not as external recruiting partners, but as investment vehicles. Tim McHugh, global services analyst for **William Blair & Co.**, believes recruitment firms are 'capital efficient businesses' which makes them attractive to investors. What also makes them appealing is their growth and global expansion potential.

As recruiters expand into leadership consulting and embrace a broader platform of talent solutions, funding sources are considering investments in the sector. "We see good growth opportunities for large search firms to expand into leadership consulting and solid growth opportunities for mid-sized search firms that are big enough to service global clients and expand their solutions, but are not held back by off-limits issues," said Mr. McHugh. Here's more from our recent conversation.

What's your take on the pace of growth in the search sector?

The slower pace of growth that we saw in North America for **Korn Ferry** was somewhat prevalent throughout the industry. Similar to KF, several of the large executive search companies saw a weaker level of demand in the U.S. in the second half of 2016.

Is demand improving?

Yes. We believe that demand in North America is starting to improve thus far in 2017. After seeing some softness in the second half of 2016, a few search firms noted that January, February, and March improved meaningfully. We have heard a little more mixed commentary about the month of April, but generally speaking, demand appears to be stronger in 2017.

What about overseas?

Similar to the recent results that we have seen from **Heidrick & Struggles** and Korn Ferry, as well as some employment-related data, we believe most search firms are seeing strong growth in Europe right now. The slowdown in demand that I referred to earlier in the second half of 2016 was mostly concentrated in the U.S.

Give us your opinion about search firms expanding their solutions platforms.

The strategy of expanding into leadership consulting is being embraced by a broader portion of the executive search industry than we observed three to five years ago. Whereas many of the smaller search firms resisted this trend in the past, we now see greater acceptance of the strategic benefits of integrating leadership consulting with executive search capabilities. Most of the leading search firms are actively trying to grow capabilities in the leadership consulting sector at this point, although most are doing so on an organic basis.

Dr. Jessica Kozloff, president of **Academic Search**, said she concurs. "Our team is dedicated to providing individualized searches that highlight the uniqueness of each intuition or organization," she noted. Repeat clients, she said, represents about half of the firm's revenue base. What's more, every client that completes a post-search survey said they would use the firm again. "We believe that speaks to the quality of work we do."

Tim Conti, founder and managing partner of **ON Partners**, said his firm's growth has been fueled in large part by *(cont'd. to page 6)*

