

AMROP HEVER

GLOBAL EXECUTIVE SEARCH



Wherever you do business.

The Amrop Hever Group is a global partnership of entrepreneurial executive search firms. Operating more than 80 locally owned offices in over 50 countries around the globe, we are the world's largest multinational search organization by geographic scope. We speak over 100 languages but always with a single voice.

We offer an ideal balance of global reach and deep-rooted local expertise. Entrepreneurial in spirit and free of corporate hierarchies, we have the flexibility to be more responsive to our clients' unique needs. Our early presence in the emerging markets shows our proactive investor's approach.

Our world-leading research is backed by our rich collective experience and our vast network of contacts crosses all regions, sectors, disciplines and cultures. Our common focus is on understanding priorities, ensuring quality and delivering value while building long-term relationships – wherever you do business.

www.amrophever.com

Argentina • Australia • Austria • Belgium • Brazil • Bulgaria • Canada • Chile • China • Colombia • Czech Republic • Denmark
Ecuador • Estonia • Finland • France • Germany • Greece • Hungary • India • Indonesia • Ireland • Italy • Japan • Latvia
Lithuania • Lebanon • Mexico • Netherlands • New Zealand • Norway • Peru • Philippines • Poland • Portugal • Romania
Russia • Singapore • Slovakia • South Africa • South Korea • Spain • Sweden • Switzerland • Thailand • Turkey
United Arab Emirates • United Kingdom • United States • Venezuela

Member of the AESC

The Largest Search Firms in the World - 2005

By Jason Starr and Pilar Gumucio

It's that time again; *search-consult's* annual review of the largest retained search firms in the World. As always, we have taken the approach of measuring scale in terms of global reach. Simply put, we count the number of offices.

To be more specific, we count the number of offices that are identified primarily from retained search firms and exclusively from firms that are actively involved in Human Resources. If a search business is formally a subsidiary of a larger group (i.e., A.T. Kearney Executive Search is genuinely separate to A.T. Kearney Management Consulting) then it may be included, but only those offices providing search services will be considered for the count.

Rightly or wrongly, this approach excludes lower level recruiters that 'dabble' in retained search, looser networks that provide services beyond human resources and most of the management consulting firms. It does, however, give us a list of fairly well recognised search firms.

The survey methodology is to ask firms to provide a breakdown of offices on this basis. *search-consult*

then randomly checks a sample of these responses. For those firms who do not provide data, we endeavour to do a manual count through information sourced elsewhere. If a firm specifically asks not to be included, we respect this request.

Many may argue that due to modern communications and specialist external researchers, a search firm does not necessarily need to set up an office in a particular country to be able to recruit candidates from that country. Nevertheless, executive search implies much more than just sourcing candidates. A profound understanding of the local business culture and legal framework, fully comprehending the latest trends and compensation packages, the advantages and challenges the local market may have, as well as where to source and how to find the right candidate is much more effective when a full-time, locally-based search consultant performs these activities.

As globalisation spreads, in conjunction with clients and search firms' business evolving from a simple transaction to more of a trusted

adviser and strategic partner, the demand to offer clients and candidates a consistent and truly global reach is paramount.

Within this context, our survey not only provides a macro panorama of the number of firms that operate on a global basis but also allows us to provide a more detailed regional focus, identifying specific firms that are stronger in certain parts of the world – something that few revenue based evaluations can provide.

So, enough with the presentation... onto the results:

THE WINNER IS ...

The largest retained executive search organisation in the world, by the number of offices, remains the **Amrop / Hever Group**. The network has grown from 79 offices last year to 83 this year – and remains some distance ahead of the rest. Their business is spread across 51 countries and achieved revenues last year of around \$150 Million.

Gerard Nauwelaerts, Executive Director of Amrop Hever reports: "Being the largest network in the world gives a feeling of strength,

The Largest Executive Search Firms in the World - 2005.

