

Human Capital News Update

INTERVIEW: AGILIUM WORLDWIDE CHAIRMAN DISCUSSES EVOLVING RECRUITING INDUSTRY

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Agilium Worldwide, LLC (formerly World Search Alliance) is an international strategic group of independent, owner managed retained executive search firms with members in virtually every market around the world. Founded in 1984, the Group now has 28 members in 25 countries worldwide. The Group's new chairman is F. Xavier de Zamacona of DeZaSearch, Mexico City who replaced Jim Carlisle of Western Management Consultants in Toronto. Mr. de Zamacona worked for many years with IBM Corporation. He subsequently held senior personnel, business development and consulting positions with Bank of America in San Francisco, and Hewlett Packard, DHR International and Russell Reynolds Associates in Mexico. He established his own recruiting practice in 1991 in association with DHR and in 1998 rebranded as DeZaSearch (Executive Source Latin America) specializing in the high technology field of the financial and industrial sectors. In the following interview Mr. de Zamacona discusses the executive search industry and the current and lasting effects the economy will have on it.

How has the economic climate changed for you this past year?

It has slowed down the actual search activities of our member firms worldwide considerably, with some significant exceptions like Brazil and China. Some firms have cut staff and/or moved administrative staff to part time status. However, many new business opportunities have been explored and several new potential client relationships were developed not only at the local level, but internationally as well.

Do you think the economic climate has improved in the last three months – and do you think the recruiting industry has bottomed out or are markets still declining?

Yes, we believe the economic climate has improved in the last several months, as the number of ongoing searches reported from a representative sample of member firms as of January 2010 is a 12 percent increase over the number of closed searches from the same group reported between October through December 2009. Significantly more searches and potential searches are being reported as of February 2010 as the first quarter of this year progresses.

What is your forecast for the economy in the next six months and in the next year?

We see a gradual improvement and a slow and more cautious recovery. We are optimistic about future growth in the business environment, however growth will be faster in some geographic regions than in others.

For 2010 do you believe overall demand for recruiting and human capital services will increase, decrease, or remain flat – and what are the key drivers contributing to this trend?

We believe that overall demand should increase in 2010, albeit slowly. Contributing to this trend is the increase of shared searches worldwide as more and more clients become more global in reach. We also see Latin America becoming a stronger region where executive search is growing mainly in Brazil, due to the influx of multinational expansions, particularly in agribusiness and energy sectors. Another driver of this trend is the mindboggling growth in almost every sector of the economy in China.

What sectors do you think are showing the best improvement and which industries or sectors do you think are showing the least improvement?

The best improvements have come with the energy & natural resources, life sciences/health care and not-for-profit. We have seen the least improvement in financial services. Globally, there seems to be an increased demand in small to medium size entrepreneurial companies, not industry specific.

What do you see happening globally – which worldwide regions are up and which are down or declining?

The South/Latin America region is growing. And the Asia market, particularly China and in some sectors, India, are also up. The European community especially Spain is the softest region; and North America is slowly crawling forward.

How do you see 2010 shaping up; what industries do you see rebounding first and which industries might lag the recovery?

The entrepreneurial sector and those across the board. Customers demand leaner, quicker and more economical alternatives.

What lasting effects do you think this long recession might have on executive search in the U.K. and globally?

As with past recessions, search firms that do not have strong roots in the market will not survive. The rest will become leaner. History repeats itself, although one hopes that we learn to be more patient, considerate, less greedy and more effective.

How does Agilium Worldwide expect to stand of this recession?

We at Agilium Worldwide expect to come out of this recession strengthened in our membership. We have added solid firms in China and Spain. We have also used this slow economic period of 2009 as an opportunity to look introspectively at ourselves for new vision and to set goals for our organization for this new decade and beyond. One of the outcomes of this introspection was the rebranding of our organization to the name Agilium Worldwide – Executive Search Group.

Some of your colleagues have discussed client-driven pressure to reduce headhunting fees -- what are you seeing?

We are seeing some of this but at the same time, we are offering other creative ways of bundling or unbundling different services. Being small entrepreneurial firms and a small and agile network of members, we are able to respond to their unique needs in a way that sees us a partner with them in their businesses. Our objective is to be able to add value in other ways to our clients overall, and to be their trusted advisors. Fees will be and should be under scrutiny. We as suppliers have to always ask ourselves, are we giving value for money?