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10. Kaye/Bassman – Sanford Rose	44.2	+18.2	132	73	Jeffrey T. Kaye	(972) 931-5242
11. Major, Lindsey & Africa	35.0	+ 9.4	164	19	John Cashman	(410) 694-5229
12. Isaacson, Miller	31.3	+19.5	92	4	Vivian Brocard	(617) 262-6500
13. True Search	29.0	+ 7.4	23	6	Joe Riggione/Brad Stadler	(646) 434-0319
14. Klein Hersh	26.0	0.0	31	1	Jason Hersh/Jesse Klein/Josh Albert	(215) 830-9211
15. SPMB	24.6	+ 3.4	47	1	Kevin Barry	(415) 924-7200
16. Herbert Mines Associates	22.5	+ 3.0	8	1	Harold Reiter	(212) 355-0909
17. Westwood Partners	22.0	+30.0	15	1	Michael J. Flood	(212) 672-3360
18. Ferguson Partners	20.1	+ 8.0	22	4	William J. Ferguson	(312) 368-5040
19. JM Search	20.0	+ 8.1	30	4	John C. Marshall	(610) 964-0200
20. Crist|Kolder Associates	18.9	0.0	4	1	Peter Crist	(630) 321-1118
21. ZRG Partners	18.6	+67.6	35	18	Larry Hartmann	(201) 560-9900
22. Riviera Partners	18.0	0.0	30	3	Ali Behnam	(877) 748-4372
23. ON Partners	17.3	+23.7	15	6	Tim Conti	(440) 945-4123
24. Odgers Berndtson	14.4	+26.0	23	10	Steve Potter	(646) 553-4758
25. McDermott & Bull Executive Search	12.3	+54.0	13	5	Rodney McDermott	(949) 753-1700
25. Catalyst Advisors	12.3	+ 8.0	7	2	John Archer	(212) 775-0800
26. Quest Groups	12.0	- 20.0	38	1	Joe Kosakowski	(650) 328-4100
27. Calibre One	11.5	0.0	10	4	Dan Grosh/Tom Barnes	(415) 904 1000
28. Charles Aris, Inc.	11.3	+ 12.6	14	1	Chad Oakley	(336) 378-1818
29. Chartwell Partners	11.0	+ 5.8	10	5	R. Stuart Bush	(214) 269-1907
30. Morgan Samuels	10.7	- 6.1	18	5	Bert Hensley	(310) 205-2208
31. Marlin Hawk	10.5	+ 4.0	15	2	Mark Oppenheimer	(347) 363-0253
32. The Stevenson Group	9.0	+ 8.0	6	1	Adam Bloom	(201) 302-0866
33. Taylor Strategy Partners	8.9	+ 12.7	30	6	Mickey Shimp/Mike Gamble	(614) 436-6650
34. Beecher Reagan Advisors	8.4	+ 5.0	9	4	Clark Beecher	(713) 800-7497
35. StevenDouglas[g]	8.3	+ 5.0	29	8	Steve Sadaka	(954) 385-8595
36. Allen Austin	8.2	- 19.2	24	8	Rob Andrews	(713) 489-9724
37. Koya Leadership Partners	8.0	+33.0	27	8	Katie Bouton/Molly Brennan	(978) 465-7500
38. Sheffield Haworth	7.9	- 31.3	10	3	Julian Bell	(212) 593-7119
39. Leathwaite[h]	7.8	+ 15.5	11	1	Martin Phillips	(646) 461-9100
39. Strawn Arnold & Associates	7.8	- 12.0	11	1	Jeff Ashpitz	(512) 263-1131
40. Parker Executive Search	7.5	+ 1.4	14	1	Dan Parker/Laurie Wilder	(770) 804-1996
41. Kensington International	7.2	+ 1.4	8	2	Brian Clarke	(630) 571-3139
42. Greenwood/Asher & Associates	7.0	- 11.4	35	11	Jan Greenwood/Betty Asher	(850) 337-1483
43. Howard Fischer Associates	6.8	- 18.0	11	3	Howard Fischer	(215) 568-8363
44. Hanold Associates	6.5	+ 14.0	8	1	Jason Hanold	(847) 332-1333
44. CarterBaldwin Executive Search	6.5	+ 3.2	5	2	David Clapp	(678) 448-0009
44. Toft Group Executive Search	6.5	0.0	14	3	Robin Toft	(760) 788-6010
45. Battalia Winston	6.4	- 2.0	10	5	Dale Winston	(212) 308-8080
46. TalentRISE	6.1	+ 9.0	8	1	J. James O'Malley	(312) 878-4104
47. Slone Partners	6.0	+ 10.0	8	11	Leslie Loveless	(888) 424-7800
48. Academic Search	5.8	+ 12.7	21	1	Jessica Kozloff	(202) 332-4049
49. Alta Associates	5.7	+ 7.0	5	2	Joyce Brocaglia	(908) 806-8442
50. The McCormick Group	5.5	+ 5.7	24	1	William McCormick	(540) 786-9777

a) As of 2/1/16 – 1/31/17 b) As of 9/30/16 c) As of 10/31/16 (Hunt Scanlon Media estimate) d) Fees without allocated cost recoveries e) Hunt Scanlon Media estimate f) As of 8/31/16
g) Total revenues: $42.1 million h) As of 7/31/16

building deeper bonds with existing clients. “There’s been a distinct evolution of our client partnerships,” he said, echoing the belief of Mr. McHugh from William Blair & Co. “We’ve become trusted advisors, engaged regularly, and that’s sustaining our firm’s growth rates.”

BY THE NUMBERS

Recruiting & Leadership Consulting: A Winning Combo

Heidrick & Struggles conducted **4,310** searches in 2016…

…producing more than **$500 million** in revenues

Leadership Consulting grew by **100%**

The Numbers

A quick glance down the percent change column of this year’s top 50 rankings table shows, for the most part, an extraordinary story of growth. The top 10 search firms grew by just under nine percent year-over-year, eclipsing $2.5 billion in collective revenue. The top 25 slightly exceeded nine percent, hauling in $2.9 billion. Overall, the top 50 were up nearly 10 percent.

BY THE NUMBERS

British Search Firm Expands In America

With annual revenue fees topping out at **$7.8 million**…

…Leathwaite was up **15.5%**

Korn Ferry (+21 percent) showed the most substantial growth rate among the Americas top 5 – which, as a group, pushed revenues up more than 8.5 percent to nearly $2.2 billion, a record. Seventeen other search firms, or more than a third of those ranked, reported double digit growth. They include: **Caldwell Partners** (+24 percent); **Witt/Kieffer** (+16 percent); **Diversified Search** (+19 percent); **Kaye/Bassman** (+18 percent); **Isaacson, Miller** (+20 percent); **Westwood Partners** (+30 percent), which enjoyed the highest growth rate among new firms brought into this year’s rankings; **ZRG Partners** (+68 percent), which took the distinction of ‘fastest-growing’ on the list; **ON Partners** (+24 percent), **Odgers Berndtson** (+26 percent); **McDermott & Bull** (+54 percent); **Charles Aris** (+13 percent); **Taylor Strategy Partners** (+13 percent); **Koya Leadership Partners** (+33 percent); **Leathwaite** (+15 percent); **Hanold Associates** (+14 percent); **Slone Partners** (+10 percent), which completed 20 C-level searches during 2016; and **Academic Search** (+13 percent).