NO	NAME	N AMERICA	OTHER AMERICA	EUROPE	SE ASIA	OTHER	TOTAL
1	Amrop Hever Group	10	11	43	18	1	83
2	AIMS	7	6	45	9	1	68
3	Korn/Ferry	22	10	19	16	0	67
4	INAC	0	4	52	5	2	63
5	IESF	5	6	23	27	1	62
6	Boyden	13	6	26	14	1	60
7	Egon Zehnder	11	6	29	13	0	59
	Heidrick & Struggles	18	7	22	11	1	59
	Stanton Chase	13	9	17	20	0	59
8	The Taplow Group	11	7	28	11	0	57
9	Transearch Int	9	5	26	8	2	50
10	Spencer Stuart	17	5	19	7	1	49
	Ray & Berndtson	7	6	30	5	1	49
11	DHR International	39	1	2	2	0	44
12	Intersearch	2	3	27	8	3	43
	AEA Int Search	8	3	27	4	1	43
13	EMÄ Partners	11	5	22	4	0	42
14	IMD	2	0	25	8	0	35
15	Horton International	2	3	21	8	0	34
	IRC	2	0	31	1	0	34
16	Russell Reynolds	12	2	13	6	0	33
17	World Search Group	10	0	13	6	1	30
18	AT Kearney	11	1	12	4	0	28
	Signium	3	1	18	6	0	28
	CFR	0	0	27	1	0	28
19	Neumann	0	0	23	0	0	23
20	Penrhyn	2	4	11	3	0	20
	Accord Group	0	1	13	5	1	20
	TOTAL	247	112	664	230	17	1270

TABLE 1: The Amrop Hever Group leads globally

confidence and pride. But, as for every number 1, complacency is the capital sin not to commit."

He explains how "neither our 150 million USD combined turnover, nor our geographical lead position give us any competitive advantage beyond the front door. Our real competitive advantage lies in our 'entrepreneurial corporation', which combines seamless collaborative work, a relentless pursuit to quality and the enjoyment of a truly global, multicultural and inspiring partnership. Being the best network for our clients, our consultants and our researchers is our simple but ambitious aim."

The survey has previously noted that Amrop / Hever was particularly strong in Europe and South America, but was somewhat vulnerable in the US. The addition of Battalia Winston this year will certainly resolve any remaining doubts.

AIMS takes the number two position from Korn/Ferry while Heidrick & Struggles – in revenue terms, usually found contending with Korn/Ferry for the number 1 slot, is in

8th place, having moved down from 6th in 2004.

REVEALING FOR THE AMERICAS

In North America (which entails Canada and the United States), **DHR International** remains the largest search firm with offices in 39 locations. During the year, the Chicago-based firm opened offices in Boston, Houston, San Francisco and Salt Lake City while also recently acquiring Los Angeles-based Colleen Hulce Executive Search and is continuously adding a number of consultants.

"Our many US office locations are a means to best serve our client base. The demand for senior-level executives is rapidly increasing, and as a response to this growth in the economy, DHR has been aggressively expanding. We continue to acquire search firms, and hire professional and seasoned search consultants. Our office locations are in key markets throughout the United States, as well as internationally with wholly owned offices in Hong Kong, Tokyo, London, Brussels, and Mexico City," says David

Hoffmann, Chairman and CEO, DHR International.

Korn/Ferry holds the number two position with 22 offices, while Heidrick & Struggles moves up to third with 18 offices.

The top spot in Other America, which consists of offices based in Central and South America, has gone to **Amrop/Hever** for another consecutive year. Korn/Ferry and Stanton Chase International take second and third place respectively.

ANNOUNCING FOR EUROPE

INAC – The International Network of Associated Consultants takes pole position in Europe. This group is actually relatively small in terms of numbers – just 22 members – but many of these members boast offices in more than one country and this, along with a very strong reputation in Europe earns them pole position.

Clive Miéville, CEO of INAC, adds: "What characterises INAC is its owner-manager involvement in each country. Every client knows that the consultants he's dealing with will not be an anonymous entity but a clearly identified face! INAC consultants have expert local knowledge of their market and, through the network, allow their clients to take advantage of global expertise."

He states, "Since INAC is of European inspiration, and therefore different in nature to the Anglo-Saxon giants, we are delighted to know that our coverage of the European markets is obtaining recognition. INAC also has representatives in Asia, the Americas and Australasia."

AIMS and Amrop Hever are also very strong in Europe, with 45 and 43 offices respectively. AIMS has a good spread of offices across the continent, and are particularly strong in the emerging market that was formerly known as Eastern Europe.

REPORTING FOR ASIA PACIFIC

IESF takes the crown in Asia Pacific, boasting 27 offices in this

Leading Executive Search Firms in Respective Regions.