Eleven search firms were installed in the top 50 for the first time, including **Klein Hersh** ($26 million); **Westwood Partners** ($22 million); **Quest Groups** ($12 million); **Marlin Hawk** ($10.5 million); **StevenDouglas** ($9 million); **Stevenson Group** ($8.3 million); **Taylor Strategy Partners** ($8.9 million); **Leathwaite** ($7.8 million); **Toft Group Executive Search** ($6.5 million); **TalentRise** ($6.1 million); and **Academic Search** ($5.8 million).

(cont’d. to page 7)

Industry Disruptor

Of these new additions, one stand out is **Marlin Hawk**. Based in London, with an expansive office in New York and a growing presence in San Francisco, the firm has a growing reputation for positively disrupting the search industry and inventing new ways to serve clients. Marlin Hawk is at the vanguard of a growing cadre of boutique providers thinking outside the box – from which services to provide to novel ways to charge for them.

BY THE NUMBERS

C-Suite Boutique Specialist

Crist|Kolder Associates ranked **No. 20**…

…and achieved **$4,725,000** revenue per consultant

Stretching a Budget

ATLAS is the firm's latest innovation recently introduced to its U.S. clients. One of them, in fact, has called it a radical new way to procure a full suite of strategic intelligence, talent planning and executive search services.

In essence, it is a reward system – the greater the client's investment with Marlin Hawk, the greater the value bonus they benefit from. Clients agree to an annual fee in advance, pay a monthly retainer and select from a number of leadership advisory modules – including compensation benchmarking, organizational analysis and talent pool creation. Each module has a different price bracket, but whichever modules are selected, the total value is up to 25 percent greater than the sum of its parts.

The good news for clients: they enjoy a budget that stretches significantly further; they can utilize all of the search firm's 360 degree talent services in tandem; they can deliver a powerful PR brand message on a daily basis to top executives within targeted fields; and they can invest more in pro-active leadership initiatives that save on more costly searches.

Holistic Approach

For the search firm, there are benefits as well. For Marlin Hawk, its work flow is becoming more predictable, and that's allowing the firm to plan resources more efficiently. The search firm now can build an 'always on' project team to fulfil specific partnership needs. And it can extend its relationship across more functions within partner organizations. Holistic talent offerings – now there's an approach to the future.

CLOSE-UP

Tapping Both Worlds

In the not-too-distant past, few executive search firms built their businesses around serving non-profit organizations. These days, as the sector expands, well outpacing for-profit enterprise growth over the last decade, non-profits have become one of headhunting's hottest markets.

Working in the sector is finding greater appeal among business leaders and employment opportunities at non-profits are coming just in time for recruiters who have been challenged by dwindling talent pools. In response, recruiters have had to double down in their efforts to better address the needs of their non-profit clients.

One of those firms is **Koya Leadership Partners**, a human capital consulting firm that works exclusively with non-profits and social enterprises. It has developed a national reputation for identifying executive directors and CEOs across the sector for clients, including The Art Institute of Chicago, Hudson Webber Foundation, The Ralph C. Wilson Jr. Foundation, Girl Scouts in the Heart of Pennsylvania, The Barack Obama Foundation, American Red Cross of Chicago & Northern Illinois, Glazer Children's Museum, Make-A-Wish Foundation and Tourette Association of America, among many others.

Last year was one of the most successful in the firm's history, dating back to its founding in 2004. Koya's 40 consultants working from offices in Boston, Chicago, and Los Angeles posted revenues of $8 million, a 33 percent rise from the previous year.

"Non-profit, higher education, and corporate social responsibility are the highest growth sectors in our field," said founder and CEO Katie Bouton. "CEO, COO, chief human resources officer (CHRO) and chief fundraising officer roles are a continual talent need in our sector."

Koya expanded its team in 2016 in Chicago, led by managing director Alison P. Ranney, and in Los Angeles, led by Michelle R.S. Bonoan, by adding a number of key consultants. Founding partner Molly Brennan also continued to expand Koya's footprint in the social justice and advocacy sectors. Searches completed in this area include those for Amnesty International USA and the National Wildlife Refuge Association, among a host of others.

Hunt Scanlon QUALITY PERFORMANCE METRICS AT THE BIG FIVE

Firm Name	Revenue per Consultant	2016 Revenue ($ millions)	Percent Change	No. of Consultants	No. of Offices	Primary Contact
1. Spencer Stuart[a]	$1,728,643	688.1	- 1.6	398	56	Kevin Connelly
2. Russell Reynolds Associates[b]	1,692,177	497.5	+ 1.5	294	47	Clarke Murphy
3. Egon Zehnder[c]	1,559,091	686.4	+ 2.8	440	69	Rajeev Vasudeva
4. Korn Ferry[d]	1,470,919	1,568.0	+34.0	1,066	128	Gary D. Burnison
5. Heidrick & Struggles	1,396,643	582.4	+ 9.6	417	52	Krishnan Rajagopalan

a) As of 9/30/16 b) Fees without allocated cost recoveries c) As of 10/31/16 (Hunt Scanlon Media estimate) d) As of 2/1/16 – 1/31/17

SPOTLIGHT

A Year On From Brexit: 'Business As Usual' for Recruiters

A year ago, anyone uttering the word Brexit in the U.K. was looked at with quite a bit of trepidation. At the time, a host of executive recruiters were predicting that any move resulting in a break from the E.U. would be the death knell for their business and the talent industry, especially for those with business tied to London.

It's not happened. A year on, Brexit's imposing hand has come down far more gently and, as many now see it in this great international city, little has changed. For recruiters here, business continues to simply chug along. M&A activity among search firms, though, has picked up, and cross-border and trans-Atlantic recruiting combinations have also taken shape. And more London-based search outfits have established beachheads in America. Others, like **ZRG Partners** – an expanding American recruiting outfit – are establishing a new base in London. Everyone, it seems, is hedging for the future in their own unique way.

Expert Insight

Upon closer inspection, the London search market – second only in size and dominance to New York – is thriving. What's driving it – well, that depends upon who you ask. For its inaugural London search firm ranking this year, **Hunt Scanlon Media** tracked down nine leading headhunting luminaries for their thoughts on Brexit and the future. Here's what they had to say:

Nick Hedley, Partner – Hedley May: "The key thing about Brexit – or at least the result of the referendum because that is what we have been dealing with – is that the economy did not stop growing. This meant that for the search industry it was business as usual with a gently growing economy, slightly buoyed by growth picking up in the U.S. and Europe." As for new strategies for the firm, Mr. Hedley points to its recent merger with New York-based **Exchange Place Partners**. "The strategic underpinnings for this deal were very clear and so, in fact, the decision to merge had already been made prior to the referendum result. However, if trade flows begin to increase between the U.S. and the U.K. at the expense of Europe then this merger will look to have been a particularly smart move." Mr. Hedley said his firm is tracking slightly ahead of where it was 12 months ago and he expects it to continue on that trajectory.

(cont'd. to page 10)

Kester Scrope, CEO – Odgers Berndtson: "Uncertainty is never good for encouraging investment or recruitment and we saw that reflected in a sharp decline in the U.K. for the quarter preceding the Brexit vote. However every quarter since has seen growth in our U.K. business. There is new political leadership (which few expect to change following the current, mercifully brief, election campaign), sterling has stabilised at a new norm and the FTSE has recovered to levels above those prior to the vote. There is a sense of back to business. Of course there will be protracted negotiations over the coming years and I expect this to be reflected in lower growth rates for the U.K. economy over that period, but there is already a sense that the period of mourning is over and life goes on." The focus, now, he said, is in seeking out new opportunities. Mr. Scrope said that in addition to London, his firm is seeing particularly strong growth from its U.S. and Asia-Pacific regions.

Nick Shilton, Chief Executive – SSQ: "There was a hiatus in 2016 in the run up to and immediate aftermath of the Brexit referendum. Since then, however, activity in the legal search sector has been very robust, which in no small part is a reflection of the highly resilient legal sector itself." Mr. Shilton said that SSQ was five percent up for net fee income in 2016 compared with 2015 despite the Brexit referendum. "Demand for senior legal talent is at an all-time high while the legal interims market is gaining traction in London," he said.

Chris Stainton, Chief Executive – The Miles Partnership: "The search industry has not been affected by Brexit as many had predicted. We believe that the search sector in London remains buoyant due to the inherent strength of the U.K. economy and also the amount of international and cross-border search work being conducted from here." Mr. Stainton said that his firm is continuing to develop its business from the U.K. and, while it is seeking to develop its international search capabilities further, it does not intend or plan in the short-term to open additional international offices. "Brexit has not changed our thinking on that matter," he said. Mr. Stainton said the firm posted double-digit growth in 2016.