NO	NAME	N AMERICA	OTHER AMERICA	EUROPE	SE ASIA	OTHER	TOTAL
1	DHR International	39	1	2	2	0	44
2	Korn/Ferry	22	10	19	16	0	67
3	Heidrick & Struggles	18	7	22	11	1	59
4	Spencer Stuart	17	5	19	7	1	49
5	Boyden	13	6	26	14	1	60
	Stanton Chase	13	9	17	20	0	59

Table 2: DHR International leads in North America

NO	NAME	N AMERICA	OTHER AMERICA	EUROPE	SE ASIA	OTHER	TOTAL
1	Amrop Hever Group	10	11	43	18	1	83
2	Korn/Ferry	22	10	19	16	0	67
3	Stanton Chase	13	9	17	20	0	59
4	Heidrick & Struggles	18	7	22	11	1	59
	The Taplow Group	11	7	28	11	0	57
5	Egon Zehnder	11	6	29	13	0	59
	AIMS	7	6	45	9	1	68
	IESF	5	6	23	27	1	62
	Ray & Berndtson	7	6	30	5	1	49
	Boyden	13	6	26	14	1	60

Table 3: The Amrop Hever Group leads in Central & South America

NO	NAME	N AMERICA	OTHER AMERICA	EUROPE	SE ASIA	OTHER	TOTAL
1	INAC	0	4	52	5	2	63
2	AIMS	7	6	45	9	1	68
3	Amrop Hever Group	10	11	43	18	1	83
4	IRC	2	0	31	1	0	34
5	Ray & Berndtson	7	6	30	5	1	49

Table 4: INAC leads in Europe

NO	NAME	N AMERICA	OTHER AMERICA	EUROPE	SE ASIA	OTHER	TOTAL
1	IESF	5	6	23	27	1	62
2	Stanton Chase	13	9	17	20	0	59
3	Amrop Hever Group	10	11	43	18	1	83
4	Korn/Ferry	22	10	19	16	0	67
5	Boyden	13	6	26	14	1	60

Table 5: IESF leads in the Asia Pacific region

region. This firm operates on the principle of one member firm per country. They believe that this philosophy allows the firm to offer international clients the highest level of commitment.

IESF Joint President, Mark Geary, who is based in Hong Kong, comments: "The International Executive Search Federation (IESF) is delighted to learn that it is confirmed as the No 1 executive search and selection partnership in Asia Pacific and No 5 globally by *search-consult*."

He adds: "What has spurred the growth in IESF is getting back to the basics of global executive search and selection networks. Some erstwhile famous groups have chosen to go public and in the drive for revenues

have lost their focus and identity as they diversified from executive search into other consulting activities, which has confused clients. IESF went back to the basics of partnership – one member per country, new members serving a probation period before being 'elected' into membership by the rest of the members, keeping services focused on executive recruitment and keeping running costs down. Several new members joined IESF from other groups tired of paying high fees and seeing very little global activity resulting. Clients are also looking for re-assurance about delivery - all our member firms are privately owned, a factor that also appeals to too many of our clients as they know if we don't deliver we don't eat."

Stanton Chase, Amrop / Hever and Korn/Ferry have also ranked strongly in Asia Pacific, with 20, 18 and 16 offices respectively.

IN CONCLUSION

Overall, it is interesting to note that, despite the booming search environment which we are now enjoying, the actual number of offices boasted by the top 5 firms is essentially stable. This probably reflects that the upper echelon of the industry – at least as defined by these criteria – is dominated by the networks (as opposed to the integrated firms) and the networks are all fighting for the same members. This tends to mean that while firms may move between networks, the total number of offices remains roughly the same.

What is also noticeable is the difference between the 'big hitters' in the US and in Europe. Only one firm – Korn/Ferry International – makes the top 5 lists for both regions. As the market for executive search becomes increasingly global, firms will find it increasingly important to find cross-atlantic alliances. This may mean high quality boutiques making strategic alliances, firms consolidating and even partnerships between networks are possible. Remember that in 2002 Amrop / Hever was formed from two individual networks. Organisations that have a strong presence in one region could certainly wish to co-operate with firms that have a strong presence in another region that will serve to enhance both of these organisations' assets.

Any ranking of search firms will be controversial. The criteria for selection and the criteria for ranking are both fairly arbitrary and, as such, we await and welcome your feedback!

www.search-consult.com

For more information, contact:

Web: www.search-consult.com