Simon Hearn, Chief Executive – Per Ardua Associates: "CEO and chairman confidence is there and likely to be consistent until later in the Brexit negotiations; a year or two from now is when this could all change. Most are 'just getting on with it' and completing the important hires they need to get done." Interestingly – most of the increase in hiring that Per Ardua has seen is replacement, and not growth, recruitment. As a retail financial services and insurance specialist, Mr. Hearn sees CEO confidence in the banking sector. Insurance is extremely busy and surprisingly asset management and real estate have perked up after a sluggish start, he pointed out. "Asset management in the U.K. is under attack *(cont'd. to page 11)*

from regulators and other market pressures – so this is surprising," noted Mr. Hearn, who said Per Ardua has kicked off 2017 with the best first quarter in its 10-year history.

Mark Bishop, CEO & Managing Director – Perrett Laver: "Despite the political and economic uncertainty that Brexit has brought, the reality is world leading universities, foundations, charities and schools still need to seek outstanding leaders. Indeed, it could be argued that with such global uncertainty, the quality of leadership of organizations that seek to have a positive impact on society has never been more important." Mr. Bishop said that Perrett Laver, which specializes in higher education, non-profit and related sectors, has continued to grow since Brexit and anticipates this continuing in the coming year.

Bianca Coulter, CEO – Coulter Partners: "As a global firm, the U.K. for us is only part of the picture. In terms of our U.K. business, as we are specialized in life science and this remains such a priority for the U.K. Government and economy we have seen a lot of energy and effort in the sector here uphold our growth. We are definitely seeing some companies decide against the U.K. as an investment base and an increase in reluctance to move here among some of the talent that we have wanted to relocate from other markets," said Ms. Coulter. "But, we are up on last year and pleased with our growth."

Stephen Rodney, CEO – Fox Rodney Search: "The one thing that did happen was that the U.K. pound plunged both against the U.S. dollar and the E.U. euro. That had the effect of increasing dramatically the foreign earnings of U.K. companies and indeed with law firms and other professional services organizations. The level of the FTSE 100 and 250 has increased on the back of those increased foreign earnings, meaning those companies which have benefited are able to use their increased share prices to do deals." All in all, said Mr. Rodney, most search firms have therefore been unaffected by Brexit to date."

Charles Ferguson, Founder – Pure Search: "The period leading up to Brexit was perhaps more uncertain than the period directly after the outcome. In the lead up to the referendum, we found many clients deferring decisions that had already been deferred; once the result of the Brexit vote had settled in, there appeared to be a release of that deferred demand. Our functional specializations of risk, compliance, and legal were in particular demand as these skill sets are perceived to be critical in helping the financial services sector in navigating the complexities of Brexit. The London search sector has remained buoyant largely due to the size and complexity of the London market. London is continually going through change, and change is generally good for the search industry." Continued and on-going disruption by technology, economic and political change in the U.K. and E.U., he said, and a constantly evolving and developing talent pool will always mean that search *(cont'd. to page 12)*

in London will prosper. "I remain optimistic about London, despite Brexit, and believe it will maintain its eminence in the world as a good place to do business." Mr. Ferguson said Pure Search is up 25 percent since Brexit.

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Firm	Type / Consultants	Contact	Phone
360Leaders	*Type:* Technology/Digital | *Consultants:*8	Martin Falch	+44 20 7038 3838
Blackwood Group	*Type:* Financial Services | *Consultants:* 27	Amanda Smithson	+44 20 7220 0270
Calibre One	*Type:* Technology | *Consultants:* 7	James Brocket	+44 20 7070 3000
Carmichael Fisher	*Type:* Life Sciences/Manufacturing/Fin. Svc. | *Consultants:* 16	Justin Hobday	+44 20 3178 2630
Coulter Partners	*Type:* Life Sciences | *Consultants:* 15	Bianca Coulter	+44 20 3167 0000
Cripps Sears & Partners	*Type:* Energy/Natural Resources/Infrastructure | *Consultants:* 7	Joe Dubbin	+44 20 7440 8999
CurzonTrinitas	*Type:* Infrastructure; Energy; Finance | *Consultants:* 9	Chris Campbell	+44 20 3330 0674
DHR International[a]	*Type:* Tech./Prof. and Fin. Svs./Industrial | *Consultants:* 3	Simon Mansfield	+44 20 7042 0200
Drayton Finch	*Type:* Financial Services/Tech./Legal | *Consultants:* 18	Elizabeth Hamilton	+44 20 7382 1300
eg. 1	*Type:* Professional Services/Tech. | *Consultants:* 10	Andrew Gray	+44 20 7637 4500
Egon Zehnder	*Type:* Generalist | *Consultants:* 45	Miranda Pode	+44 20 7943 1923
Erevena	*Type:* VC and Private Equity | *Consultants:* 10	Dan Hyde	+44 20 3816 9340
Execuzen	*Type:* Financial Services | *Consultants:* 14	Adrian Ezra	+44 20 7245 8898
Finlay Gardener / Piper Pritchard	*Type:* Legal; Fin. Svs.; HC/LS; Consumer/Retail | *Consultants:* 13	Jamie McEwen	07879002330
Fox Rodney Search	*Type:* Legal | *Consultants:* 15	Stephen Rodney	+44 20 7337 2700
Green Park	*Type:* Generalist | *Consultants:* 16	Raj Tulsiani	+44 20 7399 4300
Hammond Partners	*Type:* Financial Services | *Consultants:* 13	Paul Hammond	+44 20 3207 7740
Harvey Nash Executive Search	*Type:* Generalist | *Consultants:* 20	Nigel Parslow	+44 20 7333 1575
Heads International	*Type:* Tech./Consumer/Retail/Prof. Services | *Consultants:* 14	Richard Brennan	+44 20 7042 5040
Hedley May	*Type:* Legal/HR/Finance/Compliance | *Consultants:* 7	Nick Hedley	+44 20 7858 9444
Heidrick & Struggles	*Type:* Generalist | *Consultants:* 47	Andrew Macleod/Emma Fallon	+44 20 7075 4000
Hogarth Davies Lloyd	*Type:* Financial Services | *Consultants:* 15	Will Hannaford	+44 20 7404 7440
Hoggett Bowers	*Type:* Consumer/Industrial/Fin. Svs./Tech. | *Consultants:* 25	Karen Wilson	+44 20 7964 9134
The Inzito Partnership	*Type:* Generalist | *Consultants:* 6	Carol Leonard	+44 20 3327 2030
JD Haspel	*Type:* Financial Services | *Consultants:* 12	James Haspel	+44 20 7367 0616
Korn Ferry	*Type:* Generalist | *Consultants:* 53	Sonamara Jeffreys	+44 20 7024 9480
La Fosse Associates	*Type:* Technology/Digital | *Consultants:* 17	James Parker	+44 20 7932 1632
Lancor	*Type:* Tech./Consumer/Private Equity | *Consultants:* 4	Simon Buirski	+44 20 7290 3814
Leathwaite	*Type:* Financial Services | *Consultants:* 34	Martin Phillips	+44 20 7151 5151
Marlin Hawk	*Type:* Generalist | *Consultants:* 10	Jonathan Hime	+44 20 7786 6000

Firm	Type / Consultants	Contact	Phone
The MBS Group	*Type:* Consumer | *Consultants:* 7	Moira Benigson	+44 77 8590 4212
The Miles Partnership Limited	*Type:* Generalist | *Consultants:* 20	Chris Stainton	+44 20 7495 7772
MWM Consulting	*Type:* Generalist | *Consultants:* 18	Anna Mann	+44 20 7484 1050
Nolan Partners	*Type:* Sports/Media/Entertainment | *Consultants:* 4	Paul Nolan	+44 20 3005 4404
Norman Broadbent	*Type:* Generalist | *Consultants:* 41	Mike Brennan	+44 20 7484 0000
Odgers Berndtson	*Type:* Generalist | *Consultants:* 81	Kester Scrope	+44 20 7529 1111
The Omertà Group	*Type:* Financial Services | *Consultants:* 30	Jason Mort	+44 20 7726 9300
Options Group	*Type:* Financial Services | *Consultants:* 7	David Korn	+44 20 7448 0100
Page Executive	*Type:* Generalist | *Consultants:* 26	Jonathan Wiles	07880 722947
Patterson Irving	*Type:* Insurance | *Consultants:* 2	Rupert Irving	+44 20 3751 9440
Per Ardua Associates Ltd.	*Type:* Financial Services/Real Estate/HR | *Consultants:* 8	Simon Hearn	+44 20 7856 5000
Perrett Laver Ltd.	*Type:* Education/Healthcare/Non-Profit/Arts | *Consultants:* 27	Mark Bishop	+44 20 7340 6200
Principal Search Partners	*Type:* Commod.; Infrastructure; Alt. Invest.; PE | *Consultants:* 9	Paul Chrispin	+44 20 7090 7500
Pure Search	*Type:* Tax/Legal/Finance/Risk & Compliance | *Consultants:* 40	Charles Ferguson	+44 20 7429 4400
Redgrave Partners	*Type:* Generalist | *Consultants:* 12	James Fitzsimmons	+44 20 7806 1610
Rees Draper Wright	*Type:* Advisory/Tech./Operations | *Consultants:* 10	Richard Draper	+44 20 7234 0810
Renaissance Leadership	*Type:* Digital; Technology | *Consultants:* 12	Tony Willis	01628 897310
Ridgeway Partners	*Type:* Generalist | *Consultants:* 7	Sue O'Brien	+44 20 7823 0177
Russell Reynolds Associates	*Type:* Generalist | *Consultants:* 48	Patrick Johnson	+44 20 7839 7788
Sainty, Hird & Partners	*Type:* Fin. and Prof. Services/Legal/Insurance | *Consultants:* 7	Rupert Mathieu	+44 20 7968 4000
Saxton Bampfylde	*Type:* Generalist | *Consultants:* 24	Stephen Bampfylde	+44 20 7227 0800
Sheffield Haworth	*Type:* Generalist | *Consultants:* 25	Tim Sheffield	+44 20 7236 2400
Spencer Stuart	*Type:* Generalist | *Consultants:* 40	Hugh Thorneycroft	+44 20 7298 3333
SRi	*Type:* Sports; Media; Entertainment; Digital | *Consultants:* 8	Jim Chaplin	+44 20 7092 6950
SSQ	*Type:* Legal | *Consultants:* 52	Mark Wagner	+44 20 7187 7400
Stonehaven Search Limited	*Type:* Fin. Services/Tech./Industrial/Retail | *Consultants:* 9	Simon Hall	+44 20 7569 1300
The Up Group	*Type:* Digital | *Consultants:* 8	Clare Johnston	+44 20 3005 5600
Warren Partners	*Type:* Generalist | *Consultants:* 10	Vicky Lawton	+44 20 3170 5653
Wilton & Bain	*Type:* Tech./Professional Services | *Consultants:* 51	David Heron	+44 20 7621 3572
The Zygos Partnership	*Type:* Generalist/Board | *Consultants:* 14	Luke Meynell	+44 20 7881 2900

a) Hunt Scanlon Media estimate Consultant figures represent London office

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Firm Name	Primary Contact	Worldwide Consultants	Owned/Affiliates Worldwide Offices
Agilium Worldwide Fortuny, 3, 2º Derecha, Madrid 28010, Spain	Pedro Nieto +34 915 635 313	158	49
AltoPartners Boulevard 17, 3707 BK Zeist, The Netherlands	Stephen Dallamore +2711728 0105	350	58
Amrop Avenue Lambeau 40, 1200 Brussels, Belgium	Brigitte Arhold +32 2 643 60 00	275	75
Boyden 3 Manhattanville Road, Suite 104, Purchase, NY 10577	Trina Gordon (914) 747-0093	280	66
Caldwell Partners 165 Avenue Road, Toronto, M5R 3S4, Canada	John Wallace (416) 920-7702	78	22
Cornerstone International Group 6008/6F, Novel Building, 887 Huai Hai Road (M), 200020 Shanghai, China	Simon Wan 86 21-6474-7064	225	60
DHR International 71 S. Wacker Drive, Suite 2700, Chicago, IL 60606	Geoffrey Hoffmann (312) 782-1581	188	55
Egon Zehnder Nova South, 160 Victoria Street, SW1E 5LB London, United Kingdom	Rajeev Vasudeva +44 20 7943 1902	440	69
EMA Partners 230 Park Avenue, Suite 1000, New York, NY 10169	Dick Sbarbaro (708) 531-0100	110	38
Glasford International Krijn Taconiskade 430, 1087 HW Amsterdam, The Netherlands	Guy Larivière (514) 978-3946	340	35
Heidrick & Struggles 2001 Pennsylvania Avenue NW, Ste. 800, Washington, DC 20006	Krishnan Rajagopalan (202) 331-4900	417	52
IIC Partners Executive Search Worldwide 300 Park Avenue, New York, NY 10022	Christine Hayward (646) 267-7932	390	55
IMD International Search Group Hardstrasse 201, 8005 Zurich, Switzerland	Matthias Mohr +49 711 78076-50	147	41
International Executive Search Federation (IESF) 1010 Sherbrooke West, Suite 2212, Montreal, QC H3A 2R7, Canada	Normand Lebeau (514) 878-4224 x234	136	50
IRC Global Executive Search Partners Association Ry Italahdenkatu 15-17, FI-00210 Helsinki, Finland	Patrick Westerburger + 31 651 241 603	346	83
Korn Ferry 1900 Avenue of the Stars, Los Angeles, CA 90067	Gary D. Burnison (310) 226-2613	1,066	128
Odgers Berndtson 20 Cannon Street, London, EC4M 6XD, United Kingdom	Richard Boggis-Rolfe +44 20 7529 1111	310	56
Panorama Search 10 Cadillac Drive, Suite 190, Brentwood, TN 37027	Craig Buffkin (615) 988-2582	108	42
Penrhyn International 218 The Strand, London WC2R 1AT, United Kingdom	Donal Watkin +44 20 7268 2067	128	45
Russell Reynolds Associates 200 Park Avenue, New York, NY 10166	Clarke Murphy (212) 351-2000	294	47
Signium 150 N Wacker Drive, Suite 1040. Chicago, IL 60606	Ignacio Bao +34 91 781 52 10	141	44
Spencer Stuart 353 N. Clark, Chicago, IL 60654	Kevin Connelly (312) 822-0080	398	56
The Taplow Group 57 Union Place, Suite 301, Summit, NJ 07901	Steven N. Schrenzel (908) 517-7350	136	33
TRANSEARCH International 33 St. James's Square, London SW1Y 4JS, United Kingdom	Celeste Whatley +44 20 7096 9168	156	58
Ward Howell International One Grand Central Place, 60 East 42nd Street, Suite 2514, New York, NY 10165	Asad Haider (917) 472-7837	123	31

Search Industry Predictions . . .

Milton Hall, President & CEO — Human Capital Consultants

Over the next five years how will recruiting fees change?

"My prediction is search firm fees will remain the same, but with some exceptions. Progressive employers interested in landing talent in specialized disciplines – this being a hard-to-find, limited candidate pool – will present the least resistance to paying search fees that the market bears. However, commoditized positions will be the ones that search firms may have to negotiate on fees. Fueling this theory is the fact that by 2020 nearly 40 percent of the U.S. workforce could be comprised of contract and contingent workers. Employers may opt to reduce search fees and secure some of their talent from this increasing pool of independents."

Larry Hartmann, Chief Executive Officer — ZRG Partners

In the next decade will we see more 'super boutiques' – search firms with annual revenues of more than $75 million?

"Over the next few years we see a meaningful shift in client preferences continuing where the 'Big Five' will lose market share to this class of emerging super boutiques. The exodus of solid search professionals to the new super boutiques will accelerate the trend as industry talent is realizing loyalty is as deep as personal relationships and being 'too large' only exasperates hands-off issues and internal conflicts."

Geoff Hoffman, Chief Executive Officer — DHR International

Will artificial intelligence (the use of algorithms and other e-tools) replace human analysis of candidates?

"The impact of AI has the possibility of becoming substantial over the course of the next 10 years. Many companies are exploring a variety of methods to shorten the duration of a search lifecycle which in turn could save companies and search firms significant amounts of money. However, a consultative relationship will still be required among search firms and clients in order to fully assess and measure an individual's candidacy for a specific role."

Jim Zaniello, President & Founder — Vetted Solutions

In the next five years will all or most search firms be using behavioral assessment tools to assess candidates?

"Most search firms will be using assessment tools either because they have consciously chosen to incorporate it into their process or because their clients have asked them to do so. We have been seeing increased assessment demand over the past few years from our clients and have been partnering with McQuaig – it's an assessment tool that our clients find easy to utilize during the evaluation process as well as part of their onboarding efforts." (cont'd. to page 16)

. . . More Search Industry Predictions

Brian Clarke, Managing Partner — Kensington International

Will the top five search firms look any different five to 10 years from today?

"Yes, and no. The top five will still be here and dominate the market from a revenue perspective – with their brands still highly recognized. But in terms of 'look/feel and lines of business' all five will have formally moved to multiple business lines, with potentially significant sub-brands and new revenue streams. The rationale is simple: Multiple business lines and revenue streams mitigate risk; and sub-brands will give the appearance of the 'boutique shop' – similar to micro-brews."

Jacob Navon, Partner — Westwood Partners

In the next five years will London be supplanted as a leading global financial services hub?

"It is hard to see London being supplanted in the next five years for several reasons: 1) It will probably take more than two years for Brexit negotiations to yield sufficient clarity as to what will ultimately happen; 2) At the margin one can see some operations being moved to Ireland, France or Germany so some associated search activity will move with that; 3) Even if the hub of underlying activity does eventually move, it will take a long time for the market to decide where in Europe to locate. It will be hard to attract non-locals to relocate to Paris, Frankfurt, Dublin or Munich until there is greater certainty as to what will happen."

Jessica Kozloff, President — Academic Search

In the next 10 years will a woman hold the CEO post of any major top five search firm?

"I certainly hope and expect we will see a woman as CEO of one of these firms. We have outstanding examples of successful leaders in the higher education recruitment field, including at least two woman-owned search firms. My confidence is based on these examples and the pipeline theory: As more talented women get into this work, more will gain the experience we see in the higher education sector to move up to the top."

Jay Rosenzweig, Founding Partner — Rosenzweig & Company

In the next five years will LinkedIn be supplanted by another social media platform?

"In today's rapid-paced environment, where disruption is the norm, it is tempting to predict that LinkedIn will be seriously challenged, if not displaced. But that won't be easy. In truth, the greatest threat to LinkedIn is LinkedIn itself, which is not without its imperfections. They could potentially create room for competitors if they don't continuously improve and evolve with the times. In addition, they need to be careful not to monetize the platform too aggressively or allow it to become a forum for trivial, non-business discussions and promotions. But surely LinkedIn knows this – and their owner, Microsoft, knows this as well."